



# METAL MARKET REPORT

Monthly Market intelligence for Customers of United Performance Metals

## January 2014

### Purchasing Managers Index

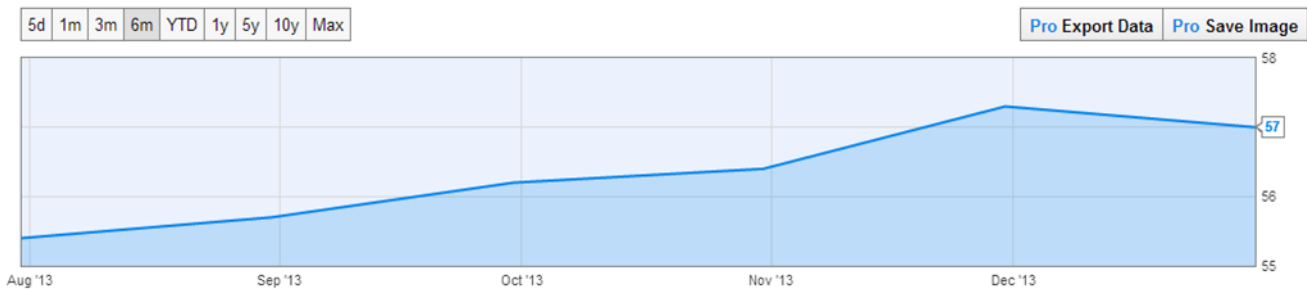
Economic activity in the manufacturing sector expanded in December for the seventh consecutive month, and the overall economy grew for the 55th consecutive month, say the nation's supply executives in the latest Manufacturing ISM Report On Business®. The PMI™ registered 57 percent, the second highest reading for the

year, just 0.3 percentage points below November's reading of 57.3 percent. Of the 18 manufacturing industries, 13 are reporting growth in December in the following order: Furniture & Related Products; Plastics & Rubber Products; Textile Mills; Apparel, Leather & Allied Products; Computer & Electronic Products; Paper Products; Transportation Equipment; Pri-

mary Metals; Fabricated Metal Products; Wood Products; Printing & Related Support Activities; Food, Beverage & Tobacco Products; and Miscellaneous Manufacturing. The four industries reporting contraction in December are: Nonmetallic Mineral Products; Machinery; Chemical Products; and Electrical Equipment, Appliances & Components.

US Purchasing Managers Index Chart

[View Full Chart](#)

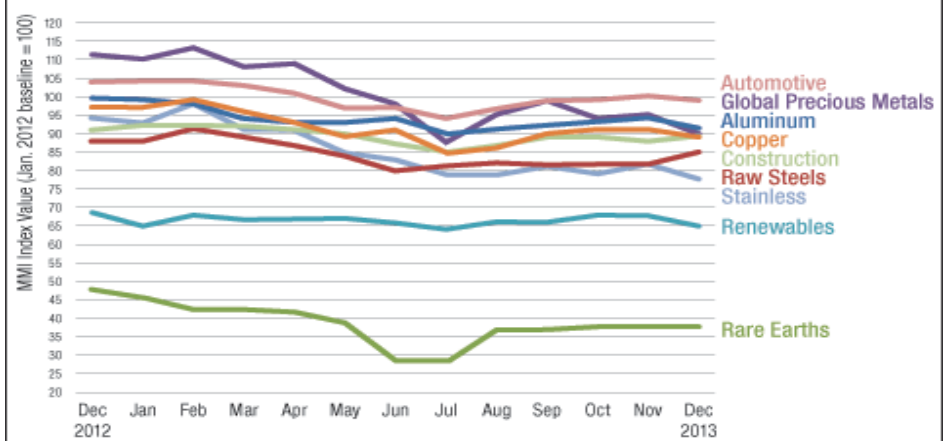


US Purchasing Managers Index Historical Data

### Steel Capacity Utilization

In the week ending December 21, 2013, domestic raw steel production was 1,733,000 net tons while the capability utilization rate was 72.3%. Production was 1,785,000 net tons in the week ending December 21, 2012, while the capability utilization then was 71.7%. The current week production represents a 2.9% decrease from the same period in the previous year. Production for the week ending December 21, 2013 is down 4.7% from the previous week ending December 14, 2013 when production was 1,818,000 net tons and the rate of capability utilization was 75.9 percent. Adjusted year-to-date production through December 14, 2013 was 94,085,000 net tons, at a capability utilization rate of 77.0%. That is a 1.4% decrease from the 95,464,000 net tons during the same period last year, when the capability utilization rate was 75.2 percent. Broken down by districts, here's production for the week ending December 21, 2013 in thousands of net tons: North East: 202; Great Lakes: 636; Midwest: 251; Southern: 560 and Western: 84, for a total of 1,733. Source: Steelworks AISI 12.13

One-Year MMI Trends



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## Stainless

- Outokumpu Stainless USA LLC has lowered its stainless steel surcharges across most nickel-bearing grades for January, with slight increases in raw material extras across the 400 grades.
- Outokumpu will increase base prices for the coil products by 50 euros per tonne in the European market. In addition, prices for long products in Europe will increase by 50 euros per tonne for stainless bar and 100 euros per tonne for rod coil. The price increases will become effective as of January 1, 2014 for new orders from both mills and service centers.
- AK Steel Corp. is increasing base prices for all of its stainless steel products effective January 1.

## Aluminum

- Aluminum headed for the biggest gain since July, pacing gains in industrial metals, as the dollar weakened.
- Prices for secondary aluminum smelters' scrap were mostly steady December 30 as sources said that upticks on the London Metal Exchange weren't being reflected in secondary pricing because of a "limited holiday trading schedule."

**For a listing of current Stainless Steel, Cobalt Alloy and High Temp Surcharges, visit [www.upmet.com](http://www.upmet.com)**

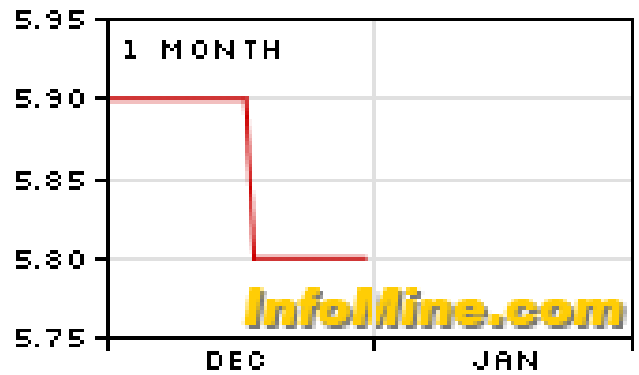
## Titanium

- A key titanium surcharge fell at a fast rate in the fourth quarter after easing slightly for the past three months.

## Nickel & Alloys

- European stainless steel alloy surcharge levels for January have fallen by \$32-\$56 per tonne on weaker month-on-month nickel, data released by the biggest producers showed on December 30.

**FERRO TITANIUM PRICE**  
5.80 USD/KG  
31 DEC '13



**NICKEL PRICE**  
6.34 USD/LB  
31 DEC '13



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