

The UPM Market Informer

Monthly Market Intelligence for Customers of United Performance Metals

January 2015

Manufacturing Boom Expected in 2015

Manufacturing growth over the past several years has been minimal. 2015 will launch a new wave of domestic manufacturing, as the industry sees broader growth. One reliably strong trend has been the national Purchasing Managers Index, which stood at 58.7 in November 2014. Rooted in a solid expansion of manufacturing activity, this index allows us to look forward and reasonably expect between 4% and 5% growth in domestic manufacturing. However, manufacturing employment won't grow at that same rate because facilities and operations have become far more productive and efficient. *Source: Industry Week 12.17.14*

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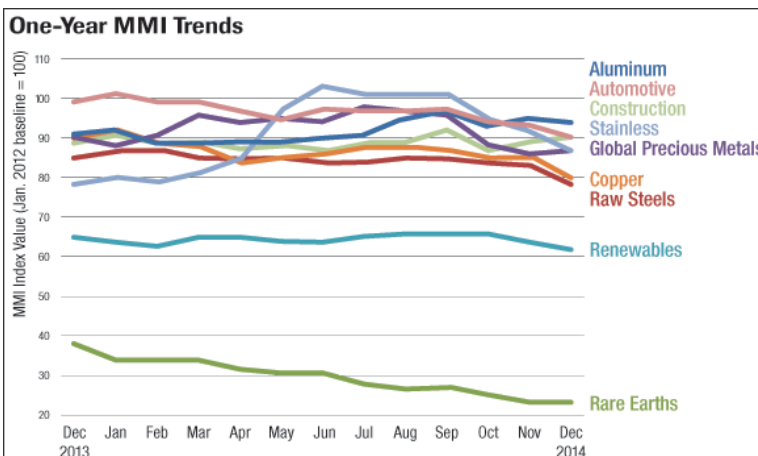
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Price Announcement from ATI Flat Rolled Products

Effective with orders acknowledged beginning on January 5, 2015, ATI Flat Rolled Products is increasing base selling prices by 4% to 6% for nickel-based alloys and specialty stainless alloys in the plate product form, including, but not limited to, the following alloys: ATI 20™, ATI 22™, ATI 36™, ATI 59™, ATI 200™, ATI 201™, ATI 263™, ATI 276™, ATI 400™, ATI 600™, ATI 601™, ATI 625™, ATI 718™, ATI X-750™, ATI 800™, ATI 825™, ATI HX™, ATI 17-7™, ATI 15-7™, ATI 17-4™, ATI 15-5™, and ATI 13-8Mo™. *Source: ATI Flat Rolled Products 12.19.14*

Predicted Capital Expenditures 2015 vs. 2014

Purchasing and supply chain executives expect capital expenditures to increase 3.7% in 2015. The 35% of respondents who predict increased capital expenditures in 2015 indicate an average increase of 26.6%, while the 21% who said their capital spending would be reduced predict an average decrease of 27.8%. The 13 industries predicting increases are: Textile Mills; Electrical Equipment; Appliances & Components; Food, Beverage & Tobacco Products; Non-metallic Mineral Products; Wood Products; Transportation Equipment; Plastics & Rubber Products; Printing & Related Support Activities; Chemical Products; Apparel, Leather & Allied Products; Miscellaneous Manufacturing; Primary Metals; and Paper Products. *Source: Institute for Supply Management 12.9.14*



Application Briefs

United Performance Metals has over 30 years of experience servicing the needs of diverse industries and applications. Over the years we've tailored our approach to the specific needs of our customer's requirements. Find out more about your application by visiting our website and viewing our applications briefs. <http://bit.ly/1mpGkDV>



Aerospace Engine Applications

United Performance Metals stocks the materials required to produce aerospace engine parts. Our specialized alloys yield strong, lightweight, corrosion-resistant components which are able to withstand intense temperature variations.



Type	Material	Industry/ Application
Brackets	625, 321 & 718	Aerospace Engine
Casings & Rings	718, 263, 625, Alloy X, X750 & A286	Aerospace Engine
Combustors & Liners	718, Alloy X, L605, 188, N06230 & 263	Aerospace Engine
Compressor & Turbine	718, Alloy X, A286, Jethete, 17-4PH & 410	Aerospace Engine
Exhaust Cones, Mufflers & Thrust Reversers	718, 625, X750 & Alloy X	Aerospace Engine
Fan: Disks, Rotor, Blades & Casings	Ti 6-4 & Ti 6-2-4-2	Aerospace Engine
Fasteners	718, 17-7 & A286	Aerospace Engine
Honeycomb, Bellows, Insulation & Tubing	Ti 6-4, Ti 6-2-4-2, 718, 600, 625, Alloy X & A286	Aerospace Engine
Shims & Seals	L605, 188, 718, 625, Alloy X & A286	Aerospace Engine
Shafts, Gears & Bearings	718	Aerospace Engine
Vane Stock	600, 625 & 718	Aerospace Engine

United Performance Metals is a certified and regularly audited AS9100 organization. We purchase only prime materials from leading mill sources. Additionally, our materials can be certified to popular industry standards like AMS, ASTM, MILS and others. View our certifications on upmet.com : <http://bit.ly/13uPuaJ>

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Stainless Steel & Cobalt Alloy Surcharge Totals
 October 2014—January 2015
 High Temp Surcharge Totals
 October 2014—March 2015

Grades	Oct	Nov	Dec	Jan	Feb	Mar
15-5	0.6055	0.5532	0.5183	0.5320	*	*
15-7	0.9654	0.8214	0.7521	0.7738	*	*
17-4	0.5844	0.5375	0.5059	0.5164	*	*
17-7	0.8130	0.7196	0.6637	0.6989	*	*
18SR	0.2681	0.2599	0.2451	0.0833	*	*
201	0.5992	0.5407	0.5024	0.5233	*	*
301 7.0%	0.8090	0.7176	0.6632	0.7377	*	*
302/304/304L	0.8845	0.7818	0.7216	0.7607	*	*
304-8.5%	0.9225	0.8139	0.7507	0.7923	*	*
305	1.1926	1.0427	0.9596	1.0185	*	*
309	1.2216	1.0718	0.9893	1.0481	*	*
310	1.7701	1.5376	1.4156	1.5089	*	*
316/316L	1.2479	1.0626	0.9738	1.0127	*	*
317L	1.4544	1.2280	1.1254	1.1641	*	*
321	0.9518	0.8373	0.7712	0.8152	*	*
347	1.2192	1.1048	1.0388	1.0828	*	*
409/409 Mod	0.2162	0.2079	0.1919	0.1918	*	*
410/410S	0.2228	0.2143	0.1986	0.1984	*	*
430	0.2601	0.2518	0.2368	0.2365	*	*
434	0.3457	0.3152	0.2939	0.2898	*	*
439	0.2679	0.2597	0.2448	0.2445	*	*
440A	0.2601	0.2518	0.2368	0.2365	*	*
2205	1.0530	0.8947	0.8254	0.8358	*	*
2507	1.1244	0.9572	0.8838	*	*	*
20	3.1115	3.1711	3.0855	2.9699	2.4911	2.4627
263	6.8900	6.5976	6.6404	6.4026	5.4841	5.3508
276	7.6392	7.5358	7.3927	7.0490	5.9081	5.8131
A286	2.1120	2.1594	2.0983	2.0213	1.6852	1.6621
330	2.7194	2.8115	2.7233	2.6309	2.1918	2.1727
400	5.0800	5.2890	5.1104	4.9206	4.1084	4.0801
600	5.4747	5.6638	5.4787	5.2848	4.3779	4.3518
601	4.6434	4.7999	4.6488	4.4904	3.7453	3.7231
625	7.3307	7.3493	7.2024	6.9453	5.9882	5.9282
718	6.6058	6.6878	6.5603	6.3880	5.6714	5.6361
X-750	5.9433	6.1274	5.9474	5.7590	4.8771	4.8517
800H/HT	2.9900	2.5391	2.4627	2.3826	1.9994	1.9814
825	3.5613	3.6146	3.5173	3.3765	2.8085	2.7751
HX	4.9729	4.9650	4.8538	4.6281	3.8182	3.7574
188	8.4000	7.6000	7.5000	*	*	*
L-605	9.0400	8.2700	8.1400	*	*	*

*Surcharge currently not available

Rig Count Overview & Summary Count Source: Baker Hughes

Area	Last Count	Count	Change from Prior Count	Date of Prior Count	Change from Last Year	Date of Last Year's Count
U.S.	December 19, 2014	1875	-18	December 12, 2014	+107	December 19, 2013
Canada	December 19, 2014	391	-40	December 12, 2014	-7	December 19, 2013
International	November, 2014	1324	+16	October, 2014	+13	November, 2013



Titanium Surcharge update

The current raw material surcharges are effective with shipments during the current quarter (Quarter 4, 2014) for standard products. *Source—ATI Specialty materials 12.22.14*

Titanium Alloy	Standard Surcharge		
	Bar	Billet	Flat
ATI 6-4 Alloy	\$5.19	\$4.73	\$5.19
ATI 6-4 ELI Alloy	\$5.19	\$4.73	\$5.19
ATI CP Grade 1	\$4.96	\$4.52	\$4.96
ATI CP Grade 2	\$3.70	\$3.37	\$3.70
ATI CP Grade 4	\$3.70	\$3.37	\$3.70

Mill Lead Times

Stainless cold rolled - 14 weeks

Stainless plate - 8 weeks

Nickel cold rolled - 15 weeks

Nickel plate - 10 weeks

