

The UPM Market Informer

Monthly Market Intelligence for Customers of United Performance Metals

July 2014

ATI Stainless Price Increase

NATRONA HEIGHTS, PA, JUNE 13, 2014—Effective with July 7, 2014 shipments, Allegheny Technologies Inc. ATI Flat Rolled Products will increase the following:

- Base selling prices for all grades of cold-rolled sheet and strip, tubular quality sheet and strip, Precision Rolled Strip® products.
- Base selling prices for continuous-mill-plate (CMP) and hot-rolled sheet products by \$0.04/lb. for all grades.
- Base selling prices for all emission control alloys by \$0.02/lb.
- Polish prices for all grades by reducing the effective polish discounts by 10 percentage points.

United Performance Metals expects AK Steel and Outokumpu to increase base prices for commodity grade stainless by approximately 7% - 9% in July, 2014.

In This Issue

- Price Announcements
- Nickel Trends
- Manufacturing News
- Website Update
- Rig Count
- July Surcharges
- Blog Spotlight

LME Nickel Settlement 6 Months - \$/LB

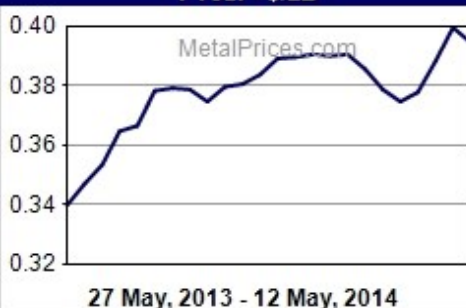


Supply Disruptions Cause Sharp Rise in Nickel Prices

VANCOUVER, BRITISH COULMBIA—JUNE 23, 2014 - In 2014, nickel price gains have outpaced those of gold, silver and copper. Seventy-five percent of the global nickel supply is used in Stainless Steel and Super Alloys which, in turn, are utilized in the construction industry and in many of the consumer goods we use every day. As countries continue to build and people become wealthier, nickel demand will continue to grow. With 170,000 Chinese peasants moving from the country to the city per day—increasing nickel demand looks like a solid bet as China is responsible for 45% of global demand.

Nickel prices are benefitting from a looming supply deficit due to a nickel ore export ban in Indonesia—which currently supplies 20% of the global market. Source—Globe Newswire

SteelBenchmarker Cold Rolled USA - East of the Mississippi 1 Year - \$/LB





Manufacturing Expands for the 12th Straight Month

The manufacturing sector has been expanding for a full year, as the PMI for May registered 55.4 percent, reports the Tempe, Arizona-based Institute for Supply Management. The May reading was 0.5 percentage points better than April's.

ISM's monthly survey of purchasing managers shows that the manufacturing sector has expanded for 12 straight months and the overall economy has grown for five full years. Of the 18 manufacturing industries polled, 17 reported growth in May, including fabricated metal products, primary metals, machinery and miscellaneous manufacturing. No industries reported contraction in May. The average PMI from January to May of 53.7 percent corresponds to a 3.5 percent increase in real GDP on an annualized basis.

In other finding, the New Orders Index grew 1.8 percentage points to 56.9 percent and the Production index increased 5.3 percentage points to 61.0 percent. Employment grew for the 11th consecutive month. Source—Metal Center News

Copper Trading Higher

Copper traded near its highest in two weeks, underpinned by a pledge from Chinese authorities to support growth and by a lack of immediate supply. The market is looking past weakness in China's vast property sector to focus on easier liquidity conditions in the world's top user of the metal, one analyst reported.

LME copper rose 0.45 percent to \$6,735 a tonne in official rings, its highest since June 6, after closing little changed in the previous session. Source—Metal Center News

Energy E&P Spending to Rise 6%

June 18 (Reuters) - Oil and gas companies will increase exploration and production (E&P) spending by 6 percent to \$712 billion this year, despite a slight pullback in spending by industry majors, Barclays says.

Spending by major oil companies is expected to remain flat this year, Barclays said in a report on Wednesday. The bank earlier said it had expected spending to rise by nearly 3 percent.

The big oil companies, Exxon Mobil Corp, Chevron Corp, Royal Dutch Shell Plc, Total SA and BP Plc, are under pressure from investors to keep a tight lid on spending after years of record spending on major projects.



**Stainless Steel & Cobalt Alloy Surcharge
Totals March 2014—July 2014
High Temp Surcharge Totals March**

Grades	Mar	Apr	May	June	July	Aug	Sep
	3/1/14-3/31/14	4/1/14-4/30/14	5/1/14-5/31/14	6/1/14-6/30/14	7/1/14-7/31/14	8/1/14-8/31/14	9/1/14-9/30/14
15-5	0.5123	0.5266	0.5549	0.6058	0.6052	*	*
15-7	0.7344	0.7639	0.8630	0.9955	1.0218	*	*
17-4	0.5033	0.5148	0.5382	0.5828	0.5829	*	*
17-7	0.6261	0.6632	0.7239	0.8239	0.8191	*	*
201	0.4831	0.5070	0.5446	0.6048	0.6024	*	*
301 7.0%	0.6274	0.6626	0.7211	0.8186	0.8143	*	*
302/304/304L	0.6776	0.7194	0.7858	0.8967	0.8914	*	*
304-8.5%	0.7036	0.7481	0.8183	0.9360	0.9302	*	*
305	0.8895	0.9526	1.0486	1.2144	1.2051	*	*
309	0.9164	0.9802	1.0759	1.2420	1.2332	*	*
310	1.2958	1.3972	1.5447	1.8068	1.7910	*	*
316/316L	0.9318	0.9803	1.1051	1.2857	1.3088	*	*
317L	1.0820	1.1345	1.2882	1.5039	1.5417	*	*
321	0.7214	0.7684	0.8423	0.9669	0.9603	*	*
347	0.9889	1.0359	1.1097	1.2343	1.2277	*	*
409/409 Mod	0.2054	0.2033	0.2110	0.2119	0.2136	*	*
410/410S	0.2115	0.2095	0.2173	0.2181	0.2200	*	*
430	0.2462	0.2451	0.2524	0.2536	0.2563	*	*
434	0.3082	0.3059	0.3295	0.3466	0.3609	*	*
439	0.2533	0.2525	0.2597	0.2610	0.2638	*	*
440A	0.2462	0.2451	0.2524	0.2536	0.2563	*	*
2205	0.8160	0.8392	0.9498	1.0870	1.1314	*	*
2507	0.8682	0.8966	1.0085	1.1592	*	*	*
20	2.1083	2.1462	2.1931	2.2135	2.4739	2.8367	3.2596
263	5.3500	5.9300	6.4200	7.0300	*	*	*
276	5.2624	5.3036	5.4269	5.4587	5.9637	6.8695	7.8477
A286	1.4059	1.4342	1.4660	1.4787	1.6712	1.9258	2.2204
330	1.7870	1.8266	1.8655	1.8909	2.1641	2.4900	2.8812
400	3.4585	3.5430	3.6136	3.6310	4.0596	4.6484	5.3889
600	3.5560	3.6308	3.7019	3.7546	4.3286	5.0014	5.8135
601	3.0568	3.1199	3.1826	3.2308	3.7007	4.2528	4.9206
625	5.3209	5.3725	5.4625	5.4996	5.9898	6.7366	7.5714
718	5.0920	5.1423	5.2065	5.2420	5.6504	6.1958	6.8286
X-750	4.0761	4.1491	4.2186	4.2705	4.8286	5.4828	6.2727
800H/HT	2.2200	2.4900	2.7900	3.1900	*	*	*
825	2.3657	2.4057	2.4604	2.4856	2.7938	3.2283	3.7283
HX	3.2723	3.3091	3.3920	3.4314	3.8272	4.4625	5.1582
188	7.7600	8.2700	8.2600	8.2900	*	*	*
L-605	8.5800	9.0800	8.8800	8.6800	*	*	*

UPM Website
www.upmet.com

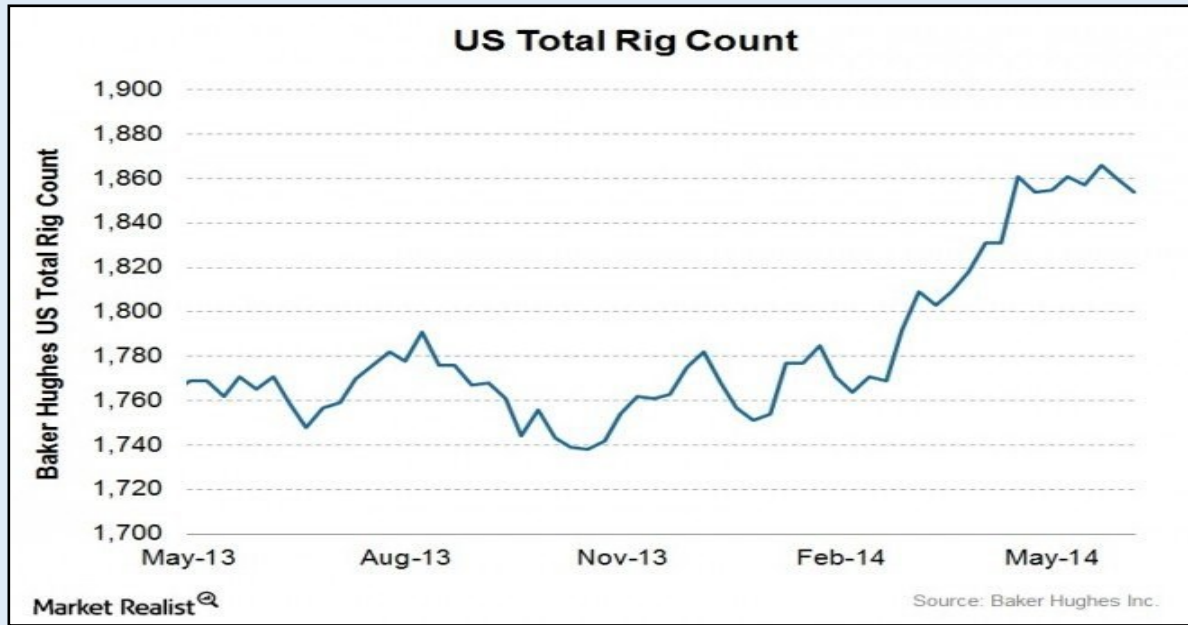
**Welcomes New
Visitors from SW**

CHRG Metals officially became a division of United Performance Metals in October, 2013. CHRG had previously operated as a division of O’Neal Steel. As a supplier of corrosion and heat resistant stainless and nickel alloys in sheet and plate, the transition placed both companies in a position to bring their customers additional products and services.

Beginning in July, 2014, the current CHRG Metals website, www.chrgmetals.com will redirect visitors to its new home www.upmet.com. The company will be referred to as United Performance Metals.

The complete product listing and FIRSTCUT® Services for United Performance Metals can be found on www.upmet.com and will include specialty stainless steel, duplex stainless steel, nickel alloys and cobalt alloys along with information on precision shearing, hi-definition plasma cutting, slitting, edging, cut-to-length/leveling, water jet cutting, laser cutting and precision sawing.

**View past issues of
the
UPM Market
Informer:
[http://
bit.ly/1haedRF](http://bit.ly/1haedRF)**



US Rig Count Dipped Slightly, But Up 6% Year-To-Date

The US drilling rig count decreased by six rigs, from 1,860 to 1,854, during the week ending June 13, according to the latest Baker Hughes Report. The number of oil rigs increased by six and the number of natural gas rigs dropped by ten. Additionally, rigs that were categorized as “miscellaneous” decreased by two last week.

Year-to-date, the total U.S. rig count has increased by 103, or 6%. Oil rigs have increased by 164 (12%), while natural gas rigs have declined by 62 (-17%). Source—Rigzone

UPM Blog Puts the Spotlight on Graduating Seniors

We believe it’s important to celebrate the accomplishments of our UPM family and their children as they achieve the milestones in their personal and professional lives. Our most recent blog posts have featured both high school and college graduations. Be sure to visit our Blog at www.upmet.com/blog to view them for yourself. Our recent list of grads include: Coy Pemberton—Massachusetts School of Professional Psychology, Ashley Baker—Bellermine University, Alyssa Davis—Fairfield High School, Brad Seither—Badin High School, and Natalie Miranda—McAuley High School. Please join us in wishing them the best of luck in their future pursuits.

