

# The UPM Market Informer

Monthly Market Intelligence for Customers of United Performance Metals

June 2014

## North American Stainless Price Increase

GHENT, KY MAY 12, 2014—Effective with shipments June 1, 2014, North American Stainless will increase prices for all Cold Roll grades in 200, 300, and 430 series. This will be achieved by reducing the discount by 2% points and will be applied to the updated North American Stainless Cold Roll price schedule.

In addition, Automotive grade prices will increase by \$40.00/ton.

All applicable surcharges will remain in effect, as outlined on the company website [www.northamericanstainless.com](http://www.northamericanstainless.com).

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## Nickel Prices Continue to Rise Based on Threat of Global Shortage

A leading metal publication is reporting that nickel prices have increased 41 percent since the beginning of 2014 (\$13,980 per tonne to \$19,700 per tonne) the price increase appears to be driven by the potential of a global supply shortage caused by the Indonesian export ban and the threat of sanctions against Russian producer Norlisk. Indonesia and Russia are two of the world's largest producers of nickel.

The price increase has developed a heightened interest from the investing community who had previously been less focused on commodities. One analyst predicted that we could see nickel prices reach as high as \$25,000 per tonne this year.



## United Performance Metals Received Pratt & Whitney Approval

United Performance Metals has gained approval from Pratt & Whitney as a qualified source authorized to perform laser Beam Metal Removal in accordance with PWA 119-1&2. Pratt & Whitney, a United Technologies Corp. company, is a world leader in the design, manufacture and service of aircraft engines, auxiliary and ground power units, and small turbojet propulsion products.

United Performance Metals also maintains the following approvals:

- ◆ General Electric Aviation Special Process Approval per EE
- ◆ General Electric Aviation
- ◆ Pratt & Whitney LCS
- ◆ Rolls Royce
- ◆ Nadcap Approved for Nonconventional machining (laser cutting)

“We look forward to being able to offer laser cut blanks to our customers that work with Pratt & Whitney. Laser cut blanks have helped our customers realize savings in both time and money,” according to Ryan Getz, Laser Business Cell Leader for UPM.

## Nickel Price Trends

Nickel's open interest, or the number of contracts yet to be closed, liquidated or delivered, has surged for five straight months to a record 319,422. This jump is “reflecting the extreme nature of change that the nickel market is facing with the Indonesian export ban.” David Wilson, an analyst at Citigroup Inc. in London, said in a telephone interview this month.

Prices may top \$30,000 in 2015, according to Citigroup, which last year correctly predicted Indonesia would implement the export ban. Source—Bloomberg News

## Aerospace Demand Looking Positive

As we move into the second half of 2014, sales are expected to be strong in the aerospace market. The projected build rate in the commercial airline market shows demand increasing at an annual growth rate of 7 percent. Backlogs are 10 percent higher in 2014 than this time last year. Aging fleets are transitioning to more efficient aircraft. Air travel continues to be strong in both the U.S. and overseas.

## U.S. Service Center Steel and Aluminum Shipments Increase

U.S. service centers' steel shipments totaled nearly 3.81 million tons in April, up 3.6 percent over the 3.68 million tons shipped in the prior month and 4.9 percent higher than the 3.63 million tons shipped a year earlier, according to the latest Metals Service Center Institute (MDCI) data.

Steel inventories held by U.S. centers totaled nearly 8.62 million tons (2.3 months' supply at current shipping rates) at the end of April, up 4.3 percent from 8.26 million tons (2.2 months' supply) a month earlier despite assertions of lean stocks by metal sources.

Meanwhile, U.S. service centers' aluminum shipments totaled 139,500 tons in April, up 3.1 percent from 135,300 tons in March and 9.4 percent higher than 127,500 tons a year earlier, according to the MSCI data. Inventories of 391,700 tons (2.8 months' supply) were up 3.3 percent from 379,100 tons a month earlier. Source—AMM.com



# Monthly Surcharge Update



**Stainless Steel & Cobalt Alloy Surcharge Totals**  
**February 2014 – June 2014**  
**High Temp Surcharge Totals**  
**February 2014 – August 2014**

Grades	Feb	Mar	Apr	May	June	July	Aug
	2/1/14- 2/28/14	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
15-5	0.5128	0.5123	0.5266	0.5549	0.6058	*	*
15-7	0.7244	0.7344	0.7639	0.8630	0.9955	*	*
17-4	0.5040	0.5033	0.5148	0.5382	0.5828	*	*
17-7	0.6181	0.6261	0.6632	0.7239	0.8239	*	*
18SR	0.2544	0.2541	0.2527	0.2599	0.2612	*	*
201	0.4758	0.4831	0.5070	0.5446	0.6048	*	*
301 7.0%	0.6189	0.6274	0.6626	0.7211	0.8186	*	*
302/304/304L	0.6677	0.6776	0.7194	0.7858	0.8967	*	*
304-8.5%	0.6931	0.7036	0.7481	0.8183	0.9360	*	*
305	0.8741	0.8895	0.9526	1.0486	1.2144	*	*
309	0.8981	0.9164	0.9802	1.0759	1.2420	*	*
310	1.2671	1.2958	1.3972	1.5447	1.8068	*	*
316/316L	0.9156	0.9318	0.9803	1.1051	1.2857	*	*
317L	1.0603	1.0820	1.1345	1.2882	1.5039	*	*
321	0.7111	0.7214	0.7684	0.8423	0.9669	*	*
330	1.8448	1.7870	1.8266	1.8655	1.8909	2.1641	2.4900
347	0.9785	0.9889	1.0359	1.1097	1.2343	*	*
400	3.5939	3.4585	3.5430	3.6136	3.6310	4.0596	4.6484
409/409 Mod	0.2116	0.2054	0.2033	0.2110	0.2119	*	*
410/410S	0.2171	0.2115	0.2095	0.2173	0.2181	*	*
430	0.2479	0.2462	0.2451	0.2524	0.2536	*	*
434	0.3080	0.3082	0.3059	0.3295	0.3466	*	*
439	0.2542	0.2533	0.2525	0.2597	0.2610	*	*
440A	0.2479	0.2462	0.2451	0.2524	0.2536	*	*
600	3.6869	3.5560	3.6308	3.7019	3.7546	4.3286	5.0014
601	3.1619	3.0568	3.1199	3.1826	3.2308	3.7007	4.2528
X750	4.2031	4.0761	4.1491	4.2186	4.2705	4.8286	5.4828
800H/HT	2.2000	2.2200	2.4900	2.7900	*	*	*
825	2.4213	2.3657	2.4057	2.4604	2.4856	2.7938	3.2283
2205	0.7976	0.8160	0.8392	0.9498	1.0870	*	*
Alloy 20	2.1587	2.1083	2.1462	2.1931	2.2135	2.4739	2.8367
Alloy 276	5.3137	5.2624	5.3036	5.4269	5.4587	5.9637	6.8695
Alloy 286	1.4402	1.4059	1.4342	1.4660	1.4787	1.6712	1.9258
Alloy 625	5.3979	5.3209	5.3725	5.4625	5.4996	5.9898	6.7366
Alloy 718	5.1700	5.0920	5.1423	5.2065	5.2420	5.6504	6.1958
Alloy HX	3.3331	3.2723	3.3091	3.3920	3.4314	3.8272	4.4625
Alloy 188	7.3400	7.7600	8.2700	8.2600	*	*	*
Alloy L-605	8.0500	8.5800	9.0800	8.8800	*	*	*
Alloy 263	5.0600	5.3500	5.9300	6.4200	*	*	*
2507	0.8477	0.8682	0.8966	1.0085	1.1592	*	*

Order Hotline 1.888.282.3292 Fax: 513.874.6857  
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 \*Surcharge currently not available

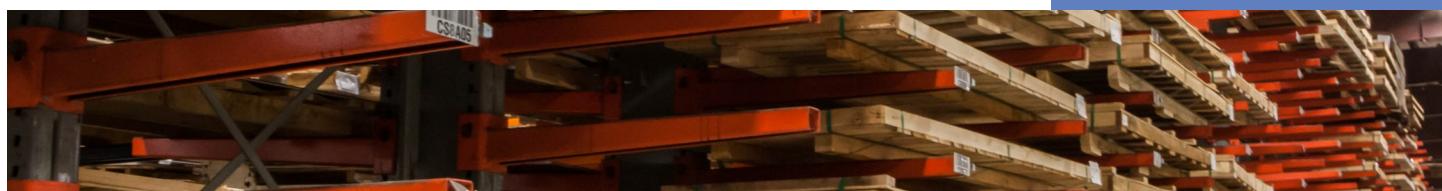
## Vulcanium Received SC21 Silver Award

Vulcanium Metals International Ltd has been awarded the 21st Century Supply Chain (SC21) Silver Award. The award was presented to Vulcanium Metals International on behalf of ADS, the premier trade organization representing the UK Aerospace, Defense, Security, and Space sectors.

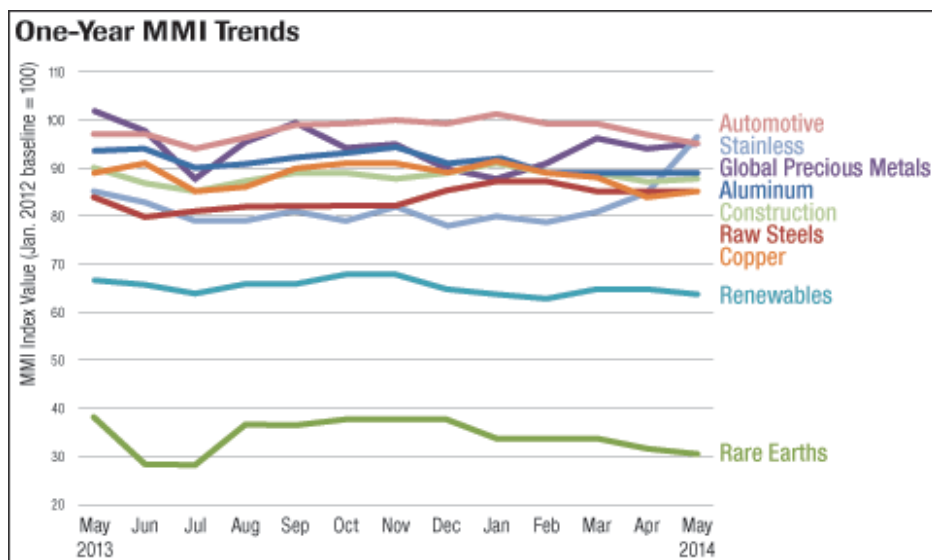
SC21 is a change program designed to accelerate the competitiveness of the aerospace & defense industry by raising the bar of its supply chains.

According to Michael O'Prey, General Manger VMI UK, "Vulcanium is delighted to receive this prestigious award. All Vulcanium employees are engaged in the SC21 process and are committed to collaborative, continuous improvement with all of our customers."

Vulcanium is a specialty division of United Performance Metals and a supplier of titanium in sheet, coil, plate and forged block. Vulcanium maintains locations in Chicago, IL and Northern Ireland.







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## Ferromoly Prices Approach 3-Year High

NEW YORK, MAY 16—Ferromolybdenum prices rose to \$18 and \$18.50 per pound from \$16 to \$17 per pound previously, with prompt material demanding a significant premium due to tight supply. This is the first time the alloying metal has reached this level since June 2011, *AMM's* price archives show.

Ferromoly is an important element in the production of stainless steel.

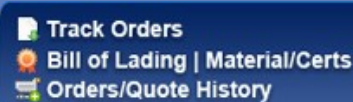
Ferromolybdenum prices started the year in a range of \$11 to \$11.25 per pound, but a continued dearth of supply has forced prices up dramatically over the past few weeks. Source—*AMM.com*

## Our What Is IT? Videos are Back! There's Still Time to Participate Before the Contest Ends

If you haven't had a chance to watch our "What Is It?" videos, go to [upmet.com](http://upmet.com) today and take a look. Each video describes the use of an object created from our metal. Only one explanation is correct, and you get to guess which one it is. The winner of our contest will receive a GoPro Camera! Watch Today! <http://www.upmet.com/what-is-it>



View past issues of the UPM Market Informer: <http://bit.ly/1haedRF>



## UPM Resources

[Take Advantage of our Online Services](#)

- ◆ Track shipments
- ◆ Review orders
- ◆ View inventory
- ◆ Create a quote
- ◆ Access certs

Go to [upmet.com](http://upmet.com) to access these tools!