

The UPM Market Informer

Monthly Market Intelligence for Customers of United Performance Metals

June 2016



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U.S. Imposes 266% Duty of Some Chinese Steel Imports

The Department of Commerce imposed preliminary duties on imports of cold-rolled steel, used to make auto parts, appliances and shipping containers, from seven countries including China, whose steelmakers were slapped with a massive tariff. The duties, set at 265.79% for Chinese steelmakers, will be imposed within the next week but must still be confirmed in a final determination scheduled for this summer. They are meant to punish dumping, or selling below cost to improperly gain market share. Chinese officials have denied the practice.

After enduring one of their worst downturns ever, American steelmakers are now counting on tariff protection to help ride out a weak market. A slowdown in the steel-heavy oil-and-gas industries combined with a boom in Chinese exports has deflated steel prices around the world. The benchmark hot-rolled coil index fell 35% in 2015 to under \$400 per ton, contributing to a \$1.5 billion loss at U.S. Steel Corp., and an almost \$8 billion loss at ArcelorMittal, the world's biggest steelmaker, which has big operations in the U.S. Both those companies have had to lay off U.S. workers and were behind petitions to impose protective import tariffs on a range of steel products, including cold-rolled steel.

Analysts say trade protection will prop up prices, but can't be expected to save beleaguered companies or improve market demand, especially in the oil and gas segment. "There'll be a short-term benefit," said John Packard of Steel Market Update. "However, in the long run, the U.S. mills are always going to want more tariffs, and it's questionable how much more [protection] they can get." The U.S. already has anti-dumping duties in place on 19 categories of Chinese steel. And the U.S. needs some imports because U.S. demand—regularly over 110 million tons—is far higher than the U.S.'s annual production of around 80 million tons.

Although China is only the seventh biggest exporter of steel to the U.S., behind Canada, Brazil, Russia, Mexico, South Korea and Turkey, Chinese steelmakers have received the most attention because they have the ability to disrupt the U.S. market. Their prices tend to be 20% to 50% lower than anybody else's, say steel traders. And because the volumes of its exports are so massive, Chinese steel is ending up everywhere. China last year exported more steel—100.4 million tons—than any other country except Japan produced. *Source: The Wall Street Journal March 1, 2016*

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OMTEC 2016 Chicago June 15-16



Orthopedic Manufacturing & Technology Exposition and Conference is a 2 day event which is being held June 15th—16th, 2016 at the Donald Stephens Convention Center in Chicago, Illinois.

OMTEC attracts a diverse contingent of orthopedic industry stakeholders, each of whom are committed to the advancement of the specialty of orthopedics.

Vulcanium, a specialty division of United Performance Metals, once again will be exhibiting at OMTEC in Booth #220.

Vulcanium supplies medical alloys for the implant and instrument industry including commercially pure titanium, cobalt chrome moly and medical grade stainless round bar.

The OMTEC event showcases products like component parts, implant or instrument machining, software solutions, delivery systems materials, surface preparation or coatings design and development, orthopedic specialty society testing equipment, machinery packaging or sterilization etc. within the Industrial Products and Business Services industries.

Vulcanium is certified ISO 13485:2003, as well as ISO 9001:2008, and AS 9100:2009, Rev C. **Vulcanium** offers same or next day shipments, mill quantities to blanket orders. VMI616_{SM} Product Control assures the medical manufacturing industry the most rigorous and sophisticated procurement standards in the industry.

Vulcanium is your global metals resource for medical implants and instrumentation materials. For more information, visit www.vulcanium.com

Contact Dennis Rahill, Medical Products Manager at 814.434.1840 or drahill@vulcanium.com for more information or to make a personal appointment.



United Performance Metals Installed Shuttle XP Vertical Lift

United Performance Metals has installed a Shuttle XP Vertical Lift; one of the Dynamic Storage and Retrieval Systems developed and manufactured by Kardex Remstar. The company will use the new system for small parts storage and retrieval in its Hamilton, Ohio metals service center facility.

“The storage tower has allowed us not only to utilize our shop storage space more efficiently, but also to retrieve parts much more quickly than we had done in the past; both of which lead to an improved operational environment and ultimately a better customer experience with UPM” commented Roger Haire, Plant Manager. For more information, visit www.upmet.com.





Stainless Steel & Cobalt Alloy Surcharge Totals
March 2016—June 2016
High Temp Surcharge Totals
March 2016—August 2016

Grades	Mar	Apr	May	June	July	Aug
15-5	0.2613	0.2701	0.2855	0.3009	*	*
15-7	0.3116	0.3242	0.3414	0.3944	*	*
17-4	0.2607	0.2688	0.2844	0.2985	*	*
17-7	0.2931	0.3041	0.3167	0.3391	*	*
18SR	0.1426	0.1391	0.1565	0.1669	*	*
201	0.2335	0.2391	0.2538	0.2708	*	*
301 7.0%	0.2938	0.3053	0.3175	0.3395	*	*
302/304/304L	0.3195	0.3315	0.3433	0.3668	*	*
304-8.5%	0.3301	0.3431	0.3546	0.3789	*	*
305	0.4079	0.4278	0.4365	0.4667	*	*
309	0.4334	0.4518	0.4596	0.4891	*	*
310	0.5963	0.6278	0.6303	0.6712	*	*
316/316L	0.4003	0.4190	0.4333	0.4918	*	*
317L	0.4628	0.4834	0.4982	0.5737	*	*
321	0.3332	0.3478	0.3591	0.3844	*	*
347	0.6012	0.6157	0.6269	0.6521	*	*
409/409 Mod	0.0969	0.0963	0.1154	0.1268	*	*
410/410S	0.1025	0.1015	0.1205	0.1317	*	*
430	0.1354	0.1323	0.1501	0.1606	*	*
434	0.1553	0.1529	0.1720	0.1942	*	*
439	0.1426	0.1391	0.1566	0.1668	*	*
440A	0.1354	0.1323	0.1501	0.1606	*	*
2205	0.3714	0.3787	0.3964	0.4615	*	*
2507	0.4007	0.4085	0.4248	*	*	*
20	1.0928	0.9979	0.9648	0.9287	1.0010	1.0407
263	2.6725	2.0237	2.0914	2.0917	2.1889	2.2589
276	2.5444	2.4467	2.4246	2.3485	2.4842	2.5749
A286	0.6878	0.6185	0.5974	0.5703	0.6196	0.6547
330	0.8920	0.7853	0.7471	0.7105	0.7787	0.8161
400	1.5694	1.3570	1.2601	1.2208	1.4099	1.4467
600	1.7855	1.5694	1.4859	1.4144	1.5626	1.6225
601	1.5967	1.4165	1.3471	1.2861	1.4031	1.4541
617	1.9205	1.5108	1.5255	1.4879	1.6101	1.6866
625	3.4028	3.2682	3.2249	3.1550	3.2796	3.3502
718	3.6600	3.5229	3.4745	3.4190	3.5219	3.5753
X-750	2.3541	2.1437	2.0623	1.9924	2.1361	2.1944
800H/HT	0.8506	0.7564	0.7232	0.6901	0.7474	0.7821
825	1.1947	1.0914	1.0561	1.0127	1.0931	1.1385
HX	1.6040	1.4911	1.4656	1.4089	1.5086	1.5731
188	3.6900	3.8000	3.6900	*	*	*
L-605	4.3400	4.4200	4.3000	*	*	*

*Surcharge currently not available

Expected Mill Lead Times for June, 2016

Stainless Cold Rolled—10 weeks

Nickel Plate—10-12 weeks

Stainless Plate—7-9 weeks

Nickel Cold Rolled 625—8-10 weeks

Aluminum—8 weeks

Nickel Cold Rolled 718—12-14 weeks

Nickel Cold Rolled HX/800—12-14

For the latest lead
time information, call
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888.282.3292

Titanium Surcharge Update

Source: ATI Specialty Metals

Titanium Alloy	Standard Surcharge Q2, 2016		
	Bar	Billet	Flat
ATI 6-2-4-2 Alloy	\$5.31	\$4.84	\$5.31
ATI 6-4 Alloy	\$4.30	\$3.91	\$4.30
ATI 6-4 ELI Alloy	\$4.30	\$3.91	\$4.30
ATI CP Grade 1	\$4.09	\$3.72	\$4.09
ATI CP Grade 2	\$2.88	\$2.62	\$2.88
ATI CP Grade 4	\$2.88	\$2.62	\$2.88

American Manufacturing News

Industrial production in the United States increased 0.7% in April as output at the nation's manufacturers and utilities rose. Manufacturing production was up 0.3% last month; utilities' output increased 5.8%; and mining production was down 2.3%.

Regional manufacturing readings are mixed so far this month. The New York Federal Reserve announced last week that its manufacturing index fell to -9.0 in May from +10.0 in April as reading for new orders, shipments, prices paid, and prices received all fell below the zero mark that indicated contraction.

Source: Metals Service Center Institute

Recap of Steel Price Increases

West Chester, Ohio-based AK Steel boosted its spot market base price for carbon flat-rolled steel products by \$50 per ton (\$2.50 per hundredweight).

Pittsburgh-based U.S. Steel has raised spot base prices for flat-rolled products by \$60 per ton (\$3 per cwt).

Ghent, Kentucky-based North American Stainless increased the base price of continuous mill and discrete plate by \$0.02 per pound and reduced the discount rate for its cold rolled products 200 series and 300 series and type 430 stainless by 2 percentage points.

Benhookburn, Illinois-based Outokumpu Coil Americas has increased hot rolled CMP products by \$0.02/lb. and reduced discounts by 2 points for cold rolled 200, 300 and 430 series products.

Pittsburgh-based Allegheny Technologies has increased base prices for all 200 & 300 series and T430 grades of cold rolled sheet, tubular quality sheet, strip and precision rolled strip via a 2 percentage point reduction in functional discount. Continuous mill plate and plate mill products for 200, 300, 400 series, duplex and precipitation hardening grades will increase by 2 cents per pound.

