

# The UPM Market Informer

Monthly Market Intelligence for Customers of United Performance Metals

June 2015

## Non-Residential Construction Remains Strong in 2015

Private warehouse spending increased 48 percent so far in 2015 and is just one indicator of growth in this market. Wells Fargo predicts slow but steady growth in commercial and institutional building, with structure investment spending to increase five to eight percent over the next two years. Commercial construction is expected to increase its momentum in the office, warehouse and hotel areas as well. Non-residential construction starts spiked more than 40 percent in the early months of 2015.

Source—Industrial Distribution

## Global Aerospace Production Looking Positive

Global aerospace production is expected to expand by 5.5% this year and 6% in 2016. Airline profitability is predicted at \$25 billion this year, with a net profit margin of 3.2% thanks to lower fuel costs. Overall, air travel demand is growing at 5.9% per year, driven by international travel at 6.1% per year. However, load capacity lagged at 5.6% as load rates increased to nearly 80%, which means demand for new aircraft should continue. Air cargo expanded 4.5%, another good sign for sustained commercial aircraft use.

Source—Aerospace manufacturing & Design

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**51<sup>st</sup> INTERNATIONAL  
PARIS AIR SHOW  
LE BOURGET  
FROM 15 TO 21 JUNE 2015  
WHERE AEROSPACE LEADERS  
GET DOWN TO BUSINESS**



## US Sheet Buyers Scarce, Meeting Mill Demands

US flat-rolled buying may be slim, but mills appear to be holding the line on their recent price increases, market sources reported. Hot-rolled offer prices are between \$460-\$480/st depending on the mill. US hot-rolled coil prices have risen over the past two weeks following mill price increases and are currently stable.

Source: Platts

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## Paris Airshow Preview

The 51st edition of the Paris Airshow will draw more than 2,000 aerospace industry exhibitors to France June 14-21. Visitors are expected to exceed 300,000 between the trade visitors and the general public. More than 150 aircraft will be presented to the spectators throughout the show, with daily afternoon demonstrations of the most modern aircraft in existence. The size of the show makes it a unique opportunity to do business, discover the latest developments, and network. The International Paris Airshow at Le Bourget offers the opportunity to discover, at one single site, all the latest developments in:

- Aircraft construction, assembly, and sub-assemblies
- Space, satellites, and satellite telecommunications
- Propulsion units and specific equipment for motors
- Air-launched and ground-based weapons
- Piloting and navigation aids and on-board equipment systems
- Cabin fittings and seats
- Production equipment, tools, and software
- Electrical, electronic, mechanical, and metalwork subcontracting
- Composite materials and surface treatments
- Maintenance, transport services, and after-sales service and spares
- Airport equipment and services



**Look for United Performance Metals at  
TW Metals SARL Booth in Hall 4 F178  
and in the UK Pavilion Hall 2B G172**

## Manufacturing PMI

Manufacturing PMI in the United States decreased to 53.8 in May of 2015 from 54.1 in April of 2015. Manufacturing PMI in the United States averaged 54.24 from 2012 until 2015, reaching an all time high of 57.90 in August of 2014 and a record low of 51 in November of 2012. Manufacturing PMI in the United States is reported by the [Markit Economics](#).

## Titanium Surcharge Update Source: ATI Specialty Metals

Titanium Alloy	Standard Surcharge Q2, 2015		
	Bar	Billet	Flat
ATI 6-2-4-2 Alloy	\$6.24	\$5.69	\$6.24
ATI 6-4 Alloy	\$5.15	\$4.69	\$5.15
ATI 6-4 ELI Alloy	\$5.15	\$4.69	\$5.15
ATI CP Grade 1	\$4.94	\$4.50	\$4.94
ATI CP Grade 2	\$3.70	\$3.37	\$3.70
ATI CP Grade 4	\$3.70	\$3.37	\$3.70





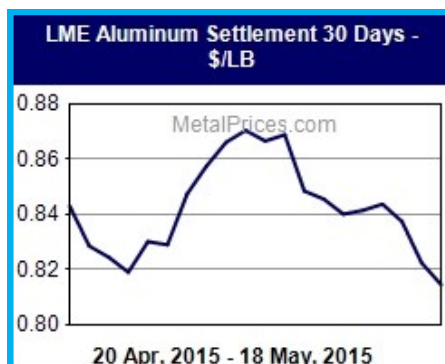
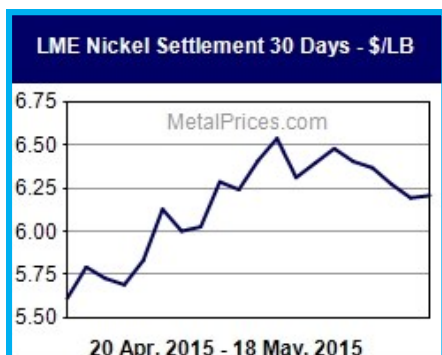
**Stainless Steel & Cobalt Alloy Surcharge Totals**  
**March 2015—June 2015**  
**High Temp Surcharge Totals**  
**March 2015—August 2015**

Grades	Mar	Apr	May	June	July	Aug
15-5	0.4495	0.4311	0.4128	0.4252	*	*
15-7	0.6700	0.6235	0.5883	0.5961	*	*
17-4	0.4346	0.4198	0.4048	0.4158	*	*
17-7	0.5955	0.5613	0.5184	0.5411	*	*
18SR	0.2013	0.1935	0.1914	0.1882	*	*
201	0.4462	0.4228	0.3934	0.4050	*	*
301 7.0%	0.5945	0.5608	0.5188	0.5410	*	*
302/304/304L	0.6506	0.6134	0.5659	0.5911	*	*
304-8.5%	0.6782	0.6391	0.5887	0.6157	*	*
305	0.8757	0.8234	0.7530	0.7924	*	*
309	0.9052	0.8529	0.7820	0.8209	*	*
310	1.3085	1.2297	1.1188	1.1823	*	*
316/316L	0.8701	0.8202	0.7649	0.7848	*	*
317L	1.0051	0.9491	0.8895	0.9062	*	*
321	0.6972	0.6563	0.6030	0.6322	*	*
347	0.9649	0.9241	0.8708	0.9000	*	*
409/409 Mod	0.1476	0.1408	0.1395	0.1376	*	*
410/410S	0.1540	0.1472	0.1458	0.1438	*	*
430	0.1921	0.1851	0.1832	0.1803	*	*
434	0.2394	0.2304	0.2298	0.2221	*	*
439	0.2003	0.1934	0.1913	0.1883	*	*
440A	0.1921	0.1851	0.1832	0.1803	*	*
2205	0.7245	0.6900	0.6620	0.6574	*	*
2507	0.7799	0.7425	0.7106	*	*	*
20	2.4627	2.4885	2.2740	2.1786	2.0408	1.8573
263	5.3508	5.3868	5.0693	4.8541	4.4188	4.0922
276	5.8131	5.8284	5.4954	5.2299	5.0069	4.6452
A286	1.6621	1.6857	1.5362	1.4611	1.3558	1.2230
330	2.1727	2.2115	1.9944	1.9228	1.7719	1.5872
400	4.0801	4.1106	3.6245	3.5251	3.2886	2.9740
600	4.3518	4.4342	3.9830	3.8800	3.5704	3.1898
601	3.7231	3.7898	3.4191	3.3261	3.0717	2.7575
625	5.9282	5.9674	5.6161	5.4314	5.1938	4.8531
718	5.6361	5.6828	5.3735	5.2544	5.0428	4.7645
X-750	4.8517	4.9317	4.4929	4.3917	4.0906	3.7203
800H/HT	1.9814	2.0148	1.8255	1.7564	1.6245	1.4627
825	2.7751	2.8056	2.5663	2.4564	2.2973	2.0825
HX	3.7574	3.7827	3.5066	3.3298	3.1370	2.8589
188	6.8200	6.3100	6.0600	*	*	*
L-605	7.5400	6.9700	6.7400	*	*	*

\*Surcharge currently not available

## Nickel/Aluminum Price Trends

Three month nickel closed at \$6.22/lb. Monday, May 18. Indicators show 3 month nickel trading lower as well. Stockpiles of nickel stored in LME approved warehouses rose to a new record of 444,936 tons. Base metals such as nickel are trading lower. The average price of cash nickel for the month of May is \$6.35/lb. The average price of LME traded nickel in 2014 was \$7.65/lb. *Source: Stainless Steel News and Nickel Prices*



### Mill Lead Times

- Stainless cold rolled - 5 weeks
- Stainless plate - 8 weeks
- Nickel cold rolled - 20 weeks
- Nickel plate - 14 weeks

## Rig Count Overview & Summary Count

Source: Baker Hughes

Area	Last Count	Count	Change From 2014
U.S.	May 15, 2015	888	-973
Canada	May 15, 2015	77	-76
International	April, 2015	1202	-147