

The UPM Market Informer

Monthly Market Intelligence for Customers of United Performance Metals

May 2016

United Performance Metals Adds 12" Wide Slitter to West Coast Facility

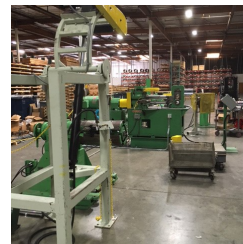
United Performance Metals West Coast facility recently installed a 12" wide slitter capable of processing coils ranging in thickness from .015" to .125".

"The addition of the 12" wide slitter will benefit our customers by keeping lead-times short and allowing us to deliver heavier gauge slit stainless steel and nickel alloys within a few days." remarked Chris Weber, West Region Branch Manager for United Performance Metals.

The facility also maintains additional equipment capable of performing extensive slitting and sawing applications. UPM's West Coast facility is located in La Mirada, California.

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Steel Prices on the Way Up

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.

Bennochburn, 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.

United Performance Metals will continue to monitor mill market pricing and take proactive measures where possible. Our inventory includes stainless steel, duplex stainless steel, nickel alloys and cobalt alloys in sheet, coil, strip, plate, and near net shapes. Along with our in-house processing capabilities of precision shearing, hi-definition plasma cutting, slitting, edging, cut-to-length/leveling, water jet cutting, laser cutting and precision sawing, United Performance Metals is positioned to bring you the metals you need and the solutions you want. Contact us today 888.282.3292

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China Moves to Cut Steel Overcapacity Days After US, Other Countries Asked for Production Curbs

Days after a meeting of over 30 countries, including China, to discuss the crisis afflicting the global steel industry, following which the United States pointedly accused China for overproduction and failure of the talks earlier in the week, China announced Thursday indirect measures to curb overcapacity in its steel sector. It has asked banks to tighten lending to steel companies, and to stop lending to companies that do not perform.

The new banking guidelines, also applicable to the county's bloated coal industry, were jointly issued by the People's Bank of China, the China Securities Regulatory Commission, China Banking Regulatory Commission and China Insurance Regulatory Commission.

"Steel and coal industries are the main area where China is trying to slash capacity and the circular underlines the financial regulators' role in pushing forward the move," said Lu Zhengwei, chief economist of Industrial Bank.

The circular containing guidelines asked banks to continue lending to companies that were competitive or could stage a turnaround, and also help with deleveraging, according to South China Morning Post. It also asked financial service companies to assist healthy companies expand globally, helping them with raising capitol in overseas markets.

And current policy is clearly geared toward cutting capacity in the steel and coal industries. About 1.8 million jobs were expected to be cut in the two sectors, according to China's ministry of human resources and social security. Hebei province in northern China is the hub of the country's steel production and according to Hebei Governor Zhang Qingwei, 60 percent of steel companies there "would be closed or merged by 2020."

The country is the world's largest producer of steel and contributes over half of the global production. It has already cut its steel output by about 90 million tons in the last few years and plans to reduce it by another 100 million to 150 tons in the next five years. It has recently been accused of dumping its steel in other countries, and its steel exports have come under harsh scrutiny since Tata Steel's decision to sell its U.K. operations.

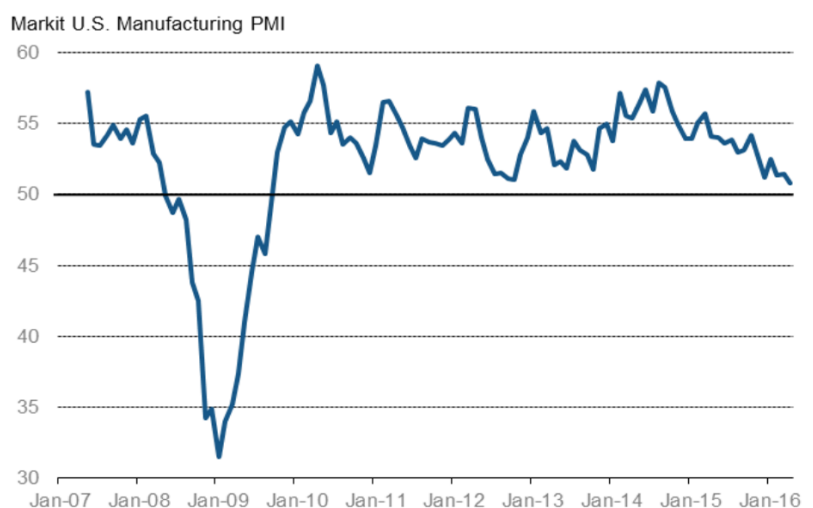
For more on the story visit IBTimes.com and [@HimGoJourno](https://twitter.com/HimGoJourno)

US Manufacturing PMI

Markit Economics' preliminary manufacturing purchasing manager's index (PMI) for April came in at 50.8. U.S. Manufacturing PMI eases to its lowest for just over 6 1/2 years in April.



Markit U.S. Manufacturing PMI (seasonally adjusted)



Source: Markit.



Stainless Steel & Cobalt Alloy Surcharge Totals
February 2016—May 2016
High Temp Surcharge Totals
February 2016—July 2016

| Grades | Feb | Mar | Apr | May | June | July |
|--------------|--------|--------|--------|--------|--------|--------|
| 15-5 | 0.2690 | 0.2613 | 0.2701 | 0.2855 | * | * |
| 15-7 | 0.3230 | 0.3116 | 0.3242 | 0.3414 | * | * |
| 17-4 | 0.2683 | 0.2607 | 0.2688 | 0.2844 | * | * |
| 17-7 | 0.3046 | 0.2931 | 0.3041 | 0.3167 | * | * |
| 18SR | 0.1465 | 0.1426 | 0.1391 | 0.1565 | * | * |
| 201 | 0.2436 | 0.2335 | 0.2391 | 0.2538 | * | * |
| 301 7.0% | 0.3042 | 0.2938 | 0.3053 | 0.3175 | * | * |
| 302/304/304L | 0.3321 | 0.3195 | 0.3315 | 0.3433 | * | * |
| 304-8.5% | 0.3432 | 0.3301 | 0.3431 | 0.3546 | * | * |
| 305 | 0.4244 | 0.4079 | 0.4278 | 0.4365 | * | * |
| 309 | 0.4510 | 0.4334 | 0.4518 | 0.4596 | * | * |
| 310 | 0.6208 | 0.5963 | 0.6278 | 0.6303 | * | * |
| 316/316L | 0.4155 | 0.4003 | 0.4190 | 0.4333 | * | * |
| 317L | 0.4801 | 0.4628 | 0.4834 | 0.4982 | * | * |
| 321 | 0.3465 | 0.3332 | 0.3478 | 0.3591 | * | * |
| 347 | 0.6145 | 0.6012 | 0.6157 | 0.6269 | * | * |
| 409/409 Mod | 0.1002 | 0.0969 | 0.0963 | 0.1154 | * | * |
| 410/410S | 0.1059 | 0.1025 | 0.1015 | 0.1205 | * | * |
| 430 | 0.1402 | 0.1354 | 0.1323 | 0.1501 | * | * |
| 434 | 0.1605 | 0.1553 | 0.1529 | 0.1720 | * | * |
| 439 | 0.1477 | 0.1426 | 0.1391 | 0.1566 | * | * |
| 440A | 0.1402 | 0.1354 | 0.1323 | 0.1501 | * | * |
| 2205 | 0.3850 | 0.3714 | 0.3787 | 0.3964 | * | * |
| 2507 | 0.4165 | 0.4007 | 0.4085 | * | * | * |
| 20 | 1.3089 | 1.0928 | 0.9979 | 0.9648 | 0.9287 | 1.0010 |
| 263 | 3.2415 | 2.6725 | 2.0237 | 2.0914 | 2.0917 | 2.1889 |
| 276 | 2.9126 | 2.5444 | 2.4467 | 2.4246 | 2.3485 | 2.4842 |
| A286 | 0.8417 | 0.6878 | 0.6185 | 0.5974 | 0.5703 | 0.6196 |
| 330 | 1.1074 | 0.8920 | 0.7853 | 0.7471 | 0.7105 | 0.7787 |
| 400 | 2.0140 | 1.5694 | 1.3570 | 1.2601 | 1.2208 | 1.4099 |
| 600 | 2.2246 | 1.7855 | 1.5694 | 1.4859 | 1.4144 | 1.5626 |
| 601 | 1.9590 | 1.5967 | 1.4165 | 1.3471 | 1.2861 | 1.4031 |
| 617 | 2.4193 | 1.9205 | 1.5108 | 1.5255 | 1.4879 | 1.6101 |
| 625 | 3.7687 | 3.4028 | 3.2682 | 3.2249 | 3.1550 | 3.2796 |
| 718 | 3.9717 | 3.6600 | 3.5229 | 3.4745 | 3.4190 | 3.5219 |
| X-750 | 2.7812 | 2.3541 | 2.1437 | 2.0623 | 1.9924 | 2.1361 |
| 800H/HT | 1.0398 | 0.8506 | 0.7564 | 0.7232 | 0.6901 | 0.7474 |
| 825 | 1.4383 | 1.1947 | 1.0914 | 1.0561 | 1.0127 | 1.0931 |
| HX | 1.9047 | 1.6040 | 1.4911 | 1.4656 | 1.4089 | 1.5086 |
| 188 | 3.7400 | 3.6900 | 3.8000 | * | * | * |
| L-605 | 4.3700 | 4.3400 | 4.4200 | * | * | * |

*Surcharge currently not available

United Performance Metals and its divisions are global leaders in the distribution of stainless steel, duplex stainless steel, nickel, cobalt, cobalt chrome moly, aluminum and titanium. Comprehensive inventory includes high temperature, high strength and corrosion resistant alloys in sheet, coil, strip, plate, bar, forged block and near net shapes. FIRSTCUT+® Services offered are Precision Shearing, Precision Sawing, Slitting, Edging, Cut-To-Length/Leveling, Hi-Definition Plasma Cutting, Laser Cutting, Water Jet Cutting, Machining, Chamfering & Facing, Deburring & Finishing, and Precision Cold Saw Cutting.

Headquartered in Hamilton, Ohio, United Performance Metals maintains branches in La Mirada, California, Houston, Texas, and Belfast, Northern Ireland, as well as sales and stocking locations worldwide. Specialty divisions of the company include Plus Ten Stainless located in Benicia, California; Vulcanium located in Northbrook, Illinois; and Aerodyne Alloys located in South Windsor, Connecticut, Greenville, South Carolina, and La Mirada, California.

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 |

Expected Mill Lead Times for May, 2016

Stainless Cold Rolled—10 weeks

Nickel Cold Rolled HX/800—14-16 weeks

Stainless Plate—7-9 weeks

Nickel Cold Rolled 625—10 weeks

Aluminum— 8 weeks

Nickel Cold Rolled 718—12 weeks

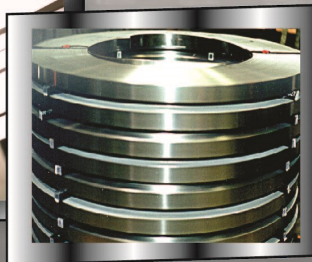
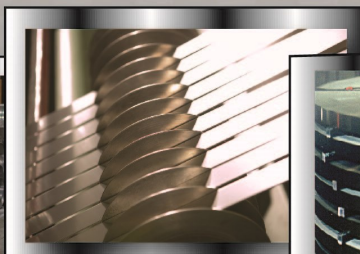
Nickel Plate—10-12 weeks



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