

The UPM Market Informer

Monthly Market Intelligence for Customers of United Performance Metals

November 2014

Base Metals Experts - What to Look for 2015

The nickel price and spreads will be the talk of 2015, according to base metals experts at an LME Week roundtable last week. The panel's talk about the key things to watch out for in 2015 at last week's Bloomberg LME Week Breakfast in London quickly turned to nickel, which earlier this year gained 40% in value on the LME before dropping right back down again to about \$15,000 per tonne.

Paul Gait of Sanford C. Bernstein said there will be volatility in the nickel market next year, due to a number of factors, including the Indonesian ore export ban. The threat of an ore export ban in the Philippines further down the line also hangs over the market. He expects the zinc market to tighten further and for prices to increase as supply struggles to meet demand.

Source—*Metal Bulletin* 10.27.14

In This Issue

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United Performance Metals B1209

FABTECH heads to Atlanta, GA November 11-13, 2014 bringing together an anticipated 27,000 attendees and 1,400 exhibiting companies all under one roof. The show provides a backdrop for visitors to experience live equipment demonstration, find cost savings solutions, and network with industry peers. Planning to attend?

Visit the UPM booth, B1209.

US Raw Steel Production Slips to 1,822,000 Net Tons

United States raw steel production slipped 0.5% to 1,822,000 net tons in the week ended October 18 while the capability utilization rate was 75.7 percent, as per American Iron and Steel Institute.

According to AISI, production was 1,832,000 net tons in the week ended October 18, 2013, while the capability utilization then was 76.5 percent.

Production for the week ending October 18, 2014 was up 1.0 percent from the previous week ending October 11, 2014 when production was 1,804,000 net tons and the rate of capability utilization was 75.0 percent.

Adjusted year-to-date production through October 18, 2014 was 77,063,000 net tons, at a capability utilization rate of 77.1 percent. That is up 0.5 percent from the 76,689,000 net tons during the same period last year, when the capability utilization rate was 77.0 percent.

Broken down by districts, here's production for the week ending October 18, 2014 in thousands of net tons: North East: 211; Great Lakes: 670; Midwest: 222; Southern: 630 and Western: 89 for a total of 1,822.

Source—*Scrap Register United States* 10.22.14

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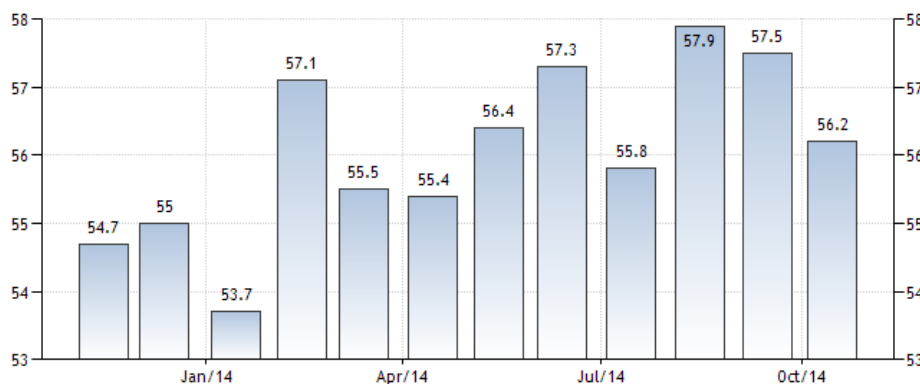
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SOURCE: WWW.TRADINGECONOMICS.COM | MARKET ECONOMICS

Mill Lead Times

Stainless cold rolled - 18 weeks

Stainless plate - 8 weeks

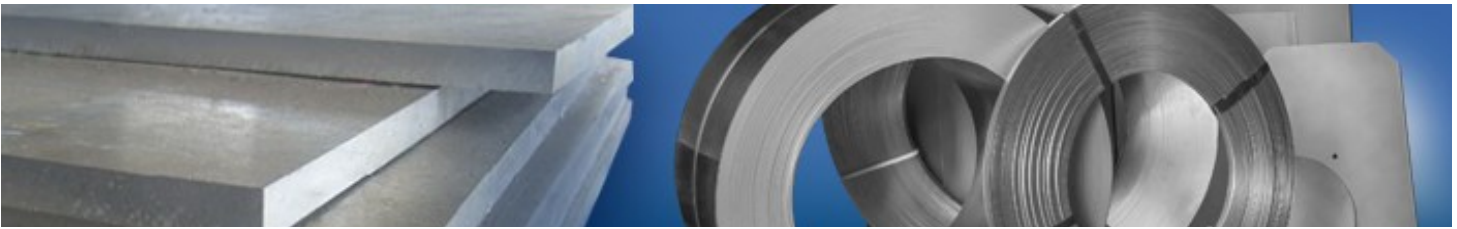
Nickel cold rolled - 15 weeks

Nickel plate - 10 weeks



Stainless Steel & Cobalt Alloy Surcharge Totals
 July 2014—November 2014
 High Temp Surcharge Totals
 July 2014—January 2015

Grades	July	Aug	Sep	Oct	Nov	Dec	Jan
15-5	0.6052	0.6118	0.6070	0.6055	0.5532	*	*
15-7	1.0218	0.9897	0.9781	0.9654	0.8214	*	*
17-4	0.5829	0.5899	0.5859	0.5844	0.5375	*	*
17-7	0.8191	0.8249	0.8142	0.8130	0.7196	*	*
18SR	0.2612	0.2656	0.2671	0.2681	0.2599	*	*
201	0.6024	0.6061	0.5995	0.5992	0.5407	*	*
301 7.0%	0.8143	0.8207	0.8102	0.8090	0.7176	*	*
302/304/304L	0.8914	0.8979	0.8858	0.8845	0.7818	*	*
304-8.5%	0.9302	0.9369	0.9240	0.9225	0.8139	*	*
305	1.2051	1.2139	1.1952	1.1926	1.0427	*	*
309	1.2332	1.2424	1.2240	1.2216	1.0718	*	*
310	1.7910	1.8047	1.7745	1.7701	1.5376	*	*
316/316L	1.3088	1.2789	1.2614	1.2479	1.0626	*	*
317L	1.5417	1.4938	1.4740	1.4544	1.2280	*	*
321	0.9603	0.9673	0.9535	0.9518	0.8373	*	*
347	1.2277	1.2347	1.2209	1.2192	1.1048	*	*
409/409 Mod	0.2136	0.2146	0.2156	0.2162	0.2079	*	*
410/410S	0.2200	0.2211	0.2221	0.2228	0.2143	*	*
430	0.2563	0.2577	0.2591	0.2601	0.2518	*	*
434	0.3609	0.3483	0.3490	0.3457	0.3152	*	*
439	0.2638	0.2654	0.2669	0.2679	0.2597	*	*
440A	0.2563	0.2577	0.2591	0.2601	0.2518	*	*
2205	1.1314	1.0803	1.0706	1.0530	0.8947	*	*
2507	1.2031	1.1529	1.1420	1.1244	*	*	*
20	2.4739	2.8367	3.2596	3.1115	3.1711	3.0855	2.9699
263	6.8500	7.0800	7.0800	6.8900	*	*	*
276	5.9637	6.8695	7.8477	7.6392	7.5358	7.3927	7.0490
A286	1.6712	1.9258	2.2204	2.1120	2.1594	2.0983	2.0213
330	2.1641	2.4900	2.8812	2.7194	2.8115	2.7233	2.6309
400	4.0596	4.6484	5.3889	5.0800	5.2890	5.1104	4.9206
600	4.3286	5.0014	5.8135	5.4747	5.6638	5.4787	5.2848
601	3.7007	4.2528	4.9206	4.6434	4.7999	4.6488	4.4904
625	5.9898	6.7366	7.5714	7.3307	7.3493	7.2024	6.9453
718	5.6504	6.1958	6.8286	6.6058	6.6878	6.5603	6.3880
X-750	4.8286	5.4828	6.2727	5.9433	6.1274	5.9474	5.7590
800H/HT	3.0400	3.1500	3.0600	2.9900	*	*	*
825	2.7938	3.2283	3.7283	3.5613	3.6146	3.5173	3.3765
HX	3.8272	4.4625	5.1582	4.9729	4.9650	4.8538	4.6281
188	8.1700	8.5500	8.5800	8.4000	*	*	*
L-605	8.6200	9.0700	9.2000	9.0400	*	*	*



United Performance Metals Hosts Manufacturers Roundtable

United Performance Metals hosted the Greater Hamilton Chamber of Commerce Manufacturer's Roundtable at their Symmes Road facility on September 29.



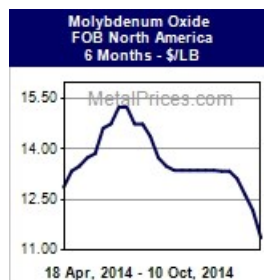
Area manufacturers met to discuss issues that were most directly related to the manufacturing sector. Guests toured the United Performance Metals facility, learned more about the products and services the company provides, and discussed issues related to manufacturing that were of special importance to the group.

The event was led by President & CEO of the Greater Hamilton Chamber of Commerce, Kenny Craig, and the executive staff from United Performance Metals including President Tom Kennard, Vice President Annette Tiesman, Vice President of Strategy Scott Fasse, and Plant Manager, Roger Haire.

North American Rotary Rig Counts

The U.S. rotary rig count was down 12 at 1,918 for the week of October 17, 2014. It is 179 rigs (10.3%) higher than last year.

The number of rotary rigs drilling for oil was down 19 at 1,590. There are 229 more rigs targeting oil than last year. Rigs drilling for oil represent 82.9 percent of all drilling activity.



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