



The UPM Market Informer

Monthly Market Intelligence for Customers of United Performance Metals

November 2016



MORE
UNITED
THAN EVER.

United Performance Metals will soon represent the combination of four leading brands in the metals industry, bringing you a broader and deeper selection of high-performance products and services than ever before. All from one convenient, comprehensive, and trusted source. Ask for details!



Look for UPM at These Upcoming Trade Shows

The FABTECH Expo will be held November 16 -18 at the Las Vegas Convention Center, NV. **Look for UPM in booth # C15905.**

POWER-GEN International will be held December 13 -15 at the Orange County Convention Center in Orlando, FL. **Look for UPM in booth # 1139.**

In This Issue

- FABTECH EXPO
- POWER-GEN
- Surcharge Update
- Mill Lead Times
- Rig Count
- U.S. Manufacturing

Sharpen Your Edge—FABTECH 2016

FABTECH represents North America's largest metal forming, fabricating, welding and finishing event. More than 28,000 attendees and over 1,300 exhibiting companies are expected to gather and celebrate metal manufacturing at its best. The event also provides educational sessions and expert-led presentations covering the latest trends in the industry.

POWER-GEN—The World's Largest Power Generation Event

Power Generation Week covers Renewable Energy World International, Nuclear Power International, and Coal-Gen, providing a world stage for the innovations, ideas and solutions that have formed the industry. Networking, education and new business development are all possible as over 20,000 attendees from over 110 countries visit over 1,400 exhibitors and learn from over 70 conference sessions led by 300+ industry speakers.

View past issues of the UPM Market Informer: upmet.com/resources/market-informer/archive

US Factory Activity Growth at 12-Month High

The flash IHS Markit Manufacturing PMI for the U.S. increased to 53.2 in October of 2016 from 51.5 in September, beating market expectations of 51.5. It is the highest figure since October last year, boosted by stronger output and new business growth.

Survey respondents cited an accelerated pace of new business growth and, in some cases, efforts to boost production in anticipation of stronger client demand in the months ahead.

In line with the trend for output volumes, latest data highlighted that incoming new orders picked up at the fastest pace for 12 months. *Source: Markit*

United States Manufacturing PMI

The flash IHS Markit Manufacturing PMI for the U.S. increased to 53.2 in October of 2016 from 51.5 in September, beating market expectations of 51.5. It is the highest figure since October last year, boosted by stronger output and new business growth. Manufacturing PMI in the United States averaged 53.62 from 2012 until 2016, reaching an all time high of 57.90 in August of 2014 and a record low of 50.70 in May of 2016. *Source: Markit*



Rig Count Overview & Summary Count *Source: Baker Hughes*

AREA	LAST COUNT	COUNT	CHANGE FORM PRIOR COUNT	DATE OF PRIOR COUNT	CHANGE FROM LAST YEAR	DATE OF LAST YEAR'S COUNT
U.S.	28 October 2016	557	+4	21 October 2016	-218	30 October 2015
Canada	28 October 2016	153	+10	21 October 2016	-38	30 October 2015
International	September 2016	934	-3	August 2016	-206	September 2015



Stainless Steel & Cobalt Alloy Surcharge Totals
 August 2016—November 2016
 High Temp Surcharge Totals
 August 2016—January 2016

Grades	Aug	Sept	Oct	Nov	Dec	Jan
15-5	0.3150	0.3261	0.3019	0.3311	*	*
15-7	0.4297	0.4546	0.4260	0.4509	*	*
17-4	0.3102	0.3194	0.2963	0.3271	*	*
17-7	0.3699	0.3954	0.3625	0.4047	*	*
18SR	0.1653	0.1613	0.1492	0.1258	*	*
201	0.2896	0.3033	0.2802	0.3151	*	*
301 7.0%	0.3693	0.3941	0.3618	0.3550	*	*
302/304/304L	0.4010	0.4298	0.3948	0.4418	*	*
304-8.5%	0.4153	0.4462	0.4097	0.4580	*	*
305	0.5188	0.5641	0.5174	0.5751	*	*
309	0.5410	0.5863	0.5399	0.6056	*	*
310	0.7541	0.8283	0.7618	0.8485	*	*
316/316L	0.5427	0.5819	0.5433	0.5811	*	*
317L	0.6324	0.6769	0.6369	0.6768	*	*
321	0.4232	0.4561	0.4180	0.4652	*	*
347	0.6909	0.7238	0.6859	0.7331	*	*
409/409 Mod	0.1258	0.1216	0.1091	0.1209	*	*
410/410S	0.1307	0.1265	0.1140	0.1274	*	*
430	0.1592	0.1551	0.1429	0.1667	*	*
434	0.1956	0.1923	0.1810	0.2013	*	*
439	0.1653	0.1612	0.1491	0.1753	*	*
440A	0.1592	0.1551	0.1429	0.1667	*	*
2205	0.4944	0.5152	0.4923	0.5282	*	*
2507	0.5276	0.5514	0.5260	0.5665	*	*
20	1.0407	1.0590	1.1075	1.3205	1.3530	1.3031
263	2.2589	2.3413	2.4288	2.7917	3.1369	3.1170
276	2.5749	2.8598	3.0021	3.1985	3.3612	3.2250
A286	0.6547	0.6633	0.6972	0.8561	0.8755	0.8384
330	0.8161	0.7911	0.8330	1.0823	1.0995	1.0591
400	1.4467	1.3692	1.4349	1.9275	1.9475	1.8828
600	1.6225	1.5595	1.6478	2.1701	2.2097	2.1406
601	1.4541	1.4036	1.4756	1.9025	1.9345	1.8746
617	1.6866	1.8141	1.9232	2.2710	2.5142	2.4488
625	3.3502	3.4778	3.5873	3.8913	3.9934	3.8960
718	3.5753	3.6004	3.6760	3.9944	4.0475	3.9805
X-750	2.1944	2.1333	2.2191	2.7267	2.7652	2.6977
800H/HT	0.7821	0.7616	0.7980	1.0143	1.0288	0.9911
825	1.1385	1.1748	1.2349	1.4678	1.5129	1.4547
HX	1.5731	1.7134	1.8080	2.0268	2.1285	2.0415
188	4.1500	4.6700	4.6200	*	*	*
L-605	4.7300	5.3800	5.3600	*	*	*

*Surcharge currently not available

Expected Mill Lead Times for November 2016

Stainless Cold Rolled—5-7 weeks Nickel Plate—10-12 weeks Stainless Plate—6-8 weeks

Nickel Cold Rolled 625—10-12 weeks Nickel Cold Rolled 718—12-14 weeks Aluminum— 8 weeks

Nickel Cold Rolled HX/800—12-14 weeks

UPS Airlines orders 14 Boeing 747-8 freighters

U.S.-based logistics service provider UPS Airlines has signed a deal with Boeing to purchase 14 747-8 freighters. The deal also includes an option to buy an additional 14 cargo airplanes.



Offering freighter solutions to the cargo operators, the 747-8 aircraft enables 16% more revenue cargo volume than Boeing 747-400F aircraft, and reduces noise around an airport by 30% compared with its predecessor.

In its newly released biennial World Air Cargo Forecast, Boeing also projected that the air cargo traffic would grow at an annual rate of 4.2% over the next two decades. *Source: Aerospace-technology.com*

U.S. Manufacturing Expands at Modest Pace as Orders Moderate

America's factories barely expanded last month as faster production cushioned a slowdown in orders that signals the manufacturing sector is plodding along.

A third-quarter moderation in consumer demand, weak global markets and limited investment by U.S. businesses have kept orders subdued. While companies have made some progress in trimming bloated inventories, manufacturing has gained little traction after shrinking two months earlier.

Ten of 18 industries surveyed by the purchasing managers' group posted growth, including computer and electronic products; petroleum and coal products; and furniture. The ones that contracted included machinery; electrical equipment; and transportation equipment.

The gauge of employment rebounded to 52.9, the first expansion in four months and the highest reading since June 2015. *Source, Bloomberg*

Titanium Surcharge Update

Source: ATI Specialty Metals



Titanium Alloy	Standard Surcharge Q4, 2016		
	Bar	Billet	Flat
ATI 6-2-4-2 Alloy	\$5.00	\$4.55	\$5.00
ATI 6-4 Alloy	\$3.91	\$3.56	\$3.91
ATI 6-4 ELI Alloy	\$3.91	\$3.56	\$3.91
ATI CP Grade 1	\$4.09	\$3.72	\$4.09
ATI CP Grade 2	\$2.89	\$2.63	\$2.89
ATI CP Grade 4	\$2.89	\$2.63	\$2.89