



METAL MARKET REPORT

Monthly Market intelligence for Customers of United Performance Metals

October 2013

U.S. ECONOMIC NEWS

Purchasing Managers Index

The JPMorgan global purchasing managers' index increased from 51.6 in August to 51.8 in September. The reports caps the best quarter for the PMI since May 2011. According to the bank, "Growth tended to be centered on the developed world, with the UK at the top of the global rankings and expansions also seen in the US, the eurozone, Japan and Canada." The PMIs for China, Brazil and Indonesia "stagnated" last month while readings from India, Russia and South Korea all fell.

Source: MSCI Advocacy News, 10.7.13

US Mill Shipments

The American Iron and Steel Institute (AISI) reported that for the month of July 2013, U.S. steel mills shipped 8,274,511 net tons, a 6.0 percent increase from the 7,806,319 net tons shipped in the previous month, June 2013, and a 4.6 percent increase from the 7,910,486 net tons shipped in July 2012. Shipments year-to-date in 2013 are 55,675,985 net tons, a 4.1 percent decrease vs. 2012 shipments of 58,027,590 net tons for seven months.

Source: AISI, 9.16.13

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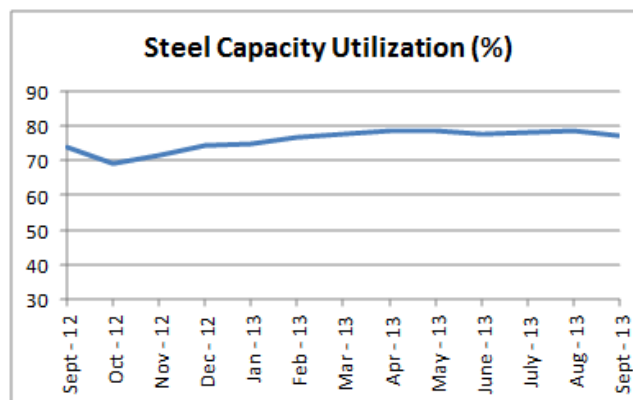
KEY ECONOMIC INDICATORS

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Steel Capacity Utilization

In the week ending September 28, 2013, domestic raw steel production was 1,852,000 net tons while the capability utilization rate was 77.3 percent. Production was 1,751,000 net tons in the week ending September 28, 2012, while the capability utilization then was 70.4 percent. The current week production represents a 5.8 percent increase from the same period in the previous year.

Steel Capacity Utilization is a domestic report based on estimates from companies representing approximately 90% of the Industry's Raw Steel Capacity as compiled by the American Iron and Steel Institute. Source: AISI, 9.28.13



The United Performance Metals family of companies is a leading supplier of stainless, nickel, cobalt, aluminum and titanium. Our comprehensive inventory of high temperature, high strength and corrosion resistant alloys includes sheet, coil, plate and bar that can be processed to your exact specifications using our FIRSTCUT+® Services.

Headquartered in Hamilton, Ohio, United Performance Metals maintains sales and stocking locations worldwide. The United Performance Metals family includes Plus Ten Stainless, Vulcanium, CHRG Metals Division and United Performance Metals Asia.

Stainless

- Mill surcharges decreased in October:

304/304L	\$.6390/lb. from \$.6518/lb.
316/316L	\$.8802/lb. from \$.8907/lb.
201/201LN	\$.4286/lb. from \$.4376/lb.
- Lead time from domestic producers for CMP range is from 4 to 6 weeks.
- Lead time from domestic producers for CR range is from 6 to 8 weeks, depending on the mill.
- Lead time for long products is 8 weeks.
- The mills have announced a base price increase for all 200, 300, and 400 series cold rolled stainless products, polished products, and 200 and 300 series Hot Rolled CMP stainless products effective October 1st. Actual effective transaction prices to be determined after implementation.

Plate

- There are indications of mill price increases before the end of the year.
- Scrap remains relatively flat and no significant movement is expected outside of seasonal upward trends due to weather in the north.
- Imports as a percentage of overall supply in the market are still low based on historical averages.
- Overall plate demand is steady. Lead times at most mills are around 5 to 6 weeks on as-rolled; normalized products are about 7 to 8 weeks.
- September CRU index decreased from \$790 to \$779.

Aluminum

- Ingot average in September for common alloy and Tread Brite is down .0412 /lb.
- Mill production lead time for common alloy and Tread Brite is running into November.
- The ingot for September extruded products is down .035/lb.
- Extrusion lead time is as little as 2 weeks to as much as 10 weeks on small press. Eight weeks for large press items.

Titanium

- A key titanium surcharge fell at a fast rate in the fourth quarter after easing slightly for the past three months:

Standard aerospace titanium 6aluminum/4vanadium bar and flat products to \$4.86/lb. to \$4.36

- Demand for titanium in airframes is growing in line with steadily rising demand for commercial aircraft.
- Global demand for titanium in military uses in forecast to grow to 13,500 tons by 2015.

