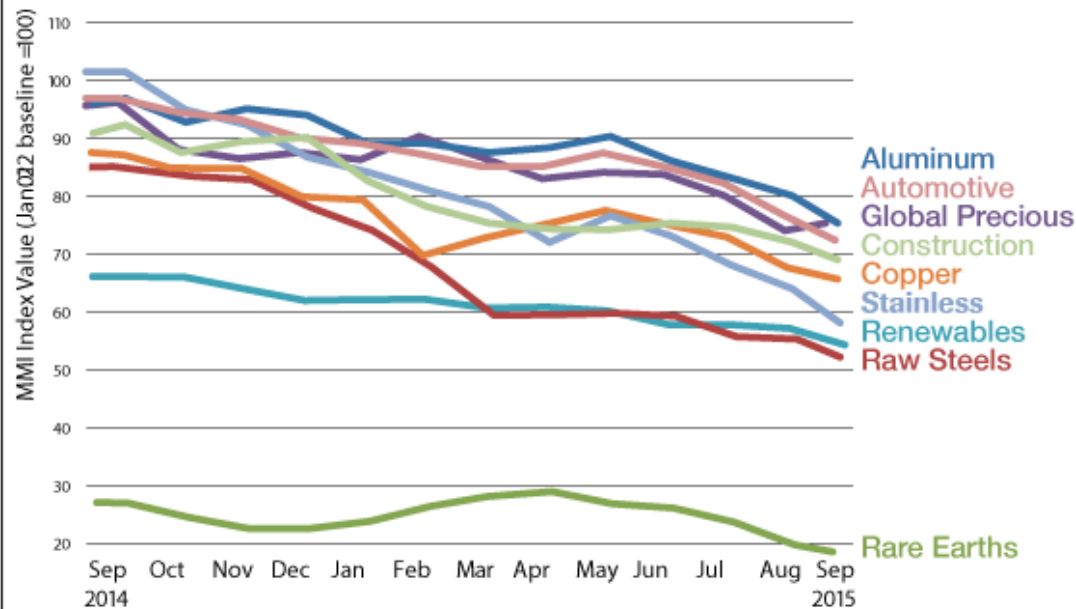


The UPM Market Informer

Monthly Market Intelligence for Customers of United Performance Metals

October 2015

One-Year MMI Trends

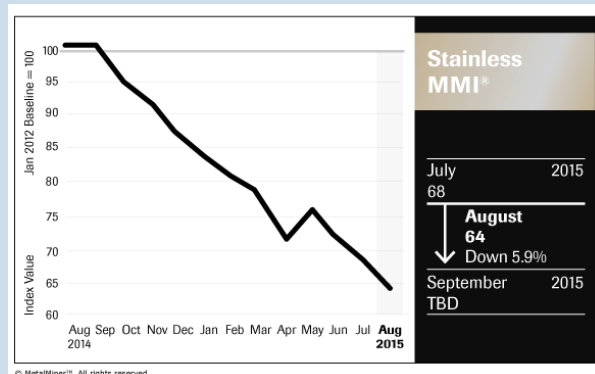


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Nickel Prices are Near 2009 Lows - Creating Buyer's Market



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Monthly Stainless MMI® registered a value of 59 in September, a decrease of 7.8% from 64 in August. Ever since nickel peaked in May of last year, prices have already halved this year to date. In August, prices fell as low as \$9,100/metric ton, below the \$10,000/mt psychological support level. Prices now are very close of breaking the record low of \$8,850/mt set in 2009. Nickel would be the first base metal to do that. *Source MetalMiner*

The nickel market has been characterized by extreme price fluctuations that have placed a heavy importance on the timing of buys. Many distributors are reporting that they are actively quoting upcoming business requirements as their customers attempt to take

advantage of current nickel pricing. Curt Gillingham, Director of Sales for United Performance Metals commented "We have the inventory, and we know the market. We're ready to assist purchasing managers with their buying needs."

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UNITED STATES MANUFACTURING PMI



SOURCE: WWW.TRADINGECONOMICS.COM | MARKIT ECONOMICS

US Factory Activity Stuck at Near Two-Year Low in September

Growth in the U.S. manufacturing sector showed no month-over-month change during September, staying at August's sluggish pace which was the weakest in almost two years. Financial data firm, Markit said its preliminary U.S. Manufacturing Purchasing Managers' Index for September was at 53. That was the same as August, which was the lowest since October, 2014.

Job creation also slowed in September, with the index at 51.4, its weakest since July 2014, down from a final August reading of 52.4.

A strong dollar, flagging demand in many export markets, and reduced capital spending by energy and other companies were all dragging on U.S. manufacturing, according to Chris Williamson, chief economist at Markit.

"The survey is indicating the weakest manufacturing growth for almost two years, meaning the sector will have acted as a drag on the economy in the third quarter," Williamson said.

The index's output component inched up to 54.3 from the August final reading of 53.8. *Source Reuters*

Titanium Surcharge Update

Source: ATI Specialty Metals

Titanium Alloy	Standard Surcharge Q3, 2015		
	Bar	Billet	Flat
ATI 6-2-4-2 Alloy	\$6.22	\$5.66	\$6.22
ATI 6-4 Alloy	\$5.10	\$4.64	\$5.10
ATI 6-4 ELI Alloy	\$5.10	\$4.64	\$5.10
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

Expected Mill Lead Times

Stainless Cold Rolled - 4-6 weeks
Stainless Plate - 10 weeks
Nickel Cold Rolled - 20 weeks
Nickel Plate - 18 weeks



Stainless Steel & Cobalt Alloy Surcharge Totals
July 2015—October 2015
High Temp Surcharge Totals
July 2015—December 2015

Grades	July	Aug	Sep	Oct	Nov	Dec
15-5	0.4180	0.3890	0.3576	0.3339	*	*
15-7	0.5740	0.4994	0.4561	0.4125	*	*
17-4	0.4095	0.3829	0.3532	0.3320	*	*
17-7	0.5245	0.4779	0.4334	0.3902	*	*
18SR	0.1984	0.1950	0.1867	0.1816	*	*
201	0.3984	0.3662	0.3370	0.3084	*	*
301 7.0%	0.5247	0.4782	0.4336	0.3915	*	*
302/304/304L	0.5716	0.5204	0.4720	0.4244	*	*
304-8.5%	0.5944	0.5402	0.4893	0.4391	*	*
305	0.7583	0.6830	0.6145	0.5458	*	*
309	0.7865	0.7118	0.6437	0.5750	*	*
310	1.1223	1.0057	0.9027	0.7967	*	*
316/316L	0.7500	0.6546	0.5939	0.5317	*	*
317L	0.8633	0.7465	0.6800	0.6102	*	*
321	0.6091	0.5515	0.4980	0.4453	*	*
347	0.8768	0.8193	0.7658	0.7132	*	*
409/409 Mod	0.1478	0.1433	0.1344	0.1295	*	*
410/410S	0.1540	0.1497	0.1408	0.1359	*	*
430	0.1903	0.1869	0.1784	0.1734	*	*
434	0.2290	0.2137	0.2045	0.1979	*	*
439	0.1981	0.1949	0.1866	0.1815	*	*
440A	0.1903	0.1869	0.1784	0.1734	*	*
2205	0.6351	0.5532	0.5161	0.4766	*	*
2507	0.6834	0.5980	0.5571	*	*	*
20	2.0408	1.8573	1.9846	1.8358	1.5524	1.3543
263	4.4188	4.0922	4.5332	4.3212	3.8512	3.4848
276	5.0069	4.6452	4.8266	4.1877	3.5258	3.1597
A286	1.3558	1.2230	1.3137	1.2178	1.0202	0.8778
330	1.7719	1.5872	1.7218	1.5914	1.3285	1.1283
400	3.2886	2.9740	3.2645	2.9435	2.4079	1.9937
600	3.5704	3.1898	3.4728	3.1895	2.6439	2.2342
601	3.0717	2.7575	2.9883	2.7582	2.3116	1.9751
625	5.1938	4.8531	5.0576	4.7636	4.2216	3.8891
718	5.0428	4.7645	4.9517	4.7325	4.3148	4.0277
X-750	4.0906	3.7203	3.9954	3.7201	3.1900	2.7915
800H/HT	1.6245	1.4627	1.5791	1.4674	1.2385	1.0634
825	2.2973	2.0825	2.2243	2.0503	1.7198	1.4967
HX	3.1370	2.8589	3.0226	2.7595	2.3048	2.0347
188	6.3400	6.2000	5.9700	*	*	*
L-605	7.1000	7.0800	6.9000	*	*	*

*Surcharge currently not available

Alcoa to Split Into Two Companies; Shares Surge

Alcoa Inc. said on Monday it will split into two companies to separate its struggling aluminum smelting operations from production of lightweight metals for its faster-growing aerospace and automotive business.

The news sparked a rally in Alcoa's shares, which were up nearly 6 percent at \$9.60 in premarket trading. Falling commodity prices and a glut of aluminum have battered Alcoa stock, which before the news, had fallen more than 42 percent this year.

The split will separate the cyclical commodity business that excels during demand upswings from a high-technology business benefiting from rising demand for new alloys and titanium for planes and automobiles.

The company has bet on growth from higher-margin titanium and high-strength aluminum sales to the aerospace industry, as its order book swells for airplane production and amid renewed global spending on automobiles.

The split is expected to be completed in the second half of 2016. The traditional aluminum business will retain the Alcoa name, while the newer company, which Alcoa said would have higher value products, is still unnamed.

Source Reuters



ATI Lockout Continues; ArcelorMittal Talks to Resume

The United Steelworkers of America said it's made another effort to get Allegheny Technologies Inc. back to the bargaining table, but the Pittsburgh-based specialty steel company is sticking with its "last, best and final offer," which was made more than a month ago, before the lockout began.

Contract negotiations between the United Steelworkers and ArcelorMittal are expected to resume in Pittsburgh, as local union members employed at the steel giant's two mills in Northwest Indiana plan rallies in support of their negotiating team.

The union's last contract expired on September 1. The USW decided its membership would keep working while it continued to negotiate with ArcelorMittal and U.S. Steel, which has mills in Gary and Portage.

The union has said ArcelorMittal and U.S. Steel are seeking reductions in health care benefits for active and retired workers, among other concessions.

The steel companies said they need some concessions in order to compete with other steel companies, noting that steel dumping by foreign companies has hurt their revenues. Source Post-Tribune

Metal Price Charts

Source MetalPrices.com

