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The UPM Market Informer

Monthly Intelligence for Customers of United Performance Metals

GE Aviation’s \$60 Million Utility Plant Will Look Like a Jet Engine

GE Aviation is working on a \$60 million to \$70 million utility plant at its Evendale headquarters that bears a striking resemblance to its jet engines.

The new power plant will provide heating and cooling for the entire 7 million-square-foot Evendale campus along with pressurized air for shop services, a reverse osmosis system to purify water and new gas service. The 68,000-square-foot north utility plant was designed to look like a jet engine facing the sky.

Tim Meyers, Plant Manager for GE Aviation, said power plant buildings are typically disguised, but GE Aviation wanted this building to highlight the facility’s history as an aviation plant.

The glass enclosed rotunda will highlight some of the high-tech equipment in the power plant and it’s shaped like a jet engine complete with a front fan nose cone on the roof, which is a replica from a CFM56-7 engine, one of the world’s best selling aircraft engines. That engine is produced by CFM International, a 50/50 joint venture of GE and Safran Aircraft Engines of France, and is assembled at the Evendale operation. *Source: The Cincinnati Business Courier*





US Oil Rig Count Climbs for 5th Straight Week

The US oil rig count increased by six this week to 597, according to Baker Hughes.

The gas rig count rose four to 153. One miscellaneous rig remained in use, taking the total rig count up by 10 to 751.

The tally of oil rigs, which plunged with oil prices in 2014, rose by eight last week. The count is more than 80% above the low reached in May 2016.

US oil production remained steady even after the rig count began to fall, declining by only about 12% from the top to the bottom, according to Societe Generale. Oil watchers continue to wait and see whether US production hampers efforts by the Organization of Petroleum Exporting Countries (OPEC) and some non-members to reduce their output.

West Texas Intermediate crude oil-the US benchmark-was on pace to close lower for the first week in five after the rig count release.

Source: Any Kiersz/Business Insider



Pratt & Whitney Adding 500 Jobs in Columbus with \$368 Million Expansion

Aerospace company Pratt & Whitney plans to invest \$386 million into its Columbus plant on Macon Road, pledging to create more than 500 jobs over five years.

The announcement, made Tuesday in Atlanta on Valentine's day by Georgia Governor Nathan Deal, will add to the roughly 1,200 employees already at the Columbus complex, which has expanded several times since coming to the city in 1984. The new jobs will be in the areas of administrative, supervisory, technical support, production and maintenance.

"Pratt & Whitney has maintained a presence in Muscogee County since 1984 and this latest expansion speaks to Georgia's support for our robust aerospace industry," Deal said in a statement. Georgia's pro-business structural framework and deep talent pool help to retain industry leaders such as Pratt & Whitney. By adding these new high-quality manufacturing jobs, Pratt & Whitney is making a significant investment in the Columbus community and we look forward to strengthening this longstanding partnership as the company continues to grow."

The expansion unveiled Tuesday comes with Pratt & Whitney already in a hiring mode at its Columbus facility. A search of its career page online shows nearly 70 positions available locally. Those jobs include engineering technician, maintenance, operations supervisor, mechanic, inspector, production control, machining, forging, tooling, senior analyst, deputy facilities manager, and various project and operations managers.

Source: T Adams/The Ledger-Enquirer



Stainless Steel & Cobalt Alloy Surcharge Totals
December 2016—March 2017
High Temp Surcharge Totals
December 2016—May 2017

Grades	Dec	Jan	Feb	Mar	Apr	May
15-5	0.3555	0.4842	0.4773	0.4781	*	*
15-7	0.4692	0.5980	0.5863	0.5955	*	*
17-4	0.3511	0.4865	0.4820	0.4833	*	*
17-7	0.4313	0.5795	0.5517	0.5493	*	*
18SR	0.1880	0.3182	0.3344	0.3308	*	*
201	0.3415	0.4891	0.4857	0.4838	*	*
301 7.0%	0.4318	0.5844	0.5581	0.5568	*	*
302/304/304L	0.4698	0.6285	0.5955	0.5933	*	*
304-8.5%	0.4869	0.6469	0.6109	0.6087	*	*
305	0.6106	0.7835	0.7260	0.7244	*	*
309	0.6406	0.8358	0.7776	0.7762	*	*
310	0.8967	1.1240	1.0224	1.0223	*	*
316/316L	0.6058	0.7570	0.7235	0.7335	*	*
317L	0.6996	0.8662	0.8317	0.8478	*	*
321	0.4952	0.6503	0.6113	0.6092	*	*
347	0.7630	0.9180	0.8789	0.8768	*	*
409/409 Mod	0.1345	0.2248	0.2423	0.2384	*	*
410/410S	0.1410	0.2362	0.2535	0.2497	*	*
430	0.1795	0.3034	0.3199	0.3162	*	*
434	0.2114	0.3351	0.3558	0.3567	*	*
439	0.1879	0.3181	0.3343	0.3307	*	*
440A	0.1795	0.3034	0.3199	0.3162	*	*
2205	0.5402	0.7185	0.7195	0.7352	*	*
2507	0.4407	0.5802	0.7713	*	*	*
20	1.3530	1.3031	1.3511	1.5248	1.6467	1.4871
263	3.1369	3.1170	3.2744	3.6196	3.8044	3.9435
276	3.3612	3.2250	3.2347	3.4967	3.5832	3.3826
A286	0.8755	0.8384	0.8700	0.9927	1.0824	0.9675
330	1.0995	1.0591	1.1096	1.2808	1.3848	1.2000
400	1.9475	1.8828	1.9130	2.3223	2.3123	1.9708
600	2.2097	2.1406	2.2060	2.5506	2.6038	2.2021
601	1.9345	1.8746	1.9525	2.2362	2.3541	2.0264
617	2.5142	2.4488	2.5450	2.8741	3.0035	2.9397
625	3.9934	3.8960	3.9472	4.2190	4.3440	4.0843
718	4.0475	3.9805	4.0368	4.2763	4.3855	4.1335
X-750	2.7652	2.6977	2.7641	3.0994	3.1598	2.7694
800H/HT	1.0288	0.9911	1.0465	1.1969	1.3259	1.1673
825	1.5129	1.4547	1.5060	1.6958	1.8221	1.6401
HX	2.1285	2.0415	2.0852	2.3046	2.4337	2.2540
188	5.1600	5.6000	6.2300	*	*	*
L-605	5.9500	6.5100	7.3900	*	*	*

*Surcharge currently not available



Labor Market Tacks on 246,000 Jobs in January

U.S. employers drummed up a whopping 246,000 new positions to start the year as the labor market thrived despite the country's broader leadership transition.

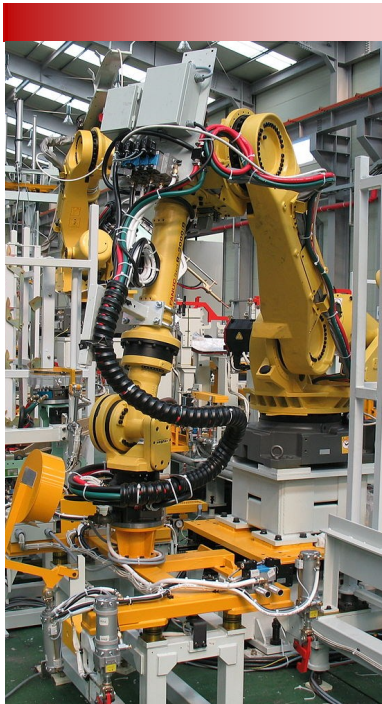
Job creation numbers flew in well above expectations in January and hit their highest level since June, according to the latest ADP national Employment Report published Wednesday.

Strength was especially notable in the goods-producing sector, which hadn't tacked on more than 4,000 new positions in any individual month since September.

Goods producers added 46,000 new jobs last month for the sector's best performance in two years. Manufacturers created 15,000 positions—more than they had in any month since December 2014—and construction payrolls added 25,000 new workers—a level matched or exceeded only twice in 2016.

Even natural resource and mining outfits drummed up 6,000 jobs, snapping 25 consecutive months of flat or declining payroll numbers.

"2017 got off to a strong start in the job market. Job growth is solid across most industries and company sizes," Mark Zandi, chief economist at Moody's Analytics, said in a statement accompanying the report. "Even the energy sector is adding to payrolls again." Source: Andrew Soergel/ Economy Report/ US News



US Factory Activity Growth Slows

The Flash Markit US Manufacturing PMI decreased to 54.3 in February of 2017 from a near 2-year high of 55 in January. Figures came below market expectations of 55.3, mainly due to softer output and new order growth.

Despite a slowdown since January, the latest survey indicated that new order growth remained faster than at any other time since March 2015. This was driven by strong sales to domestic clients which helped offset weaker growth in export markets during February. A number of manufacturers commented on greater demand from energy sector clients.

Meanwhile, manufacturers signaled that input cost inflation was at its highest level since September 2014. This was linked to increased prices for a range of raw materials, particularly metals and oil related inputs. However, factory gate price inflation was only marginal and slipped to a three-month low in February, thereby suggesting a continued squeeze on operating margins.

Source: Joana Taborda/Markit