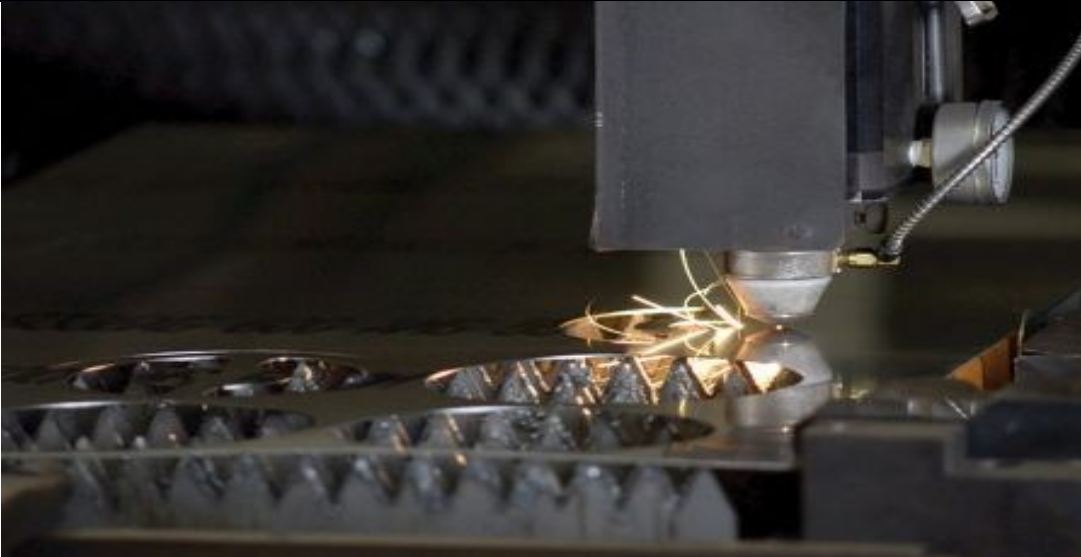


The UPM Market Informer

Monthly Market Intelligence for Customers of United Performance Metals

October 2016



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Laying Out Parts Isn't Always Cut and Dried

Measure twice and cut once is a wise proverb. Having software to do the measuring and layout for you eliminates the errors that come when second guessing yourself. The purchase of a Mazak laser fit with United Performance Metals' need to meet tight tolerances and quality requirements of aerospace clients. In order to use the laser machinery to its fullest potential, United Performance Metals invested in SigmaNest software.

"We were looking for software that was easy to use, equipped with hot key navigation and had the ability to work into our existing workspace," says Ryan Getz, laser cell leader at United Performance Metals. "We decided SigmaNest had both the reputation as well as the ease of accessibility we wanted."

The SigmaNest package allows United Performance Metals to track parts running through the shop as well as maintain a real-time record on revisions and certifications. "Our customers want precise accuracy and we're able to provide that by pulling up progress reports in SigmaNest to answer any questions," Getz says.

United Performance Metals, Hamilton, Ohio, processes and distributes nickel, cobalt and stainless steel parts. Two shifts man the laser cutter 24/7 for customers worldwide. Its laser cell earned approval from Pratt & Whitney as a qualified source to perform laser beam metal removal in accordance with PWA 110-1 & 2 as well as other certifications.

Source: *Modern Metals*

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Four Seconds to Safety

Perhaps the best tool to come along is the Field Level Risk Assessment or Job Hazard Analysis. This is a tool that makes everyone stop and think about the different risks associated with the task. This exercise greatly reduced the number and severity of injuries where this was done.

Simply take a four-second “reset”. Take four seconds before starting some new familiar task. This act of refocusing has been shown to reduce the probability of an injury incident by more than 90% versus not taking the four seconds. How hard is that? You may have done the task you are about to perform thousands of times before. In your mind, you know that you could do it with your eyes closed. It is usually not the task itself but some small thing you did not anticipate that causes the incident. You did not notice the debris in front of the tool you were going to pick up. You did not notice somebody placed something on the part you were about to pick up. You did not realize how heavy a piece is that you were asked to help carry.

It is easy to imagine the different activities we do every day and how this applies. For example, getting in a forklift and having a quick look around. We change our thinking from where we are going to focusing on the area, other vehicles and so on. This is the “reset” we are talking about. Believe it or not, four seconds is all it takes. Get in this habit of taking four seconds and you significantly reduce your chance of injury. If you get into the habit of taking chances or simply cruising from job to job, you will eventually be injured. This four second “reset” is an excellent way to refocus on the job at hand and one that is a very effective method to prevent injury on and off the job.



Expected Mill Lead Times for October 2016

Stainless Cold Rolled—10-12 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

Titanium Surcharge Update

Source: ATI Specialty Metals

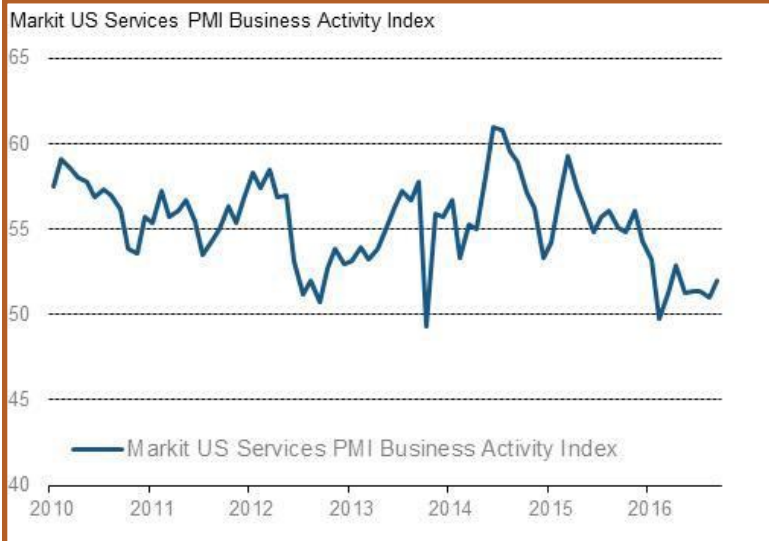
Titanium Alloy	Standard Surcharge Q3, 2016		
	Bar	Billet	Flat
ATI 6-2-4-2 Alloy	\$5.13	\$4.67	\$5.13
ATI 6-4 Alloy	\$4.06	\$3.69	\$4.06
ATI 6-4 ELI Alloy	\$4.06	\$3.69	\$4.06
ATI CP Grade 1	\$4.09	\$3.72	\$4.09
ATI CP Grade 2	\$2.89	\$2.63	\$2.89
ATI CP Grade 4	\$2.89	\$2.63	\$2.89



Stainless Steel & Cobalt Alloy Surcharge Totals
July 2016—October 2016
High Temp Surcharge Totals
July 2016—December 2016

Grades	July	Aug	Sept	Oct	Nov	Dec
15-5	0.2927	0.3150	0.3261	0.3019	*	*
15-7	0.4174	0.4297	0.4546	0.4260	*	*
17-4	0.2904	0.3102	0.3194	0.2963	*	*
17-7	0.3272	0.3699	0.3954	0.3625	*	*
18SR	0.1669	0.1653	0.1613	0.1492	*	*
201	0.2639	0.2896	0.3033	0.2802	*	*
301 7.0%	0.3274	0.3693	0.3941	0.3618	*	*
302/304/304L	0.3536	0.4010	0.4298	0.3948	*	*
304-8.5%	0.3649	0.4153	0.4462	0.4097	*	*
305	0.4469	0.5188	0.5641	0.5174	*	*
309	0.4693	0.5410	0.5863	0.5399	*	*
310	0.6398	0.7541	0.8283	0.7618	*	*
316/316L	0.5090	0.5427	0.5819	0.5433	*	*
317L	0.6060	0.6324	0.6769	0.6369	*	*
321	0.3695	0.4232	0.4561	0.4180	*	*
347	0.6372	0.6909	0.7238	0.6859	*	*
409/409 Mod	0.1268	0.1258	0.1216	0.1091	*	*
410/410S	0.1317	0.1307	0.1265	0.1140	*	*
430	0.1606	0.1592	0.1551	0.1429	*	*
434	0.2068	0.1956	0.1923	0.1810	*	*
439	0.1668	0.1653	0.1612	0.1491	*	*
440A	0.1606	0.1592	0.1551	0.1429	*	*
2205	0.5033	0.4944	0.5152	0.4923	*	*
2507	0.5320	0.5276	0.5514	0.5260	*	*
20	1.0010	1.0407	1.0590	1.1075	1.3205	1.3530
263	2.1889	2.2589	2.3413	2.4288	2.7917	3.1369
276	2.4842	2.5749	2.8598	3.0021	3.1985	3.3612
A286	0.6196	0.6547	0.6633	0.6972	0.8561	0.8755
330	0.7787	0.8161	0.7911	0.8330	1.0823	1.0995
400	1.4099	1.4467	1.3692	1.4349	1.9275	1.9475
600	1.5626	1.6225	1.5595	1.6478	2.1701	2.2097
601	1.4031	1.4541	1.4036	1.4756	1.9025	1.9345
617	1.6101	1.6866	1.8141	1.9232	2.2710	2.5142
625	3.2796	3.3502	3.4778	3.5873	3.8913	3.9934
718	3.5219	3.5753	3.6004	3.6760	3.9944	4.0475
X-750	2.1361	2.1944	2.1333	2.2191	2.7267	2.7652
800H/HT	0.7474	0.7821	0.7616	0.7980	1.0143	1.0288
825	1.0931	1.1385	1.1748	1.2349	1.4678	1.5129
HX	1.5086	1.5731	1.7134	1.8080	2.0268	2.1285
188	3.7500	4.1500	4.6700	*	*	*
L-605	4.3400	4.7300	5.3800	*	*	*

*Surcharge currently not available



Markit Flash U.S. Services PMI™

- ◆ Sharpest rise in activity since April
- ◆ New orders and employment increase at slower rates
- ◆ Inflationary pressures ease



US Factory Growth Slows More Than Expected

The flash Markit manufacturing PMI for the United States declined to 51.4 in September of 2016 from 52 in August and below market expectations of 51.9. New business growth eased further, output slowed and export orders fell for the first time in four months while payrolls increased.

Softer rates of output and new business growth were the main factors weighing on the headline PMI during September. Moreover, the latest expansion of manufacturing production was the weakest for three months. Survey respondents suggested that relatively subdued economic conditions had acted as a brake on new order volumes, while there were also reports that the strong dollar had dampened export sales. Reflecting this, latest data signaled that new work rose at the slowest pace since December 2015, while export orders dropped for the first time in four months.

Backlogs of work increased only marginally in September, with the latest accumulation of unfinished business the slowest since May. Despite a lack of pressure on operating capacity, manufacturers indicated a rebound in job creation from the four-month low seen during August. Companies that reported a rise in payroll numbers cited increased investment spending, the launch of new products and continued optimism regarding the longer-term business outlook.

Purchasing activity picked up again in September, which marked five months of sustained growth. At the same time, stocks of inputs decreased at the slowest pace since February. However, manufacturers remained cautious in terms of their holdings of finished goods during September, with the latest fall the fastest recorded for almost one year. A number of firms commented on deliberate reductions to post-production inventories amid efforts to boost cash flow.

Meanwhile, latest survey data highlighted that input cost inflation remained subdued across the manufacturing sector. Higher input prices have been recorded in each of the past six months, but the rate of inflation in September was among the slowest seen over this period. Subdued cost inflation and intense competition for new work resulted in a reduction in manufacturers' output charges during September. Although only marginal, the decline in factory gate prices was the fastest since April. *Source: Tradingeconomics.com*