UNITED PERFORMANCE METALS
AN ONI COMPANY

THE UPM MARKET INFORMER

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Post-Strike, Boeing Shifts Focus to Production Output

New fuselages moving into the first Boeing 737 MAX final assembly line positions Dec. 6 signaled day-to-day work on the company's most important product was back underway following the end of the machinists strike in early November. Boeing's new priority is ramping up production and factory capacity across its commercial programs while staying true to its pledge to maintain quality.

Like the post-strike restart, the ramp-ups will be slow. The official 737 production restart, signified by Spirit AeroSystems-built fuselages moving into Flow Day 1, the first 737 final assembly station, on the three active 737 MAX lines at Boeing's production facility in Renton, Washington, came exactly one month after International Association of Machinists and Aerospace Workers (IAM) members began returning to work following a 53-day strike (AW&ST Nov. 11-24, 2024). The walkout also halted Boeing 767 and 777 lines in Everett, Washington, as well as other facilities in the Puget Sound region. Production since has resumed in Everett. "Our team has worked methodically to restart factory operations in the Pacific Northwest," the company says.

Boeing's restart processes included using its safety management system to develop risk-based plans for each aircraft program to ensure the correct parts and tooling were in place and ready for the workforce, the company says. Workers also received training designed to support a trouble-free ramp-up.

Boeing is offering little information about the pace of its planned production ramp-up. Just before the strike, its 737 lines were combining to roll out 25-30 aircraft per month—a figure that was climbing slowly after a dip into the low 20s in the aftermath of the Alaska Airlines 737-9 door-plug blowout on Jan. 5, 2024.

The 737 program remains under an FAA-imposed production limit of 38 per month—a ramification of the Alaska incident. A recent RBC Capital Markets survey showed most 737 MAX suppliers do not expect the monthly production rate to reach 38 until 2026.

The latest projection of the Aviation Week Network Fleet Discovery database shows a similar ramp-up pace. This monthly 737 MAX rollout rate —is opposed to Boeing's definition, which is the supply chain's shipping pace. Fleet Discovery projects the rate will reach the mid-20s pace around the end of the first quarter of 2025, climb to 30 in the third quarter and end the year at 32. The figures exclude a handful of military variants that will be produced on a dedicated production line.

Boeing's past post-strike ramp-ups have taken time. Following a 58-day strike in 2008, factories needed nearly a year to reach pre-walkout levels. The current ramp-up will be more complicated, coming hand-in-hand with implementation of an FAA-approved plan to address systemic quality control issues spotlighted by the Alaska incident and related audits of its production processes.

"As expected, Boeing has made progress executing its comprehensive plan in these areas, and we will continue to closely monitor the results as they begin to ramp up production following the strike," FAA Administrator Michael Whitaker said following a daylong visit to the Renton factory on Dec. 3. Whitaker sees Boeing's deliberate approach as a positive departure from past post-strike plans. "In previous strikes, they've just come right back and started production," he told NBC News. "This time, following safety management principles, they've been very systematic." To continue reading, please click here.

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NICKEL, COBALT & STAINLESS FLAT ROLLED SURCHARGES

	Oct '24	Nov '24	Dec '24	Jan '25	Feb '25	Mar '25
15-5	0.8573	0.9018	0.8631	0.8601	*	*
17-4	0.8696	0.9145	0.8758	0.8652	*	*
17-7	0.8588	0.9075	0.8558	0.8489	*	*
201	0.6304	0.6588	0.6312	0.6583	*	*
301 7.0%	0.8374	0.8847	0.8354	0.8212	*	*
302/304/304L	0.9173	0.9700	0.9136	0.8984	*	*
304-8.5%	0.9509	1.0060	0.9461	0.9304	*	*
305	1.1917	1.2650	1.1804	1.1613	*	*
309	1.2372	1.3111	1.2636	1.2441	*	*
310	1.7320	1.8420	1.7452	1.7190	*	*
316/316L	1.4681	1.5377	1.4706	1.4416	*	*
321	0.9711	1.0286	0.9652	0.9490	*	*
347	1.2807	1.3382	1.2748	1.3817	*	*
409/409 Mod	0.2872	0.2975	0.2975	0.3200	*	*
410/410S	0.2972	0.3077	0.3448	0.3364	*	*
430	0.3556	0.3668	0.3668	0.3595	*	*
439	0.3683	0.3796	0.3796	0.3724	*	*
263	7.4431	7.0858	6.8385	6.5253	6.7060	6.3943
276	9.5647	9.1005	8.7629	8.8223	9.1071	8.7468
A286	2.4501	2.2944	2.2537	2.2435	2.3476	2.3951
600	5.7464	5.0647	5.2362	5.1826	5.4655	5.0339
601	4.8029	4.4458	4.3988	4.3564	4.5838	4.2420
617	7.9955	7.5783	7.3297	7.1742	7.4113	7.1706
625	9.0710	8.6425	8.4413	8.4504	8.7179	8.5763
718	7.7123	7.3737	7.2765	7.2582	7.4725	7.5076
X-750	6.1772	5.7535	5.6978	5.6475	5.9138	6.1235
800	2.6548	2.4714	2.4473	2.4255	2.5480	2.3724
825	4.2831	4.0233	3.9281	3.9242	4.0926	3.8592
Alloy X	6.3432	5.9894	5.7883	5.8009	6.0216	5.7292
188	8.0026	7.8815	7.6273	6.8786	6.8581	6.8907
L-605	7.9910	7.9367	7.6366	6.7280	6.6430	6.7083

**Surcharge currently not available*

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NICKEL & STAINLESS THIN GAUGE SURCHARGES

	Oct '24	Nov '24	Dec '24	Jan '25	Feb '25	Mar '25
301 7%	1.0048	1.0616	1.0025	0.9855	*	*
302/304/304L	1.1007	1.1640	1.0963	1.0781	*	*
304 8.5%	1.1410	1.2072	1.0963	1.1165	*	*
305	1.4300	1.5180	1.4165	1.3936	*	*
316L	1.7617	1.8452	1.7647	1.7299	*	*
321	1.1652	1.2343	1.1583	1.1388	*	*
347	1.5367	1.6058	1.5298	1.6580	*	*
201	8.5862	7.8636	7.7684	7.6826	8.1289	7.4372
600	6.8957	6.3546	6.2835	6.2191	6.5586	6.0407
625	10.8853	10.3711	10.1296	10.1405	10.4615	10.2915
625LCF	10.8853	10.3711	10.1296	10.1405	10.4615	10.2915
718	9.2548	8.8485	8.7319	8.7099	8.9671	9.0091
Alloy X	7.6118	8.5030	6.9459	6.9610	7.2259	6.8750
X750	7.4126	6.9042	6.8373	6.7770	7.0965	7.3482

**Surcharge currently not available*

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NICKEL, COBALT & STAINLESS BAR SURCHARGES

	Aug '24	Sep '24	Oct '24	Nov '24	Dec '24	Jan '25
316LS/316LVM	2.43	2.37	2.33	2.39	2.27	2.22
Custom 455	1.35	1.35	1.32	1.39	1.32	1.31
Custom 465	1.98	1.98	1.97	2.09	2.01	2.00
Custom 630	1.01	0.99	0.95	0.96	0.91	0.89
CCM	10.88	10.82	10.45	10.39	10.05	9.51
625	9.62	9.52	9.51	9.96	9.53	9.40
718	7.15	7.13	7.10	7.49	7.13	7.05
718CR	7.15	7.13	7.10	7.49	7.13	7.05
A286	3.50	3.50	3.48	3.68	3.50	3.46
A2861	3.50	3.50	3.48	3.68	3.50	3.46
A2862	3.50	3.50	3.48	3.68	3.50	3.46
A2867	3.50	3.50	3.48	3.68	3.50	3.46
A286R1	3.50	3.50	3.48	3.68	3.50	3.46
A286SH	3.50	3.50	3.48	3.68	3.50	3.46
Alloy X	8.03	7.91	7.91	8.27	7.94	7.83
Wasp6	8.76	8.73	8.61	8.92	8.45	8.24
L605	11.60	11.42	11.33	11.30	10.98	10.57
321	1.46	1.45	1.39	1.43	1.33	1.30
347	1.47	1.46	1.40	1.43	1.34	1.30
Greek Ascoloy	1.38	1.33	1.34	1.34	1.31	1.30

**Surcharge currently not available*

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TITANIUM SURCHARGES

Form	Grade	Q3 2024 Surcharge	Q4 2024 Surcharge	Q1 2025 Surcharge
TI - SHEET	6AL4V	6.36	5.67	8.23
TI - PLATE	6AL4V	5.30	4.72	4.29
TI - PLATE	6AL4VE	3.62	3.38	3.18
TI - COIL	GR 2	8.92	8.92	8.13
TI - COIL	GR 3	8.92	8.92	8.13
TI - COIL	GR 4	8.92	8.92	8.13
TI - SHEET	GR 2	8.92	8.92	8.13
TI - SHEET	GR 3	8.92	8.92	8.13
TI - SHEET	GR 4	8.92	8.92	8.13
TI - BAR	6AL4V	7.76**	7.35	5.19
TI - BAR	6AL4VE	7.76**	7.35	5.19

**Surcharge currently not available*
***Updated to correct processing error when first published*

Medtech M&A Could Be On the Rise in 2025

Analysts from Bank of America predict a favorable environment for mergers and acquisitions in the medtech space in 2025. Travis Steed, Stephanie Piazzola, Craig Bijou and Enjia Cao say 2024 was "a typical year" in terms of M&A in medtech. They tracked 19 acquisitions of note with around $25 billion in disclosed deal price. Some notable ones include Johnson & Johnson's $13 billion buy of Shockwave Medical, BD's $4.2 billion acquisition of Edwards' Critical Care business and Boston Scientific's $3.7 billion purchase of Axonics.

Even with such major deals in 2024, the analysts set their sights for an M&A boom in medtech in 2025. "We see the potential for a pickup in medtech M&A in 2025 with a more favorable regulatory environment, lower financing cost, more normalized end market growth rates, and even more time since peak [small-to-midcap] valuations." BofA analysts said Boston Scientific and Edwards led the way in 2024 with four M&A deals apiece. Johnson & Johnson had two deals, with the Shockwave buy perhaps representing the industry's most noteworthy acquisition. Despite such significant activity, the analysts specifically see continued M&A dealings from Boston Scientific and Johnson & Johnson in the next 12 months. "In 2025 BSX and JNJ will likely still be active on M&A," they wrote. "BSX has a lot of margin flexibility as Farapulse goes margin accretive in 2025. JNJ seems focused on building out its interventional cardiology portfolio." Additional big names that could join in the M&A fray are Stryker and Zimmer Biomet, they said. Meanwhile, they see little change from Medtronic as it focuses on small tuck-ins and divestitures. They called Abbott a wild card as well. The analysts say that the past few years consisted of medtech M&A involving private companies. They attribute this to elevated public company valuations and frozen IPO markets. But, with companies like Shockwave, Silk Road Medical and Axonics getting acquired in 2024, they see M&A trending toward public companies.

"Some private companies may be less motivated to exit as IPO markets are starting to unfreeze," they wrote. "And many public companies are still trading far below peak stock prices despite executing and putting up good growth."

As far as markets to watch, the analysts highlighted the peripheral vascular market as large companies eye market entry there. Soft tissue robotic surgery remains a hot space as well as private companies need big company resources to survive. The analysts also note interventional cardiology, structural heart, sleep apnea, various stimulation markets, and foot and ankle. Those "all seem like markets where there's strategic interest." To continue reading, please click here.

Global Airline Industry Forecast to Top $1 Trillion

Despite problems with the global supply chain and a shortage of available aircraft to meet growing passenger demand, airlines around the world are expected to break records in terms of collective revenue. Indeed, with many carriers reporting significant profits and even revising their revenue outlooks, it does look like 2025 will likely bring in signifcant revenue for the industry.

At the height of the COVID-19 pandemic, when it was feared that the airline industry would suffer the consequences for years, few could foresee a trillion-dollar collective revenue globally for the industry. But that's exactly the forecast that industry experts are making. The International Air Transport Association (IATA), which is an airline body that keeps a close eye on airline safety and efficiency standards around the world, recently predicted that carriers worldwide could bring in more than a trillion dollars in collective revenue in 2025. Indeed, this will be a significant milestone as
the industry has never touched the trillion-dollar mark. For 2025, airlines are predicted to bring in revenue of $1.007 trillion, as opposed to $964 billion this year. It's also important to note that the revenue will also translate into a collective profit for the global airline industry of around $36.6 billion in 2025, up from $31.5 billion this year. These figures were recently made available by the International Air Transport Association's chief, Willie Walsh, who thinks that the Trump administration will also help the airline industry. According to a report by Reuters, Walsh said that Trump's actions in the first term were favorable for the airline industry, something he hopes will repeat in his second term. The report quotes him as saying, "The indication is that the second Trump administration is likely to reverse some of the actions that were taken under the (Joe) Biden administration. "I would see the Trump administration as being a net positive for the industry," he said, without giving details."

Walsh's prediction about trillion-dollar revenue in 2025 is despite the long list of problems with the industry that continue to plague aerospace companies globally. One of them is the shortage of aircraft that has hampered the growth of many airlines. The global supply chain for aircraft parts and engines was significantly disrupted during the pandemic and has not been able to bounce back sufficiently since. Plane makers such as Boeing and Airbus are sitting on huge orders and can't keep up with the demand. Boeing also faces additional problems with its production quality issues, and all of these problems together have resulted in many airlines having to curtail their network plans. Walsh told reporters in Geneva, "We've given them time. I think our patience has run out. The situation is unacceptable. "We're going to have to ramp up the pressure and maybe look for support to force key suppliers to get their act together."

The estimate that airlines could cross $1 trillion might have merit. Despite several problems, many major airlines have reported great profits in recent times. Etihad Airways increased its profit by 66% to AED1.4 billion ($368 million), with revenues growing 21% to AED18.4 billion ($5.0 billion) year-on-year. This was for the nine-month period this year. Antonoaldo Neves, Etihad's chief executive officer, said the growth was driven by strong results in passenger and cargo revenues, underscoring the effectiveness of their strategy and the strength of their growth trajectory. To continue reading, please click here.

Power and Utilities Outlook for 2025

The United States is experiencing a surge in electricity demand, driven in part by a confluence of unprecedented electrification, artificial intelligence–driven data center expansion, and a resurgence in industrial reshoring or manufacturing. In September 2024, year-to-date electricity demand rebounded with a 1.8% increase, following a 1.7% decline during the same period in 2023 helped by mild weather conditions.1 However, this surge isn't temporary; it is expected to be sustained growth after two decades of stagnant demand. This will likely fundamentally change the electricity landscape in several ways.

Data centers, fueled by the rise of generative AI, machine learning (ML), and cryptocurrency-mining activities, are becoming major electricity consumers. Power demand estimates vary widely. According to Deloitte analysis, by 2030, electricity demand from data centers is projected to soar to approximately 515 to 720 terawatt-hour (TWh), up from about 180 to 290 TWh in 2024—a 15% to 17% compound annual growth rate.

Electrification continues to expand across transportation, industrial processes, and buildings and homes. Electric vehicle sales are up 8% year over year (YoY), now accounting for 9% of new car sales in the first three quarters of 2024, despite a slight decline in the first quarter of 2024. Government incentives in at least 25 states have accelerated the adoption of heat pumps.

Federal policies promoting domestic content have further amplified this demand surge by relocating offshore manufacturing and expanding domestic production in strategically important sectors. Between Jan. 1, 2021, and March 1, 2023, companies announced more than 150 onshore manufacturing facilities in the United States, with an annual electricity usage exceeding 13,000 GWh, half of which is expected to be operational by 2025.

This increase in demand has contributed to a corresponding rise in power generation. As of September 2024, utility-scale power generation reached approximately 3,287 billion kWh, marking a 3% YoY increase. Concurrently, renewable energy, particularly solar, experienced growth, with a 30% increase, compared to 13% in the same period in 2023. It is expected to be the fastest-growing energy source by year-end, potentially achieving a 34% growth rate, according to Deloitte analysis of US Energy Information Administration data. Natural gas, which generates about 43% of US electricity, saw a 4.1% increase this year, maintaining its position as the dominant power source. Natural gas generation is expected to rise by 3.5% by year-end, although its share is projected to decline to 40% in 2025 due to high fuel prices. To continue reading, please click here.

2025 Renewable Energy Industry Outlook

Demand growth is a rising tide that lifts all boats, and it especially lifted renewable ones in 2024. Renewables were already buoyed by record public and private investment in, and demand for, clean energy that set the stage for continued growth in 2024.1 Utility-scale solar and wind capacity additions were the largest across all primary generation sources, accounting for close to 90% of all new builds and expansions in the first nine months of 2024, versus 57% of capacity added for the same period in 2023, according to Deloitte analysis of data from the Federal Energy Regulatory Commission.2 Deployment continued to proceed at variable speeds:

Solar was the only primary source of generation that recorded capacity growth, which jumped 88% to 18.6 gigawatts (GW). As a result, in 2024, solar surpassed hydropower and nuclear as the fourth-largest source of installed capacity, after wind.

Wind capacity additions fell by 14% to 2.6 GW amid continued supply chain, financing, and permitting challenges.4 Wind generation reached a new record, however, as it exceeded coal-fired generation for two months in a row for the first time.

Battery storage accounted for the second-largest share of total generating capacity additions, rising by 64% to 7.4 GW.6 Excess wind and solar generation is the third-largest use case that utilities report for batteries, following arbitrage and frequency regulation.

By the end of 2024, the US Energy Information Administration (EIA) expects wind capacity to rise to 153.8 GW, up by 6.5 GW from a year earlier. Meanwhile, it expects solar to rise by a record-breaking 38.4 GW to 128.2 GW, and battery storage to rise by a record-breaking 14.9 GW to 30.9 GW.8 The storage boom is also reflected in the distributed segment, with residential solar attachment rates expected to rise from 14% in 2023 to a record 25% in 2024. Looking ahead to 2025, the momentum for clean energy may continue, pending new policy approaches from a new administration. The cleantech manufacturing, artificial intelligence, and carbon industries will likely continue to drive renewables deployment:

On the demand side, many cleantech manufacturing, data center, and direct air capture (DAC) operators are seeking to meet their infrastructural load growth needs with significant shares of renewables.

On the supply side, these three industries are helping renewable companies overcome constraints. Reshored cleantech plants are reshaping solar panel and battery storage supply chains. AI is increasingly being leveraged to optimize these supply chains, and to accelerate operational efficiencies and technological innovation in renewables. Meanwhile, the sale of attributes in carbon markets may provide an additional value stream for emerging renewable technology projects. To continue reading, please click here.

UPM Meets Demand for Hydrogen and Alternative Energy Industries

As renewable energy efforts continue to skyrocket, United Performance Metals launched two new industry landing pages for the hydrogen and alternative energy industries. UPM is ready to support these industries and continues to learn more about use cases and products that are best for renewable energy production.

United Performance Metals is not just keeping up with the demand for clean energy, but is instead helping to lead the charge. UPM's variety of heat and corrosion resistant alloys are essential for cutting-edge renewable energy solutions like hydropower, biomass, solar, fuel cells, carbon capture and geothermal. Other common applications for the hydrogen industry include combustion chambers, heat exchangers, bed reactors, and condensers.

In the alternative energy industry, UPM has the metals, including nickel, titanium, and stainless steel, to provide innovative solutions. These metals are the perfect fit for cutting-edge alternative energy applications such as catalysts, methane reformers, and carbon capture. UPM's product assortment is dependable and designed to handle and prevent hydrogen embrittlement and material susceptibilty, which is key when working with and serving the hydrogen industry. To view UPM's hydrogen soltions, please click here.

United Performance Metals is ready and able to help revolutionize the energy industry with an assortment of metals and FIRSTCUT+® Processing Services. UPM's materials meet a variety of quality system approvals, as well as hydrogen laser processings approvals. To learn more about how UPM is leading the charge in alternative energy innovation, please click here.

2025 Tradeshows

United Performance Metals has an exciting lineup of tradeshows scheduled for 2025. Make sure to visit UPM at the below tradeshows to learn more about our quality industry solutions and extensive inventory.

March:
Aeromart Montreal in Montreal, Canada (3/25-3/27)
AMUG in Chicago, IL (3/30-4/3)

April:
Space Symposium in Colorado Springs, CO (4/7-4/10)
Rapid + TCT in Detroit, MI (4/8-4/10)

June:
Space Tech Expo USA in Long Beach, CA (6/3-6/4),
Paris Air Show in Paris, France (6/16-6/22)
OMTEC in Chicago, IL (6/17-6/19)

September:
ITA USA in Boston, MA (9/28-9/30)

October:
MD&M Medtech Midwest 2025 in Minneapolis, MN (10/21-10/22)

November:
Formext in Frankfurt, Germany (11/18-11/21)

Follow us on social media to stay up to date on tradeshow attendance!