

# Live Wire

A Newsletter From **ISW**



**JOIN US**  
**OCTOBER 2-4, 2024**

**Annndddd we're BACK with the April (showers bring May flowers?!) edition of our Newsletter!**

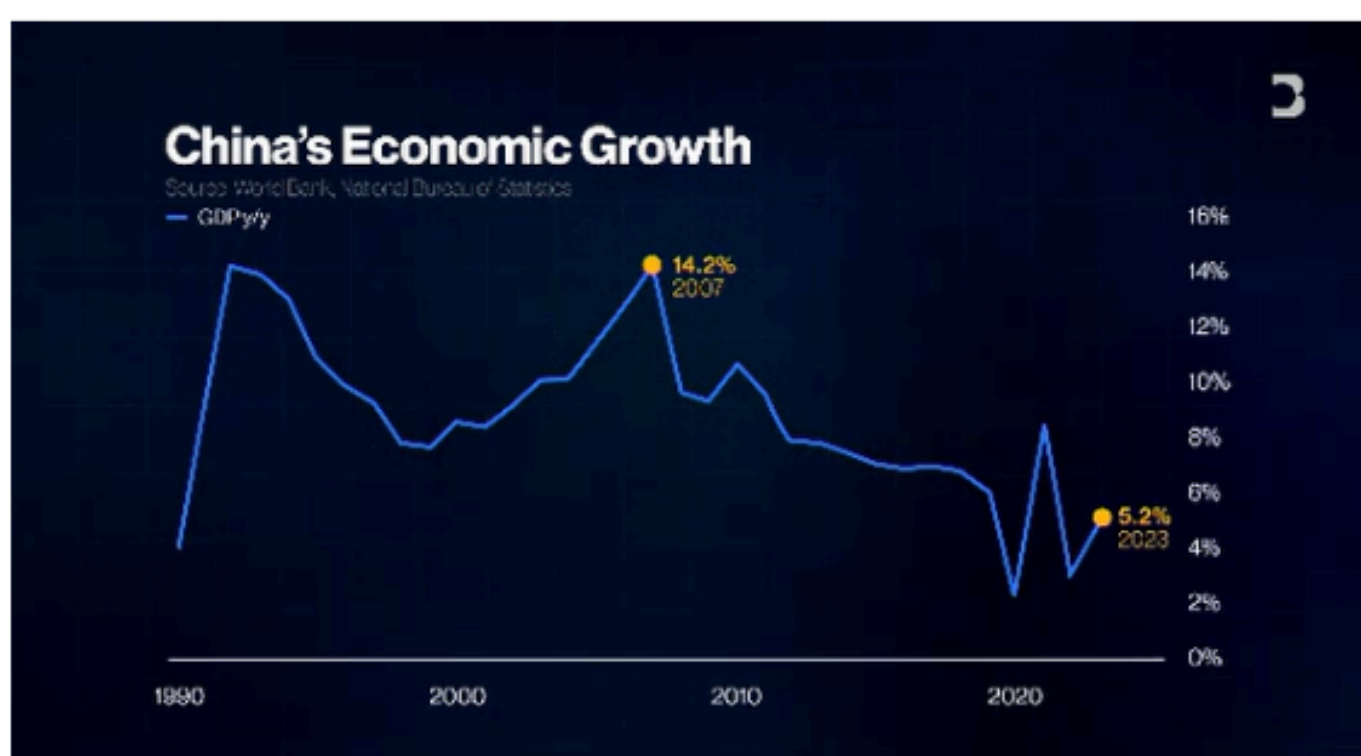
AS ALWAYS.... the purpose of the newsletter is to provide valuable information for our customers! We aim to make sure each newsletter isn't just going to fill your inbox with irrelevant content - Instead, we want it to be something you **look forward** to receiving each month, with content that YOU find valuable- and a little fun as well! ("Orange" you glad?!)

In this Issue:

- Economic Update:
  - Yes, It Happened...
  - Yes, Its Happening...
- Stainless Update
- Scrapper's Alley
- ISW- Around the Water Cooler (possibly the best part)

## Economic Update: Yes, It Happened.....

- The U.S. Leading Economic Index no longer signals a coming recession for the economy for the first time since the summer of 2022.
- U.S. manufacturing continued to slump through Q1,
  - Factory layoffs led to seven-month low in employment, however there are signs emerging of a rebound. According to the ISM, eight manufacturing industries are reporting growth including primary metals, chemical products and transportation equipment.
- U.S. consumer sentiment hit a 31-month high In February, while one-year inflation expectations ticked up. The University of Michigan's preliminary reading on the overall index of consumer sentiment came in at 79.6, compared to 79.0 in January. "Consumers continued to express confidence that the slowdown in inflation and strength in labor markets would continue," the report noted.
  - The current U.S. inflation rate is 3.5% for the 12-month period leading up to March 2024. The rate of inflation was up 0.4% in March from the previous month, according to the latest release from the Bureau of Labor Statistics
- U.S. job growth accelerated, with nonfarm payrolls gaining 275,000 jobs February
- Personal income in the US up 1% in January, significantly higher than December's 0.3%. The Fed's preferred inflation measure, the personal-consumption expenditures (PCE) climbed 2.4% compared with a year earlier and was down from the 2.6% December reading
- U.S. net farm income is forecasted to plummet by 25.5% to \$116.1bn in 2024, according to a February report from the USDA.
  - The impact is already being felt by the world's largest seller of farm equipment, as John Deere reported an 11% drop in quarterly profit and cut its annual earnings guidance.



- Other Recent Developments:
  - China's vast manufacturing sector remained in contraction for a fifth consecutive month in February, underscoring the difficulties facing the country's leadership as it seeks to support a faltering economy.
  - U.S. new vehicle sales were expected to rise 1.4% YOY to 1.2mn units in February, driven by robust demand and a better supply of vehicles, according to a joint report by J.D. Power/GlobalData. Consumers are expected to spend \$40.8bn on new vehicles, up \$1.4bn from last year.
- Residential & Non Residential Housing:
  - Existing home sales increased 3.1% in January to an annual rate of 4mn, the highest level since August. The average rate on 30-year fixed-rate mortgage is hovering just under 7%.
  - The median existing-home price for all housing types in January was \$379,100, up 5.1% from a year earlier and an all-time high for the month of January.
  - Single-family housing starts dropped 4.7% to an annual rate of 1.004mn units. Extremely cold weather in many areas made it difficult to break ground on new projects. Housing starts tumbled 14.8% to a rate of 1.331mn units. New home sales rose 1.5% to an annual rate of 661,000 units
  - Construction spending fell in January, dropping 0.2%. While there was a moderate increase in private homebuilding, (new single family construction projects increased 0.6) State and local government spending dropped 1.0% and spending on federal government projects fell 0.2%.

## Yes, It's Happening...

### Metals & Commodities

Cleveland-Cliffs will “indefinitely” close down their Weirton tinplate operation in April. After 115 years, the final manufacturing component of what once was Weirton Steel Corp. will shut down.

Cliffs blamed the the closure an an unfavorable ruling by the ITC, effectively denying the company’s petition for trade duties on imported tin mill products (TMP).

The ITC ruled the domestic TMP industry was “not materially injured or threatened with material injury by reason of imports” from Canada, China and Germany.

Weirton Steel was once West Virginia's largest employer and tax payer. It was also at one time the world's largest tin plate producer.



### In Other Metals News:

- U.S. steel mills shipped 89.338mn tons in 2023, a 0.1% drop from 2022 full year shipments of 89.469mn tons. December shipments were 7.082mn tons, down 1.3% from the 7.175mn tons shipped in November 2023 but a 2.6% gain on December 2022 shipments of 6.901mn tons.
- Steel imports in January of this year totaled 2.547mn tons, including 1.914mn tons of finished steel, down 2.4% and 4.4% respectively vs. January 2023. Over the 12-month period February 2023 to January 2023, total and finished steel imports were down 7.6% and 13.5% respectively vs. the prior 12-month period. Finished steel import market share was an estimated 22% in January 2024.
- Australia’s nickel industry is confronting a crisis with a number of companies suspending operations due to a collapse in the metal’s price driven by a supply glut from Indonesia. BHP estimated the Indonesian supply glut could continue until the end of the decade.
  - Benchmark nickel prices have fallen 46% since the start of 2023 to about \$16,000 per tonne after a surge in Indonesian supply, making mines in New Caledonia, Australia and other regions of the world unprofitable
  -
- Canada Nickel Co is looking to raise \$1bn to build a nickel processing plant to position itself as an alternative supplier of the metal used in EVs. Nickel production is currently concentrated in Asia, and the company hopes that the new plant will help increase supplies from cleaner sources The company hopes to begin production in 2027 and process 80,000 tons of nickel annually.
- The European stainless steel industry is currently experiencing strikes and work stoppages at major mills from Finland to Spain. These strikes have resulted in the blockage of several million tons of melt shop capacity, significantly limiting supply options for flat-rolled stainless.
- Steel producers in India are most at risk from Europe’s new carbon tax on imports due to their high sales to the region and mills’ elevated emissions intensity. There is a potential for an additional \$102 to \$190/ton of tax charges on flows of Indian steel to the EU over the next decade. That range, which assumes a carbon price of \$70, is 15% to 28% of current hot-rolled coil prices. Tata Steel and JSW Steel have the most direct exposure to the region

### Automotive

Electrified vehicles including hybrids and fully electric models are becoming more desirable than their gasoline counterparts, influential U.S. magazine Consumer Reports said.

In 2023, electric and hybrid models accounted for 16.3% of all light-duty vehicle sales in the U.S. Additional plug-in hybrids (PHEV) are gaining popularity, as sales for PHEVs grew 60% last year.

Consumer Reports added seven electric or hybrid models to its "top-ten" picks for 2024: Four of Toyota's electrified vehicles made it to the list, including the Prius and a hybrid version of its popular Camry sedan. Tesla's Model Y, Ford Maverick Hybrid pickup truck and BMW's X5 PHEV also made it on the list.



### Energy & The Environment

Urenco, the largest Western supplier of enriched uranium used to fuel nuclear plants in the U.S. says it has enough capacity to replace Russian supplies if Washington bans imports from the country. Urenco added that a U.S. bill to ban uranium imports from Russia would boost a multibillion-dollar effort by Western nations to strengthen nuclear supply chains by providing long-term certainty to market participants.

Urenco is also talking with the UK and U.S. governments about potential investments in new plants to produce HALEU, a more powerful fuel used in advanced reactors that is currently sold only by Russia's state-owned nuclear group Rosatom.

**??? Did you Know???** Just 3 tablespoons of HALEU Uranium can meet the average American's electricity needs for life!



A vast storeroom at Urenco's plant in Eunice, New Mexico, is crammed with ready-to-ship canisters, each filled with more than 2 tons of enriched uranium and worth \$1 million

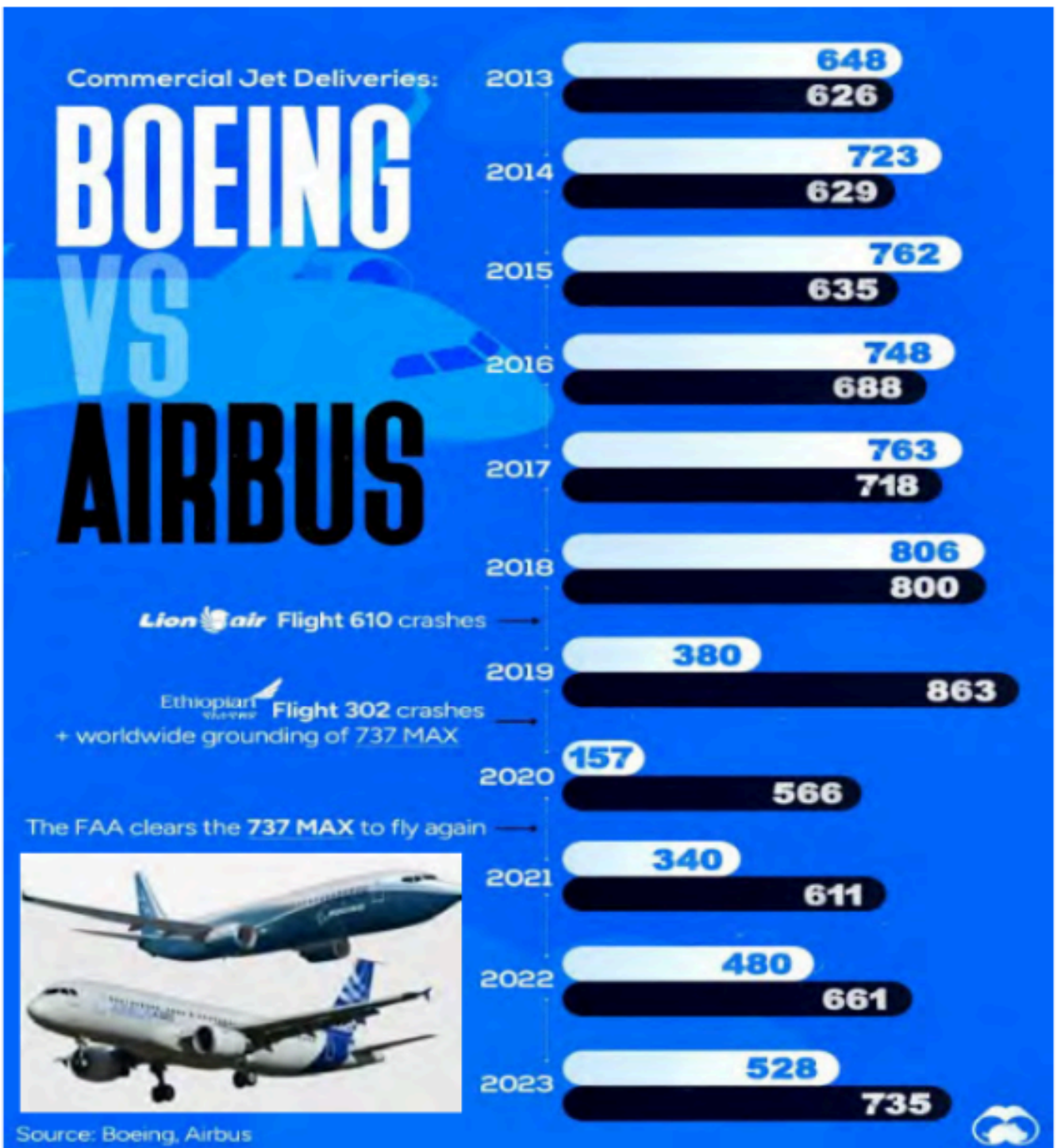
## Aerospace

Airbus plans to deliver more aircraft in 2024, cementing its lead over Boeing, despite warning of persistent supply chain challenges. Boeing plans to deliver about 800 commercial aircraft this year, 65 more than in 2023. Their goal has been set to build 75 of its best-selling A320 jets a month in 2026. The group's operating profit rose 4% to €5.8bn last year, while revenues climbed 11% to €65.4bn.

Competitor Boeing said that Thai Airways placed an order for 45 Dreamliner aircraft, the first major deal announced by Boeing at the Singapore Airshow. At list prices, the Thai order would be worth \$13.16bn, but customers usually get a discount when making bulk aircraft orders.

In other "Boeing News" the company is in preliminary talks to buy its former subsidiary, Spirit AeroSystems as it tries to get control of the major crisis that was sparked by the mid-air panel blowout. Boeing said it believes its reintegration with Spirit would strengthen aviation safety and improve quality.

Aerospace giants, including Airbus, Boeing and GE Aerospace, formed a coalition that aims to prevent unauthorized parts from entering the global supply chain. The move comes after jet engine maker CFM International, co-owned by GE Aerospace and Safran, last year said thousands of engine components may have been sold with forged paperwork by British distributor AOG Technics.



A commercial space flight recently landed on the Moon for the first time, creating a new era of private lunar exploration. Intuitive Machines' unmanned "Odysseus" landed safely on the moon near its target. The mission is a key milestone in NASA's plans to send humans to the lunar south pole in 2026. NASA said the creation of a commercially viable lunar economy is vital to its goal of a permanent human base on the Moon and eventually Mars.

The NASA Fission Surface Power Project, which aims to create a small nuclear fission reactor to supply electricity on the Moon, recently completed its first phase. This marks an important and significant step for the project. NASA plans to launch the second phase of the project in 2025, aiming to deploy a nuclear reactor on the Moon in the 2030s.

## Stainless Update

U.S. mill shipments of stainless totaled 1.8mn tons in 2023, down 17% from more than 2.2mn tons shipped in 2022. Trade data does not indicate an increase in import market share.

Total stainless mill products imported were down 18% to about 1.0mn tons. Service center shipments of stainless were 1.5mn tons in 2023, down 14% from the prior year. Final demand has clearly declined.

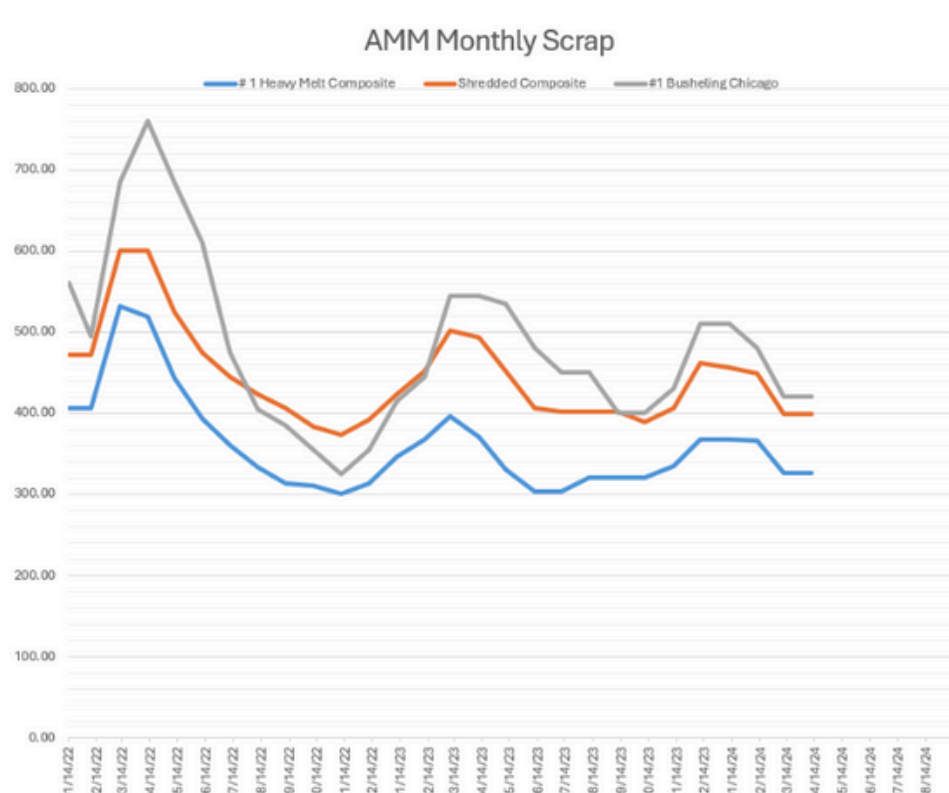
The soft spots are in the oil & gas and petrochemical processing markets and in residential construction, where 2023 housing starts were down 9.0%. Through the 3rd Qtr of last year, U.S. factory shipments of major appliances fell 12%. The automotive, aerospace and commercial trailer markets are stable.

### Historical Stainless Surcharge Data

|         | Jan-23    | Feb-23    | Mar-23    | Apr-23    | May-23    | Jun-23    | Jul-23    | Aug-23    | Sep-23    | Oct-23    | Nov-23    | Dec-23    |
|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| SSB 302 | \$ 1.7500 | \$ 1.9200 | \$ 1.9000 | \$ 1.8200 | \$ 1.6900 | \$ 1.7100 | \$ 1.6200 | \$ 1.5400 | \$ 1.5200 | \$ 1.4900 | \$ 1.4200 | \$ 1.3600 |
| S6B 316 | \$ 2.4900 | \$ 2.8800 | \$ 3.0500 | \$ 3.1100 | \$ 2.7600 | \$ 2.4700 | \$ 2.3800 | \$ 2.3100 | \$ 2.2700 | \$ 2.3100 | \$ 2.2000 | \$ 2.0200 |
| 17B     | \$ 2.2100 | \$ 2.1800 | \$ 2.1600 | \$ 2.1000 | \$ 1.9700 | \$ 2.0000 | \$ 1.9200 | \$ 1.8500 | \$ 1.8200 | \$ 1.8000 | \$ 1.7400 | \$ 1.6800 |

|         | Jan-24 | Feb-24 | Mar-24 | Apr-24 |
|---------|--------|--------|--------|--------|
| SSB 302 | 1.31   | 1.3    | 1.28   | 1.29   |
| S6B 316 | 1.85   | 1.85   | 1.87   | 1.89   |
| 17B     | 1.64   | 1.63   | 1.61   | 1.62   |

## Scrapper's Alley



| AMM Weekly Scrap Pricing |                          |                    |                      |
|--------------------------|--------------------------|--------------------|----------------------|
| Date                     | # 1 Heavy Melt Composite | Shredded Composite | #1 Busheling Chicago |
| 01/14/22                 | 406.67                   | 472.00             | 560.00               |
| 02/08/22                 | 406.67                   | 472.00             | 495.00               |
| 03/11/22                 | 531.67                   | 600.00             | 685.00               |
| 04/11/22                 | 518.33                   | 600.00             | 760.00               |
| 05/10/22                 | 443.33                   | 525.00             | 685.00               |
| 06/10/22                 | 393.33                   | 475.00             | 610.00               |
| 07/10/22                 | 360.00                   | 445.00             | 475.00               |
| 08/10/22                 | 333.33                   | 423.75             | 405.00               |
| 09/10/22                 | 313.33                   | 406.25             | 385.00               |
| 10/10/22                 | 310.00                   | 383.75             | 355.00               |
| 11/10/22                 | 300.00                   | 373.75             | 325.00               |
| 12/10/22                 | 313.33                   | 391.25             | 355.00               |
| 01/10/23                 | 346.67                   | 423.75             | 415.00               |
| 02/10/23                 | 368.33                   | 451.35             | 445.00               |
| 03/10/23                 | 396.67                   | 502.50             | 545.00               |
| 04/10/23                 | 370.00                   | 493.75             | 545.00               |
| 05/10/23                 | 330.00                   | 451.25             | 535.00               |
| 06/10/23                 | 303.33                   | 406.25             | 480.00               |
| 07/10/23                 | 303.33                   | 401.25             | 450.00               |
| 08/10/23                 | 320.00                   | 401.25             | 450.00               |
| 09/10/23                 | 320.00                   | 401.25             | 400.00               |
| 10/10/23                 | 320.00                   | 388.75             | 400.00               |
| 11/10/23                 | 335.00                   | 406.25             | 430.00               |
| 12/10/23                 | 368.33                   | 461.25             | 510.00               |
| 01/10/24                 | 368.33                   | 456.21             | 510.00               |
| 02/10/24                 | 366.67                   | 448.75             | 480.00               |
| 03/10/24                 | 326.67                   | 398.75             | 420.00               |
| 04/10/24                 | 326.67                   | 398.75             | 420.00               |

## ISW....Around the Watercooler

### ISW Announces It Will Be Visionary Sponsor At CASMI SpringWorld

Over the 85+ years that our family has been in business, the spring making community have been important and valued partners to us.

With a deep appreciation for the support this community has shown to us over the years, ISW is proud to announce our role as the Visionary Sponsor for this year's CASMI Springworld Expo and SMI Symposium.

We are deeply grateful for all our friends in the spring industry, and we look forward to showing our continued gratitude and support as this year's Visionary Sponsor!



ISW thanks SMI for another great annual meeting in Coronado, California! ISW was proud to be a Platinum Sponsor!



SMI Annual Meeting 2024 Coronado, CA



### JOIN ISW AT PMA'S CLEVELAND SUPPLIERS NIGHT

**WHEN:** Thursday, April 25th 4-8 PM

**WHERE:** Embassy Suites 5800 Rockside Woods Blvd. N Independence, OH 44131

- Registration to attend is FREE!
- Enjoy complimentary soft drinks, hors d'oeuvres, raffle prize drawing entry & cash bar!

## Need A Break? Here Are Some Random Factoids

- Summer Olympic medal winners will take home a piece of Paris. A chunk of iron from the renovations of the Eiffel Tower will be embedded into the medals with each one containing about 18 grams of iron from the iconic structure
- Did you catch the total solar eclipse on April 8th? If you missed it, it might be a while! According to NASA, the next total solar eclipse that can be seen from the contiguous U.S. will be on Aug. 23, 2044.
- April was originally the second month in the Roman calendar. In the early Roman calendar, April was the second month of the year, named after the goddess Aphrodite. However, in 700 BC, King Numa Pompilius added two more months, making April the fourth month instead. The Roman calendar underwent reforms over the years, but the name "April" remained the same.
- The world's first modern Olympics were held in Athens, Greece in April 1896.
- The first Earth Day was celebrated on April 22, 1970.
- April is both National Poetry Month and National Grilled Cheese Month in the United States.



*"We should never have hired that Waldo chap."*





