

Live Wire

A Newsletter From **ISW**



JOIN US
OCTOBER 2-4, 2024

The June Edition of ISW's Newsletter is here!

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.....

- U.S. payrolls gained 272,000 jobs and saw wages rates also grow, underscoring the resilience of the labor market.
- Federal Reserve officials left interest rates unchanged in their June decision and predicted that they will cut borrowing costs just once before the end of 2024, a sign that they plan to be patient before turning a corner in their fight against rapid inflation.
- U.S. retail sales were unchanged in April after increasing 0.6% in March. Sales rose 3.0% year-on-year in April. Economists believe that consumers are focusing spending on essentials and cutting back on luxuries amid higher prices. With sales have held up as a strong labor market helped households navigate the high inflation environment.
- U.S. manufacturing slowed for a second month in a row as new goods orders dropped by the most in nearly two years.
- New home sales dropped 4.7% and existing home sales dropped down about 2%. The median home sale price climbed 6.2% YOY, the highest level on record. Overall, inventory of homes did increase, but entry-level homes remained scarce for first time home buyers. The current average 30-year fixed rate mortgage sits at 7.09%.
- Production at U.S. factories fell 0.3% in April and was down by 0.5% YOY. Manufacturing remains constrained by higher borrowing costs.
- The U.S. Leading Economic Index fell by 0.6% in April after a 0.3% drop in March, with negative contributions from five of the 10 components of the index, especially "new orders" and "business conditions expectations". This data may suggest "serious headwinds" to U.S. growth, with expectations for real gross domestic product expected to slow to under 1% over the next few quarters.
- Construction spending fell 0.1% in April after slipping 0.2% in March, but it was still higher by 10% YOY. Spending on private construction projects dipped 0.1%, led by declines in commercial projects. Public project spending fell 0.2% , with the two largest categories, educational and highway construction, both showing declines.

- Statista's Consumer Insights survey has been tracking which issues adults in the United States consider to be the most important in the country right now and how they have shifted over time. The following chart provides just a snapshot of these, listing the eight most cited concerns out of a possible 20 options, in the most recent survey as well as in the survey taken at the start of the pandemic.



Yes, It's Happening...

Metals & Commodities

- U.S. Steel and Japan's Nippon Steel continue to work on moving their merger deal forward. While they have received all regulatory approvals *outside* of the U.S. for the proposed \$14.9bn deal, they must now secure approval *in* the U.S., where the deal is facing regulatory scrutiny and increasing political opposition. The proposed transaction is also facing opposition from the powerful USW union over fears of job losses, and it is being scrutinized by the Department of Justice.

- Nippon seems to be working hard to address concerns by pledging to honor all agreements in place between USS and the union. It had also said it would move its own U.S. headquarters to Pittsburgh where USS is based. The companies reiterated that they expect the deal to be completed in the second half of this year



In Other Metals News:

- World crude steel production was 155.7mn tonnes (Mt) in April, a 5.0% decrease YOY. China produced 85.9 Mt, down 7.2%. India's output was 12.1 Mt, up 3.6%. Japan made 7.1 Mt, down 2.5%. The U.S. produced 6.7 Mt, down 2.8% from April 2023. Russia is estimated to have made 6.2 Mt, down 5.7% . South Korea produced 5.1 Mt, down 10.4% YOY.
- ArcelorMittal filed a complaint with the U.S. International Trade Commission (ITC) against Vietnamese automaker VinFast, charging it violated the steelmaker's patents for high-strength aluminum alloy-coated steel in its vehicles. VinFast is planning to open its first North American manufacturing plant in North Carolina in July.

- The global surplus in nickel production will shrink dramatically in 2024, while consumption will at least remain the same, according to a recent revision to the forecast by the International Nickel Study Group (INSG). High-quality class 1 nickel in particular is likely to become scarce soon according to experts. The slight inventory increase in LME warehouses since January is likely due to production from 2023 and has probably peaked.
- In Copper News:
 - Copper is considered an essential metal for the clean energy transition because it is a great conductor of electricity. As a result, many governments across the globe are encouraging the construction of new mines, and mining companies have been seeking new projects and acquiring existing mines to meet the increasing demand.
 - Copper prices have surged to a new record high, marking the latest milestone in a months-long rally fueled by financial investors anticipating imminent supply shortages. On the London Metal Exchange (LME), copper futures soared by as much as 4.1%, reaching **\$11,104.50 per ton** and surpassing the previous record set in March 2022.
 - Experts believe that the copper supply is tighter in the U.S. because of logistical challenges stemming from restricted capacity on the Panama Canal and the fallout from the Baltimore bridge that collapsed in March.

Automotive

- Workers at a Mercedes-Benz plant in Alabama effectively rejected United Autoworkers Union in a vote it had hope would complement its recent win at a Tennessee VW plant, and push it deeper into the U.S. South. This was a major loss for UAW organizers after a series of victories. 56% of Mercedes-Benz voted "no". The union is in the midst of a \$40mn campaign targeting other automakers including Toyota and Tesla.

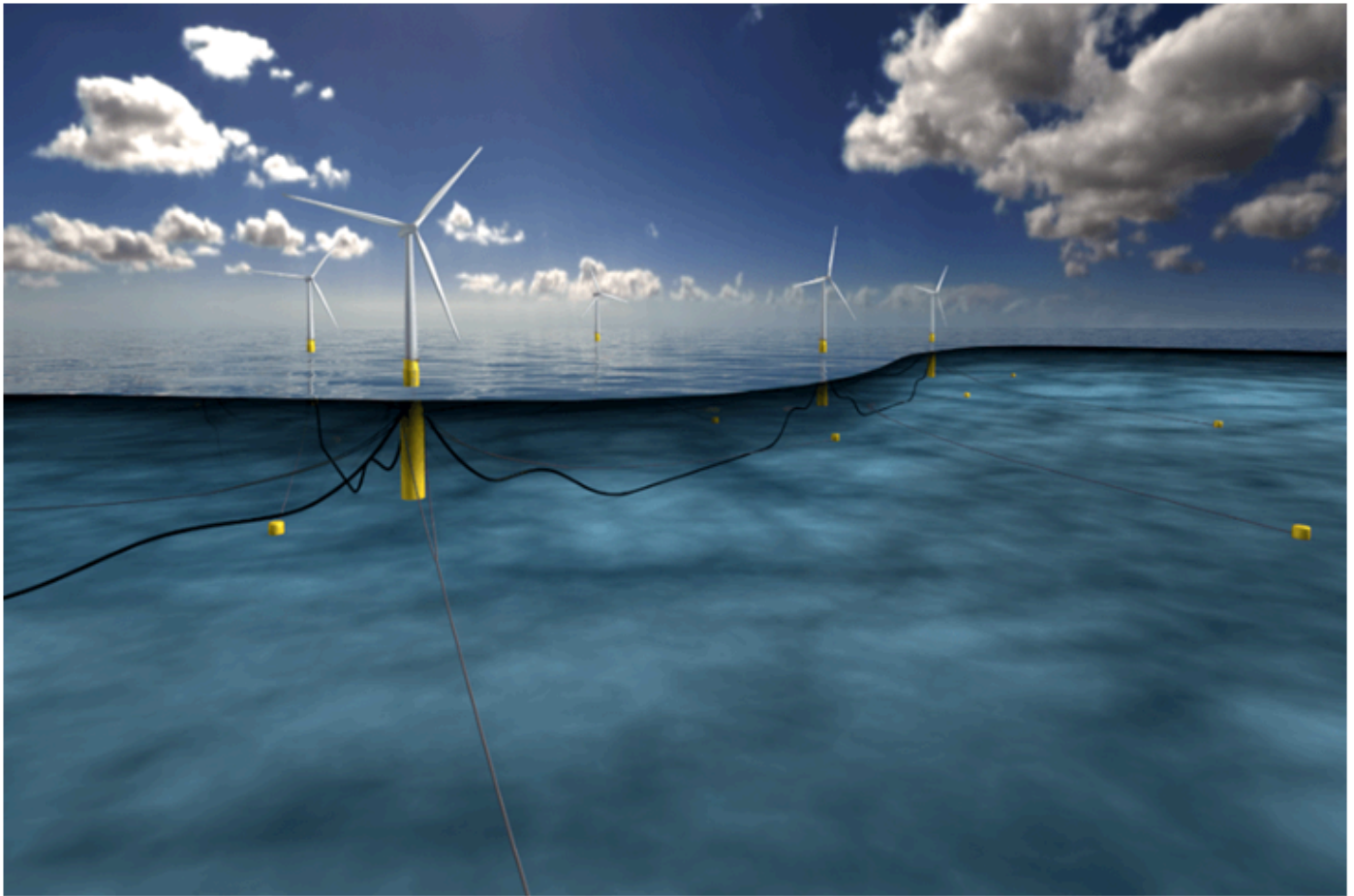


- Sweden's biggest union threw its weight behind a six month-old strike by mechanics at Tesla. At the heart of the strike is Musk's refusal to sign a collective bargaining agreement. Allowing companies to operate in Sweden without collective agreements would undermine unions and threaten the Swedish social model, potentially dragging in the government. While the strike has caused some disruption, Tesla's new vehicle registrations in Sweden have broadly kept pace with the market.
- President Biden recently announced new tariffs on China targeting strategic sectors, including a major hike in levies on electric vehicles (EVs). The tariff update maintains existing duties, but it also includes new measures affecting \$18bn in imported Chinese goods, including steel and aluminum, electric vehicles, semiconductors, critical minerals, solar cells and cranes.
 - The update will increase tariffs this year from 25% to 100% on EVs, bringing total duties to 102.5%; from 7.5% to 25% on lithium-ion EV batteries and other battery parts; and from 25% to 50% on photovoltaic cells used to make solar panels.
 - Some critical minerals will have their tariffs raised from zero to 25%.

- Toyota's nearly 80% profit rise in the latest quarter reflects a dramatic global comeback for hybrid cars. Toyota's strategy of holding on to hybrids and plug-in hybrids as well as offering battery EVs has paid off this year with operating profit of US\$7bn in the quarter to the end of March, up 78% YOY.
 - Hybrid demand in markets such as the U.S. has more than offset Toyota's relative weakness in battery-only EVs, which made up about 1% of its global sales.

Energy & The Environment

- Federal regulators approved sweeping changes to how America's electric grids are planned and funded, a move that could spur thousands of miles of new high-voltage power lines and make it easier to add more wind and solar energy. U.S. energy companies have proposed more than 11,000 wind, solar and battery projects, but many are in limbo because there is not enough capacity on the grid to accommodate them.
- The US is planning to impose tariffs on double-sided solar panel imports to protect U.S. clean energy manufacturers. This would immediately end an exemption from tariffs on imports of a type of panel unit often used in large solar projects, one of the fastest growing forms of clean energy in the country. They will now have a 14.25% tariff. As many know, excess production from China has led to a collapse in global panel prices.
- Nuclear energy expansion continues in Central and Eastern Europe: Slovakia's government approved another nuclear reactor with an expected output of 1,200 megawatts to be built at the Jaslovske Bohunice nuclear plant, where the utility Slovenske Elektrarne currently operates two nuclear units. Slovakia generates over 50% of its electricity at two nuclear plants.
- The world's biggest offshore floating wind farm is set to be built off the coast of Scotland after the project was given the green light. Green Volt will boast up to 35 floating turbines and provide 560 megawatts of energy off the coast Aberdeenshire. This new windfarm will surpass the next largest farm off the coast of Norway, which has 11 turbines and generates 88 megawatts of power.



An example of a floating system of wind turbines

Aerospace

- Jet-fuselage supplier Spirit AeroSystems is laying off 400 to 450 workers at its Wichita factory as the company grapples with a production slowdown at Boeing, its biggest customer. Spirit, split off from Boeing two decades ago, has been at the center of quality issues affecting 737 MAX jets. The Wichita plant employs about 13,000. The cuts come as Boeing's efforts to acquire Spirit are held up because Spirit has so far failed to reach a deal with Airbus over control of Spirit factories that produce parts for Airbus jets.
- Boeing finally launched its space taxi into orbit with NASA astronauts on board, and it has docked with the International Space Station for a week-long stay. The flight marked the first time Boeing's problem-plagued Starliner capsule carried humans to space after years of delays and cost overruns, and also the first time a United Launch Alliance rocket flew a crewed mission. The launch provided some good news for Boeing amid recent negative press.

- The European Space Agency is working on attempt to create a European version of SpaceX, naming two companies chosen to develop commercial cargo services to the International Space Station. The Exploration Company, a Franco-German start-up founded just three years ago, and Thales Alenia Space, a Franco-Italian space systems supplier, beat several other candidates to win initial funding of €25mn each to build a commercially credible service



Stainless Update

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	\$ 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	\$ 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

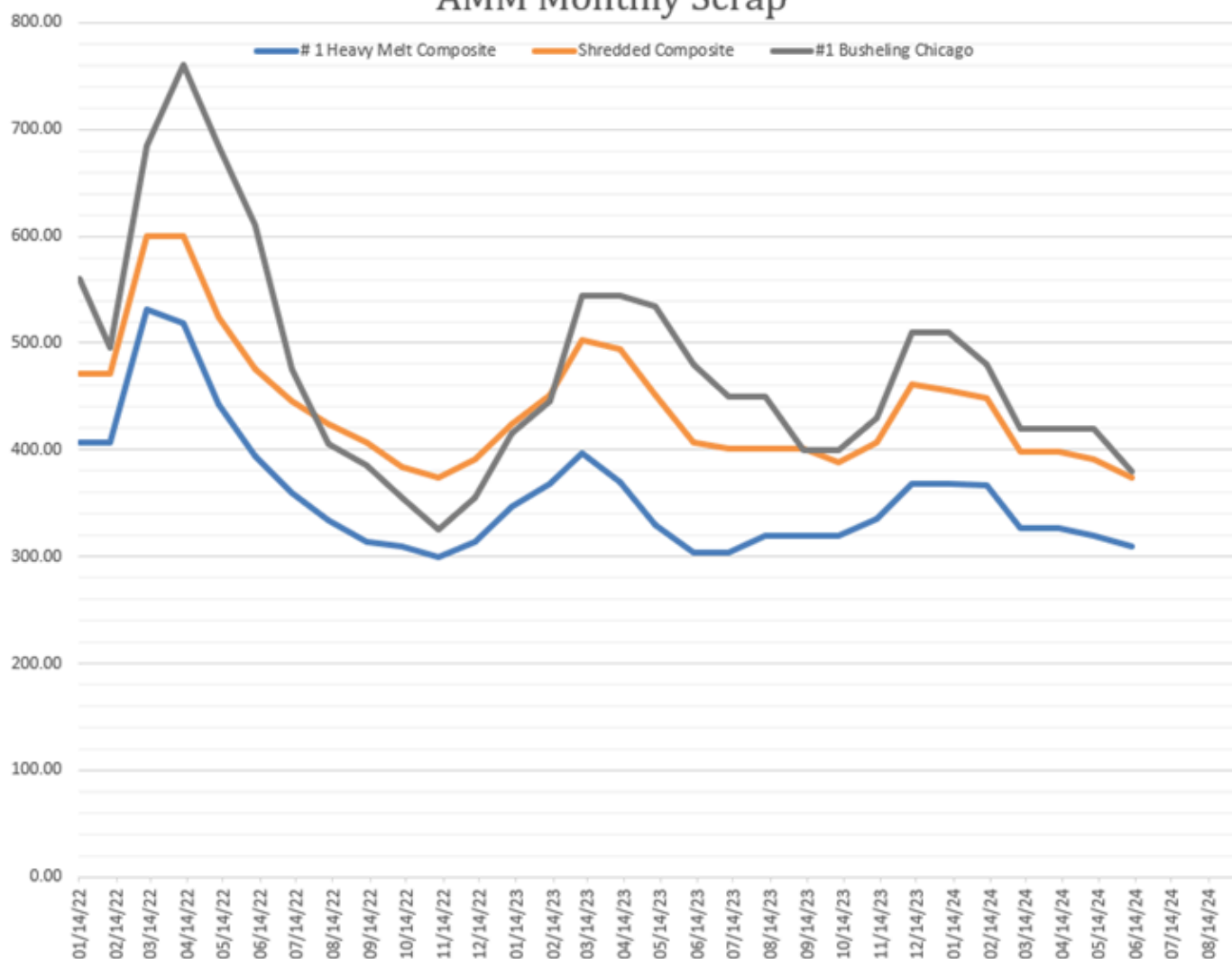
	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
SSB	1.31	1.3	1.28	1.29	1.31	1.35
S6B	1.85	1.85	1.87	1.89	1.94	1.98
17B	1.64	1.63	1.61	1.62	1.64	1.67

Scrapper's Alley

AMM Weekly Scrap Pricing

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
05/10/24	320.00	391.25	420.00
06/10/24	310.00	373.75	380.00

AMM Monthly Scrap



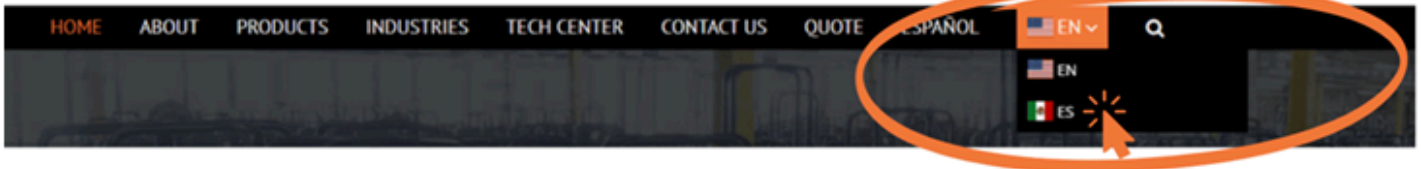
ISW....Around the Watercooler

Did You Know?

The ISW Website is Now Available in Spanish!

ISW is proud to announce that our website is now available in Spanish! Simply go to www.industeel.com and click the flag in the top right of the main menu to select your country/language preference!

ISW se enorgullece en anunciar que nuestro sitio web esta ahora en español. Simplemente vaya a www.industeel.com haga un clic en la bandera superior a su derecha del menú y seleccione su lenguaje de preferencia.



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www.industeel.com

ISW Looks Forward to Spring World October 2-4!

Registration is now open! Use the below button to register to attend and be sure to stop by and visit ISW!

[Register to Attend Spring World Here](#)

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!



2024 SPRING WORLD

EXPO AND SYMPOSIUM
ROSEMONT, ILLINOIS OCT 2-4



CASMI AND SMI PARTNER TO HOST A JOINT EVENT



**We're Looking Forward to the CASMI Golf Outing
Tomorrow, will we see you there?!**

The logo for CASMI, featuring the letters 'casmi' in a bold, lowercase, sans-serif font. The letters are a golden-brown color with a metallic sheen and a slight 3D effect, set against a blue sky background with light rays.

Chicago Association of Spring Manufacturers, Inc.

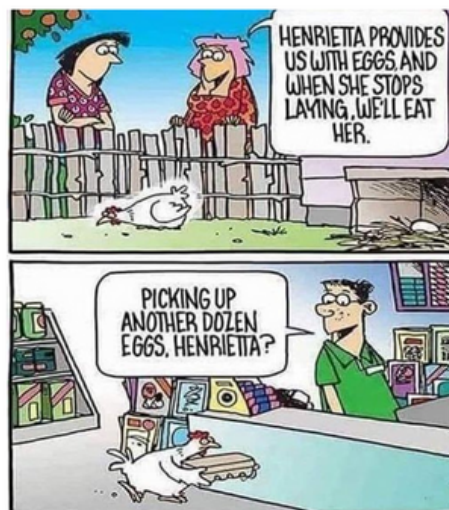
A photograph of a golf course. A wide, green fairway stretches into the distance, flanked by dense rows of tall, green trees. The sky is a clear, bright blue with some light clouds. The overall scene is bright and inviting.

Annual Golf Tournament

June 20, 2024

Need A Break? Here Are Some Random Factoids About June!

- June 19th is Juneteenth, which commemorates the emancipation of enslaved African Americans in the United States. While the Emancipation Proclamation was issued in 1863, it took Union troops over two years to arrive in Galveston, Texas, on June 19th, 1865, to inform enslaved people they were finally free.
- First Computer Mouse was Invented in June 1964, Douglas Engelbart publicly unveiled the first computer mouse, a groundbreaking invention that revolutionized human-computer interaction. The original mouse, made of wood and equipped with wheels, allowed users to interact with computers in a more intuitive and efficient way.
- The summer solstice happens on June 20th.... did you know the ancient monument of Stonehenge in England is famously aligned with the summer solstice sunrise?
- No other month in the year begins on the same day of the week as June.
- June has both the longest and the shortest days of the year, depending on where you're standing! If you live in the northern hemisphere, then June 21st is the longest day of the year. If you live in the southern hemisphere, then the 21st is the shortest day of the year.
- June has its own beetle named after it. Called the June beetle, or June bug, it's normally only found within the months of May and June in the United States of America
- There are a number of countries that celebrate their flag days during the month of June. Sweden celebrates its flag day on June 6th, the United States celebrates theirs on June 14th and Denmark celebrates theirs on June 15th



... and that is **WHY** the chicken crossed the road.