

# American Metal Market

## DAILY

WEDNESDAY, MARCH 29, 2017 / VOLUME 125 / NUMBER 13-3 / ESTABLISHED 1882

WWW.AMM.COM

## Mills target wire rod imports from a whopping 10 nations

CHICAGO—U.S. mills have filed a wide-ranging trade petition against imports of carbon and alloy steel wire rod from 10 nations.

The filing targets foreign deliveries from Belarus, Italy, South Korea, Russia, South Africa, Spain, Turkey, Ukraine, the United Arab Emirates, and the United Kingdom.

It alleges dumping margins of between 21.64 percent and 821.40 percent.

While all countries were hit with big alleged dumping margins, Belarus, Russia and South Africa were clobbered with alleged triple-digit margins.



**Pointed response.** U.S. steel mills took aim at 10 countries across three continents, alleging unfair trade practices involving wire rod imports.

U.S. mills also accuse the governments of Italy and Turkey of providing countervailable subsidies to wire rod producers in their countries.

The petition was filed by Charlotte, N.C.-based Nucor Corp., the largest steelmaker in North America; Gerdau Ameristeel U.S. Inc., a subsidiary of Brazilian steelmaker Gerdau SA; Dallas-based Keystone Consolidated Industries Inc.; and Saukville, Wis.-based Charter Steel.

It was filed concurrently with the U.S. Commerce Department and the U.S. International Trade Commission (ITC) **PAGE 2**

## Aluminum mart ponders Trump uncertainty

GREENSBORO, Ga. — Aluminum market participants are skeptical of the Trump administration's claims that it plans to make drastic changes to free-trade agreements, although concerns remain about the president's unpredictability.

AMM has learned that, in a meeting held behind closed doors at the Aluminum Association's ongoing spring meeting, market participants questioned what—if anything—Trump's "renegotiation" of the North American Free Trade Agreement (Nafta) would do to the supply chains of North American metal businesses. Of greater concern, according to three sources

who attended the meeting, is President Trump's famously mercurial temperament, which has become a major obstacle in business planning.

"Nobody knows what the hell he's going to do," one source told AMM on the conference sidelines.

Market participants who sat in on the meeting were united in their belief that nothing should be done by the government to alter the free-trade relationship among the United States, Canada and Mexico, as supply chains flowing among the three nations have proven to be invaluable for business.

Sources said that even Alcoa Corp., which operates two active

smelters in the U.S.—Massena West in Massena, N.Y., and Intalco Works in Ferndale, Wash.—expressed its opposition to Trump's purported plans, despite the fact that a trade order closing out foreign competition could potentially help those smelters survive.

An Alcoa spokeswoman denied that the company took such a position on Nafta, telling AMM via email on March 28 that "It is too early to determine what, if any, changes will be made to Nafta and its impact on our business."

However, the real problem with the two smelters has nothing to do with unfair competition. "A big part of it is their **PAGE 2**

### Communication key for mills, distributors: Oates

Growth in the domestic stainless steel and specialty metals industries would benefit from increased communication between mills and service centers, according to the top executive at Universal Stainless & Alloys Products Inc. **PAGE 3**

### Trump changes may trigger backlash: Hartquist

U.S. metals manufacturers will likely see significant policy changes, although not all of those will deliver positive results for the industry, according to a panelist at MSCI's Specialty Metals Conference. **PAGE 7**

### GLOBAL CHROME Asian alloy tags rising amid stainless demand

Asian ferrochrome prices have risen due to continuing robust demand from the stainless steel industry as well as the ongoing strength in raw material costs. **PAGE 9**

### STEEL

TransCanada seeks US-made pipe for Keystone **PAGE 3**

Stainless demand looks solid in '17: Moll **PAGE 4**

HarbisonWalker picks site for refractory plant **PAGE 4**

Gerdau hikes merchant bar tags by \$40/T **PAGE 5**

BHP suspends ops at Queensland coal mines **PAGE 5**

Global rebar use to rise in '17: Irepas **PAGE 5**

Iron ore piling up at Chinese ports **PAGE 6**

Brazil's CSN to miss earnings report date **PAGE 6**

### SUPPLY CHAIN

Ford to invest \$1.2B in three Mich. plants **PAGE 8**

### NONFERROUS

Aluminum awaits Trump's plans for China **PAGE 10**

Owl's Head aluminum alloy OK'd for LME listing **PAGE 10**

Nickel set for Philippine, Indonesian ore influx **PAGE 10**

Access warehouse receipt forgery tough to solve **PAGE 11**

Tin extras steady amid shipping issues, strong demand **PAGE 12**

### SCRAP

US aluminum alloy prices inch higher **PAGE 13**

Queen City's Coffino wins SBA state award **PAGE 13**

Wash. scrapyards explosion leaves one dead **PAGE 13**

Scrap tags bounce back on US cargoes **PAGE 14**



# US aluminum alloy prices inch higher

PITTSBURGH — Secondary aluminum alloys prices have stepped higher amid firm demand and raw material costs, with most suppliers unfazed by a recent slide in the London Metal Exchange's North American secondary aluminum alloy contract (Nasaac).

Prices for benchmark A380.1, as well as 319.1, A360.1 and A413.1 alloys, increased by a penny on the low end of the range, according to AMM's latest assessment. Prices

SECONDARY ALUMINUM ALLOYS (cents per pound)		
	3/27/2017	3/23/2017
A380.1	92-93	91-93
319.1	95-96	94-96
356.1	96-98	95-97
A360.1	96-97	95-97
A413.1	96-97	95-97

Source: AMM.

for 356.1 stepped up a penny as a whole to 96 to 98 cents per pound. Alloy suppliers cited increased interest for spot material over the past week and steady raw material costs as the main driver of the recent increase.

"By and large everyone is pretty busy. We've been fielding requests for extra loads on the spot market, but the guys that have to buy spot aren't as eager," one alloy supplier said, noting the recent increase in prices over the past few months.

A380.1 prices are trading at 92 to 93 cents per pound, a level last witnessed in July 2015.

However, some suppliers said availability of cheaper ingot has capped the upper end of the range on A380.1, with others questioning the repeatability of recent higher-priced sales.

"I think my (higher-priced sale of) 380 is not repeatable as of now... there is always some discounting," a second supplier said, but noting that the market is firm at current price levels.

Other suppliers reported losing business to discounted ingot, but cited busy melting schedules and firm scrap prices as grounds to hold out for higher prices.

"I won't turn down a 92-(cent price on A380.1,) but (I'm) allowing my competition to take the 91 (cents prices)," a third alloy

supplier said. "Scrap still seems to be a talking point on keeping up price pressure," a fourth alloy supplier said.

Most secondary aluminum scrap prices maintained steady footing, aside from aluminum-copper radiators, which shed 2 cents following a drop in copper prices.

However, some die casters have reported success at booking A380.1 at 90 cents per pound.

Meanwhile, a drop in the LME's Nasaac had little to no impact on the market, according to suppliers, who noted that they already locked in higher-priced sales when the contract jumped in mid-March.

"The drop in the LME isn't affecting the market as so many producers have already sold into the LME and are using up their furnace time and scrap units with those Nasaac sales," a fifth alloy supplier said.

The LME's Nasaac cash contract closed the official session at \$1,895 (86 cents per pound) on March 27, down 0.7 percent from \$1,909 per tonne (86.6 cents per pound) on March 23. The contract drifted lower on Tuesday to close the official session \$1,870 per tonne (84.8 cents per pound).

BRAD MACAULAY  
BMACAULAY@AMM.COM

## INTERVIEW

### Queen City's Coffino wins SBA state award

NEW YORK — Hairdresser turned metals recycler Michelle Coffino has proven that learning how to run a metal shear four years ago, as well as maintaining her skills with trimming shears, was the right decision.

The owner of Charlotte, N.C.-based Queen City Metal Recycling & Salvage LLC has been recognized by the U.S. Small Business Administration (SBA) as this year's North Carolina Small Business Person of the Year.

"I came from owning a hair salon, so I think a lot of people were laughing when I started this business. There have been some great guys (in the industry) but there are a few that made it tough. However, this became more motivation and drive for me to be even more successful with the business," Coffino told AMM.

While she has clinched the SBA's statewide award, she is now up against 50 other business owners to compete for the national level award. The SBA will announce the results in early May during National Small Business Week in Washington.

Coffino purchased a scrap metal operation from a client in 2013 that was a bare bones business with limited industrial accounts, she said.

"They had no roll-off (containers) and now I have 55. They had seven to 10 industrial accounts. Now I have 85," she said, adding that the business is also a certified request for proposal (RFP) contractor for Mecklenburg county, serving six municipal recycling locations.

Despite its current success, Coffino certainly picked a tough period to make her debut in the scrap industry. Low scrap prices and disappearing margins that plagued the industry for a two-year period drove many market participants out of business.

"I didn't pay myself for six months, how about that? I would cut hair at my salon for half the day and work at the yard for the other half," she said, noting that she has a great team who stood with her through the difficult times. "I sat with my employees to say that I was not in a position to give raises or to do the things I want to do, but I promised them that I would have their back when things get better."

The people skills and relationships she had built while running her salon went a long way in the tough times. "At the end of the day, people remember how you treat them. You can manage money, but if you're not a good person others will not want to do business with you."

In its selection criteria, the SBA looks not only at the success of the business but also its contribution to the community. Coffino has taken a strong stance in backing an array of second-chance initiatives and community activism programs.

"We are a small yard that takes people who push a shopping cart. We deal with disabled veterans, the mentally ill and the homeless. We give them a new way to make a living and a new trade so that they can be an active partner of the community," she said.

"To win for the state and to be

acknowledge by the SBA, I was really honored. And I'm glad that the recycling industry got the accolade because we change the world by keeping it clean," Coffino added.

MEILING TOH  
MELTOH@AMM.COM

## Explosion kills employee at Wash. scrapyards

NEW YORK — An employee at a scrapyards in Pacific, Wash., was killed on March 27 in an explosion at the facility.

First responders rushed to Metal Express Inc.'s facility after receiving a call for help at about 11.30 a.m., according to Valley Regional Fire Authority's (VRFA's) social media site.

The recycler could not be reached for comment, but a VRFA posting indicated that a man in his 60s had been thrown by the force of the explosion. He was found dead on arrival.

No visible fire or smoke was found when VRFA's units reached the facility.

The Pierce County Medical Examiner's Office is in the process of identifying the victim and the cause of death.

MEILING TOH  
MELTOH@AMM.COM

### WEEKLY SCRAP COMPOSITE PRICES

Averages calculated each Friday, based on data effective from the previous Friday to Thursday. Prices are in US\$/gross ton.

#### SHREDDED SCRAP

	— calculation date —		
	03/24/17	Prior Wk	Year Ago
Alabama	\$325.00	\$325.00	\$208.00
Chicago	323.00	323.00	210.00
Philadelphia	310.00	310.00	190.00
Pittsburgh	320.00	320.00	200.00
Composite	\$319.50	\$319.50	\$202.00

#### NO. 1 BUSHELING

	— calculation date —		
	03/24/17	Prior Wk	Year Ago
Chicago	\$370.00	\$370.00	\$195.00
Cleveland	400.00	400.00	200.00
Pittsburgh	380.00	380.00	192.00
Composite	\$383.33	\$383.33	\$195.67

#### NO. 1 HEAVY MELT

	— calculation date —		
	03/24/17	Prior Wk	Year Ago
Chicago	\$290.00	\$290.00	\$185.00
Philadelphia	275.00	275.00	165.00
Pittsburgh	295.00	295.00	162.00
Composite	\$286.67	\$286.67	\$170.67