

**CARBON STEEL  
PRICES CONTINUE  
TO RISE**

Carbon steel products, primarily pipe (ERW & SMLS), weld fittings and flanges continue to increase in cost at an unprecedented pace.

- ❶ Carbon ERW pipe popped up another \$200.00/ton.
- ❷ Carbon SMLS increased 10% on May 19<sup>th</sup>.
- ❸ Carbon steel weld fittings experienced increases in March and May. On June 1<sup>st</sup>, costs of CS fittings increased 7.5% and CS flanges ballooned 16 – 18%.

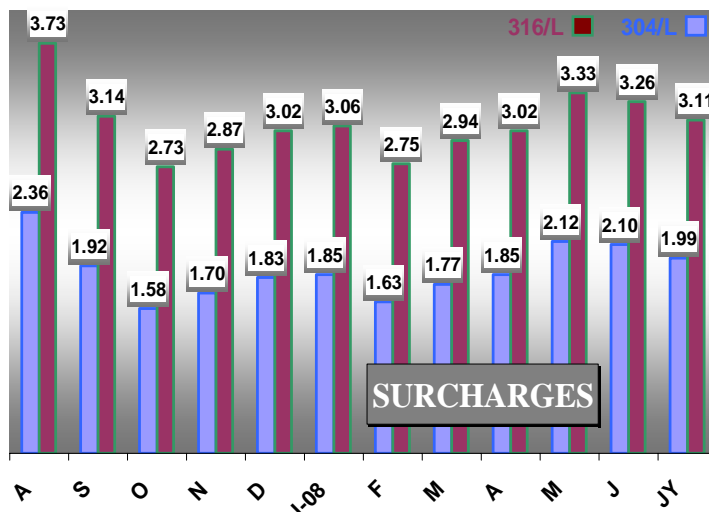
*Why is this happening?*



- World-wide demand for steel products continues to grow due to expanding economies in India and China.
- Steel scrap prices are up 80% since January.
- The dollar remains very weak, improving our competitiveness abroad but increasing the costs of imported goods.
- Chinese steel manufactures have been removed from the American supply chain through anti-dumping duties. This has put much greater demand on the domestic manufacturers contributing to extended lead times and some shortages. We expect this situation to worsen as we move through the year.

*What about stainless steel prices?*

Despite some softening in the nickel surcharges (see graph) the overall costs of stainless steel products have remained flat due to increases in costs of other elements like chrome and moly. We expect these offsets to the lower nickel prices to cause stainless prices to remain steady for several months to come. We also see no major issues with deliveries.



**Tom Sheeler** has been involved in the PVF industry for over 36 years and is currently the General Manager for **American Stainless & Supply** located in Cheraw, SC. With his extensive experience in inventory management, sales and most importantly, purchasing, Tom has developed a passion for discovering where the market is and where it is headed. He can be reached via email at [TSheeler@amerstain.com](mailto:TSheeler@amerstain.com).

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