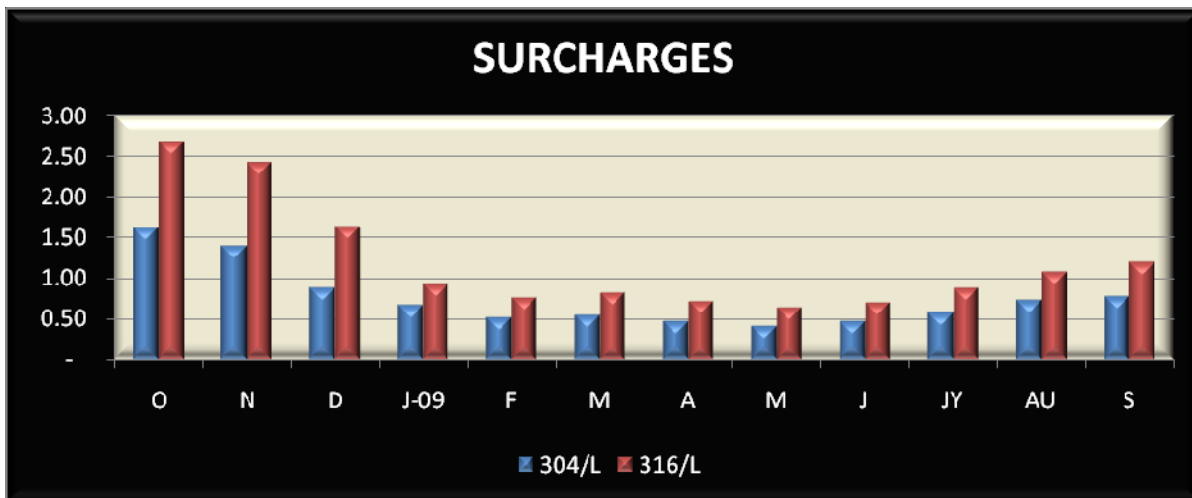


The Bull is Back 

The downward spiral of prices in the metals market appears to have reversed course in the past month. After a tough year of inflated inventories and lackluster demand, some oracles in the industry are saying that the bottom is in the rear view mirror. Recent market activity appears to support this view.

- ↑ Base metals on the LME traded higher last week in Europe hitting highs for the year due to technical buying and weakness in the US dollar.
- ↑ As of today nickel is trading at \$8.43 per pound.
- ↑ We expect metals to continue to trade higher if equities remain on a positive trend and the dollar continues to slide against the Euro.
- ↑ Carbon ERW prices are up \$90 per tonne as of July 1.
- ↑ Stainless steel prices increased 8% on May 1 and 7% on July 6. Due to production cuts and a surge in inventory buying, some lead times of domestic SS welded pipe have been extended up to 14 weeks. Also of note is the obvious trend reversal in surcharges:

“The size of nickel’s recent move higher has successfully taken out the short-term down channel in place,” said MF Global analyst Edward Meir. “We now could move somewhat higher from here, with the backdrop of the Vale Inco strike providing support. –Devon Maylie, MetalPrices.com



- ↑ We anticipate another increase in surcharges in October.

Tom Sheeler has been involved in the PVF industry for over 40 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@AmericanStainless.com.

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