



PACESETTER
OUR PEOPLE, YOUR ADVANTAGE

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YOUR SAFETY ADVANTAGE

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PACESETTER Contributor
Jim Morgan, Chicago Service Center Manager

YOUR SAFETY ADVANTAGE | 5.3.2016 - 5.9.2016

Safety is a Personal Responsibility

No one can ensure your safety more than yourself. At times, people assume their safety lies in the hands of authority.

While rules and regulations are put in place by authority to ensure safety, it is ultimately up to you to follow these rules and regulations.

I can tell you from my experience that most injuries or accidents occur due to individual negligence. It could be failure to properly use P.P.E. (personal protective equipment), violations of speed limits or procedure, short-cuts, or any number of reasons.

It's been said, "People must hear something three times in order for it to sink in." Safety in the workplace, as well as in everyday life, should be repetitive.

The more we see and hear safety topics and warnings, the safer the environment. In safety meetings, occasionally I hear, "It seems like we just went over this." This is good because it means people are retaining the information learned in our safety lessons.

Every workplace is unique and has different hazards and potential for accidents. You have to customize your safety topics to those that impact your location the most. Once all safety topics are identified, the repetitiveness comes into play to ensure your associates remember them.

A big part of ensuring your personal safety is encouraging others to place as much importance on being safe as you do.

Sometimes others are unsafe, or do unsafe things, because they are unaware of the hazard they may cause. In this case you can use the occurrence as an opportunity to educate them on proper procedure.

On the other hand, sometimes people know the proper procedures and are fully aware that their actions are unsafe, but are unwilling to listen to reason. This is when we must bring the matter to an authority figure.

This is true at home, school, work, or on the street, no matter where you find yourself. Individuals need to face consequences to ensure risky behavior and intentional unsafe activities do not continue.

We have all, at times, knowingly and unknowingly, done unsafe things and will again in the future. We must be willing to accept the worst case scenario of knowingly doing something unsafe.

We must also hope someone speaks up when we unknowingly do something or are about to do something unsafe. It is our job to protect ourselves, our co-workers, our neighbors, our friends, and of course, our family.

Be safe my friends.



STEEL | 5.3.2016 - 5.9.2016

- #1 heavy melt scrap is at \$218 per ton and #1 bushelling scrap is at \$244 per ton.

+ Raw steel production rose to 73.2% of capacity.

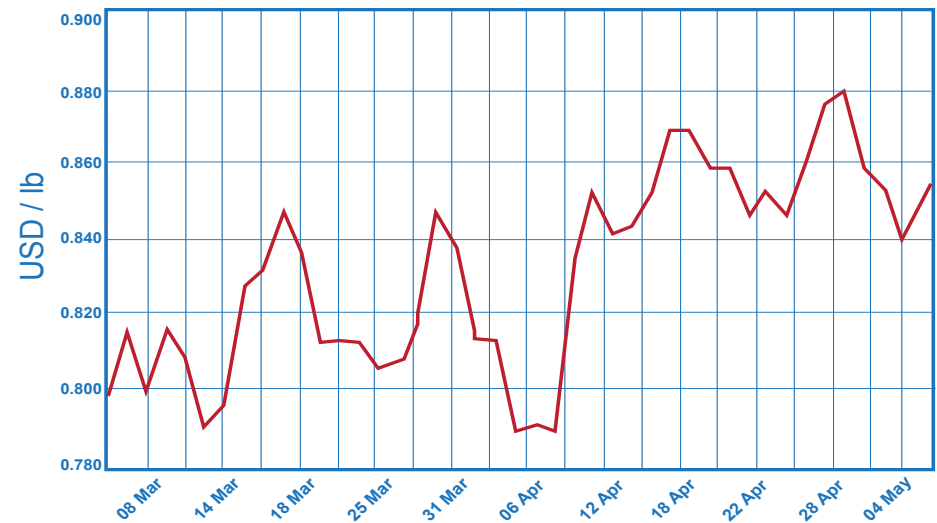
- Domestic mill lead times have pushed out to almost 11 weeks.

- Iron ore FOB Chinese ports are steady at \$59 per dry metric ton.

- Zinc prices are staying high.

60 Day Zinc Spot

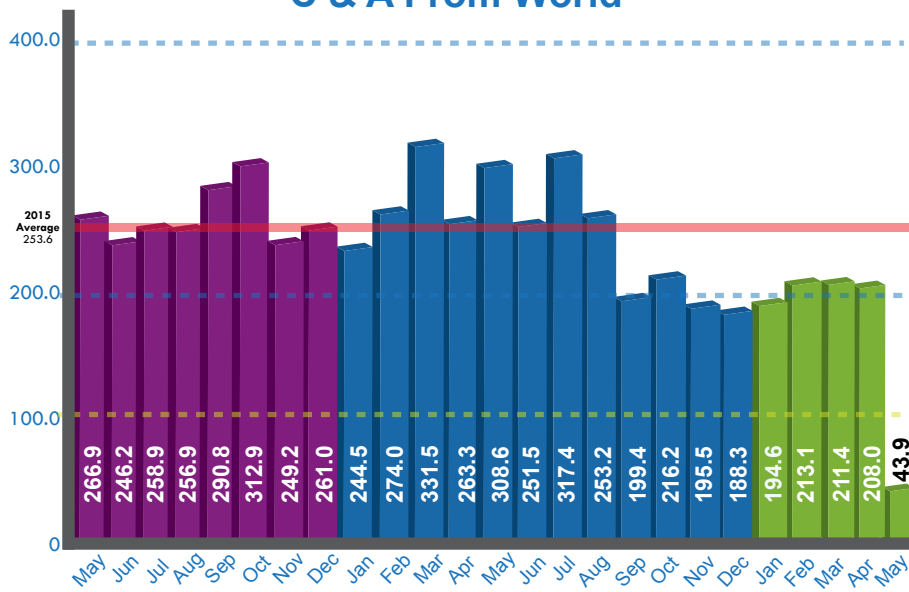
Source: www.kitco.com



STEEL | 5.3.2016 - 5.9.2016

- Galvanized imports in April might end up close to March. May is starting out slow. The American Metal Market's reported offerings of imported steel have skyrocketed. There is less domestic available and prices are expensive. Most imports won't arrive until October. Instead of buying imports for the cheap price, they are being bought as a physical hedge against high domestic pricing.

U.S. Imports of Sheets & Strip Galv Hot Dipped C & A From World



Source: US Department of Commerce, Enforcement and Compliance | Graph last modified on: May 4, 2016
with Licensing Data collected through May 4, 2016. Commerce license data use for the last month appears in a different color
Data extracted from the import licenses are not official Census data

- China exported over 9 million tons of steel in April, down 9% from March. Since the beginning of the year, China exported 36.9 million tons, up 7.6% from last year.

+ Arcelor Mittal and AK Steel both announced \$60 per ton price increases.

- The global steel industry is on a rollercoaster ride. Hot rolled steel prices in 2003 was \$250 per ton. In 2007, it rose to \$550 per ton. By 2008, it peaked at over \$1,110 per ton. By 2009, it fell to \$394 per ton. In 2011, it climbed to \$773 per ton then slid to \$532 in 2012. In 2013, it rose to \$608 per ton, then slid to \$554 in 2014, \$340 in 2015, and \$272 per ton in 2016. The recent spike has driven the price up to over \$600 per ton so far.

+ ArcelorMittal posted a Q1 operating profit of \$275 million versus \$571 million a year ago. Q1 sales were \$13.4 billion versus \$17.1 billion a year ago. Steel shipments were 21.5 million tons, almost the same as a year ago at 21.6 million tons.



AUTOMOTIVE | 5.3.2016 - 5.9.2016

- In a survey released last week, J.D. Power found that just 23 percent of Baby Boomers would trust self-driving technology. Acceptance improves with younger cohorts, but it's not overwhelming. Less than half of Gen Xers (41 percent) would trust robot cars, while 56 percent of Gen Y and 55 percent of Gen Z are comfortable with the concept. The biggest obstacle is fear. Consumers who've endured computer crashes as part of their everyday existence are wary of trusting software to keep them safe. We're putting a machine -- a robot on four wheels -- in control of driving us down the road. Their main concern is that the technology could fail at any point in time. And then what is going to happen? It's this big unknown.

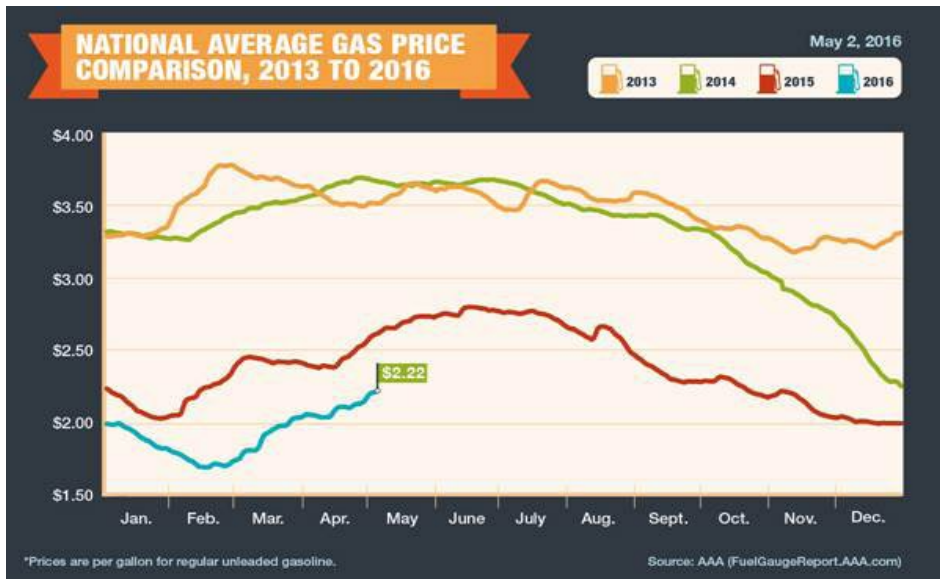




GENERAL | 5.3.2016 - 5.9.2016

- Gasoline prices continue to creep up. Crude oil inventory has hit another record at 540.6 million barrels. Refineries are operating at 88.1% of capacity. Oil futures are down slightly to \$44.25 per barrel. Plants kept this index propped up.

- China's government support for their struggling companies has fed a global oversupply of basic materials including steel, aluminum, and diesel fuel, spawning trade disputes. According to research by the Wall St. Journal of nearly 3,000 Chinese companies, government aid rose to over \$18 billion. Chinese government subsidies of their domestic companies grew 50% since 2013. The Chinese government is keeping many companies afloat in order to maintain social stability according to them, and they say all the dumping suits against Chinese products is simply protectionism. According to the WTO, China was hit with 25% of all anti-dumping suits levied from 1995 to 2014. This is more than any other country.





BILL'S ROUND-UP | 5.3.2016 - 5.9.2016

“Manufacturing in the US is bumping along with no great news to report. Gasoline prices are rising, but diesel fuel is remaining depressed due to a global glut of the product. The US set a new record for crude oil inventory. China continues to struggle with their declining manufacturing base and it is affecting global commerce of raw materials. Domestic steel mill books are a little fatter this week and lead times are pushing out again. Galvanized imports remain subdued, but given the recent spike in domestic prices, I wonder how many imports will hit our shores in Q4? Domestic mills continue to push prices upwards. Will autonomous cars be like the electrics with a lot of fanfare but not much market penetration?”

PARTING SHOT:

“The future is purchased by the present.”

– Samuel Johnson (1709 to 1784)



Bill Feier, World Sourcing Manager



'TIL NEXT TIME | 5.17.2016



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