



PACESETTER
OUR PEOPLE, YOUR ADVANTAGE

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YOUR **MOTIVATIONAL** ADVANTAGE

OUR PEOPLE, YOUR ADVANTAGE



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YOUR MOTIVATIONAL ADVANTAGE | 5.10.2016 - 5.16.2016

Do you have the inner power that pushes you toward action? Do you have the desire and ambition to get something done or achieve a certain goal? Do you lack the push and the execution necessary to take action? Can you dig into your inner soul during tough times and stay motivated toward your goal?

The willingness necessary to take action and accomplish a particular goal is crucial when it comes to motivation. A motivated individual will do whatever it takes to complete or achieve a task. When an individual lacks desire and ambition, motivation will be absent and daily tasks and goals are not easily achieved.

Motivation is at its strongest when a vision, or a clear mental image of what needs to be achieved, is present. Motivated individuals see the vision as a reality, and can already picture the task being completed. Their inner power and strength pushes them toward achieving their goal.

As the vision becomes clearly defined, the individual believes in his or her abilities and gets closer to accomplishing the goal. This is why as a leader, it is so important to cultivate motivation in your associates.

Positive/Negative Results

In the world of business, seminars have been instrumental in sharing the power of motivation and lack thereof. Some suggest that motivated individuals are happier, more energetic and have already pictured the positive results they are working towards in their mind. They do whatever it takes to get the job done and will not make excuses. The verbiage used by motivated individuals, is "I will" and "I can."

Some suggest that a lack of motivation results in low enthusiasm, ambition and the initiative it will take to accomplish the necessary goals. When a lack of motivation is present, negativity can creep into the mind and derail the vision of achieving the goal, which is why staying positive is a key motivational factor.

Speak from the Heart

Staying motivated through tough times can be very challenging. In these times, your team has to see that you have passion, values and the inner strength necessary to never give up and stay on track. You also need to have a listening ear to hear the concerns and the point of view of your team. The positive body language you show daily will help motivate individuals to stay on track to achieve the necessary goal.

The empathy and compassion you show during difficult times will create an atmosphere of "us against the world," which will help alleviate stress. When times are tough, associates in the workplace can become anxious and exude negative energy. Leaders must constantly stay engaged, focused and motivated for the sake of the team.

Feedback

Leaders have to be mindful of their own stress level during challenging times and remember not to let it negatively impact the team. This is a time to praise and recognize the team for all of their hard work and accomplishments. The verbal recognition is extremely valuable and will give the team some self-assurance that the vision and goal is being accomplished.

In all cases this will keep individuals motivated to keep going strong and find their inner power to keep pushing forward.

Affirmation

A positive and infectious attitude can motivate a shift in your entire life. However, keeping focused and remaining positive through a rough period is not an easy task. Displaying continued, genuine encouragement and emotional support is key to energizing your team.

Oftentimes, the team is asked to do more with less and continuously affirming individuals through authentic encouragement may be the driving force that conquers the goal. The necessary affirmation can and will be instrumental.



STEEL | 5.10.2016 - 5.16.2016

- #1 heavy melt scrap is up to \$218 per ton and #1 busheling scrap is up to \$274 per ton.

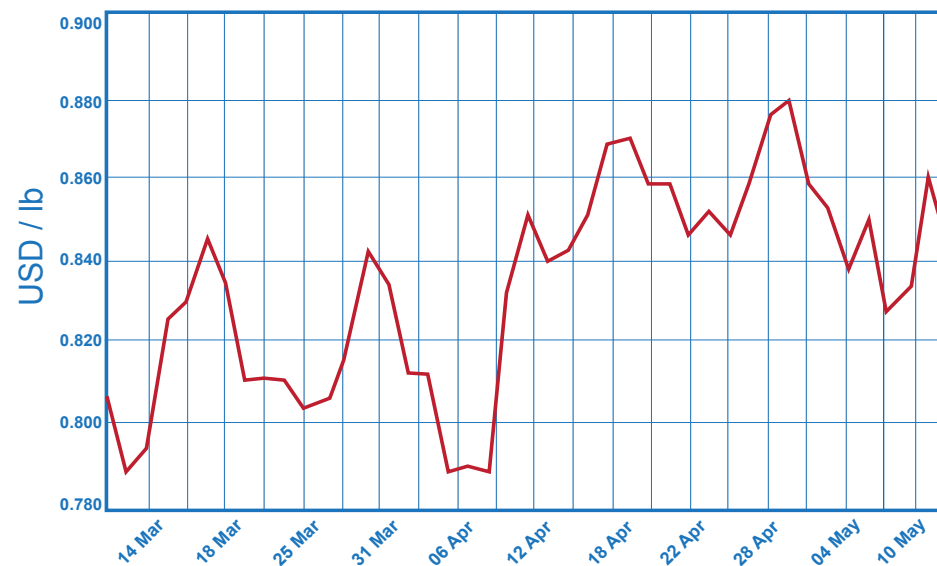
+ Raw steel production rose to a 15 month high of 74.7% of capacity. Previous to the market crash of 2009, if the average rate was under 80% it would have been considered a slow market.

- Iron ore FOB Chinese ports is up to \$56 per dry metric ton.

+ Zinc prices are moderating, but I fear it will climb again soon. Zinc inventory is low and the recent spike in galvanized demand will probably be enough to push prices up.

60 Day Zinc Spot

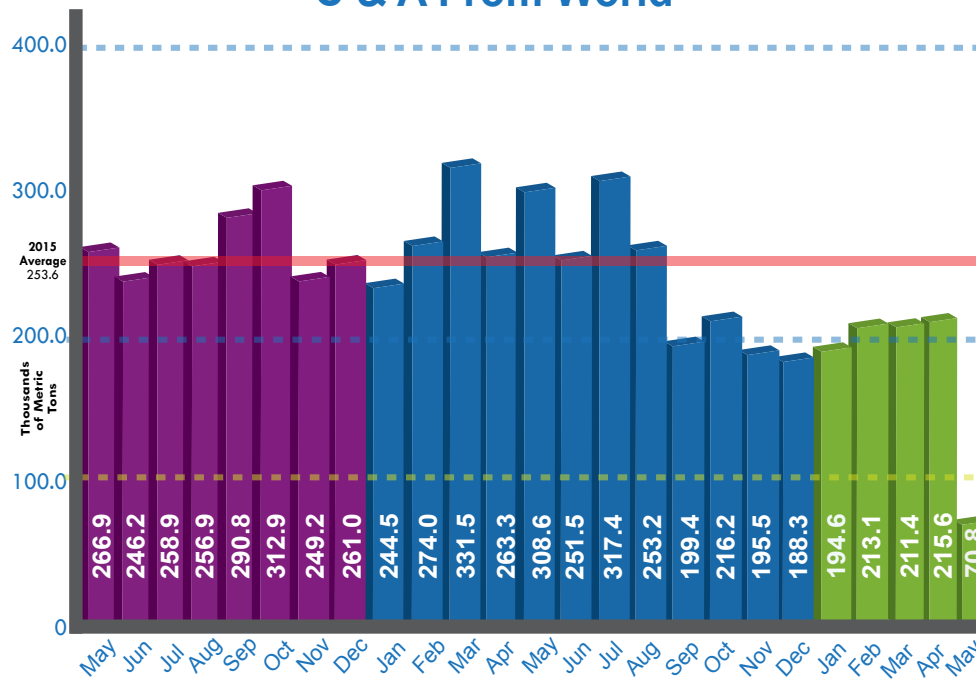
Source: www.kitco.com



STEEL | 5.10.2016 - 5.16.2016

- Galvanized imports for April were revised upwards making it the best import month since October 2015.

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 10, 2016
with Licensing Data collected through May 10, 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

- An explosion at North Star BlueScope's mini mill in Delta, Ohio caused an estimated 35,000 ton loss of production. One of their furnaces had a refractory failure, allowing molten steel to escape. The facility has two EAF's and the other one is still on line.





STEEL | 5.10.2016 - 5.16.2016

- Moody's Investors Service noted the recent steel price rally does not signal improved demand in the US. Since December, when prices hit a 7 year low, prices for steel have spiked 55%. Utilization rates at the mills increased from 63% in December to 72% in April. Their bottom line comment was "Recent steel price spike unlikely to be sustained." When will the market tip back enough to force lower prices?

- The rapid rise in domestic steel pricing will open the door to more imports as motivated buyers try to find new ways to be price competitive.

+ CSN Brazil restarted their blast furnace. It went down unexpectedly April 25th. Since this furnace accounts for 70% of that mill's output, I'm sure they are happy to see it back on line.

+ China's major steel mills collectively posted a \$1.35 billion loss in Q1 even though March performance showed a \$407 million profit.

- Euro News reported that German steel workers have protested outside of the European Parliament over alleged dumping by China. They oppose China being declared a market economy under the World Trade Organization. One worker told Euro News "China produces steel with public subsidies, far below the actual costs of production and without consideration for the environment and on-the-job safety." Some parliamentarians fret that China threatens jobs and MEPs have called for safeguards. Mr. Philippe Lamberts, a Belgian Green MEP, said "Look what happens in their steel sector: Beijing decides they will close capacities and they close capacities, so it's not a market economy, it's not market forces that are really driving the Chinese economy." Gaining market economy status would mean that the EU would have much less scope to impose tariffs on Chinese products.



STEEL | 5.10.2016 - 5.16.2016

- The following table is a list of steel trade cases and dates for the final decisions. It is possible that many sources for steel will be restricted from our market soon.

Corrosion Resistant Trade Case				
Countervailing Duties		Antidumping Duties		
Country	Prelim Results (Nov 2nd 2015)	Final DOC Determination	Prelim Results (Dec 21st 2015)	Final DOC Determination
China	26.26% to 235.66%	May 25th, 2016	255.8%	May 25th, 2016
India	2.85% to 7.71%	May 25th, 2016	6.64% to 6.92%	May 25th, 2016
Italy	0.04% to 38.41%	May 25th, 2016	0% to 3.11%	May 25th, 2016
Korea	0.69% to 1.37%	May 25th, 2016	2.99% to 3.51%	May 25th, 2016
Taiwan	0%	May 25th, 2016	0%	May 25th, 2016
Cold Rolled Trade Case				
Countervailing Duties		Antidumping Duties		
Country	Prelim Results (Dec 16th 2015)	Final DOC Determination	Prelim Results (Mar 1st 2016)	Final DOC Determination
Brazil	7.4%	July 21st 2016	20.84% to 35.43%	July 21st 2016
China	227.3%	May 17th 2016	265.8%	May 17th 2016
India	4.5%	July 21st 2016	6.8%	July 21st 2016
Korea	0.18% to 0.69%	July 21st 2016	2.17% to 6.85%	July 21st 2016
Russia	0.01% to 6.33%	July 21st 2016	12.62% to 16.89%	July 21st 2016
Japan	NA		71.4%	May 17th 2016
United Kingdom	NA		5.79% to 31.39%	July 21st 2016
Hot Rolled Trade Case				
Countervailing Duties		Antidumping Duties		
Country	Prelim Results (Jan 11th 2016)	Final DOC Determination	Prelim Results (Mar 15th 2016)	Final DOC Determination
Australia	NA		23.3%	Aug 5th 2016
Brazil	7.4%	Aug 5th 2016	33.91% to 34.28%	Aug 5th 2016
Japan	NA		6.79% to 11.29%	Aug 5th 2016
Korea	0.17% to 0.63%	Aug 5th 2016	3.97% to 7.33%	Aug 5th 2016
Netherlands	NA		5.1%	Aug 5th 2016
Turkey	0.20% to 0.38%	Aug 5th 2016	5.24% to 7.07%	Aug 5th 2016
United Kingdom	NA		49.1%	Aug 5th 2016

Source: U.S. Department of Commerce; KeyBanc Capital Markets Inc



AUTOMOTIVE | 5.10.2016 - 5.16.2016

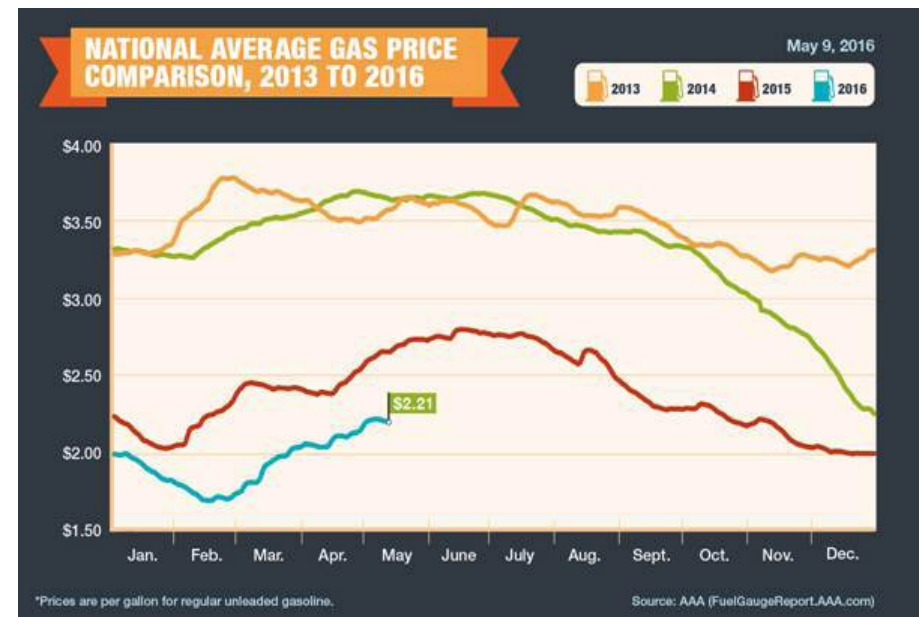
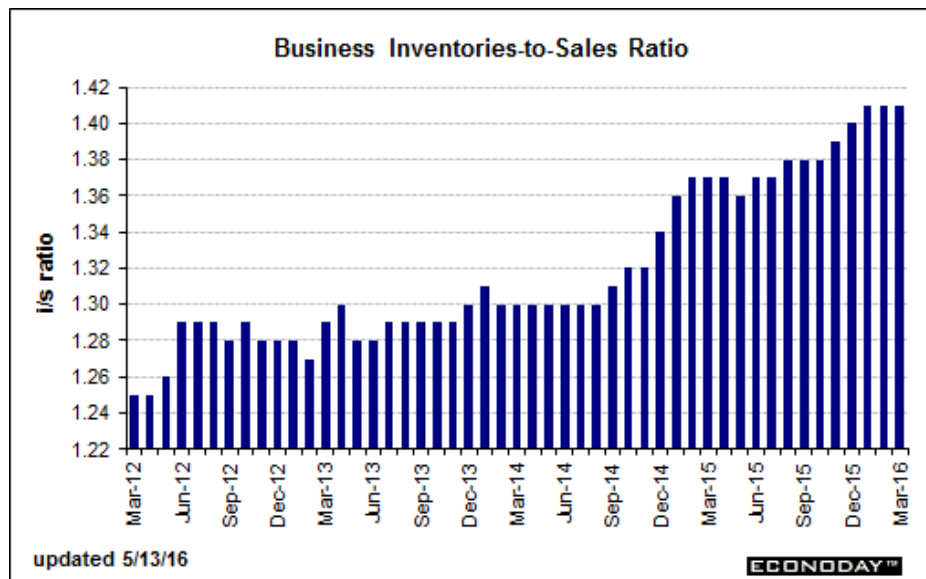
- Mexico produced 269,604 vehicles in April, down 4.9% from a year ago. 197,020 of those vehicles were exported, down 15.6% from last year.
- In the wake of the gas mileage scandal, Mitsubishi stock value has dropped 43% since last month. Nissan is taking advantage of the situation and is spending \$2.2 billion to take a controlling (34%) stake in Mitsubishi. The deal should be done by May 25th. Sounds to me like Mitsubishi finally made its last bad mistake, and needed a bailout of some type. Nissan was bailed out in the same manner 15 years ago by French car company Renault who currently owns 43% of Nissan.



GENERAL | 5.10.2016 - 5.16.2016

- + The Producer Price Index rose .2% in April. Production costs are well under control.
- Business inventories have been trending up for too long.

- + Gasoline prices are moderating. Crude oil inventory is steady, and refineries are operating at 89.1% of capacity. The price of a barrel of crude oil rose to over \$45 per barrel. Demand for gasoline is strong and the US Dollar has lost some trading value. Oil might go up to \$50 per barrel soon.





BILL'S ROUND-UP | 5.10.2016 - 5.16.2016

"Inflation at the producer level is under control, but sales are slowing and inventory is building, which will soon have a negative effect on manufacturing. Gasoline prices are low compared to recent history, but crude oil prices are rising. Raw material costs for steel making are rising along with finished steel demand. Our mills have more orders to produce against. Steel imports are subdued and looming trade cases threaten to restrict supply into the US market."

PARTING SHOT:

"Lost time is never found again."

– Benjamin Franklin (1706 to 1790)



Bill Feier, World Sourcing Manager



'TIL NEXT TIME | 5.24.2016



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