



PACESETTER
OUR PEOPLE, YOUR ADVANTAGE

6.7.2016 Vol. 2 Issue 22

YOUR **BALANCED** ADVANTAGE

OUR PEOPLE, YOUR ADVANTAGE



PACESETTER 2016

PACESETTER Contributor

Melanie Potz, People Area Generalist

YOUR BALANCED ADVANTAGE | 5.31.2016 - 6.6.2016

Have you ever found it nearly impossible to take time off for a vacation, or let alone one day just to take care of pesky errands? Although you may feel like you will only end up getting more behind if you take time away from the office, think again. You truly aren't doing yourself, or the team of people who count on you at work, any favors if you do not set aside time for YOU.

Even though we have an endless amount of work to do, managers should also encourage their team to take time off, even during the extra busy months. Clearly, the lazy days of summer don't always apply to inside the office and it definitely doesn't do the team or business any good if you are burnt out. Mistakes can be made and they may end up being costly ones.

Below are a few suggestions on how to achieve a work life balance:

Recruit help. This involves asking for help, which is not easy for some folks. More often than not, family members, trustworthy neighbors and friends are more than willing to lend a helping hand. As the saying goes, "It takes a village."

Have a visible calendar handy. Try putting up a calendar in a high traffic area of your house, where your spouse, kids, etc. can actually see what activities are going on during the week. That way you can all plan ahead and there won't be any surprises or missed communication when it comes to finding rides to soccer practice or picking up dinner.

Schedule time for some R & R. "We schedule meetings, we schedule interviews, we schedule doctor's appointments; but somewhere in that mass of work, personal time gets lost. Relaxation seems like a luxury rather than a necessity, when it's actually one of the keys to sanity," wrote Kira M. Newman of TechCo.

Learn how to say no. Newman also makes a good point in her article noting, "Another common piece of advice is to say no: say no to extra projects, commitments, and anything else that will eat up your time. To figure out what to say no to, take inventory of the goals you're hoping to accomplish in your personal and work lives." (For full article, please visit <http://tech.co/strategies-to-improve-work-life-balance-2013-01>)

We also need to ask ourselves, how exactly are we spending our time away from the office? According to a study by the Bureau of Labor Statistics, American Time Use Survey, Americans spend 2 hours and 49 minutes watching TV on a daily basis (that's roughly 20 hours a week!) (<http://www.bls.gov/tus/charts/chart9.pdf>). Now, I'm not judging anyone, I certainly know the blissful feeling of sitting back and watching my favorite shows after a long and tiresome day at work. But I recently came to the realization that TV isn't exactly the best use of my time. Try to take part in another activity that takes away the stress from a hard day's work, such as...

- Lacing up those sneakers and taking an evening walk around the neighborhood
- Simply sitting back and relaxing without the TV on
- Finally beginning the book you've had on your bedside table for months

When you think about it, having a work-life balance really comes down to time management. Yes, there will be days after an 8+ hour work day, and sitting in traffic, all you will have your heart set on is vegging out and binge watching Netflix. However, I challenge you to accomplish one thing you've had on your to-do list during the week that you would normally hold off on until the very last minute or take care of during an already packed weekend. That one weekly accomplishment could help you get one step closer to achieving the balance you've been looking for.



STEEL | 5.31.2016 - 6.6.2016

- #1 heavy melt scrap is \$246 per ton and #1 busheling scrap is \$274 per ton.

+ Raw steel production hit 75.95 of capacity vs. 71.6% last year.

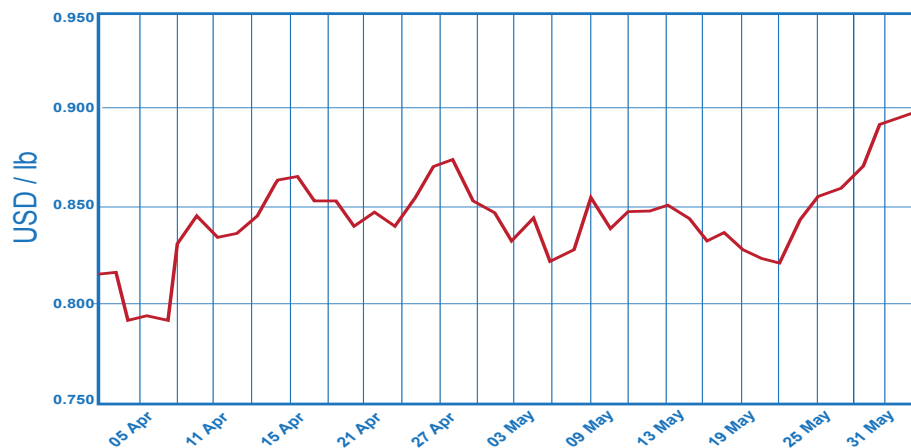
+ Domestic mill lead time pulled back under 8 ½ weeks.

+ Iron ore FOB Chinese ports fell to \$48 per dry metric ton.

- Zinc prices are staying high.

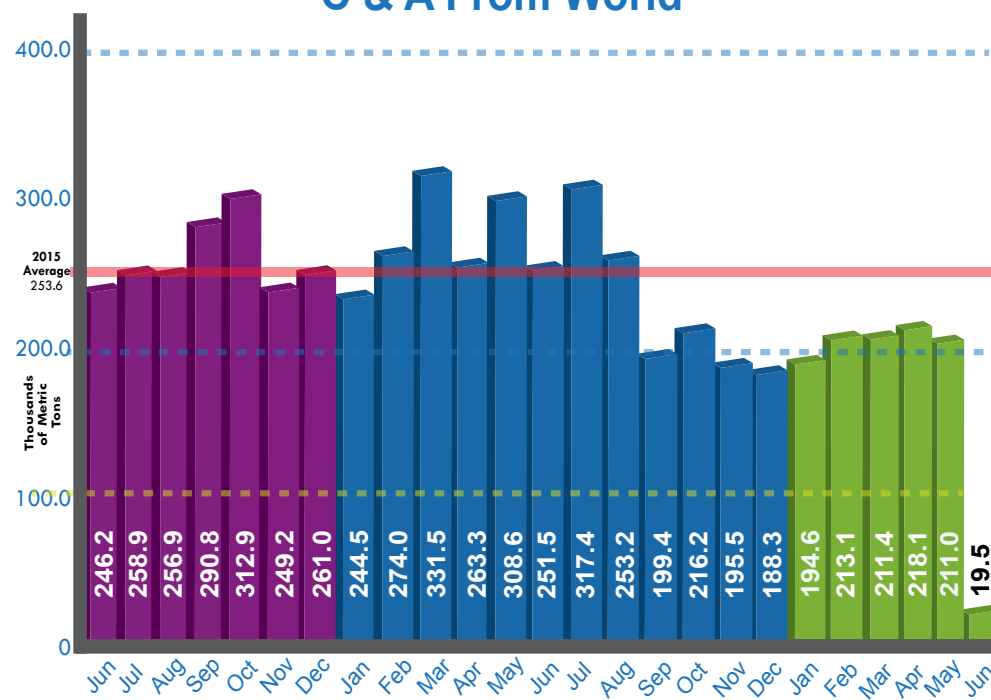
60 Day Zinc Spot

Source: www.kitco.com




+ Galvanized imports for May will probably equal April by the time the final report is published.

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: June 3, 2016
with Licensing Data collected through June 3, 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



STEEL | 5.31.2016 - 6.6.2016

- The array of steel tariffs on imports is allowing domestic suppliers to boost prices in response to thinner supply chains. It is also raising costs for end users. Imports in Q1 2016 were 29% less than a year ago. Spot steel pricing for cold rolled and galvanized products have almost doubled since the end of last year, so has the share price of US Steel. There are grumblings coming from the end user sector. By the end of this year I wouldn't be surprised to see manufacturing associations headed for Washington looking for relief. If not, look for car prices to rise as well as other steel intensive products like garage doors and HVAC units.

+ ArcelorMittal closed a 10 year supply chain deal for iron pellets for steel making. The agreement is market index based, which is a big change from yearly firm pricing or spot pricing that governed that part of the industry for many years.

- The supply chain in the US is getting fragile. The balance of supply and demand is tight enough that any little disruption could send prices up, or workers home, if no steel gets delivered when needed. Power outages, maintenance outages, labor outages, you name it, there isn't much wiggle room right now if a mill suffers a production stoppage.

- China's largest steel maker Hebei Steel has accused the US of breaching World Trade Organization rules, and Washington protectionism is damaging global steel trade. The mill has asked Washington to reconsider their stance and realize the consequences of trade protectionism.

+ Tata Steel might end up keeping the Port Talbot works in the U.K. They are in the midst of selling off most of their U.K. assets. One part has already been spun off and the new owner has renamed the facility "British Steel," which is a legendary old name there.



STEEL | 5.31.2016 - 6.6.2016

- Hyundai Merchant Marine is being taken over by the Korean government's Korean Development Bank in order to restructure the company to digest its \$5 billion of debt. This is another sign of forced "right sizing" of companies who were expecting China's economic boom to continue indefinitely, but are finding out the hard way that it isn't. HMM is a huge container freight shipping company operating 130 vessels.



- Indian steel maker Uttam Galva is referring itself to India's Board for Industrial and Financial Reconstruction. That company's accumulated losses have exceeded its net worth. Bhushan Steel (India) is in the same boat and is agreeing to dispose of 3 steel plants with a combined output of 5.6 million tons per year.

- ArcelorMittal is shelving a 2 year project to expand their iron ore mine in northern Quebec, Canada due to poor market pricing of that product.

- CSN Brazil continues to be jinxed by bad luck. Their #2 and #3 furnaces had unplanned outages and their #1 galvanizing line suffered an explosion, shutting it down for a month for repairs. CSN has not declared force majeure of customer orders yet, but it wouldn't surprise me if they did.



AUTOMOTIVE | 5.31.2016 - 6.6.2016

- Automobile sales fell 6% as predicted in May. The SAAR was 17.4 million vs. 17.6 million a year ago. Market watchers think the peak may have been reached. GM sales fell 18%, Ford down 1.5%, Chrysler sales gained 1.5%. Toyota sales fell 9.6%, Honda fell 4.8%, and Nissan fell 1%.

- Robert Bosch Company is working on taking the drudgery of parking your car off your hands by introducing technology that will let the car park itself by pressing a button on your smart phone. Your car will travel up to 110 yards away from you, and return to the spot where you exited the vehicle. The Bosch company is also perfecting 360 degree views (for parking in tight spaces), overhead clearance warning, and pedestrian collision avoidance.

- J.P. Morgan Chief executive James Dimon noted the \$1 trillion (with a T) automobile loan market is getting stretched too far. Subprime loans accelerated 11% in Q1. Defaults are gaining volume. This could be another sign telling us the automotive industry might be peaking.



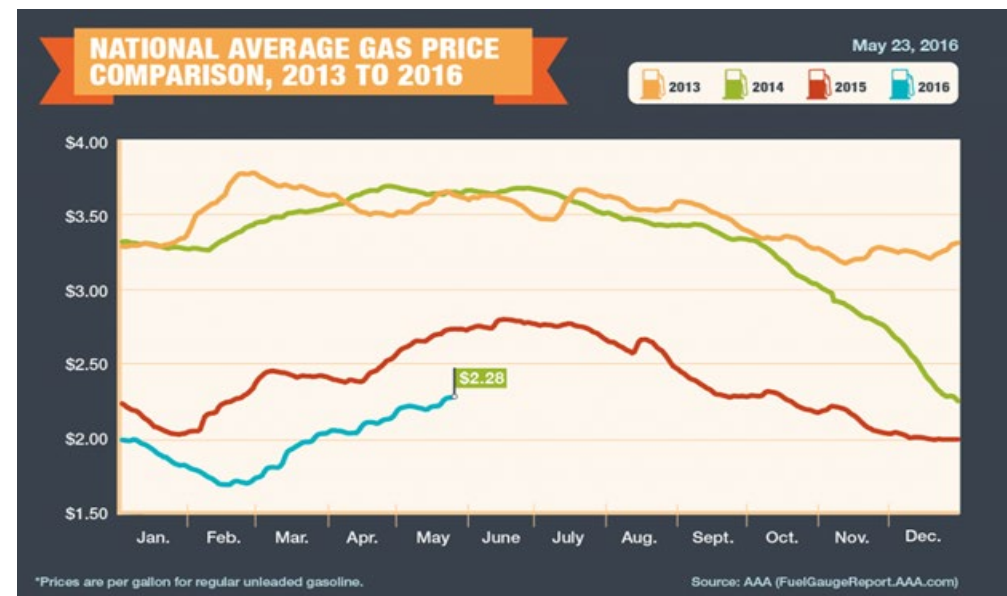
GENERAL | 5.31.2016 - 6.6.2016

+ Factory Orders rose 1.9% in April, mostly due to an uptick of civilian aircraft orders.

+ The ISM Manufacturing Index rose to 51.3 in May, showing slow growth. The new orders component is showing some strength, so next month's report should continue the trend higher.

- Construction Spending fell 1.8% in April, the worst decline since January 2011.

- Gasoline prices continue to creep up. Oil futures crossed the \$50 per barrel mark last week then fell back to \$48.50 due to the ongoing glut of oil on the world market. Crude oil inventory in the US is still at record levels.





BILL'S ROUND-UP | 5.31.2016 - 6.6.2016

"Manufacturing in the US is holding up. Gasoline prices are probably going to peak soon. Steel making in the US is still running hot. Galvanized imports are coming in better than expected. Global supply chains are fragile these days. There is a lot of chaos rooted in politics, which is artificially limiting supply. Disruptions are keeping prices high in our market. The automobile industry in the US might have peaked as May sales performance declined."

PARTING SHOT:

"The words printed here are concepts. You must go through the experiences."
– St. Augustine (354 to 430)



Bill Feier, World Sourcing Manager



'TIL NEXT TIME | 6.14.2016



www.teampacesetter.com

SEND US FEEDBACK

Help us deliver what helps you thrive

Was Your Advantage forwarded to you? Make it permanent

SUBSCRIBE

This newsletter and the content and opinions contained herein are for information purposes only. Pacesetter Steel Service, Inc. makes no representations as to accuracy, completeness, currentness, suitability or validity of any information, data, opinions or forecasts in this newsletter and will not be liable for any errors or omissions in this information or any losses or damages arising from its use. All information is provided on an as-is basis.

©2016 PACESETTER STEEL SERVICE, INC.