

GREAT AMERICAN GROUP ADVISORY & VALUATION SERVICES

Metals Monitor November 2011

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Introduction

Welcome to the November 2011 issue of the *Metals Monitor* from Great American Group Advisory & Valuation Services (“GA”). This publication will provide you with market value trends in both ferrous and non-ferrous metals. The enclosed information is based on qualified metals industry publications and key industry contacts.

The commodity nature of steel scrap, aluminum ingot, copper cathode, and nickel warrants the timely reporting of market value changes. The timing of our mid-month *Metals Monitor* will capture the month-end prices that act as the basis for pricing value-added metal mill products.

The *Metals Monitor* includes a sampling covering most metals projects. GA internally tracks additional specialty and tool steels, all raw materials for steel, specialty steel, and primary aluminum production and manufacturing, but we are mindful to adhere to your request for a simple reference document. Should you need any further information or wish to discuss recovery ranges for a particular segment, please feel free to contact your GA Business Development Officer.

GA’s metals expertise is not confined to use on pure metals projects, but is always utilized in assuring the accuracy and insight for all manufacturing projects where metals are the primary or significant raw materials, regardless of the sector of the finished products. This assures that all appraisals from GA reflect the full scope of our experience and insight.

Trends in Recovery Values

Trend Tracker
NOLVs: Decreasing
Sales Trends: Increasing
Gross Margin: Mixed
Inventory: Consistent
Recent Pricing: Decreasing

Net orderly liquidation value (“NOLV”) changes for specific categories and companies varied based on market price and other factors. GA has presented observations regarding some of the recent trends in NOLVs, but recognizes these should not be generalized to all companies.

For appraisals conducted in the last three months, NOLVs were generally down compared to the prior year and have also declined since earlier in 2011, when NOLVs were buoyed by rising market prices. Recently appraised companies demonstrated decreases in NOLVs between 10 and 30 percentage points versus the prior year due to a buildup of inventory in early 2011 and the subsequent decline in market pricing. Companies therefore maintained inventory stocks at a higher cost than current market pricing, resulting in lower recovery values as a percentage of cost.

Sales trends generally increased due to higher pricing and demand versus last year. Gross margins were mixed, as some companies’ profits suffered from market pricing declines while others maintained higher gross margins due to improved product sales mix. Inventory levels remain consistent, as companies have become less inclined to stock higher levels of inventory due to fears of further market price declines.

In November, flat rolled steel prices were down versus the prior month as companies delayed building their inventory levels. Most base metal prices continued to decline due to global economic concerns, although copper and zinc prices rebounded due to lower stocks on the London Metal Exchange (“LME”). Fluctuations in steel and base metal prices pose a risk for NOLVs in the coming months.



ABOUT GREAT AMERICAN GROUP

GA is a leading provider of asset disposition solutions and valuation and appraisal services to a wide range of retail, wholesale, and industrial clients, as well as lenders, capital providers, private equity investors, and professional services firms. In addition to the *Metals Monitor*, GA also provides clients with industry expertise in the form of monitors for the food, automotive, building materials, textiles, and chemicals industries, among many others.

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EXPERIENCE

GA has worked with and appraised a number of companies within the metals industry, including industry leaders in steel and aluminum production and processing. GA's extensive record of metals inventory valuations also feature appraisals for companies throughout the entire metal supply chain, including foreign and domestic metal- and steel-producing mills; metal converters that produce tubing and pipe, as well as expanded, grating, and perforated metal types; metal service centers/processors as well as distributors; structural and custom fabricators and stampers; manufacturers that utilize metals as raw materials; and scrap yards, recyclers, dealers, and brokers.

In **October 2011**, GA performed the following initial and collateral update appraisals:

- An initial appraisal of a steel service center offering cold rolled, hot rolled, hot rolled pickled and oiled, galvanized, electro-galvanized, and galvanized wide coils, slit coils, and sheets to metal fabricators, with annual revenues of over \$120 million;
- An initial appraisal of a manufacturer, processor, and distributor of metal rail, plate, and other railroad materials, with annual revenues in excess of \$75 million;
- A collateral appraisal of a processor and recycler of scrap metal, with annual revenues of over \$600 million;
- A collateral appraisal of a leading producer and supplier of high-quality copper and copper alloys for coinage and other applications, with annual revenues in excess of \$300 million; and
- A collateral appraisal of a processor and distributor of flat rolled steel products, with annual revenues of over \$150 million.

Our clients also include the following major businesses:

- Globally recognized vertically integrated steel tube manufacturers;
- A vertically integrated seamless and welded steel pipe producer with more than \$1 billion in sales annually and over \$275 million in inventory;
- A vertically integrated aluminum producer including both the upstream and downstream sides of the industry, with over \$1 billion in sales annually and over \$130 million in inventory;
- One of the U.S.'s largest scrap recycling processors, with \$550 million in sales in 2010; and
- Well-known service centers across the nation, including a multi-division full line steel service center consisting of over 50 locations across the U.S., with \$2.6 billion in annual sales and over \$500 million in inventory.

GA additionally maintains appraisal experience involving precious metals and specialty metals, allowing GA to provide experience-based valuations across the entire metals industry. The metal products that GA has appraised have maintained applications throughout a wide variety of industries including the automotive, construction, aerospace, industrial machinery and equipment, and appliance and electrical equipment markets.

Moreover, GA has liquidated a number of companies with metal products including Advanced Composites, Aluminum Skylight & Specialty Corporation, Anello Corporation, Apex Pattern, Balox Fabricators, BJS Industries, Buckner Foundry, Crown City Plating, GE Roto Flow, Laird Technology, Maddox Metal Works, Miller Pacific Steel, R.D. Black Sheet Metal, Valley Brass Foundry, and Southline Steel. In addition to our vast appraisal and liquidation experience, GA maintains a staff of experienced metals experts with personal contacts within the metals industry that we utilize for insight and perspective on recovery values.

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OVERVIEW

Amidst continued uncertainty in the global economy, steel prices have generally remained in a slump, as companies are putting off purchases until they have a better idea of where the market is heading.

In addition, key steel markets, such as construction, remain slow and continue to demonstrate lackluster demand. Long steel products such as rebar, however, have proved to be an exception, with prices rising as supplies for these goods remain tight.

The base metals sector has experienced more price declines as traders sold off such metals in response to the lack of a definitive plan to address the European debt crisis, as well as signs that the Chinese economy is slowing. Pricing for base metals generally declined 10% to 23% over the past few months.

However, in recent weeks, copper prices were pushed upwards in the face of supply issues due to labor disputes in Chile and Indonesia, with an expected global deficit of 250,000 tons, according to the International Copper Study. In addition, spot demand has recently been boosted by Chinese restocking.

OVERVIEW

AUTOMOTIVE

The automotive industry is a significant consumer of steel. In October, auto sales remained a bright spot against a dismal backdrop of global economic uncertainty, a depressed housing sector, and slowing manufacturing activity. Early October 2011 auto sales estimates were nearly 10% above October 2010 levels, with analysts surmising the rising sales continued to resist the dour overall economic trend due to pent-up consumer demand.

General Motors Company, Ford Motor Company, and Chrysler Group LLC (“Chrysler”) posted year-over-year sales increases of 6%, 6%, and 27%, respectively, with Chrysler experiencing its best October sales since 2007.

MANUFACTURING

The Institute for Supply Management’s (“ISM”) purchasing managers index (“PMI”), an indicator of manufacturing, declined 0.8 points from the September reading of 51.6 to a reading of 50.8 in October. Readings greater than 50 signify growth in the manufacturing economy, while readings below 50 denote contraction. Thus, the PMI reflected economic growth for the 29th consecutive month, although the growth remains slow compared to earlier in the year. February’s reading of 61.4 had marked the highest level since the early 1980s.

Manufacturing activity may benefit from steady gains in rail traffic, as rail represents an end-market for industrial production. The Association of American Railroads reported carloads originated at U.S. railroads increased 1.7% in October 2011 versus 2010, with trailers and containers up 3.6%.

In addition, the number of carloads for the month marked the highest weekly carload average of any month since October 2008, with the number of trailers and containers marking the highest weekly intermodal average since October 2008.

The following table reveals the monthly PMI trend:

Month	PMI
October 2011	50.8
September 2011	51.6
August 2011	50.6
July 2011	50.9
June 2011	55.3
May 2011	53.5
April 2011	60.4
March 2011	61.2
February 2011	61.4
January 2011	60.8
December 2010	58.5
November 2010	58.2
October 2010	56.9

ENERGY

The energy market is a large consumer of metals used for pipelines and oil rigs. The Baker Hughes Rig Counts (“Baker Hughes”) represents an important business barometer for the drilling industry and its suppliers. The active rig count serves as a leading indicator of demand for metal products used in drilling, completing, producing, and processing hydrocarbons.

Growth in the U.S. energy sector increased on a week-over-week and year-over-year basis, while Canadian and international rig counts decreased from the prior week but remained above the prior year.

Per Baker Hughes data from November 4, 2011, the U.S. rig count totaled 2,026 rigs actively exploring for or developing either oil or natural gas, increasing by 343 rigs compared to the November 5, 2010 count and up five rigs from the prior week. Of the 2,026 rigs, 1,112 were exploring for oil and 907 for natural gas, while seven were listed as miscellaneous. The U.S. rig count peaked at 4,530 rigs in 1981, with a bottom of 488 rigs in 1999.

	United States	Canada	International
Date of Recent Rig Count	November 4, 2011	November 4, 2011	October 2011
Count	2,026	476	1,162
Date of Prior Rig Count	October 28, 2011	October 28, 2011	September 2011
Change From Prior Count	5	(23)	(12)
Date of Last Year’s Rig Count	November 5, 2010	November 5, 2010	September 2010
Change From Last Year’s Count	343	59	54

RECENT APPRAISAL TRENDS

Since late summer 2011, market prices for steel and base metals have either flattened or declined significantly, with most base metals pricing dipping further in recent months as a result of fears surrounding the European debt crisis.

Appraisals valuing metals inventory are generally dependent on market prices, which are often driven by demand from metal-consuming industries such as the automotive, construction, oil drilling, and industrial sectors. The automotive sector reported positive sales growth for November and the domestic energy sector expanded, while growth in manufacturing activity remained slow.

GA has worked with vertically integrated steel tubular manufacturers, aluminum producers and downstream manufacturers, a number of steel service centers and processors, and various other metals companies.

In October 2011, GA performed collateral appraisals of a processor and recycler of ferrous and non-ferrous scrap metal, a producer and supplier of high-quality copper and copper alloys, and a processor and distributor of flat rolled steel products. Each of these companies demonstrated year-over-year 12-month sales increases of between 20% and 35%, but two of the companies appraised reflected lower gross margins versus the previous appraisal.

GA also conducted initial appraisals of a steel service center offering a variety of flat rolled steel products, as well as a manufacturer and distributor of metal rail, plate, and other railroad materials. These companies posted sales increases in the 5%-to-15% range and 25%-to-35% range, respectively.

The positive sales trends were driven by higher pricing and improved demand versus 2010. Companies with lower gross margins were affected by recent pricing declines and high inventory costs, while those with higher gross margins were aided by improved product sales mix.

October collateral appraisals all demonstrated NOLV decreases of between 10 and 30 percentage points versus the previous year. As market pricing for scrap, copper, and flat rolled steel generally increased in 2010 through early 2011, many companies stocked these goods at the higher cost in the hope of further market price increases. However, as market pricing for these segments have generally fallen below the cost of the companies' inventory in recent months, NOLVs followed suit.

As with all commodity-based deals, the gross recovery rates are based on discounts from market pricing. Specialized grades, sizes, and forms of metals with limited distribution channels typically require increased discounts off market price, or may be sold at scrap market value.

GA recognizes recovery values for each company are unique based on costing, gross margin trends, inventory mix and levels, and other factors. In addition, as market prices are volatile, a change in metals market price trends would have an impact on recovery values. GA therefore provides the *Metals Monitor* on a monthly basis in order to capture recent market trends and analyze their impact on NOLVs.

MONITORING POINTS

Monitoring Point	Impact
Monitor scrap supply and pricing.	The level of scrap supply versus demand is the primary cause for price increases. As scrap supply becomes available, scrap prices will pull back, resulting in lower costs of input for steel and aluminum producers, possibly resulting in downward pricing pressure for finished goods.
Monitor LME aluminum and copper warehouse stocks.	LME aluminum and copper warehouse stock levels provide a global look at aluminum and copper availability. An increase in these stocks with a relatively stable demand could result in downward pricing pressure, while a depletion in these stocks could result in higher pricing.
Monitor automotive and commercial/industrial building markets.	As these markets are large consumers of metal products, the health of these industries is vital for the metals industry in the U.S. An increase in demand for products in these markets entail greater demand for metals.

CARBON STEEL

SCRAP

Ferrous scrap prices have dropped as much as \$50 per gross ton. On November 2, 2011, the *Platts* price assessment for shredded scrap delivered to U.S. mills in the Midwest fell \$25 to a midpoint of \$422.50 per gross ton. No. 1 heavy melting steel has also experienced price declines of \$25 to \$30 per ton in many major steel-producing markets, and prime industrial scrap grades such as No. 1 dealer bundles and No. 1 bushelings are down by \$50 per ton in major Midwest cities.

The decrease in scrap prices reflect the weak prices of finished steel, price declines for exported ferrous scrap, and a flood of less expensive pig iron from Brazil. In addition, production appears to have peaked, according to Carlos E. Agüero, president and chief executive officer of scrap recycler Metalico Inc. “We expect this weakness to carry into early 2012,” said Agüero. “Scrap prices should rebound in the first quarter.”

UTILIZATION RATES

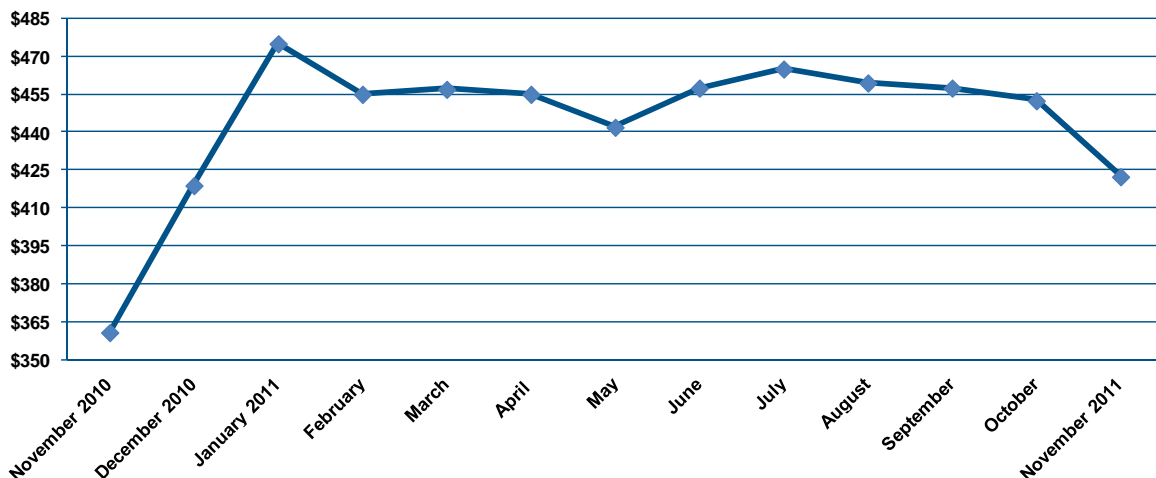
For the week ended October 29, 2011, domestic raw steel production totaled 1,796,000 net tons, according to the American Iron and Steel Institute (“AISI”). The week’s production increased 0.8% from 1,782,000 net tons the previous week ended October 22, 2011, and climbed 10.3% from 1,629,000 net tons for the week ended October 29, 2010.

The AISI also reported capability utilization reached 72.5%, increasing from 71.9% the prior week and 67.3% the previous year. Adjusted year-to-date steel production totaled 78,872,000 net tons, increasing 7.0% from the previous year, while the year-to-date capability utilization rate increased to 74.7% versus 70.8% the prior year.

The following chart lists the comparative raw steel production for various time periods in 2011 versus 2010 (net tons in millions):

Week Ended	Production	Change vs. Prior Year
January 1, 2011	1.68	11.3%
January 29, 2011	1.78	14.8%
February 26, 2011	1.84	7.0%
April 2, 2011	1.81	2.0%
May 7, 2011	1.80	(0.4%)
May 28, 2011	1.80	(0.4%)
July 2, 2011	1.85	2.0%
July 30, 2011	1.86	10.3%
August 20, 2011	1.89	14.6%
August 27, 2011	1.86	13.0%
September 17, 2011	1.88	10.9%
October 1, 2011	1.70	4.8%
October 29, 2011	1.63	10.3%
Year-to-Date through October 29, 2011	78.87	7.0%

**Shredded Carbon Steel Scrap
North American Domestic Delivered Mill
Monthly Average Price Per Gross Ton
November 2010 Through November 2011**



CARBON STEEL

CARBON FLAT ROLLED SHEET COIL

After the seasonal summer drop in demand, prices for flat rolled steel sheet products continued to slip throughout the second half of the year. According to Aditya Mittal, chief financial officer of leading steelmaker ArcelorMittal SA, “Prices have moved down because, after global economic uncertainty has developed, customers have moved into a ‘wait and see’ approach, which means they are not keen to build inventories.”

In recent weeks, spot prices for hot rolled coil (“HRC”), cold rolled coil (“CRC”), and hot-dipped galvanized (“HDG”) steel have fallen to ranges of \$620 to \$640 per net ton, \$720 to \$740 per net ton, and \$760 to \$800 per net ton, respectively. In addition, service centers are destocking.

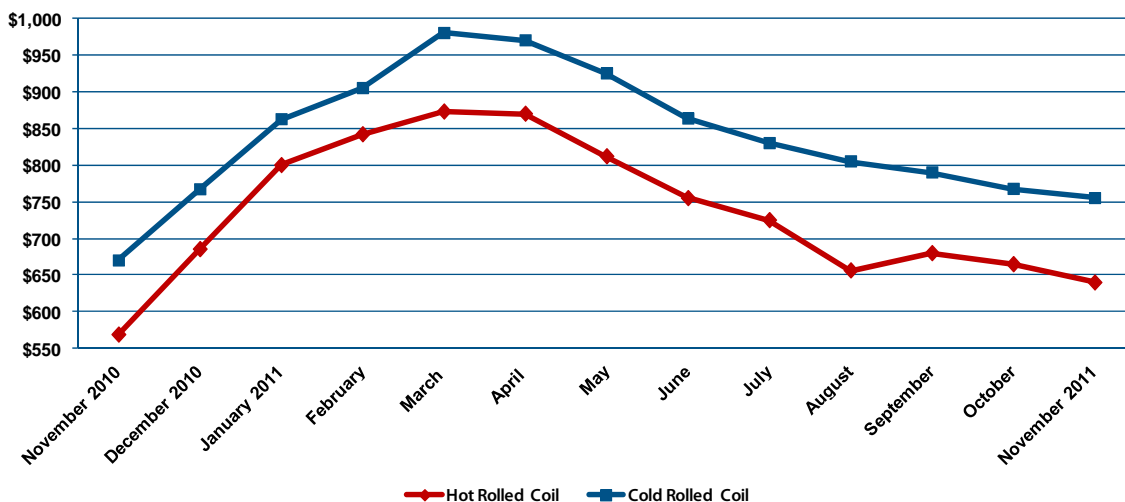
Although demand remains weak, Severstal NA (“Severstal”) has announced price increases of \$30 per net ton for its flat rolled products. The price hikes bring Severstal’s HRC, CRC, and HDG prices to \$670, \$780, and \$780 per net ton, respectively, and are effective on orders shipping on or after November 28, 2011.

Tom Marchak, vice president of Severstal, indicated the move is an effort to protect the company’s margins amidst sliding spot market prices, and several other large steel mills may follow suit. “We have no margins right now,” said Marchak. “Whether we have [customers’] support or not, we’ll find out in a week or so.”



In industry news, Alexey Mordashov has initiated a spending plan to increase Severstal’s capacity by 45% via expansions at the Columbus, Mississippi and Dearborn, Michigan plants. The company’s capacity will increase to nearly 5.2 million metric tons a year, bringing it closer to the output of top producers such as U.S. Steel Corporation, ArcelorMittal SA, Nucor Corporation, and Steel Dynamics, Inc.

**Hot Rolled Coil and Cold Rolled Coil
North America Domestic FOB U.S. Midwest Mill
Monthly Average Price Per Net Ton
November 2010 Through November 2011**



CARBON STEEL

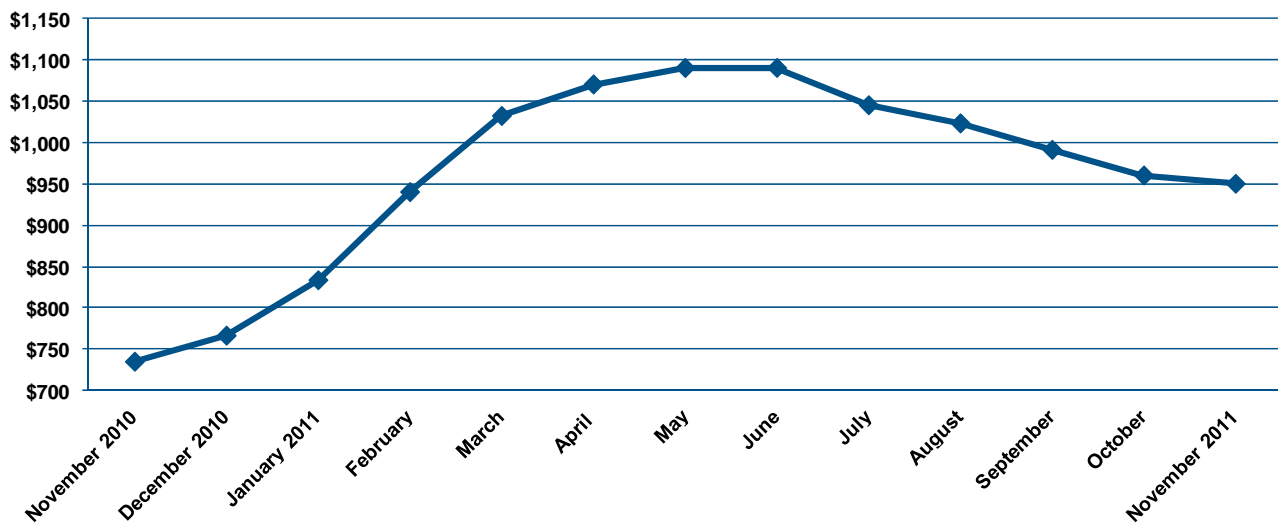
PLATE

According to *Steel Business Briefing* (“SBB”), domestic prices for A36 plate currently range from \$940 to \$960 per net ton, FOB mill, with domestic lead times remaining at 4.3 weeks. Plate prices continue to decline in the fourth quarter as aggressive imports impede on the domestic market and plate raw material prices also drop.

“Plate’s been one of the strongest products in the carbon steel arena all year long from a demand point of view,” said Gregg Mollins, chief operating officer of top U.S. plate buyer Reliance Steel & Aluminum. “But unfortunately, there were some pretty hefty spreads between domestic pricing and offshore, and there’s been a tremendous amount of carbon steel plate that’s come into the U.S. since April. So there’s probably going to be some pricing corrections there, unfortunately.”



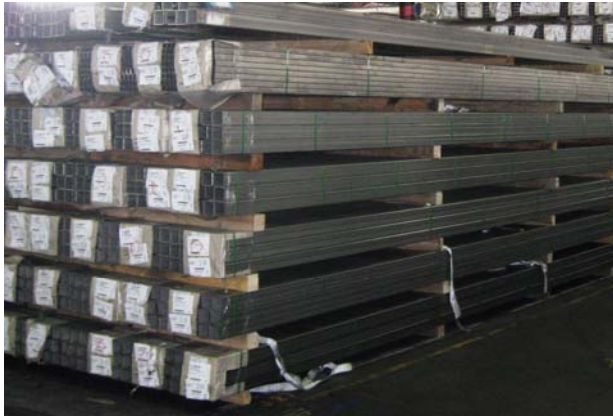
**Steel Plate (A36)
North America Domestic FOB U.S. Midwest Mill
Monthly Average Price Per Net Ton
November 2010 Through November 2011**



CARBON STEEL

CARBON STEEL LONG PRODUCTS

Rebar has distinguished itself from other long products, as rebar demand has remained stable and prices have inched up despite continued weakness in the construction market. Meanwhile, mills have struggled to keep prices steady for other long products such as merchant bars, beams, and special bar quality steel.

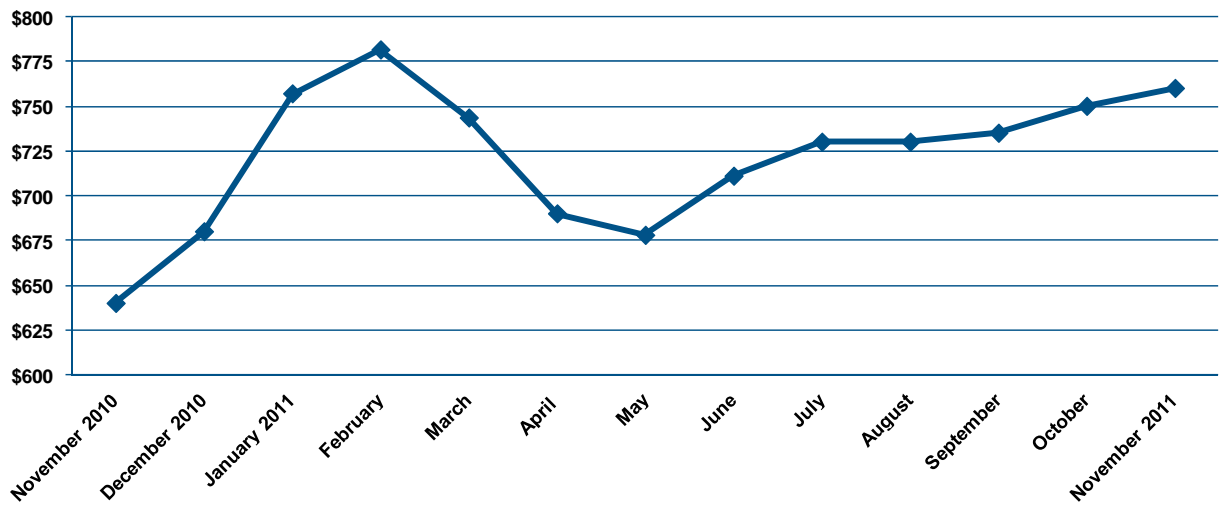


According to SBB, spot prices for rebar currently range from \$750 to \$770 per net ton, FOB mill, increasing \$30 per net ton from September pricing. The increases were driven by tight rebar supplies, aided by historically low levels of rebar imports from July through October.

“There is a lack of import in the system,” said one mill source. “I am hopeful [rebar imports] will stay out. There is no need for it right now. Rebar might be tighter than some people like, but there is not truly a shortage.”

Certain steelmakers are also attempting to raise prices for tubing. PTC Alliance implemented a base price increase of \$80 per net ton for non-contract cold-drawn seamless tubing. The price hike was effective for new orders beginning October 27, 2011 and only applies to orders with a scheduled delivery date on or after January 1, 2012.

**Long Products/Rebar
North America Domestic FOB U.S. Midwest Mill
Monthly Average Price Per Net Ton
November 2010 Through November 2011**

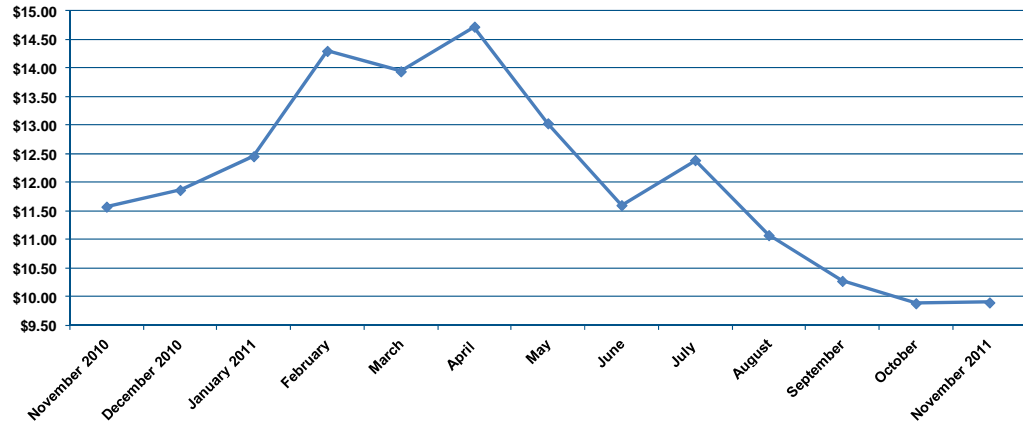


TIN

After declining since the summer, tin prices stabilized slightly in November as Indonesian producers extended their export ban amidst a global tin deficit in an effort to push up prices.

The market price for tin on the LME averaged \$9.90 per pound for November based on the prior month-end pricing, remaining relatively consistent with \$9.89 per pound in October.

**Tin LME Monthly Average Price Per Pound
November 2010 Through November 2011**

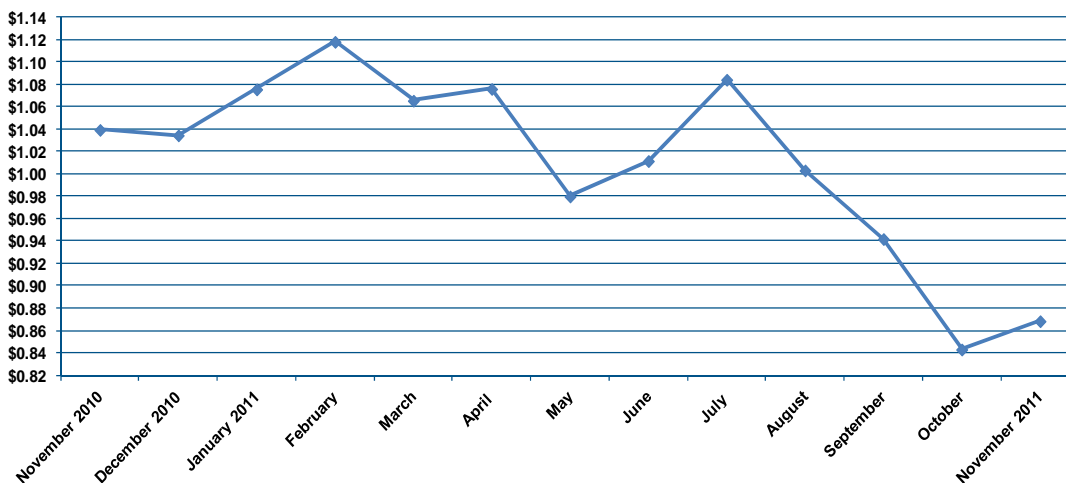


Analysts believe the Indonesian tin export ban could have a greater impact in raising tin prices in December, when LME tin stocks are expected to drop to a low of approximately 10,000 metric tons. LME stocks have begun to dwindle due to China's growing tin demand, although the reason behind this recent surge in demand remains unclear.

ZINC

Zinc prices rebounded from its recent spurt of declines as LME zinc stocks were drawn down. LME zinc prices averaged \$0.87 per pound for November 2011 based on the prior month-end pricing, rising from an average of \$0.84 per pound in October.

**Zinc LME Monthly Average Price Per Pound
November 2010 Through November 2011**



LME zinc stocks have been declining since early August, and a draw-down of 3,825 metric tons on November 2, 2011 brought zinc levels to 769,350 metric tons.

Despite the boost in zinc prices, three-month zinc on the LME has not performed as well given lackluster Asian demand and high Chinese stocks.

COPPER

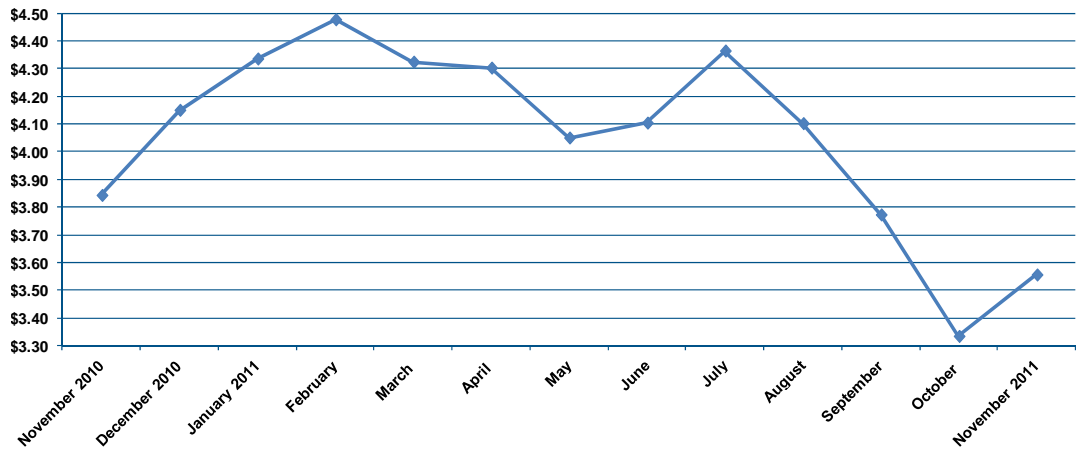
Copper market prices, which have been plummeting since the summer amidst fears regarding Europe's debt crisis, rebounded in early November due to supply issues.

LME copper prices averaged \$3.55 per pound for November 2011 based on the prior month-end pricing, increasing from \$3.33 per pound in October.

In early November, LME copper stocks fell 1,150 metric tons to reach 422,125 metric tons, marking the lowest level since February. Copper inventory levels at LME warehouses have decreased nearly 10% within the past month. Labor disputes in Chile and Indonesia as well as Chinese restocking have also limited copper supplies.

China, the largest global consumer of base metals, represented nearly 40% of copper demand in 2010, according to Economist Intelligence Unit ("EIU"). "China's demand may be somewhat weaker in 2012, but it will sustain global demand for commodities," said Caroline Bain, commodities analyst at EIU.

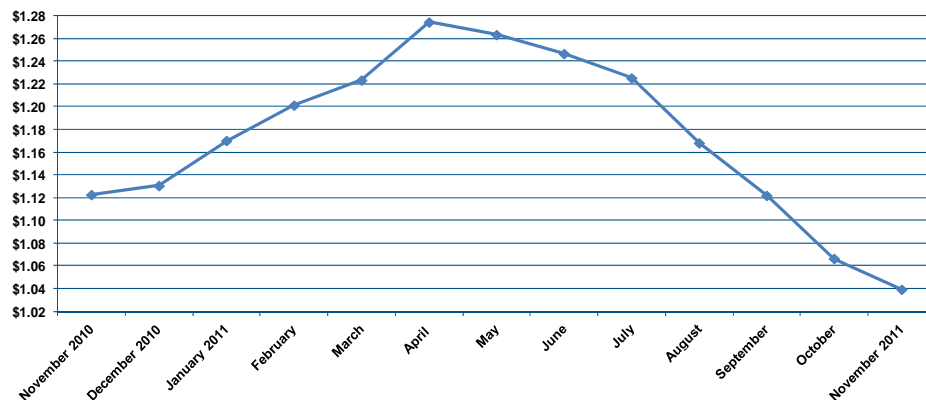
**Copper LME Monthly Average Price Per Pound
November 2010 Through November 2011**



ALUMINUM

Aluminum market prices on the LME averaged \$1.04 per pound in November 2011 based on prior month-end pricing, slipping from \$1.07 per pound in October. Aluminum prices continued to fall as investor confidence remains shaken by global economic uncertainty. U.S. aluminum sheet producer and recycler Aleris predicts weak fourth-quarter results compared to 2010. The lower demand from the European debt crisis, U.S. caution, and the lagging North American construction market may be slightly tempered by the end of multi-year inventory destocking from the European aerospace market.

**P1020 Primary Aluminum Sheet Ingot
Average Monthly Price Per Pound
November 2010 Through November 2011**



According to metals market analysis firm CRU Group, this short-term volatility in aluminum prices will likely give way to price increases of nearly 15% over the next five years as aluminum supplies tighten.

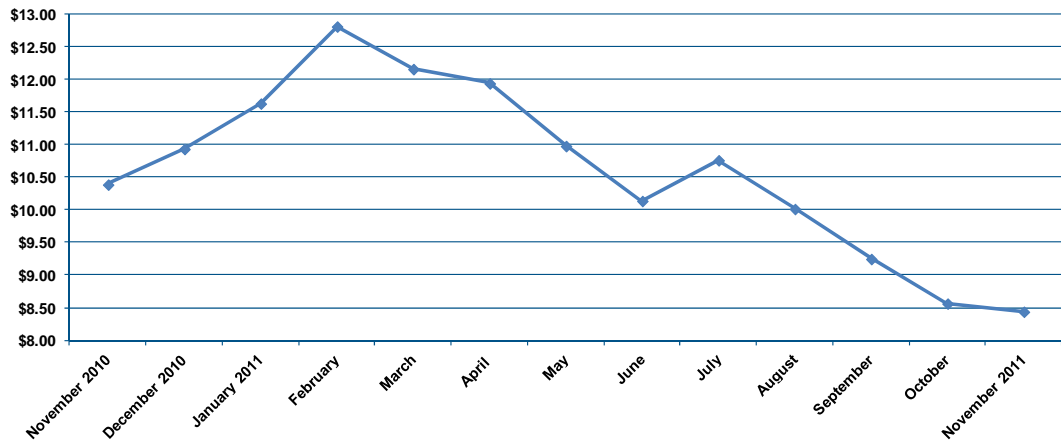
In addition, CRU Group indicated that of the six base metals traded on the LME, aluminum prices maintain the best chance of increasing in 2012. Aluminum will likely face higher demand from emerging nations as well as the automotive and consumer-packaging sectors.

NICKEL

Nickel prices on the LME averaged \$8.44 per pound for November 2011 based on the prior month-end pricing, declining from \$8.57 per pound in October.

Nickel marked the second-worst-performing metal on the LME over the last six months, with prices dropping from the February high of over \$13.15 per pound.

**Nickel LME Monthly Average Price Per Pound
November 2010 Through November 2011**

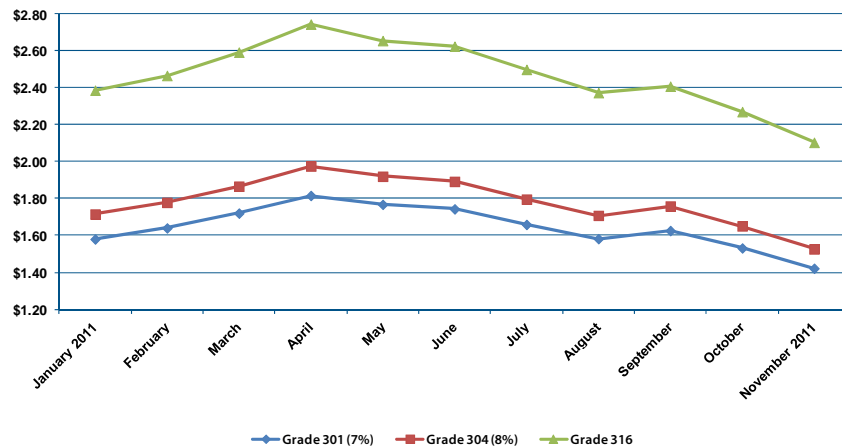


Prices have fallen due to reduced steel demand, which has caused a nickel surplus, as well as the use of nickel pig-iron as a substitute by Chinese stainless steel producers. However, as nickel prices have recently fallen below nickel pig-iron prices, Chinese mills have begun to buy nickel once again. Although nickel prices are far from record highs, analysts believe the metal will regain at least some of its former strength in 2012.

STAINLESS STEEL

SBB reported domestic spot prices for stainless steel continued to decline in November due to volatile nickel prices and increases in stainless steel supplies. Korean mill Posco Specialty Steel (“Posco”) kept its prices for austenitic and ferritic stainless HRC and CRC consistent with the previous month at \$1.47 per pound and \$1.58 per pound, respectively. Posco’s sales of stainless steel products declined in the third quarter due to weak demand. In addition, Korea’s CRC stocks reached an all-time high of 86,505 tons at the end of September, according to the Korea Iron & Steel Association.

**Stainless Steel Flat Rolled Coil
Monthly Average Base Selling Price Per Pound
Less Discounts, Including Surcharges
January 2011 Through November 2011**



As major grades of stainless steel coil declined or flattened in price, stainless steel surcharges followed suit. Surcharges for grades 301 (7%), 304 (8%), and 316 decreased to \$0.83, \$0.91, and \$1.31 per pound, respectively, in November versus \$0.94, \$1.04, and \$1.47 per pound, respectively, the prior month.

In industry news, German steelmaker ThyssenKrupp AG (“ThyssenKrupp”) has introduced a new product: stainless steel coils greater than six feet wide. ThyssenKrupp maintains the only mill in North America with the capability to produce this width, and is one of only a few other mills worldwide with this capability. The company indicated it has received a lot of customer interest in its new product.

METALS REFERENCE SHEET

CARBON STEEL SCRAP VALUES — CHICAGO MARKET

	YEAR AGO	SEPTEMBER 2011	OCTOBER 2011	NOVEMBER 2011 MTD
AUTO SHRED	\$360.00/GT	\$450.00/GT	\$441.00/GT	\$425.00/GT
HMS (HEAVY MELT STEEL)	\$340.00/GT	\$420.00/GT	\$411.00/GT	\$398.00/GT
BUSHELING	\$390.00/GT	\$510.00/GT	\$501.00/GT	\$475.00/GT

CARBON STEEL VALUES IN MAJOR COMMODITY FORMS

CARBON FLAT ROLLED SHEET COIL BASE PRICE

	AUGUST 2011	SEPTEMBER 2011	OCTOBER 2011	NOVEMBER 2011 MTD
HOT BANDS	\$664.20/NT	\$697.60/NT	\$668.00/NT	\$640.00/NT
COLD ROLLED	\$774.20/NT	\$807.60/NT	\$775.00/NT	\$745.00/NT
HOT DIPPED COATED GALVANIZED	\$882.40/NT	\$907.60/NT	\$878.00/NT	\$850.00/NT

CARBON STEEL PLATES BASE PRICE

		SEPTEMBER 2011	OCTOBER 2011	NOVEMBER 2011
PLATE COILS AND STRIP MILL COILS		\$680 - \$700/NT	\$670 - \$690/NT	\$640 - \$660/NT
DISCRETE PLATES*	CARBON STEEL	\$1002/NT	\$970/NT	\$948/NT
	ALLOYS PLATES	\$1,220/NT	\$1,220/NT	\$1,220/NT

*Depending on thickness limits and subject to grade extras up to \$600/NT

HOT ROLLED MERCHANT BAR (MBQ) SHAPES (NET OF DISCOUNTS AND REBATES)

	SEPTEMBER 2011 DELIVERY	OCTOBER 2011 DELIVERY	NOVEMBER 2011 DELIVERY
1/2" X 4" FLATS*	\$869 Avg/NT	\$869 Avg/NT	\$869 Avg/NT
2" X 2" X 1/4" ANGLES*	\$864 Avg/NT	\$864 Avg/NT	\$864 Avg/NT
REBAR COILS, GRADE 60: #3 TO #5 SIZES	\$752 Avg/NT	\$787 Avg/NT	\$790 Avg/NT
MERCHANT BAR (FOB MIDWEST MILL)	\$860 - \$890/NT	\$860 - \$890/NT	\$860 - \$890/NT

*Variances include East to West Coast markets and variances in rebates.

METALS REFERENCE SHEET

SBQ BARS (INCLUDING SURCHARGES, NET OF REBATES)

	SEPTEMBER 2011 DELIVERY	OCTOBER 2011 DELIVERY	NOVEMBER 2011 DELIVERY
HOT ROLLED 1000 1" DIAMETER	\$52.75/CWT (\$1,055/NT)	\$52.75/CWT (\$1,055/NT)	\$52.25/CWT (\$1,045/NT)
HOT ROLLED 4100 1" DIAMETER	\$58.00/CWT (\$1,160/NT)	\$58.00/CWT (\$1,160/NT)	\$57.50/CWT (\$1,150/NT)
COLD FINISHED C1018 1" DIAMETER	\$66.35/CWT (\$1,327/NT)	\$66.35/CWT (\$1,327/NT)	\$65.85/CWT (\$1,317/NT)

OCTG AND LINE PIPE SAMPLING

	SEPTEMBER 2011 DELIVERY	OCTOBER 2011 DELIVERY	NOVEMBER 2011 DELIVERY
J55 ERW 4 1/2" TO 8 5/8"	\$1,400 - \$1,450/NT	\$1,400 - \$1,450/NT	\$1,400 - \$1,450/NT
LINE PIPE ERW 4" BLACK	\$1,080 - \$1,130/NT	\$990 - \$1,090/NT	\$990 - \$1,090/NT

PRIMARY MAJOR NON-FERROUS METALS

ALUMINUM

	AUGUST 2011	SEPTEMBER 2011	OCTOBER 2011	NOVEMBER 2011 MTD
ALUMINUM NA (HIGH GRADE P1020)	\$1.0853/LB	\$1.0418/LB	\$0.9853/LB	\$0.9571/LB
MWTP (MIDWEST PREMIUM)	\$0.0808/LB	\$0.0804/LB	\$0.0810/LB	\$0.0810/LB
ALUMINUM ALLOY A380.1, LME VALUES	\$1.1913/LB	\$1.1735/LB	\$1.1332/LB	\$1.1200/LB

NICKEL & COPPER

	AUGUST 2011	SEPTEMBER 2011	OCTOBER 2011	NOVEMBER 2011 MTD
NICKEL, LME VALUES	\$10.0171/LB	\$9.2497/LB	\$8.5668/LB	\$8.4380/LB
COPPER HIGH GRADE A, LME VALUES	\$4.1011/LB	\$3.7716/LB	\$3.3328/LB	\$3.5488/LB

METALS REFERENCE SHEET

STAINLESS STEEL FLAT ROLLED SHEET COIL VALUES

(Product prices using current average distributor discount)

"0.044" X 48/60' WIDE X COIL	AUGUST 2011 DELIVERY	SEPTEMBER 2011 DELIVERY	OCTOBER 2011 DELIVERY	NOVEMBER 2011 DELIVERY
T304*	\$1.7077/LB	\$1.7585/LB	\$1.6510/LB	\$1.5263/LB
T316/316L*	\$2.3723/LB	\$2.4072/LB	\$2.2699/LB	\$2.1030/Lb

*The above changes in product prices are driven by changes in monthly elemental metallic surcharges. These are most heavily impacted by changes in nickel values but result from the combined impact of nickel, chrome, molybdenum, titanium, ferrous scraps, and energy (natural gas). Surcharges are established from the monthly averages of the elements two months prior to the affected month.

SURCHARGES (FROM NORTH AMERICAN STAINLESS)

	AUGUST 2011	SEPTEMBER 2011	OCTOBER 2011	NOVEMBER 2011
T304/304L	\$1.0917/LB	\$1.1425/LB	\$1.0350/LB	\$0.9103/LB
T316/316L	\$1.5743/LB	\$1.6092/LB	\$1.4719/LB	\$1.3050/LB