



## Nickel: The reason for rising stainless pricing.

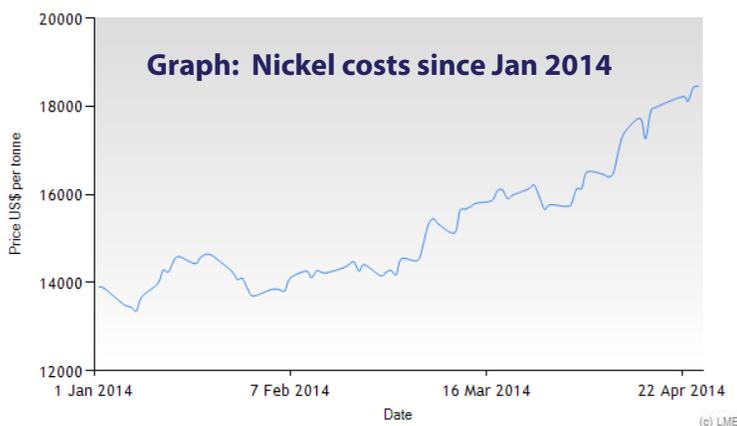
If you've noticed the cost of stainless steel rising, expect to see more of it.

Nickel (a primary mineral in stainless steel) is now on a 14 month high due to the worlds largest producing country, Indonesia banning the export of mineral ore; effective January 12th of this year. If the ban is not lifted, it means 40-50 million metric tonnes of nickel will be removed from the market with the other nickel producing countries unable to fill the gaps. In China, nickel pig iron (NPI) is produced from imported laterite ores and has been used in stainless steel since 2006. The ban has caused costs of the import ore to double since February, which will mean China will likely have to cut down their production.



**In 2013, the average cost of nickel was \$6.80 per pound. It is currently at \$8.24 per pound** up from the February and March averages of \$6.33 and \$6.98 respectively. Analysts expect we could see increases up to \$9 per pound by 2015, and more by 2016 if the ban remains in place. ***So now you know why stainless prices are going up...it's all about the nickel!*** Even though it only makes up 8-10% of the stainless fastener, it is 30-40% of the cost of producing stainless, which is something that most people don't realize. **So, what does all this mean for us?** Due to the volatile nature of the nickel/ stainless costs, we are unable to hold pricing on stainless fasteners. The quotes we receive from our suppliers are not confirmed until a PO is in place.

***If you are a user of stainless steel fasteners take a look at your stock on hand and usage and Get It on Order Now!***



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