

PEERLESS STEEL NEWSLETTER

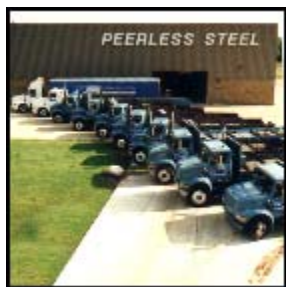
June 2009 Tel: (800) 482-3947 Fax: (248) 528-9144 sales@peerlesssteel.com www.peerlesssteel.com

Market Information

- Hot roll scrap and element surcharges are at five year lows in May, but will rebound in June. Steel prices will jump June 1st.
- Universal Stainless announced a 5% tool steel flat price increase. Service centers expected to follow.
- 75% of BOF furnaces in the U.S. are currently idled. Expect steel availability to tighten up at the first sign of life in the market.

Peerless Quick Hits

- Peerless Steel is celebrating its' 65th birthday this year! We have the track record and experience to get through these tough times!



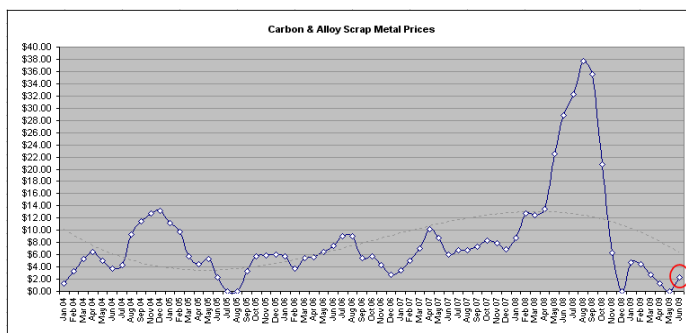
- Peerless has lowered prices on all carbon and alloy plate products.
- Peerless has reduced prices on all carbon, alloy, and tool steel round bar.
- Call (800) 482-3947 and request a Peerless Steel excess inventory list.

JUNE FOCUS: MANAGING YOUR STEEL AVAILABILITY

The last two years have presented us with new challenges in managing our supply chains. Material availability and price stability are no longer guarantees in our industry. Scrap, element, and base prices all fluctuate much more today than in the past. Weak demand has forced many mills to extend their rolling cycles, making material very difficult to secure in a timely manner.

Today, effective communication between suppliers and their customers is more important than ever. Sharing market information, exploring savings opportunities, and utilizing core strengths with your customers is no longer an advantage, it is a necessity for survival.

Peerless stocks over 5,500 items and has quick access to thousands more. We understand the need to be flexible and are willing to add items to our stock inventory to help our customers succeed. In addition, Peerless manages over 100



unique customer stocking programs. Our programs offer a wide range of value-added opportunities to our customers. These benefits include next day delivery, locked-in or market pricing, and a customized customer log-in screen to view your dedicated inventory, material on order, and a handful of performance metrics. Don't hesitate to invite us to work with you to develop a stocking strategy that will give you the sourcing edge you need.

Service centers across the country continue to substantially cut their inventories and create a potential void in ma-

terial availability. We feel the slightest increase in work is going to create a spike in demand that will take mills months to respond to. Peerless excels at shielding their customers from many of the price and availability fluctuations that are present in today's steel market.

If you are interested in exploring a stocking program with Peerless or just want to send us a quote, please contact your inside or outside sales rep, call (800) 482-3947, or e-mail us at sales@peerlesssteel.com and a member of our staff will get back with you ASAP.

SCRAP PRICES TO RALLY IN JUNE

Sources indicate that the dip in scrap prices have bottomed out and will begin to climb. Scrap exports have risen dramatically (particularly in Turkey and China); this spike has tightened up domestic availability. Experts predict that demand will exceed supply

and result in a \$40-\$50 per ton uptick in hot roll round scrap surcharges in June.

Molybdenum prices have risen for three consecutive weeks; this will further raise surcharges on alloy round products. Peerless is taking

advantage of this and using it as an opportunity to shore up inventories on moderate to high turning items. We are advising our customers to take a strong look at their inventory holes and take advantage of the lower prices available today.