



Market Condition & Activity Bulletin

PIPING & EQUIPMENT— A Member of AD & supplyFORCE.com

January • February • March 2001

XTREME™ Valve Sealing Technology

Piping and Equipment, Inc. is proud to present a new product provided by Jamesbury to expand valve performance and increase total life cycle performance. Jamesbury recently announced the availability of its new Xtreme™ seat which is a major advance in valve sealing technology. The originator of high-performance valve sealing technology has done it again. This time with Xtreme™, a completely unique series of seats produced with a proprietary material that expands valve performance boundaries far beyond traditional levels.

Combined with Jamesbury's industry-proven seat designs and unique materials expertise, Xtreme™ seating materials broaden the range of temperature and pressure applications—all with this technology. The first of this series, using a unique polymer formulation with low permeability and controlled properties, produce a valve seat with superior memory capabilities. The result is much longer cycle life, better thermal cycle performance, and better pressure cycle capability. The new technology will apply to both Jamesbury ball and butterfly valves. Jamesbury predicts that Xtreme™ will dramatically reduce the number of applications that require costly, special seat designs and over-sized actuators in chemical manufacturing and other industries. Better yet, the enhanced performance range also eliminates the need for multiple seat options. And, it lowers maintenance and inventory costs. From chemical, petrochemical and refining to pulp and paper, if you need a technologically advanced, cost-effective valve solution, revolutionary Xtreme™ from Jamesbury will never fail you.

The Xtreme™ seat program may well be the most important product introduction in the past decade. Xtreme™ is a unique polymer based blend developed in Jamesbury's Polymer Research Laboratory. It is in the fluorocarbon family of polymers, and it is proprietary to Jamesbury. When combined with Jamesbury's unique, industry-proven seat designs, the new Xtreme™ seating materials broaden the range of temperature and pressure applications. Jamesbury sealing technology provides for applications from -420° to 500°F and pressures from vacuum to 1480 PSI. Xtreme™ seats increase ratings in excess of 100% at given pressure and temperature. The broader temperature and pressure range eliminates the need for multiple seat options and lowers cost. With Xtreme™ you get superior performance and greater value with no additional investment.

Jamesbury has continued their tradition of valve dependability with Xtreme™. No matter how challenging the application, Xtreme™ advanced sealing technology provides exceptional performance within its broad range. For details or further information, please call Piping and Equipment, Inc.

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STAINLESS STEEL PIPE

Pricing ↘ Manufacturers of welded stainless steel are predicting a decrease during this quarter of 1% - 2½% due to foreign pressure, raw material costs, and demand. All manufacturers are predicting the decrease to be industry wide.

↗ Seamless manufacturers predict a possible increase of 1 - 2½% due to labor costs.

Lead Times – Forecasted lead times are 4 – 6 weeks with fill rates of 60% to 80%. Non-stock specials are shipping in 12 – 16 weeks.

Comments – It is noted that dumping suits are currently in effect with Korea and Taiwan. One manufacturer notes that foreign

competition is increasing from Indonesia and Canada. Stainless sheet pricing has decreased 8% - 10%, while surcharges have decreased \$.04 to \$.05 per lb., for the most part due to the drop in nickel costs. Nickel was at \$4.00 / lb. In June '00, and \$3.23 / lb. In January '01. Chrome has increased only \$.01 over the same period, and Moly has decreased \$.10 / lb. Manufacturers are forecasting a soft market during the first quarter of 2001 relative to flat rolled stainless, which will carry over to related markets. One manufacturer notes that gasoline surcharges may be implemented in regards to transportation.

STAINLESS STEEL WELD FITTINGS

Pricing ↘ Several manufacturers are reporting a decrease of 3% - 5% this quarter, which follows a decrease of 3% - 5% for fourth quarter of '00. There is a fear that demand, competition, and the drop in pipe prices will force this decrease.

Lead Times – Forecasted lead times are 2 – 3 weeks. Fill rates are 80% to 90%. Inventories remain good, due to better management of stock runs. One manufacturer notes that they are starting to see more demand on exotic materials that require longer deliveries, which are running 3 – 6 weeks.

Comments – One manufacturer is reporting that they are looking for surcharges to disappear during this first quarter of 2001. Another manufacturer predicts a pick-up in market activity by the

2nd quarter 2001. On 12/18/00, The U. S. Department of Commerce announced Final Dumping Margins on stainless steel butt weld fittings as follows:

- Malaysia 7.51%
- Italy 26.59%
- Philippines 33.81%

The ITC ruling in favor of the U. S. Department of Commerce Final Dumping margins has been approved and the Federal Register notice should be released approximately February 5th. A margin of 12.84% was issued for Ta Chen covering the period June 1, 1998 through May 31, 1999. This information was released by Georgetown Economic Services, LLC.

STAINLESS 150 AND HI-PRESSURE FITTINGS

Pricing → Manufacturers predict no change in pricing for the near future.

Lead Times – Deliveries are 2 – 3 weeks with fill rates of 80% to 90%. Non-stock specials are shipping in 2 – 6 weeks. The availability of raw materials pushes out the lead time for exotics.

Comments – One manufacturer notes that foreign competition will continue to keep pricing stable. Lower priced foreign fittings continue to capture additional market share from domestic manufacturers. One manufacturer comments that foreign competition is increasing slightly from the Pacific Rim countries.

STAINLESS STEEL FLANGES

Pricing ↘ Several manufacturers are indicating that the pricing this quarter will not change; however, one major manufacturer indicates this quarter will bring another decrease of 5% - 7½%. Last quarter closed with a drop of 3% to 5%. Changes are being pushed by supply, foreign pressure, demand and competition.

Lead Times – Manufacturers indicate they are shipping stock items in 1 – 4 weeks with fill rates of 60% to 100%. Non-stock specials are shipping in 3 – 12 weeks reports various manufacturers.

Comments – One manufacturer comments that domestic pricing will get closer to foreign pricing during this year. Currently there is a dumping suit in effect against India. Foreign competition

remains strong with India, Taiwan, Italy and Germany. One manufacturer comments that we should be watchful of the Euro. A strong Euro / weak Dollar may be the cause of a price increase. Manufacturers indicate that nickel continues to slowly fall with indications that further weakening is possible. However, stainless billet pricing remains relatively stable. Nickel alloy billet has decreased and stabilized after some spiking in some areas earlier this year. Some mills have begun implementing energy surcharges due to extraordinary fuel costs. Our own fuel costs for natural gas have more than doubled since the first quarter of 2000.

CARBON STEEL PIPE (CONTINUOUS WELD)

Pricing ↘ Several manufacturers forecast a price decrease of 1% - 2½% during this quarter, with another indicating the decrease may be 3% - 5%. Raw material costs are pushing the change. Hot bands have gone down substantially in the past six months approximately \$80 to \$100 per net ton lower.

Lead Times – Stock items are shipping in 2 – 4 weeks with fill rates of 90% to 100%. Non-stock specials are shipping in 3 – 6 weeks.

Comments – Dumping suits are in effect for Mexico and Korea. One manufacturer comments that foreign shipments have ranged from 35,000 to 80,000 tons per month into this country on standard pipe over the past year. Imports appear to be very erratic. One manufacturer indicates the price of ferrous scrap took a slight bump because of seasonality. Also, hot bands are possibly \$80 to \$100 per net ton lower than six months ago. Another manufacturer indicates that base carbon steel materials have decreased due to import surge.

Please note that arrows inserted after pricing is only a "Best Guess" of pricing direction after compiling information from select suppliers. It does not reflect input from all mgfs. nor does it include study of national economic indicators.

CARBON STEEL PIPE (ERW & SEAMLESS)

Pricing → Several manufacturers predict no price change this quarter for domestic pricing.

↘ One manufacturer reporting on ERW expects a slight decrease of 1 – 2½% this quarter.

Lead Times – Fill rates of 50% – 70% remain with delivery for commodity items not in stock at 6 – 12 weeks. Non-stock specials

are shipping in 8 – 16 weeks.

Comments – One manufacturer indicates that line pipe demand is flat unlike oil country tubulars. All major import mills reported a 3 – 5% increase during the last quarter of 2000 due to reduced supply, less capacity, and less competition.

CARBON STEEL WELD FITTINGS AND FLANGES

Pricing ↗ Several manufacturers predict a price increase of 3 – 7%. This increase is being pushed by raw material costs, freight, energy and labor costs. Foreign manufacturers are also expected to increase their costs.

Lead Times – Fill rates are 80 – 90% with delivery times running 2 – 4 weeks. Manufacturers report non-stock special items are

shipping in 4 – 6 weeks.

Comments – It is reported that dumping suits are in effect with Japan, Taiwan, Brazil, Thailand and Mexico. One manufacturer indicates that the price of carbon steel seamless pipe needed for pipe fittings has stabilized during the past six weeks.

FORGED STEEL FITTINGS

Pricing → Manufacturers predict no price change this quarter. However, one manufacturer indicates that a 3 – 5% increase will occur by the second quarter of 2001.

Lead Times – Manufacturers are indicating stock shipments in 1 – 2 weeks with fill rates of 80 – 100%. Lead times for non-stock

specials are about 6 – 8 weeks, due to the time required for forgings.

Comments – One manufacturer reports foreign competition increasing from Italy in the industrial market. However, the oil patch continues to be a domestic market.

STAINLESS GATES, GLOBES, CHECKS

Pricing → Manufacturers predict no price change for this quarter.

Lead Times – Most lead times are 3 – 4 weeks. Inventories on commodity items shipped from stock are prompting fill rates of 80% - 90%. Special valves shipping in 8 – 12 weeks. There seems

to be some backlog at the foundry reports one manufacturer.

Comments – One manufacturer is forecasting this commodity will be very hot in 2001.

FORGED STEEL GATES, GLOBES, CHECKS

Pricing → Manufacturers predict no price change in the forged steel valve market.

Lead Times – Shipments of 3 – 4 weeks are expected by manufacturers on commodity valve shipments. Non-stock specials

are reported to be shipping in 12 – 16 weeks.

Comments – Some manufacturers see foreign market increasing from Italy, Korea, and China. One manufacturer comments that domestic power generation activity remains strong.

BRONZE AND IRON GATES, GLOBES, CHECKS

Pricing ↗ One manufacturer predicts an increase this quarter of 5 – 7½%; however, another manufacturer indicates no price change this quarter but raw materials could force an increase later in the year.

Lead Times – Manufacturers indicate that commodity valves are

shipping in 1 – 4 weeks with fill rates of 80 - 100%. Non-stock specials are out 12 – 16 weeks.

Comments – Manufacturers report that copper prices continue to increase at a steady rate.

CAST STEEL GATES, GLOBES, CHECKS

Pricing → Manufacturers predict no change for cast steel valves this quarter.

Lead Times – Commodity cast steel fill rates are reported to be 80 – 90% with shipments in 1 – 2 weeks. Non-stock special valves

shipments are reported to be 12 – 16 weeks.

Comments – The lack of petro-chem activity is keeping cast steel availability strong and pricing for this commodity depressed according to manufacturers.

QUARTER TURN VALVES — BALL AND WAFER

Pricing → Manufacturers predict no price change this quarter.

Lead Times – Manufacturers predict deliveries of 1 – 2 weeks for 80% of commodity items and the balance shipping in 2 – 3 weeks. Non-stock exotic materials are reported to be shipping in 8 – 12 weeks.

Comments – Moly @ \$2.54 UDS / lb. thru 11/2000, and it has

dropped consistently since 6/2000. Nickel @ avg. of \$3.32 USD / lb. by the end of 2000. This is down for average of \$.77 USD / lb. at the beginning of 2000. AC ferrochrome closed November 2000 @ \$.395 USD / lb. One manufacturer indicates their on-time deliveries are in the 95%+ range.