



ASTM SPEC CHANGES

There are a number of changes in the American Society for Testing and Materials (ASTM) Specifications scheduled to go into effect in 1999. These changes will have an impact on the stainless steel business.

• Significant Figures in Chemical Compositions

The significant figures refer to the number of figures to the right of the decimal point in chemical compositions are being revised in virtually all ASTM specifications for stainless steel. For example, where 304 used to require 19.00-20.00 Cr, the new requirement is 18.0-20.0 Cr, which more realistically reflects the accuracy of chemical analysis. The new rules are as follows:

1. Elements with a maximum of 0.100% will have three figures to the right of the decimal.
2. Elements with 0.10 to 3.00% maximum will have two figures to the right of the decimal
3. Elements with a maximum in excess of 3.0% will have one significant figure to the right of the decimal.

These changes affect the results of the rounding rules and change the appearance of the material test reports (MTR). Please be aware that customers may think something is wrong the first time they see the new MTRs.

• General Requirements for Stainless Steel Pipe

ASTM general requirement specifications cover issues common to many product specifications, such as ordering, processing, testing, reporting, marking, and product tolerances. Examples include A480 for flat rolled products and A484 for bar products. Up until now, the general requirements for stainless steel pipe have been covered by A530, which includes all steel pipe. Now, alloy and stainless steel pipe will be covered by a new, separate specification: A999. This new spec is just out and will appear in volume 1.01 of the 2000 Book of Standards. A999 covers alloy steel pipe; austenitic stainless steel; duplex stainless steel; ferritic/austenitic stainless steel; seamless steel pipe; stainless steel pipe, steel pipe; and welded steel pipe.

• Updating Guidelines Governing Common Names

The ASTM cannot give competitive advantage to a producer, so there are no trademarks, registered or otherwise, in the ASTM grade names. Many grades have only a UNS number and a “...” (an “ellipsis”) for their name. However, ASTM has now adopted rules that will permit the listing of common names in the tables (commonly used names only; no trademarks associated with a particular producer will be printed). The common names listed in Figure 1 have been adopted in A240 and have standing for ordering information, certification, and marking. Note that the ASTM has applied “2205” only to S32205, not to the lower-nitrogen version S31803, to reflect the practice that began with Avesta Sheffield 2205 Code Plus Two® duplex stainless steel.

Figure 1:

UNS number	Type
N08800	800
N08810	800H
N08904	904L
S31725	317LM
S31726	317LMN
S32205	2205
S32304	2304
S32550	255
S32750	2507

• ASME Requirements for Duplex Stainless Steels

When duplex stainless steels are ordered for ASME Code construction, there is likely to be a specification of Charpy impact testing (ASME UHA 51). This testing is addressed by S1, a new supplementary requirement in A240. The actual requirements in each case depend on product thickness and minimum metal design temperature (MMDT).

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STAINLESS STEEL PIPE

Pricing ↑ Manufacturers report expected increases from 2% to 7% due to continued pressure from raw material price increases. This follows increases of 5% to 10% over the previous quarter. Surcharges have been released from all domestic manufacturers for various grades of stainless steel pipe and tubing effective for shipments in October. Grades with specified minimum nickel, chromium, or molybdenum contents are calculated based on the minimum specified for surcharge rates. Raw material prices in the second month preceding the ship month are used to compute the monthly surcharge (e.g., August 1999 raw material prices determine October 1999 surcharges). Pipe surcharges are based on the published flat rolled surcharges plus a yield adjustment factor of 10%. *****

One manufacturer announced they will no longer pay freight on truckload shipments due to rising fuel costs.

Lead Times – Commodity lead times are out to 6 – 12 weeks. One manufacturer notes that the steel mills are filling up and are pushing

out lead times. Hedge buying against further price increases have lowered mill inventories. Specialty items are shipping in 12 – 16 weeks.

Comments – Foreign competition remains steady. Since June 1999, the price of nickel is up +22%, chrome up +6%, and moly up +6%. NOTE:*****

Example (October 1999)

T316	Avg/lb.	Base	Factor	Usage	Surchg/lb.
Nickel	\$2.927	\$2.75	\$.177	.120	\$.0212
Chrome	.3766	.40	-	.192	-
Moly	2.710	3.00	-	.024	-

TOTAL SURCHARGE PER LB. \$.0212

One manufacturer indicates that 21,000 tons of stainless will be eliminated in the U.S. market from Japan. A dumping suit filed 10/5/99 by domestic producers on Japan will be ruled on within 60 days.

STAINLESS STEEL WELD FITTINGS

Pricing ↑ Pricing is expected to increase from 5% to 10% or more according to manufacturers. Increased raw material costs, manufacturing costs, including labor, utilities, EPA mandated improvements and freight charges will make this increase industry wide. In the previous quarter, One manufacturer notes that major “buys” in the previous quarter went below the market; however, normal “buys” did not.

Lead Times – Forecasted lead times are shipments in 3 – 6 weeks, and they are expected to go out slightly more next quarter. Fill rates from inventory are 80% – 90%. However, commodity product availability is expected to dip slightly. Specials are shipping in 4 – 6 weeks, and one manufacturer commented that delivery lead time should hold in that area. There would have to be a major shortage

to affect specials in regards to delivery.

Comments – Foreign competition shows no significant change at this time. One manufacturer said that due to suits on flat roll, we may see importers converting their product to fittings! Manufactures note that they are receiving announced price increases and surcharges for their products daily. The cost of nickel continues to rise, with inventories low and demand relatively strong. Anti-dumping duties on some stainless products have led to announced price increases on many forms of stainless materials. Nickel bearing alloys are now subject to surcharges, and this trend is expected to continue through the first quarter of 2000. Nickel has climbed from \$1.76 /lb. In Sept. '98 to \$3.20 /lb. In Sept. '99, an increase of 82%.

STAINLESS 150 AND HI-PRESSURE FITTINGS

Pricing ↑↓ Manufacturers expect prices to increase from 8% to 10% due to raw material costs. It is not expected to be industry wide until the latter part of the 4th quarter. Another manufacturer expects a decrease of 1% – 2½% due to foreign pressure and competitors cutting prices to buy market share.

Lead Times – Commodity items are shipping in 2 – 3 weeks with 90% to 100% fill rates. Special items are shipping in 3 – 4 weeks.

Comments – The bar mills are very active. Foreign competition continues to increase from the Pacific Rim countries.

STAINLESS STEEL FLANGES

Pricing ↑ Stainless Steel Flanges are expected to have price increases from 5% to 10% and some say even more. Raw materials price increases and labor pressures are pushing the increases. Most mills have already sent out price changes. One manufacturer noted that the question is, “how much will prices increase in the next 3 to 4 months?”

Lead Times – Forecasted lead times for commodity items are 2 – 4

weeks with 40% to 90% shipping out of manufacturers stock. Special “exotic” items are shipping in 4 – 6 weeks; however, some nickel alloys are reportedly becoming scarce.

Comments – Foreign competition remains strong, especially from Korea, Italy, Malaysia, and the Philippines. One manufacturer noted that the price of nickel is almost double the November 1998 price, and it is getting close to the '95 – '96 levels.

CARBON STEEL PIPE (CONTINUOUS WELD)

Pricing ↑ Continuous Weld Pipe is expected to be up another 3% to 5%, following the previous quarter increase of 1% to 2½%. This increase is fueled by raw material costs, competition, and demand.

Lead Times – Commodity pipe is shipping in 1 – 2 weeks with 100% from stock.

Comments – One industry analyst predicts hot-rolled sheet prices to hit \$325 per ton by the end of 1999 compared to \$290 per ton in mid-September. Scrap and hot bands will continue to rise indefinitely and all welded pipe products will be on a steady incline reports one manufacturer. With various dumping suits in effect, import still has a 50% market share nationwide.

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 ↑ Forecasted prices are expected to increase from 3% to 7½% due to reduced supply, raw material costs, anti-dumping suits, capacity, demand and less competition. Increased mill orders for oil country appears to be leaving less line pipe capacity.

Lead Times – Commodity items are shipping in 6 – 12 weeks with fill rates of 50% to 75%. Specials are shipping in 8 – 16 weeks.

Comments – Foreign competition is decreasing as a result of dumping suits.

CARBON STEEL WELD FITTINGS AND FLANGES

Pricing → Pricing is expected to remain level over the next quarter reports several manufacturers.

Lead Times – Forecasted lead times are 2 – 4 weeks with inventory

fill rates of 60% to 90%. Specialty items are shipping in 3 – 6 weeks.

Comments – Foreign competition is seen as increasing from Mexico, Europe, and Thailand.

FORGED STEEL FITTINGS

Pricing → Pricing is expected to show no change during this quarter.

Lead Times – 1 to 2 week lead time for commodity forged steel

fittings is reported with 90% – 100% fill rates.

Comments – Foreign competition remains the same.

STAINLESS GATES, GLOBES, CHECKS

Pricing → Manufacturers predict no change in stainless valves. However, with the price of nickel, pricing could be effected before year end.

Lead Times – Fill rates are 50% – 60% with delivery at 3 – 4 weeks.

Comments – There is not much change in this market from last quarter, and activity is steady. Capacity utilization remains below 80%.

FORGED STEEL GATES, GLOBES, CHECKS

Pricing → Manufacturers predict pricing to remain the same through the end of the year. Major project prices will drop depending on the competition.

Lead Times – Forged steel valves are shipping in 2 – 3 weeks will

fill rates of 30% – 40% on commodity items. Specials are shipping in 3 – 4 weeks.

Comments – Some manufacturers note that they have pricing contracts on their raw materials through year end.

BRONZE AND IRON GATES, GLOBES, CHECKS

Pricing ↑ Prices are forecast to rise 8% – 10% due to raw material and labor costs. Some manufacturers have announced price increases.

Lead Times – Commodity valves are shipping in 2 – 4 weeks with 80% – 90% fill rates.

CAST STEEL GATES, GLOBES, CHECKS

Pricing → Manufacturers predict pricing to remain level this quarter. There are some price pressure on commodity 150# / 300# due to foreign pressure and demand.

Lead Times – Delivery times are running 2 – 4 weeks with fill rates of 60% to 70%.

Comments – Most all manufacturers are importing if not complete valves, then most of their components. Also, manufacturers indicate that activity remains slow, and they do not foresee a real boost until next year. At that time, several markets could become very active— specifically Petroleum, Chemical, and Power.

QUARTER TURN VALVES — BALL AND WAFER

Pricing → Manufacturers expect pricing to remain level during this quarter, which follows the prior quarter with no change.

Lead Times – Commodity items are shipping in 2 – 4 weeks on

80% of items and 4 – 6 weeks on the balance.

Comments – Competition remains constant, especially from Asia and Italy.



*Happy New Year
from
Piping & Equipment!*