

ACE STEEL SUPPLY METAL MANIA

Volume II, Issue 4 ★ April 2018



**VETERAN
OWNED BUSINESS**

Higher Prices Are The New Normal

I've been writing about the coming higher prices for several months now, sending regular updates about the market and news. The fact that higher prices are now upon us shouldn't be a surprise to our customers who've been paying attention.

There are shortages on certain items in the marketplace and there will be more. This is a supply driven market with higher prices due to short supplies. Steel suppliers are paying higher prices with every order to replace their inventory. Each time mills charge a new higher replacement cost, the dealers must raise their prices accordingly. Additionally, many mill orders were canceled, creating supply shortages.

It's my opinion that the whole price structure has just shifted higher. I don't think this is temporary, or a spike that will come down sharply. **This higher pricing is the new normal.**

The domestic mills are raising prices every week or two.

I cringe and buy at the new higher price, then two weeks later that order looked like a genius move since prices moved up so much since then. Prices will find their level ground, but for now the trend is still up. Until the mills stop selling out their offered production, they will continue raising the price for each next month's production.

Think of it this way: if you could only make 1,000 widgets a month and you sold out your full capacity in three days, it would make sense to raise the price each month until you found a level where you sold fewer widgets at a much higher price. I know some people think it's wrong to do that, but I assure you, it is right and it's the way businesses maximize profit from their capacity. It is called price discovery. The steel mills are no different. As much as we all dislike higher prices, the mills are getting higher prices every time they ask for more.



Trump has everything to do with these prices and his decision to move forward with the tariffs. Some countries have been exempted, but they're coming back to the market with prices only slightly lower than domestic production. In addition, there still a lot of uncertainty around the exempted countries and whether there will be a tariff added later, when we don't expect it.

I talk about dealing with experts in my book. If you're not dealing with expert suppliers in their field, you should take a second look at who you're doing business with. We make money by selling steel, but the service we provide in expert advice and consultations to assist our customers is where dealing with us pays off.

Right now, we're making deals with those who want to lock in steel to ensure availability. Call us NOW and maybe we can still help you!

Our existing customers get first shot. If you don't have something locked in with us, there are no guarantees. If we have no deal in place, your prices will be much higher than they are today. That was the closing line of the last two months' newsletters and it still applies today!

Adam Osborn
President
Ace Steel Supply

***Our unique skill is creating a
customized solution that will save time,
make life easier and take the stress
out of buying steel.***

April 2018 Metal Prices

▲ **Stainless sheet: Prices are UP.** Stainless has taken huge jump in prices since the tariff announcement. Most offshore stainless is arriving from non-exempt countries. The trend continues to be up.

▲ **Galvanized sheet: Prices are UP.** Prices continue to move up, non-exempt countries is where most of the offshore galvanized is coming from.

▲ **Galvanized 60" wide Domestic Stenciled: Prices are UP.** Base prices are up for May production. I'm expecting another increase again for June production.

▲ **Hot Rolled: Prices are UP.** Prices have exploded in the past 6 weeks. The trend is up right now.

Drilling Activity Increased from Last Month's Newsletter

US Rig Count:

* report date

Apr. Newsletter

* Mar 26

Mar. Newsletter

* Feb 23rd

Feb. Newsletter

* Jan 29th

Jan. Newsletter

* Jan 16th

Dec. Newsletter

* Nov 22nd

Nov. Newsletter

* Nov 3rd

Sept. Newsletter

Aug. Newsletter

AMM and Baker Hughes Data

995 last week 809 last year

978 last week 754 last year

947 last week 712 last year

939 last week 659 last year

923 last week 593 last year

898 last week 660 last year

944 last week 508 last year

958 last week 463 last year

Lake Louise

by Kara Osborn, Ace Steel Supply

Now that Spring is finally here in Texas, get ready for the heat that is right around the corner. I'm a native Texan, and there is nothing better than to get away from the heat by traveling north. So, why not Canada?? One place I've always wanted to see is Lake Louise near Banff, Canada.

This picturesque 222-acre lake in Banff National Park is known for its beautiful aqua blue water (FYI, this is my favorite color of ALL time), and it is just a short 4 hour flight from Houston to Calgary. From Calgary, the lake is approximately a 2-hour drive. The lake is fed by glacier run off from the Victoria glacier, so the water is pristine and totally clear. The lake is open to canoes/paddleboards during the summer months, and an ice rink in the winter.

The famous Fairmont Chateau Lake Louise is located directly next to the lake and the view is second to none. The lake is nestled in a valley in the majestic Canadian Rockies.

There are tons of things to do when you get there. Since you'll be traveling in the summer, try hiking, horseback riding, biking, canoeing, white water rafting, or

some yoga.

This is a great way to get away from it all. Lake Louise is one of the "last outposts of man in the area", the next town is Jasper, 3 hours away. From everything I've read, anywhere you drive in this area of Canada is just stunning. Take the gondola from Lake Louise to the top, 6850 feet, to see the lake and glacier from a birds eye view.

After you have a full day of excursions, don't forget to eat! The chefs at Lake Louise are some of the best in the country. The most difficult part will be choosing from steak, sushi, Thai, Italian, pub food, Poutine (a Canadian dish consisting of fries and cheese curds topped with gravy) or vegetarian. Don't forget dessert, Butter Tart is a type of pastry that is a sweet tart with filling of butter, sugar, syrup, and egg, baked in a pastry shell until the filling is semi-solid with a crunchy top. Yummmmm! I'm ready to go to Canada!



Chances Dog Rescue & Relocation

It has been a busy spring at Chances Dog Rescue and Relocation! In March, we held three transports and sent over 100 dogs to their forever homes in New England!

We have heard from many adopters and could not be happier with the amazing lives our pups are leading. **Cheyenne** gets to romp on the ocean beach, and **Savannah** gets to explore her family's farm each day. **Reny** accompanies his dad to work, while **Spec** supervises his work-from-home mom from the comforts of his dog bed.

Kibbles, Hank and Aurora have young kids to play and romp with in their new yards.

Niko, Cora and Galileo are the objects of devotion of their new young and childless "parents."

Sprinkles, Hans and Rosey are settled into loving homes that not long ago experienced the heartbreak of losing a beloved dog. All of these dogs would be at risk of homeless, abuse, neglect and euthanasia here in Houston. Instead, they are beloved and doted on members of the family.

Our next big hurdle will be obtaining a new (used) vehicle for transports. Our current vehicle's air conditioning unit is non-functional, and we were quoted \$8000 to replace it. Since the vehicle only cost Chances \$5000 initially, we are in the market for a new bus. We have applied for several grants, and plan to begin a fundraising campaign later this spring. If you or anyone you know would like to be a named and publicly acknowledged donor, or if you know of a vehicle you think we should consider (our current vehicle is a 2003 shuttle bus, so a similar vehicle or RV would be ideal), please reach out to us via Facebook at info@chancesrescue.org.

ADOPT – DON'T SHOP!

Barbara Pennington
Sales Manager
ACE STEEL SUPPLY
Save a Life – Adopt a Homeless Dog!



Above: Celeste with Frankie



Left: Gillian

Below: Everett in his new identity as Marty.

Bottom: Simba in his new role as Dock.



Customer Testimonials

“The reason I like to do business with Ace Steel Supply is that they are reliable, they do what they say they are going to do and they give me fair pricing.”

Darrel Kirtley
Texas Metal Products

“I do business with Ace Steel Supply because I know when I give them the order I don’t have to worry about it after that. The paperwork is always right and it comes in when I expected it.”

Scott Steele
Global Vessel & Tank

“When we needed a large stainless steel sheet order in a hurry, Ace Steel Supply came through. They had what we needed and at a very competitive price. We appreciate their professionalism, service and commitment to their customers.”

Jim Schouten
Dynamic Sys. Inc.

“When I first came to Ace, I was shopping prices and Barbara gave me the lowest price and got the material I need when I needed it. Since Esthela has taken over our account, she always takes great care of our company. I always call Ace for all of my galvanized and stainless steel needs.”

Jovanny Vences
Stonegate Roofing

“Ace Steel Supply is fantastic! They go out of their way to make us happy and we always have a good experience!”

John Hemma
Precise Technical

“To give real service you must add something which cannot be bought or measured with money, and that is sincerity and integrity.” - Douglas Adams



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through 4/16/2018*