



**The TRUTH About Chinese Steel coming into the US and Tariffs**

It's very frustrating to watch the media talk about how Trump is causing a trade war by putting tariffs on Chinese steel. I continue to see and hear this from the media over and over.

**The TRUTH about Chinese steel** is that it had not been coming into the US for several years because there were anti-dumping duties on all the sheet and plate products out of China already. There hasn't been any steel coming in from China for a long time yet the media continues to act like this is a NEW thing constantly. The last product that was coming in was aluminum, but it was a very small quantity in comparison. Aluminum was under investigation for anti-dumping even before the tariff was put into place.

**The TRUTH about 232 Tariffs** is that it's on top of all the anti-dumping and anti-circumvention duties that were in place even before the 232 Tariffs. Many countries had very high duties on them for dumping and could not sell competitively into the US even before the Tariffs

**The TRUTH about countries being exempted from the Tariff** is that there's only one country that is exempt permanently right now is South Korea because they struck a 1 on 1 deal with President Trump and got the exemption put into place. President Trump made the decision to not renew the exemptions with the EU, Canada and Mexico so they now have active tariffs of 25% on steel on them. These countries need to get to the negotiating table and strike a deal with the Trump administration. President Trump did not renew these exemptions because he felt the negotiations were not moving fast enough or they weren't taking them seriously. He wants these countries to buy more from the US and bring the trade imbalance in line and I believe the tariffs will come off when that happens.

**The TRUTH about Mexico and Canada** is that in our market, Mexico is the only one who has supplied a decent amount of sheet and plate into the Houston area. President Trump has let the exemptions expire and there are now active Tariffs on steel from Canada and Mexico. I think it's likely that the tariff will be permanently removed once a deal with each country is put into place. These tariffs will drastically affect the amount of steel coming from Canada and Mexico.

**The TRUTH about where galvanized is coming from** is that most galvanized had been coming from Taiwan and Vietnam for the past 18 months or so and most new offers are coming out of there also. Taiwan and Vietnam are not exempt countries and tariffs are being applied to galvanized coil right now and on future orders coming in. There is some galvanized coming from Mexico, but now that tariffs are on Mexico, that will hurt the supply from there.

**The TRUTH about where stainless is coming from** is that most stainless had been coming from Taiwan and India for the past 2 years and most new offers are coming out of there also. Taiwan and India are not exempt countries and tariffs are being applied to stainless right now and on future orders coming in.

**The TRUTH about where foreign Hot Rolled is coming from** is that most HR had been coming from only a few places because of limited available before the 232 Tariffs due to anti-dumping.

1. Turkey until they pulled out of the market early this year and hasn't come back.
2. Egypt until they pulled out of the market last month because they thought they could negotiate a 232 exemption. They are now back in the market including the tariff in their prices.
3. France has been supplying and for base thickness, in general had not been competitive. Still offering, but now that tariffs are in effect for France the supply is not competitive.
4. South Korea only recently came back to the US market after they negotiated a permanent exemption. They are aggressively selling into the US to meet their quotas and ensure their quotas don't go down because they didn't ship enough.
5. Mexico has been hit or miss and they canceled a lot of orders early this year when the 232 Tariffs came out in the news. Shipments have been unreliable out of Mexico and now that the Tariffs are back on supply will be harder to get at a competitive price.

This is about it for the HR coming in other than from Domestic sources. Availability has been a problem since early this year and with the tariffs active for Canada, Mexico and the EU supply will continue to be difficult at better prices than Domestic sources.

**In my option** I don't see anything on the horizon that could cause a significant price drop, other than a recession or a collapse in oil prices. A recession doesn't see likely with the economy growing at better than 3% and faster than we've seen for a long time. Oil prices seem stable and improving with no reason they might collapse so I don't really see any reason that prices would drop. Even if the tariff was completely off the table, I don't see why the mills would lower prices. There are still all the anti-dumping duties in place if the tariffs went away.

**In Summary**, higher prices are here to stay and we need to get used to and adjust to the new normal of steel prices.

*Adam Osborn*  
 President  
 Ace Steel Supply

# *New Orleans – A Culinary*

## *Delight*

*by Kara Osborn*

I'm sure when you think of New Orleans, you think of walking with a Hand Grenade drink on Bourbon St, Jackson Square, the French Quarter and of course...Mardi Gras! But have you ever gone to New Orleans for a different reason? Having just done this, I think going to NOLA to enjoy the food is something that should be on everyone's bucket list.

Since you can spend your entire trip eating in the "Big Easy" without tasting a bad meal, it can be difficult to navigate all of the cities restaurants. So I am here to help....these are just a few that I have found to be extra special.

Café Du Monde – this is a must see and eat for all the powdered sugared beignets you can stomach. Yummy! Also great for people watching.

Brennan's – I know this restaurant is more in the pricey side, but if you can just go for the bananas foster, it's well worth it 😊

Commanders Palace – this is considered the 'ultimate fine-dining experience' – beautiful surroundings, great service and turtle soup! Yes... turtle soup! It's on their menu every day.

Drago's – I know everyone thinks of the Acme Oyster House for these little gems, aka Char-grilled oysters, but I feel these are even better here. They come out bubbling hot and oh so good!!

G.W. Fins – This is one of my favorite places to eat. I can't pick any 'one' item out because it's ALL good!

The Court of Two Sisters – Brunch is served every day! They have a jazz trio to play for you while you eat. Great outdoor seating.

K-Paul's – If you don't have reservations here, you might be waiting for hours to eat. Named after the late Chef Paul Prudhomme and his wife K, this Cajun and Creole restaurant is delightful. Speaking for myself, the soft-shell crab is the best I've ever had! And according to the waiter, their meats are marinated for a week in their own special concoction of rib meat juices, spices, garlic and mushrooms. No need for a knife! WOW!!!

Sal and Judy's - We heard of this little place in Lacombe, LA from a friend. It's about an hour drive across Lake Pontchartrain. They offer Creole Italian cuisine. Oh my goodness!! Well worth the drive over!

Port of Call – What is a trip without finding a great burger!?! Port of Call has some of the most flavorful and juicy burgers in town.

So, if you ever want to get away and do something different, go on a 'foodie' trip to crescent city. You won't be disappointed. I'm going to end this article here as I've made myself hungry. Cheers!



## Chances Dog Rescue And Relocation - Chloe's Story

This month Chance Dog Rescue and Relocation is thrilled to share a very happy ending.

We were contacted early this year about a large pregnant female brindle dog who needed help. Her finder and foster named her Chloe. Chloe had been on the streets for quite some time. Some neighborhood people thought they remembered seeing her appear in the days after Hurricane Harvey but could not be sure. What was certain was that Chloe needed help immediately.

Chloe's tail was severely injured. Someone in the neighborhood had doused it in gasoline and set it on fire. Upon exam, the vet determined that the heat from the flames had fused the bones in what remained of her tail, and it was clear that she was in pain from the raw looking, horrific injury. A tail amputation was required, but first Chloe needed a safe place to have her babies.

Chloe's amazing foster set up a perfect whelping pen, and helped Chloe bring seven healthy, adorable puppies into the world. Chloe was a great mom. She was very attentive to her puppies, but also loved spending quality time with her foster family. For the first in a very long time this sweet girl was able to relax in a safe environment, complete with delicious meals!

When it was time for Chloe's puppies to find their own families, Chances transported them to Massachusetts. All were adopted within days of arrival. Then it was time to attend to just Chloe. She underwent a tail amputation and spay and did well in surgery and during her recovery. As she felt better, she joyfully wiggled her new tail stump, and rarely contained her smile.

Two short weeks after Chloe's puppies headed north, Chloe was on her way. When she arrived, she immediately charmed the staff at Buddy Dog Humane Society and quickly became a staff favorite. The staff's time with her was short lived though since she was adopted the SAME DAY she was made available.

Her new family is madly in love with her, and the feeling is mutual. They go on twice daily hikes in the New England woods. Chloe sometimes needs a little encouragement to get out of her comfy bed for their 5:30am hike though - just like a teenager, her family notes - a few treats and she is up and ready to go! Chloe enjoys regular meals now that her new mom supplements with homemade meatloaf, chicken livers and turkey patties. She also enjoys tracking resident wildlife (especially the chipmunks!), playing, and then settling in next to her people for a good snuggle and nap.

Our hearts are overjoyed for Chloe. From a life of pain and fear to days full of food, fun, love and safety. That is what we want for every dog, and why we do the work that we do. Thank you to everyone who supports us in our mission to save dogs like Chloe.

If you want to help, please visit our website at [www.chancesrescue.org](http://www.chancesrescue.org) or follow us on Facebook at [www.facebook.com/chancesrescue](http://www.facebook.com/chancesrescue).

Donations can also be mailed to:  
*Chances Dog Rescue and Relocation*, 1102 Foster Xing, Richmond, TX 77406.

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



## June 2018 Metal Prices

➔↑ **Stainless sheet: Prices are Flat to UP:** Stainless are flat to up. Surcharges are ticking up slightly.

➔↑ **Galvanized sheet: Prices are Flat to UP.** Prices flattened out for a few weeks, but new offers seem to be ticking up in price.

➔ **Galvanized 60" wide Domestic Stenciled: Prices are Flat.** Base prices went down slightly. We will have to see if prices maintain being flat. I don't see any reason for any significant drop.

↑ **Hot Rolled: Prices are UP.** With the tariffs back on for Canada, Mexico and the EU, prices are up. Domestic sources are sticking with their prices and not negotiating lower.

## Drilling Activity

**Drilling Activity increased from last month's newsletter.**

US Rig Count. *AMM and Baker Hughes Data*

|                           | *report date |
|---------------------------|--------------|
| June 2018 Newsletter 1060 | June 4       |
| May 2018 Newsletter 1032  | May4         |
| Apr 2018. Newsletter 995  | Mar 26       |
| Mar 2018 Newsletter 978   | Feb 23       |
| Feb 2018 Newsletter 947   | Jan 29       |
| Jan 2018 Newsletter 939   | Jan 16       |



**STEEL SUPPLY**

203 Blue Bell Road ★ Houston, TX 77037

O: 832-300-1030 ★ F: 832-300-1038

[www.acesteelsupply.net](http://www.acesteelsupply.net)