Maximizing Metals Markets

By

James W. Lawrence
Specialty Steel Products, Inc.
Braddock, PA

The Scrap Metal Stream

- **Materials – *It is about Value!***
  - **Metals – From generic grades to intrinsic values**
  - **Categories – Ferrous vs. Non Ferrous**
  - **Understanding LME, Comex, Tex Report, MetalPrices.com, AMM, etc.**

Intrinsic Values

- Example:
  - Stainless Steel
    - Used to be sold as 18-8.
    - Today with Ni values soaring to record high prices, stainless is referred to it's AISI number such as 304, 321, and 347. Ni ranges from 8% to 12%.
    - The Calculation – The intrinsics of stainless are Ni, Cr, Fe, and some grades contain Mo. Each of these elements has a value. Ni and Mo have the most significant value & vary considerably.

Intrinsic Values

- Example:

Ni = $7.00/lb. X 8% = 0.56

Cr = .40/lb. X 18% = 0.072

Fe = .10/lb. X 74% = 0.740

Total Value = .706/lb.

Intrinsic Values

- **Example No. 2:**
  Using the same values for all the elements, but different analysis:

  Ni = $7.00/lb. X 12% = 0.840
  Cr = .40/lb. X 18% = 0.072
  Fe = .10/lb. X 70% = 0.070
  Total Value = 0.982/lb.

Intrinsic Values

- **Example No. 3:**
  Using 316 type stainless adds the element Mo:
  Ni = $7.00/lb. X 11% = 0.770
  Cr = .40/lb. X 18% = 0.072
  Fe = .10/lb. X 69% = 0.069
  Mo = 10.00/lb. X 2% = 0.200
  Total Value = 1.111/lb.

Application

- How can you tell value?
  - Application – sinks, valves, piping, silverware, jet engines, heating elements
  - Magnet – Non-ferrous is non-magnetic, stainless, high Ni & Co alloys non-magnetic.
  - Color – Green = Copper, Nickel, Monel
  - Spark – Short red spark = value

Summary

- Separating metals from other materials begins the value process.
- Basic tools such as a magnet, application knowledge, color, markings and even a spark test will help to identify potential metal value
- Know your metals markets

Summary

- Understanding metal values is a big advantage when bidding
- Understanding metals markets is critical
- Knowing how to sell and when to sell helps to maximize values

Thank You!!!

- James W. Lawrence
  Specialty Steel Products, Inc.
  1 Eighth Street
  Braddock, PA 15104
  jlawrence@specialtysteel.us.com
  cell phone (412) 719-0484
  Office (412) 271-2575