

NEWSLETTER

VOLUME 2
AUGUST, 2024



INSIDE THIS ISSUE

- Letter from the President
- LME Nickel Update
- LME Aluminum Update
- Aluminum Market Update
- Market Updates
- TSM Expansion
- Get to Know a TSM Team Member
- Upcoming Events
- TSM Product Lines



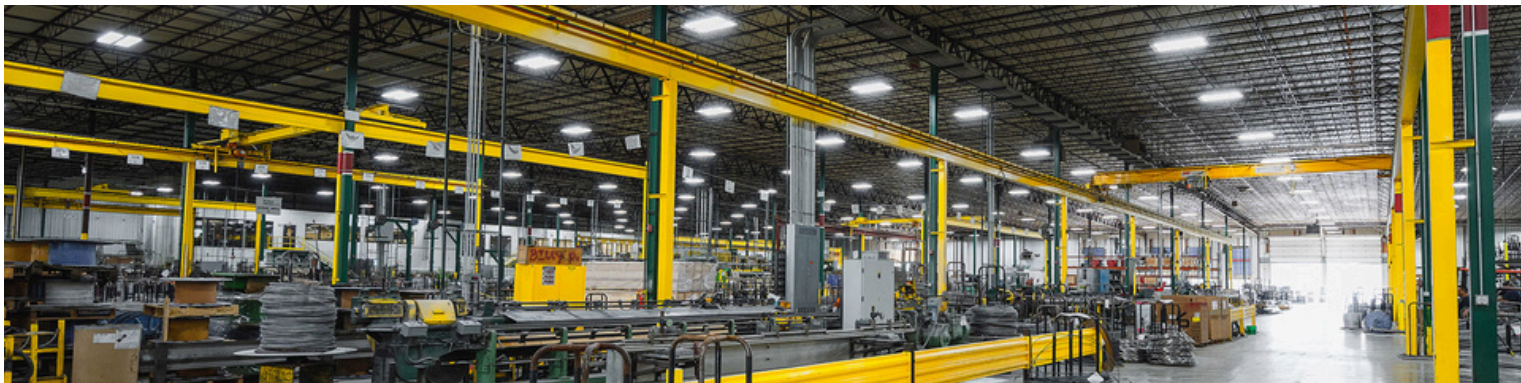
North America's Largest Re-Draw Mill and Inventory of HRAP

Tri Star Metals has invested over \$40M to build North America's largest and most advanced Stainless & Nickel Alloy Re-Draw Mill.



Leading Producer of Stainless Steel Bar & Aluminum Stockist

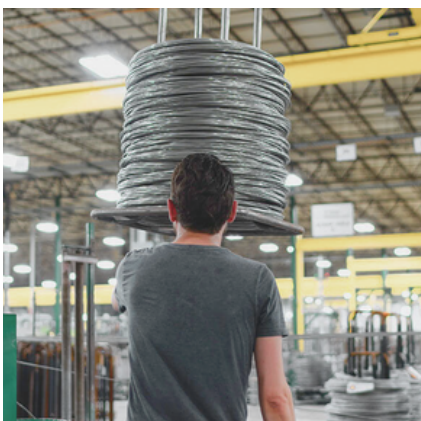
We are a unique hybrid, a multi-location service organization supported by our own domestic mill. Our regional service centers deliver your order accurately and on time to meet your critical demands.



Delivering Stainless Steel, Nickel and Aluminum Solutions

www.tristarmetals.com

LETTER FROM THE PRESIDENT



Welcome to the second edition of our quarterly newsletter. After seeing some recovery in the first half of this year on all fronts, the last several months have been a bit more volatile. We have seen some domestic political unrest with Biden dropping out of the race and an assassination attempt on Trump, Section 301 tariff increases have been announced, and LME nickel climbed to almost \$10.00 / LB before collapsing back to the low \$7.00 / LB range. Imports continue to aggressively flow into the US. Global metals demand in industrial markets remains spotty, while we are seeing some bright spots in certain specialty markets.

Despite some current global political and economic unrest, Tri Star continues to invest in its capacity, capabilities, and global partnerships. We announced in last month's issue that we had acquired Centric Alloys. On the heels of this agreement, we have forged a new partnership with Aubert & Duval to become their exclusive US outlet for proprietary alloys created for defense applications. We are committed to serving our customers with the most innovative products available in the market and to building a world class manufacturing facility that can support our loyal customers for years to come.

Enjoy this quarter's issue and if there is anything you would like to see added to future releases, please make sure to let your Tri Star salesperson know!



Jay Mandel

Jay Mandel
President / CEO

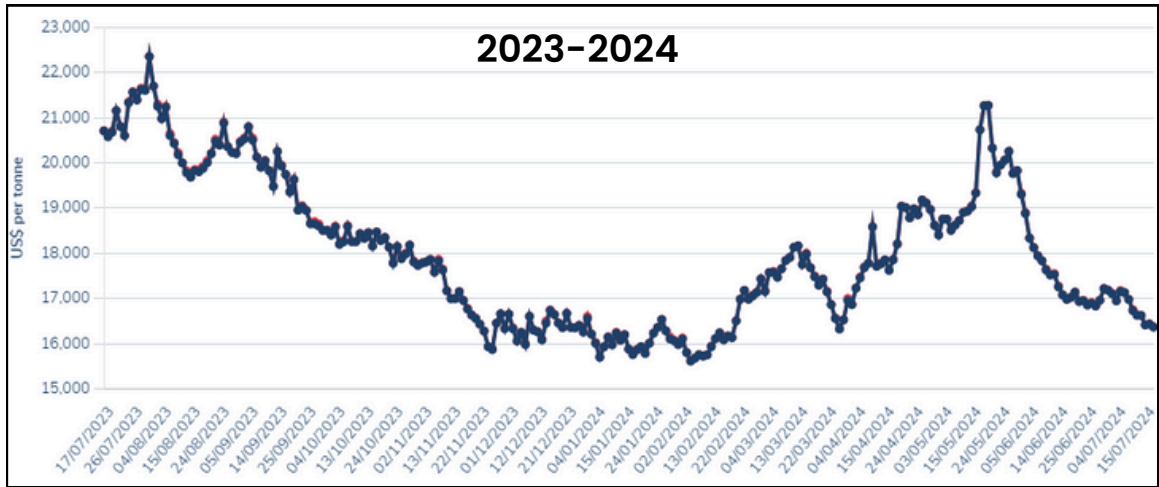


TRI STAR METALS LME NICKEL UPDATE

VOLUME 2
AUGUST, 2024

LME NICKEL CLIMBED 35% FROM BEGINNING OF FEBRUARY 2024 TO LATE MAY 2024 AND THEN GAVE BACK THOSE EXACT GAINS OVER THE LAST 10 WEEKS.

LME NICKEL PRICE

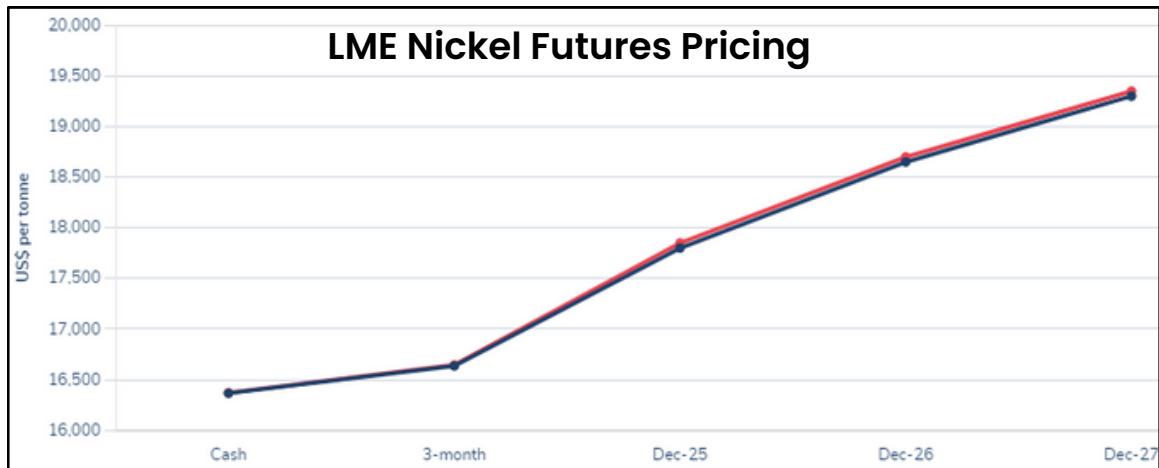


From July 2023 to July 2024, the LME nickel price demonstrated significant volatility.



LME nickel price steadily increased for the first part of 2024, driven by increased demand and market uncertainties. Prices began to fall in May.

The LME nickel price is projected to trend upwards through December 2027, supported by growing demand in electric vehicle batteries and limited supply expansion.





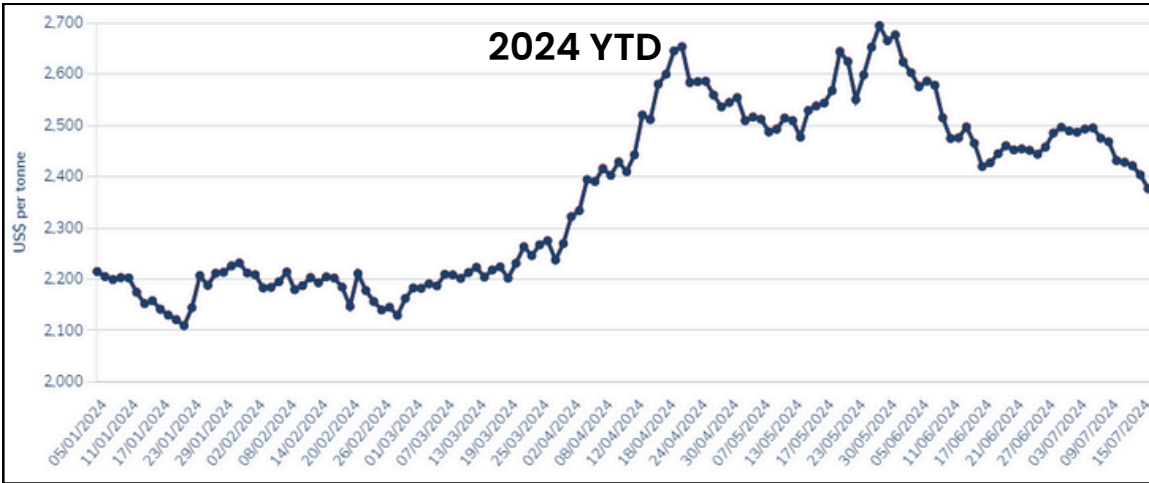
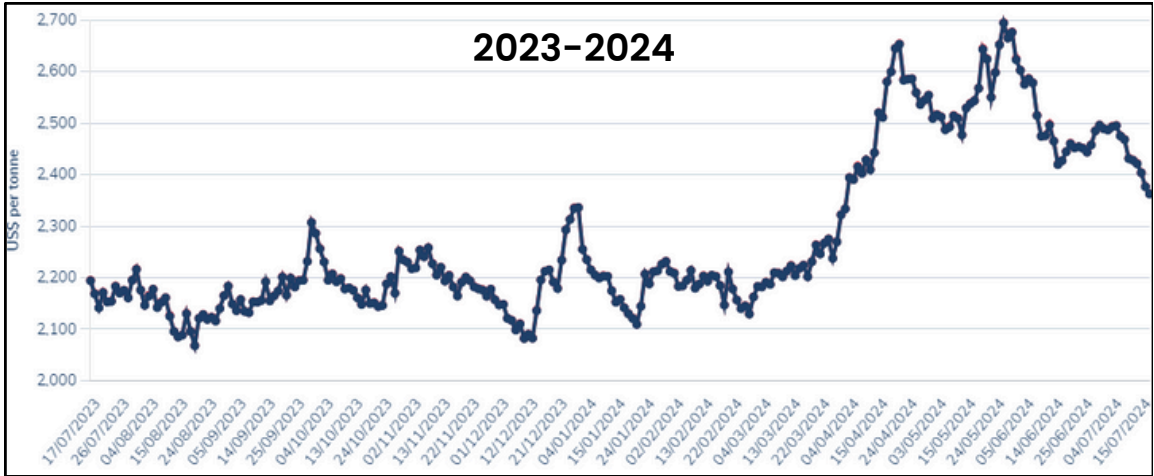
LME ALUMINUM UPDATE

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AS OF THE END OF Q2 2024, LME ALUMINUM PRICES HAVE SHOWN A MODERATE INCREASE, REFLECTING STEADY DEMAND FROM KEY INDUSTRIES AND ONGOING SUPPLY CHAIN DISRUPTIONS.

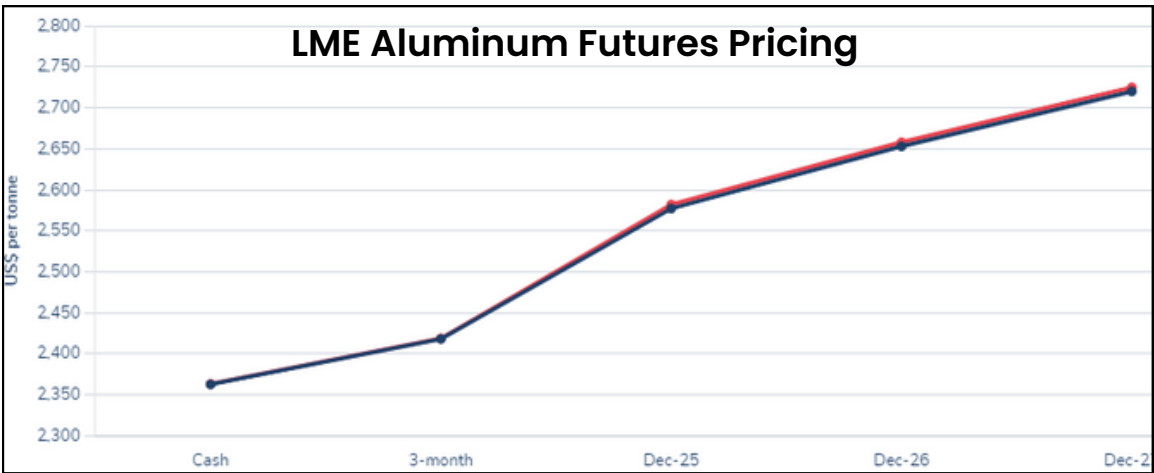
LME ALUMINUM PRICE

From July 2023 to July 2024, the LME aluminum price saw a steady increase, driven by robust industrial demand and supply chain disruptions.



In 2024 year-to-date, the LME aluminum price has fluctuated with a slight upward trend, influenced by shifts in global demand and production challenges.

The LME aluminum price is expected to rise through December 2027, driven by increasing demand in construction and green technology, alongside ongoing supply constraints.





TRI STAR METALS ALUMINUM MARKET UPDATE

ALLOY 2011 COMING TO AN END

As of September 1st, 2025, aluminum alloy 2011 will no longer be produced. The European Commission has decided that any lead in aluminum products greater than .05% (trace element) will be considered a hazardous waste. The solution for European mills is to completely remove lead from their facilities by phasing out the production of leaded alloys like 2011. Some mills will continue to produce 2011 through the end of 2024, while others plan to continue until mid-June 2025.

Some mills offer a replacement alloy called 2033, but since it is a non-lead-based alloy, it will machine differently and will require some tooling adjustments. While we stock and will continue to stock alloy 2011 this year and into 2025, we will eventually run out and need to offer 2033 instead. We do have access to sample material in quite a few sizes of round bar in small quantities for those customers who would like to test alloy 2033. Alloy 2033 is a new alloy and currently only the chemical composition has been registered to the Aluminum Association. It is not registered to ASTM yet as this process usually takes a long time.

2033 VS. 2011

CHEMICAL COMPOSITION

Alloy	Si	Fe	Cu	Mn	Mg	Zn	Ti	Pb	Cr	Bi	Sn	Each	Total
2033-T3	.10-1.20	.70 max	2.20-2.70	.40-1.00	.20-.60	.50 max	.15 max	.05 max		.05-.80	.05 max	.05 max	.15 max
2011-T3	.40 max	.70 max	5.00-6.00	.05 max	.05 max	.30 max	.05 max	.20-.40	.05 max	.20-.60		.05 max	.15 max

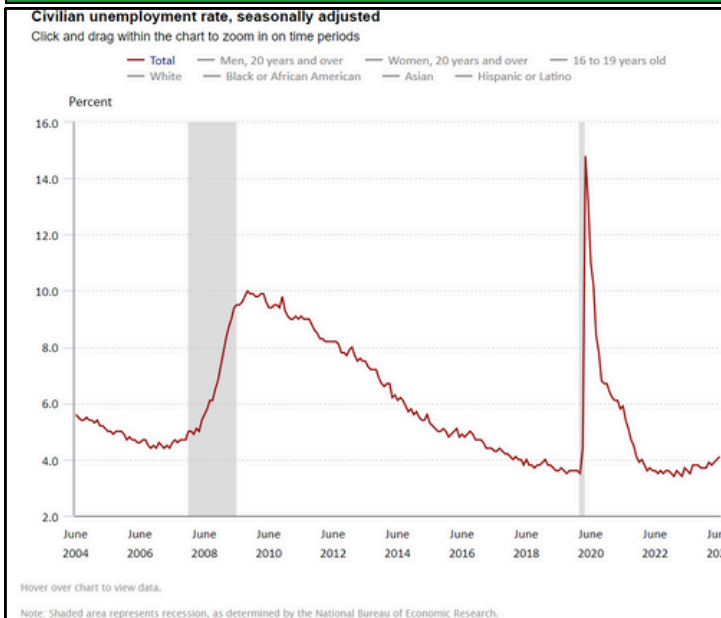
MECHANICAL PROPERTIES

Alloy	Diameter (In.)	Rm min.		Rp (0.2) min		A	A (2")	HB Min
		Mpa	KSI	Mpa	KSI	% Min	% Min	
2033-T3	.125-1.181	370	54	240	35	8	8	100
	1.182-3.00	370	50	220	32	8	8	100
2011-T3	.125-1.575	320	45	270	40	10	10	90
	1.576-1.969	300	43	250	36	10	12	90
	1.970-3.00	280	40	210	30	10	14	90

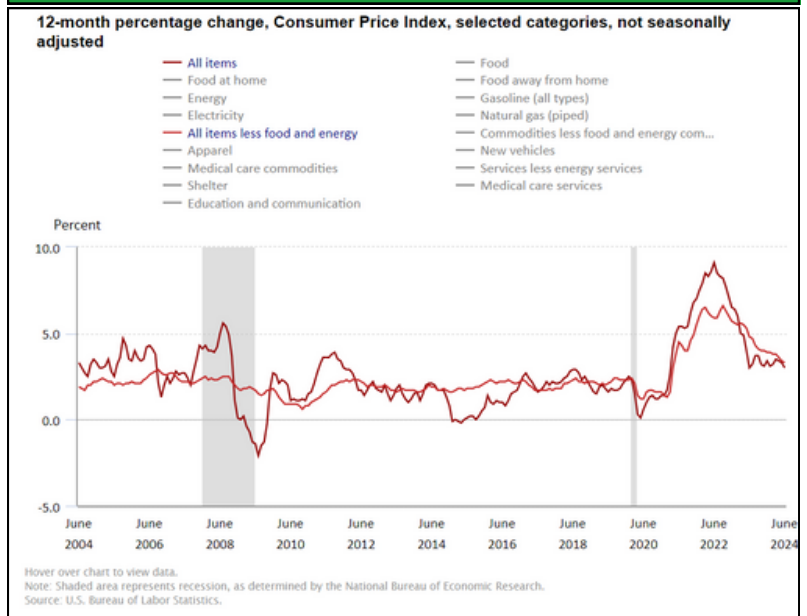
TRI STAR METALS MARKET HEALTH

In Q2 2024, the US Consumer Price Index (CPI) showed a smaller increase than the previous month due to energy and automobile prices. Core CPI increased a modest .1% due to shelter, motor vehicle insurance and household furnishings. The Producer Price Index (PPI) saw a slight rise, due to final demand services. It is relatively unchanged when removing food, energy and trade services. Despite a slight increase, the unemployment rate remains at historically low levels, indicating a strong labor market with continued job growth and stability.

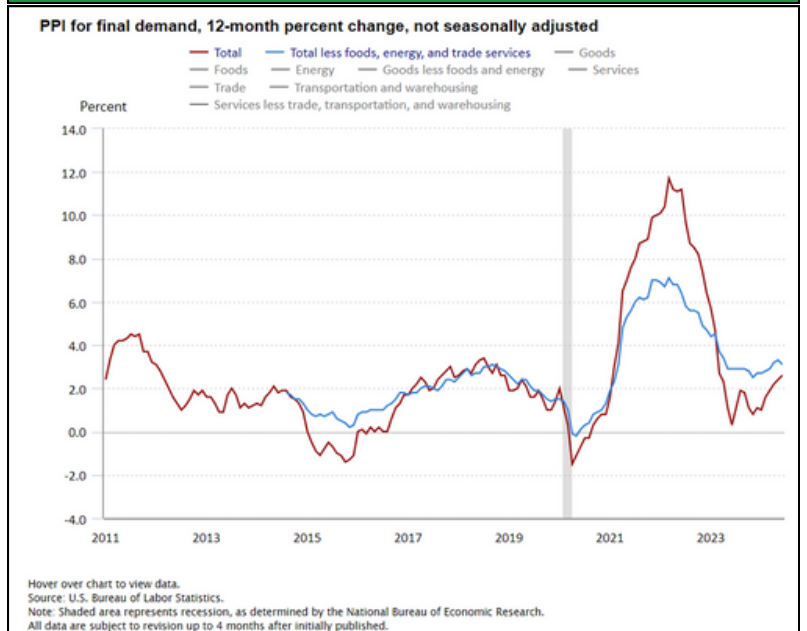
UNEMPLOYMENT RATE



CONSUMER PRICE INDEX



PRODUCER PRICE INDEX



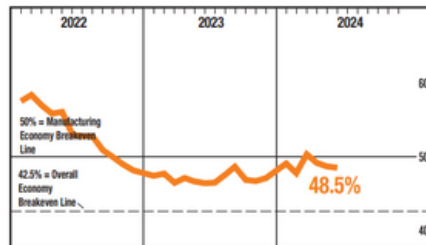
TRI STAR METALS MARKET HEALTH

In Q2 2024, the US manufacturing Purchasing Managers' Index (PMI) showed some reluctance to move into growth territory, as orders and inventories remain conservative. The US GDP growth rate experienced a slight acceleration, driven by robust consumer spending and business investments. The Federal Reserve continues to maintain steady interest rates as it monitors continued cooling of inflation metrics.

MANUFACTURING PURCHASING MANAGERS INDEX

MANUFACTURING PMI® at 48.5%

The U.S. manufacturing sector contracted for the third consecutive month in June, as the Manufacturing PMI® registered 48.5 percent, down 0.2 percentage point compared to May's reading of 48.7 percent. After breaking a 16-month streak of contraction by expanding in March, the manufacturing sector has contracted the last three months, and at a faster rate in June. None of five subindexes that directly factor into the Manufacturing PMI® were in expansion territory, down from two in May.



Source: Institute of Supply Management

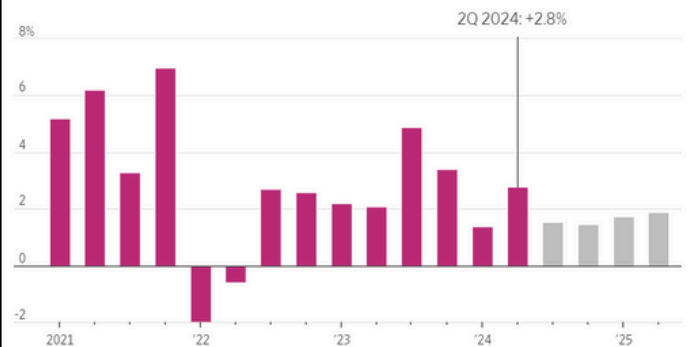
GDP GROWTH

U.S. Economy Grew at Brisk 2.8% Rate in Second Quarter

GDP gain is up sharply from first quarter, beating expectations

GDP, change from previous quarter

■ Actual ■ Forecasts



Sources: Commerce Department (actual); WSJ survey of economists (forecasts)

INTEREST RATES

FRED Federal Funds Effective Rate



Shaded areas indicate U.S. recessions.

Source: Board of Governors of the Federal Reserve System (US)

fred.stlouisfed.org

TRADE UPDATES

Section 232

No recent changes

Section 301

In an attempt to combat China's "artificially low-priced exports" and unfair trade practices and "protect American workers and businesses", the Biden-Harris administration is increasing tariffs under Section 301 of the Trade Act of 1974, according to the [White House Fact Sheet](#).

Section 301 tariff increases will go into effect 8/1/24. The current 7.5% tariff will increase up to 25%. This will impact all products that Tri Star covers: stainless steel, aluminum, and nickel alloys.



MARKET NEWS

Boeing - Market Trends and Updates

Boeing is currently grappling with a complex set of challenges that have significantly impacted its sales and market position. The grounding and subsequent recertification process of its 737 MAX aircraft due to safety concerns have been a focal point. This situation not only led to halted deliveries and production slowdowns but also damaged customer confidence and affected Boeing's reputation. As a result, several airlines canceled or deferred orders, impacting Boeing's sales pipeline and financial performance.

- Sales decreased 70% in 2024. ([Newsweek](#))
- Deliveries decreased 34% in the first half of 2024 compared to 2023. ([MSN](#))
- Deliveries increased in June reaching a high of 44 jets sold. ([MSN](#))
- 737 sales have decreased 37% compared to 2023. ([MSN](#))
- Boeing received a large order for 35 737 Max jets from the US aircraft leasing unit of Tokyo Century Corp. ([MSN](#))
- Boeing hired new CEO Kelly Ortberg to address challenges and work towards regaining stability. ([Reuters](#))



Delivering Stainless Steel, Nickel and Aluminum Solutions

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TRI STAR METALS TSM EXPANSION

TRI STAR METALS CONTINUES TO INVEST IN STATE-OF-THE-ART EQUIPMENT, FACILITY UPGRADES AND HUMAN CAPITAL TO REMAIN A WORLD-CLASS MANUFACTURER.

AUBERT & DUVAL AGREEMENT

We're happy to introduce to you the news on an exciting collaboration. We've entered into an exclusive agreement with the French Producer Aubert & Duval ("A&D"). We're taking another leap forward by diversifying our product offerings and expanding our reach into the Defense sector.

This partnership brings a range of new high-performance proprietary grades of steel to our customers in the defense market, including the game-changing firearm barrel grade called ARMAD®. This grade will increase both the life and accuracy of a barrel to levels never seen from other grades of steel! This new grade reduces the level of wear in critical areas of a barrel, improves heat resistance, and allows customers to design new generation barrels by reducing size and weight. ARMAD® provides good machinability and is compatible with most industry standard plating and coating processes.

In addition, we now offer other A&D engineered grades that are tailored for various uses in the production of high-performance machined components that go into the lower receiver, upper receiver and bolt carrier of firearms.

Over the next 12 to 18 months, the new segment will be fully operational with inventory at all Tri Star Metals Distribution Centers.

Cheers,
Mike Walsh, VP of Defense
Tri Star Metals



EUROSATORY 2024 DEFENSE SHOW (PARIS)

Tri Star Metals, Aubert & Duval, and some of our friends from the U.S. Military (DEVCOM and Picatinny Arsenal) together at the show



GET TO KNOW A TSM TEAM MEMBER

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MIKE REYES

AZ Warehouse Operations Leader

Personal Background

Mike, an increasingly rare 2nd generation Phoenix-area native, was born in Mesa, AZ, raised in South Phoenix and currently lives in Laveen, all of which have changed and grown significantly since his childhood. He is the second youngest of 9 siblings who all live in the Phoenix area. They are a tight-knit family and alternate having dinner at each of their houses every couple of weeks. Mike's immediate family consists of his wife, Brisa, and the 5 kids they share, as well as two dogs – Mordrid, a Chihuahua, and Honey, a Chihuahua/Dachshund mix.

Professional Background

Before joining Tri Star Metals, Mike accumulated a decade of warehouse and shipping expertise at various companies. His most recent position was as a supervisor at the US Department of Agriculture, overseeing a team focused on breeding genetically modified moths engineered to protect almond, walnut, and pistachio crops in California from pests.

Role at TSM

Mike is the powerhouse behind Tri Star Metals' West Coast distribution facility in Phoenix, AZ. He handles all shipping, receiving, inventory management and full-truckload transfers from our Illinois location. Mike prioritizes keeping the warehouse clean and organized and has exceptional attention to detail knowing the importance of doing his due diligence with industries as stringent as aerospace. He is a joy to work with, running his warehouse with a positive attitude and a can-do mentality.

MIKE'S TOP PICKS

Type of Metal: Aluminum Hex Bar

Food: Spaghetti & Meatballs

Book: Twilight

Movies: Twilight & the Harry Potter Series

Song: The Night We Met – Lord Huron

Weekend Activity: Playing Apex Legends on Xbox and going out to bars/dancing with his wife

Vacation: Amalfi Coast, Italy

FAVORITE QUOTE

“Your focus determines your reality.”
– Qui-Gon Jinn, Star Wars

CONNECT WITH US!  

MIDWEST FASTENER ASSOCIATION SHOW

Park Ridge, IL

**AUG
18-21**

**SEPT
9-11**

INTERNATIONAL FASTENER EXPO 2024

Las Vegas, NV

IMTS 2024

Chicago, IL

**SEPT
9-14**

**OCT
2-4**

CASMI 2024 SPRING WORLD

Rosemont, IL

WEFTEC WATER QUALITY 2024

New Orleans, LA

**OCT
5-9**

**OCT
16-17**

MD&M

Minneapolis, MN

STAINLESS STEEL WIRE

Alloys	200/201/204CU, 302HQ, 303, 304/304L, 310/310S, 314, 316/316L, 321, 330/330CB, 347, 410, 416, 420/420F, 430/430F, 431, 434, 17-4PH, 17-7
Sizes	.0350" - .8750"
Finishes	Cold Drawn, EPQ, CHQ, Annealed, Spring Temper

COLD HEADING QUALITY (CHQ) WIRE

Alloys	302HQ, 304/304L, 305, 316/316L 321, 347, 410, 420, 430, 17-4, A286, NI600, NI601, NI718, M400, MK500
Sizes	.0670" - 1.0000"
Finishes	Annealed at Final Size (AFS), Annealed in Process (AIP), HRAP (rod)
Coatings	Tri-Coat Soap™, Tri-Coat Copper™, Tri-Coat Copper/Moly™, Tri-Coat Paste™

NICKEL BAR & WIRE

	Bar	Wire
Alloys	A286 (Aero & Auto), NI200/201, M400, L605, MK500, Alloy 20, Alloy 22, 95/5 Ni/Al, NI600, NI601, NI625, NI718, X750, A80-20CB, C276, 35-19CB, 330, HX, IN800, IN825	
Surface Finishes / Coatings	Centerless Ground & Polished	Bright Drawn, Tri-Coat Soap™, Tri-Coat Copper™, Tri-Coat Copper/Moly™
Sizes	.0625" - .8200"	.0670" - .8750"

STAINLESS STEEL BAR

Alloys	302HQ, 303/303SE, 304/304L, 309/309S, 310/310S, 316/316L, 317L, 321, 330, 347, 410, 416, 420/420F, 430/430F, 440A, 17-4PH
Sizes	.0625" - 4.2500"
Finishes	Annealed, Strain Hardened, Condition B, Aged, Centerless Ground & Polished

ALUMINUM BAR

	Cold Finished	Extruded
Alloys	2011, 2024, 6042, 6061, 6063, 7075 Other Alloys Available Upon Request	
Sizes	.1875" - 3.0000"	.2500" - 8.0000"
Shapes	Rounds, Hexagons, Squares, Flats, Tubing	