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**41st
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Hyatt Lost Pines Resort
Bastrop, Texas

The Perfect Storm

Navigating Through the Turbulence of
Risk and Change





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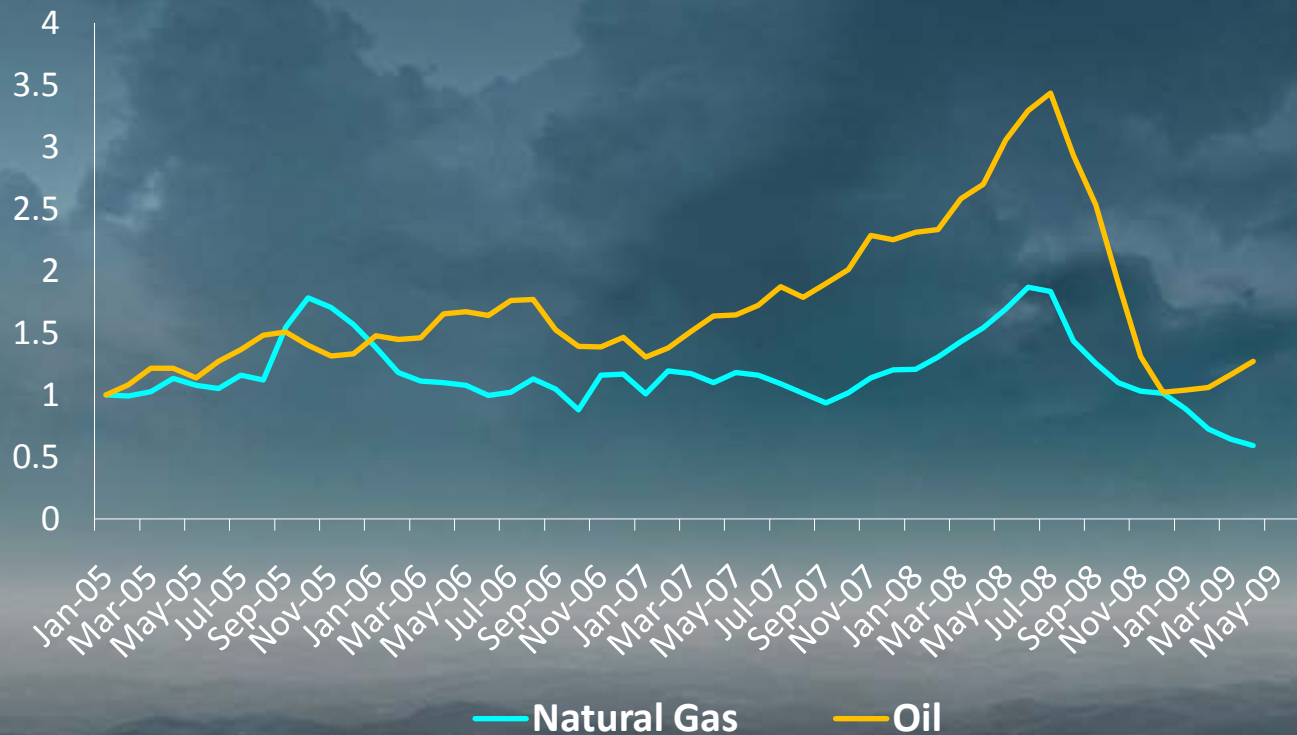
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Prices for oil and natural gas spiked last year...

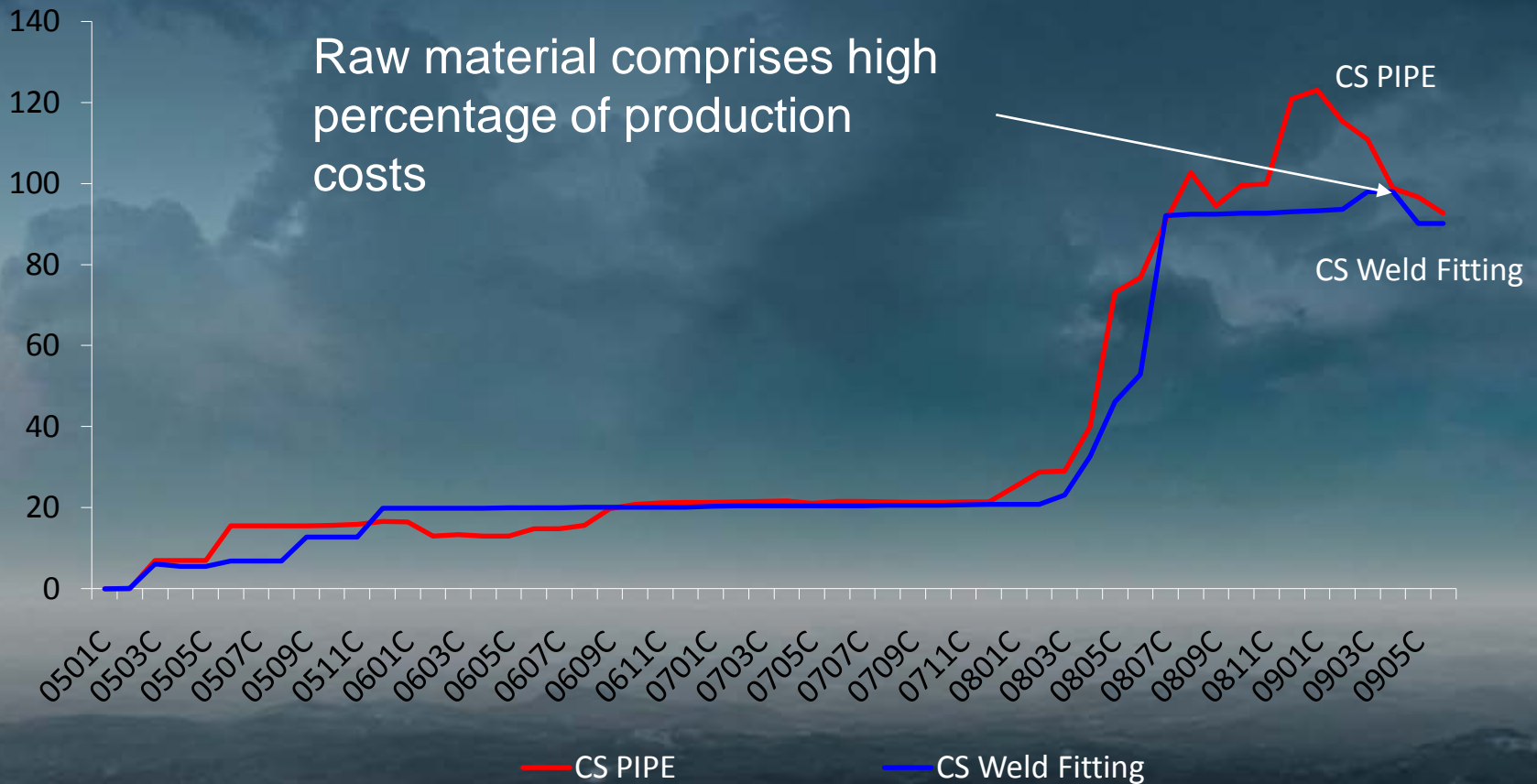


As prices rose, demand increased

Source: Energy Information Agency



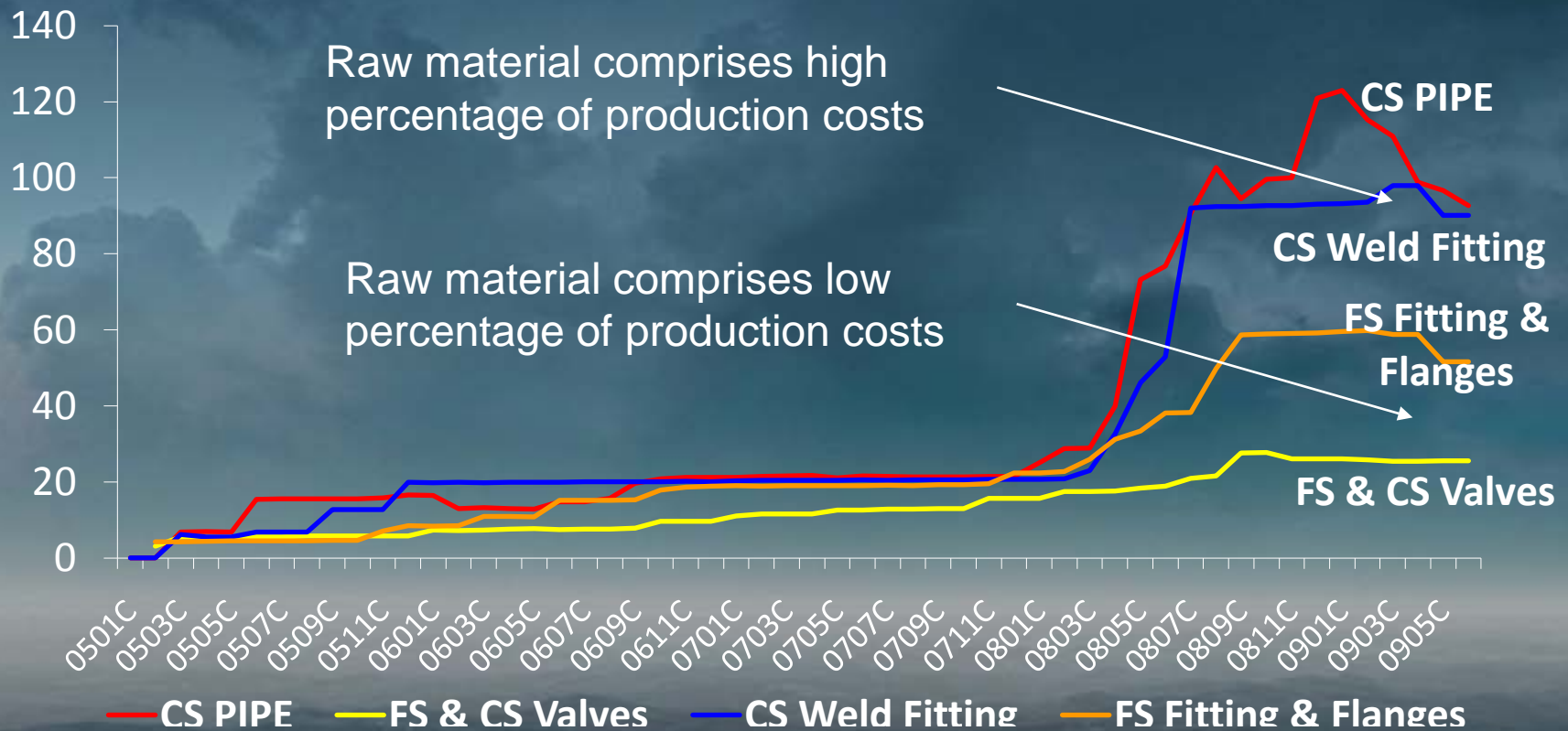
And though prices for some product groups followed



Source: Market and MRC proprietary data; MRC internal analysis



Others rose only modestly



Source: Market and MRC proprietary data; MRC internal analysis



Conclusions

- Pricing for piping trends seem to follow energy curve
 - Oil and gas prices drive OCTG demand
 - Standard and line pipe tend to follow OCTG
 - Other products tend to follow
- PVF has not fully retraced the reduction in energy pricing
- Influence of ongoing market dynamics is X-factor
 - Impact of excess for selected items
 - Tightly managed production output
 - Anti-dumping and countervailing duties
 - Limited number of manufactures for certain product types

