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A Brief History of Fasteners

The earliest known use of screws was during the first century B.C. These early wooden screws were used in wine presses and olive oil presses. Metal screws used to affix two objects together were found by at least the 15th century in Europe.

Since their humble beginnings, fasteners have evolved into precision articles for use in highly critical and specific applications.



What's Happening in the Fastener Industry

-By Ted Skrzat

Tariffs and the price of steel

Throughout this year, the Trump Administration implemented steep tariffs on incoming steel and aluminum from other countries. The purpose was to make purchasing these items from other countries less attractive which will increase steel and aluminum production in the United States.

These tariffs seem not to be having as large a shock effect as was expected, plus the increase in US production is little changed.

A large part of the tariffs is being absorbed by the foreign manufacturers who want to keep selling steel and aluminum to the United States. Because of this, prices have not increased by 25% or 50% as the tariffs would indicate. With prices staying relatively low, there is less incentive for US manufacturers to ramp up to manufacture the products here.

The effect that the tariffs have on the prices of steel and aluminum directly affect the price of fasteners. Steel, aluminum, and nickel are the key raw materials affecting fastener prices.

Tariffs on steel and aluminum affect other industries as well as the fastener industry such construction and other manufacturing.

About our company

USA Fasteners, LLC is a distributor of fasteners and industrial supplies. Our customers are manufacturers, fabricators, and retail dealers.

USA Fasteners is a one-stop source for all industrial fasteners. Some of the specifications we meet are listed below.

- SAE and Metric fasteners
- Galvanizing, plating or other finishes
- Domestic fasteners
- Domestic raw material fasteners
- Stainless, Carbon, and other materials

We also carry the Proferred brand of industrial supplies including cutting tools, abrasives, hand tools, and safety products.

Please see excerpts below from an article by the
Fisher Investments Editorial Staff

Seven Months in, a Look at Steel and Aluminum Tariffs' Market Implications

Among the strictest tariffs unveiled this year were the US steel and aluminum tariffs. What impact do markets show?

In the wake of April 2's Liberation Day announcement, we expected tariff fears to prove larger than their reality—a scary story typically associated with corrections, and a disconnect that primes market recovery. Now, with tariffs increasingly in the rearview, stocks scaling new heights and the benefits of hindsight, that expectation has seemingly held true. This doesn't mean there are no effects, though—small businesses struggling with higher costs, consumers annoyed and pinched by the de minimis window's closure, farmers seeking relief and sector tariffs (e.g., on lumber and metals) weighing on demand. But the parts of the stock market hit by these tariffs are generally quite small. Still, even affected industries show a quiet reality: Tariffs hit the imposer hardest. They don't protect.

Case in point: the Trump administration's steel and aluminum tariffs. These levies were among the earliest announced—and the strictest, with few exemptions. And, unlike many others, they have gotten tougher all year.

In February, President Donald Trump signed executive orders expanding his first-term tariffs on steel and aluminum under Section 232 of 1962's Trade Expansion Act, authorizing them on national security grounds. They took effect on March 12. Besides raising aluminum tariffs to 25% from 10% previously (steel was already at 25%), they eliminated *all* exemptions—including those for most Western nations and the biggest exporters of those metals to the US, namely Canada. Then in June, Trump doubled those rates to 50% (save the UK) and broadened them in August to include more derivative products, like those contained in common household appliances. So while many tariffs have been watered down since their April introduction, these have done the reverse.

Although tariffs are intended to “protect” American production, there is little indication they are boosting domestic output. The latest US steel and aluminum production levels remain below their prepandemic averages.^[1] Sure, that could change. But generally speaking, the more you tax something, the less you get of it. And with prices still low, there seems little incentive for US firms to ramp up. After Trump hiked steel and aluminum tariffs in his first administration, those higher costs caused downstream industries' profits to shrink, weighing on demand and slashing investment.

We don't see anything different this time around and neither, apparently, do markets. US steel and aluminum stocks are *lagging* non-US producers. But that rush of optimism faded swiftly. By the time promised tariffs were unveiled in February, US producers were already lagging their counterparts outside America.

That lag deepened following February's expanded tariff restrictions and early April's shock. Afterward, they seemed to recover somewhat alongside US stocks generally, as markets looked to avoid worst-case trade scenarios with Trump pausing or rolling back most tariffs. But then they retrenched again when it became clear no relief was likely forthcoming with the administration implementing even stricter measures on steel and aluminum.

So tariffs don't look great for America's steel and aluminum industries or their stocks. The one silver lining: They are a tiny slice of the economy and markets. US primary metal manufacturing is less than 0.5% of GDP.

American steel stocks' 0.154% of US market cap (0.110% of the world) is smaller still, while American aluminum producers are a sliver of that (0.020% of the US and 0.015% of the world). This is one reason why we think economic growth and stocks overall have escaped tariffs largely unscathed—on the whole, their effects are much more marginal than many feared.

But markets seem to suggest that where tariffs have been steeper than expected, they have hurt. And for those affected, we don't want to minimize the challenges they face. Higher metals' prices may solicit somewhat more business for domestic producers in the short run (where possible), but businesses—and, ultimately, households—buying from those protected industries may suffer greater costs. That could even mean, in time, that consumers substitute other goods for the protected ones, eroding longer-range demand. No doubt there are winners and losers to this trade, but when the net result is weaker demand—and losers feeling losses much more than winners enjoy their gains—tariffs remain a headwind, especially on the country imposing them.

On this one corner of the market, though, steep metals tariffs are the exception, not the rule—and in the overall scheme of things, they are negligible so far. This could change, of course. Time will tell. So for investors, we will continue monitoring developments on this front.