



Recently Published Data and Indices Affecting the Stainless Steel Industry

## Metal Matters

### Scrap Report

Source: *Advanced Steel 6/06*

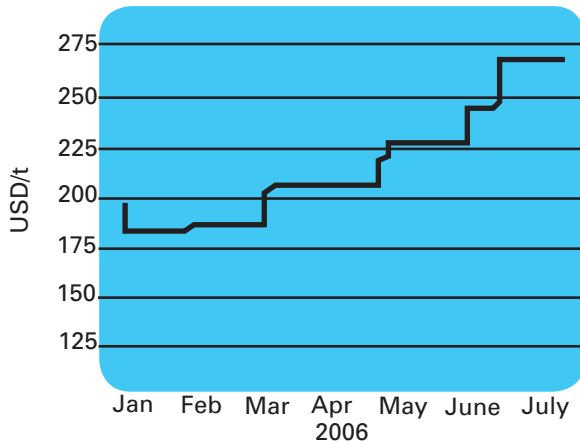
↑ The US scrap market kicked off summer sizzling, leaving both domestic and overseas bidders competing to secure a piece of the shrinking scrap pie as mill summer closures loom and the global steel market continues to boom. Today's trend, led by high priced scrap alternatives and continued momentum in both the Chinese and US steel markets, leave mills with little choice but to pay a premium for ferrous scrap to keep up with production demand.

↑ US auto industry factory bundles rose for the third consecutive month in June. This month's \$35-a-ton leap was in response to the shrinking supplies of industrial steel scrap, fears of even less supply as scheduled vacation plant shutdowns take place in July and August, and a shortage of imported pig iron, the favored substitute for prime grades of steel scrap. Combined with China's mid-month return to the market, the forecast for scrap pricing this summer is high.

↑ As of the second week in June, year-to-date, US raw steel output was 49,919,000 tons at an average capability utilization rate of 87.2 percent, up 3.3 percent from the same period last year, when mills produced 48,312,000 tons at an average capability utilization rate of 87 percent, according to the American Iron and Steel Institute.

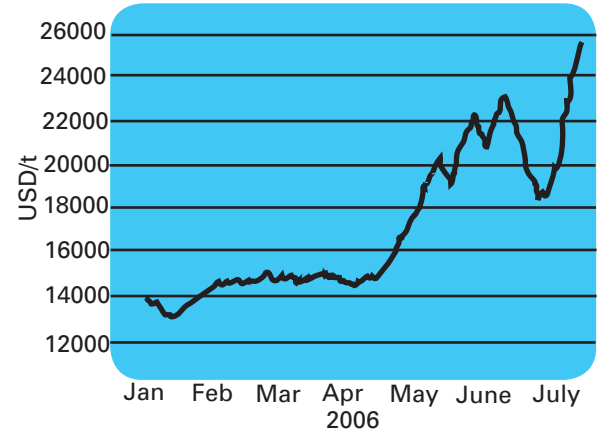
### Scrap Prices

Source: *Metal Bulletin 7/7/06*



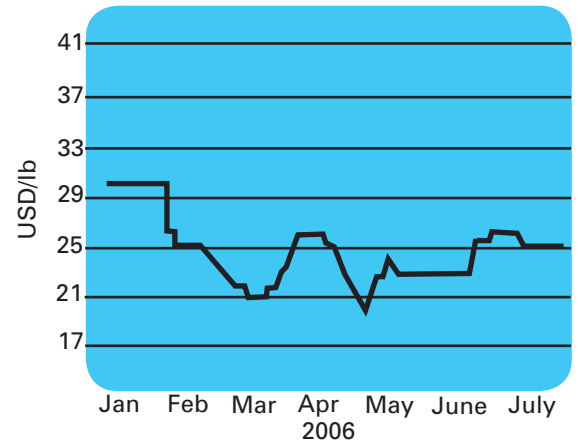
### Nickel Prices- Cash Buyer

Source: *LME 7/7/06*



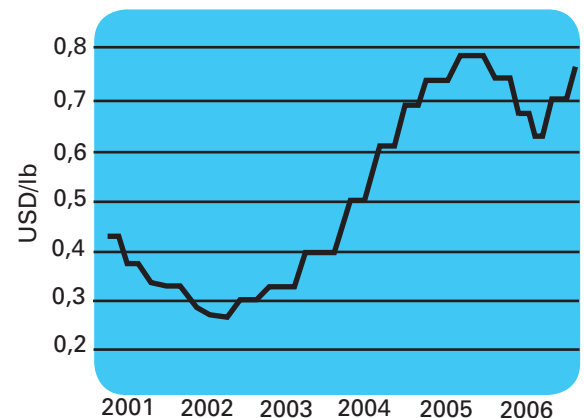
### Molybdenum Prices

Source: *Metal Bulletin 7/7/06*



### Ferrochrome Prices

Source: *Metal Bulletin 7/7/06*



## U.S. Exports of Steel Mill Products

Source: The U.S. Commerce Department 6/12/06

Country	Month		
	Feb	Mar	Apr
World	701,209	781,260	700,260
Canada	468,413	504,858	457,307
Mexico	142,379	163,600	148,916
India	9,829	6,131	6,251
China	7,465	7,381	8,075
Federal Republic of Germany	1,542	2,730	2,468
Italy	5,755	5,442	4,442
Venezuela	3,649	6,085	6,134
United Kingdom	2,460	4,569	5,020

\* Number in metric tons

## Global Economic Matters

### Exchange Rates

Source: Yahoo Finance 7/17/06

Crossrates						
	USD	EUR	JPY	GBP	CAD	SEK
USD	1	0.7987	117.1050	0.5496	1.1337	7.3722
EUR	1.2521	1	146.6213	0.6881	1.4194	9.2352
JPY	0.008539	0.006820	1	0.004693	0.009681	0.06299
GBP	1.8194	1.4532	213.0666	1	2.0627	13.416
CAD	0.8821	0.7045	103.2945	0.4848	1	6.5108
SEK	0.1357	0.1084	15.891	0.07457	0.1537	1

USD= US Dollar  
EUR= Euro  
JPY= Japanese Yen

GBP= British Pound  
CAD= Canadian Dollar  
SEK= Swedish Krona

## U.S. Economic Matters

### Latest Statistics

Source: The Department of Labor 7/7/06

Consumer Price Index	+0.4%	May 2006
Unemployment Rate	4.6%	June 2006
Producer Price Index	+0.2%	May 2006
Productivity	+3.7%	1st Qtr 2006

### Gross Domestic Product

Source: The Bureau of Economic Analysis 6/29/06

↑ Real gross domestic product — the output of goods and services produced by labor and property located in the United States — increased to an annual rate of 5.6 percent in the first quarter of 2006. In the fourth quarter, the real GDP increased by 1.7 percent. The increase in the real GDP in the first quarter primarily reflected positive contributions from personal consumption expenditures, exports, equipment and software, and federal spending.

### Industrial Production and Capacity Utilization

Source: The Federal Reserve 6/15/06

Industrial Production	Apr	May
Total Index	112.3	112.1
Major Market Groups		
Final Products	113.8	113.9
Consumer Goods	106.9	106.8
Business Equipment	131.3	131.8
Nonindustrial Supplies	112.0	111.4
Construction	115.0	114.2
Materials	110.8	110.5
Manufacturing	114.3	114.0

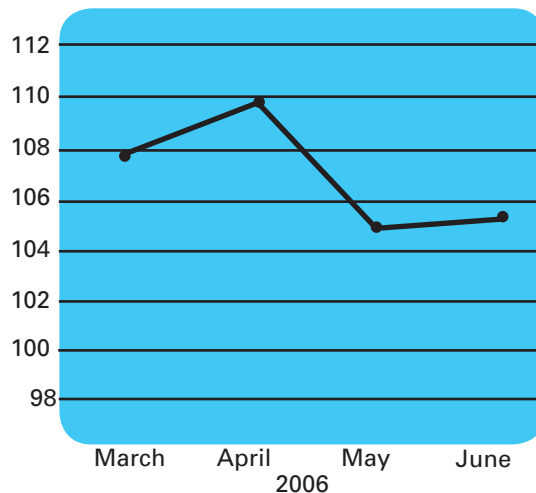
## Manufacturing

Source: The Institute for Supply Management 7/3/06

Index	Series Index June	Series Index May	Direction	Rate of Change	Trend (mos)
PMI	53.8	54.4	Growing	Slower	37
New Orders	57.9	53.7	Growing	Faster	38
Production	55.1	57.2	Growing	Slower	38
Employment	48.7	52.9	Contracting	Growing	1
Supplier Deliveries	55.0	57.6	Slowing	Slower	36
Inventories	46.9	48.0	Contracting	Faster	2
Customers' Inventories	45.5	44.0	Too Low	Slower	61
Prices	76.5	77.0	Increasing	Slower	11
Backlog of Orders	54.0	53.0	Growing	Faster	6
Exports	55.4	55.7	Growing	Slower	43
Imports	56.5	56.5	Unchanged	Growing	54
Overall Economy			Growing	Slower	56
Manufacturing Sector			Growing	Slower	37

## Consumer Confidence Index

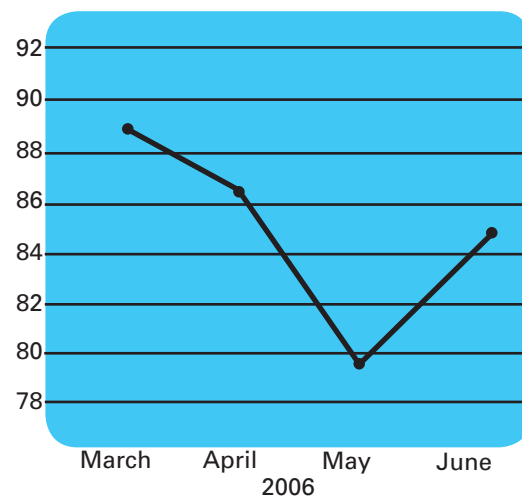
Source: The Conference Board 6/27/06



↑ The Conference Board Consumer Confidence Index, which had decreased in May, posted a slight increase in June. The Index now stands at 105.7 (1985=100), up from 104.7 in May. The Present Situation Index decreased to 132.7 from 134.1. The Expectations Index, however, edged up to 87.6 from 85.1 last month.

## Index of Consumer Sentiment

Source: The University of Michigan 6/06



↑ Despite high gas prices and rising interest rates, consumer confidence improved in June. The rebound moved consumer confidence back toward its average level during the past 50 years, although it still remains substantially below the year earlier figure.

## Manufacturers' Shipments, Inventories and Orders

Source: The US Census Bureau 7/5/06

↓ **New orders** for manufactured durable goods in May, down two consecutive months, decreased \$0.4 billion or 0.2 percent to \$208.8 billion, revised from the previously published 0.3 percent decrease. This followed a 4.7 percent April decrease.

↑ **Shipments** of manufactured durable goods in May, up three of the last four months, increased \$5.6 billion or 2.7 percent to \$212.1 billion, revised from the previously published 2.6 percent increase. This was at the highest level since the series began and followed a 1.2 percent April decrease.

↑ **Unfilled orders** for manufactured durable goods in May, up twelve of the last thirteen months, increased \$3.7 billion or 0.6 percent to \$611.3 billion, unchanged from the previously published increase. This was at the highest level since the series began and followed a 1.5 percent April increase.

↑ **Inventories** of manufactured durable goods in May, up four of the last five months, increased \$1.2 billion or 0.4 percent to \$280.1 billion, unchanged from the previously published increase. This followed a 1.2 percent April increase.

## Corporate Profits

Source: Bureau of Economic Analysis 6/29/06

↑ **Profits from current production** (corporate profits with inventory valuation and capital consumption adjustments) increased \$176.7 billion in the first quarter, according to revised estimates. In the fourth quarter, profits increased \$185.8 billion. Current-production cash flow (net cash flow with inventory valuation and capital consumption adjustments) — the internal funds available to corporations for investment — increased \$136.3 billion in the first quarter, compared with an increase of \$43.1 billion in the fourth.

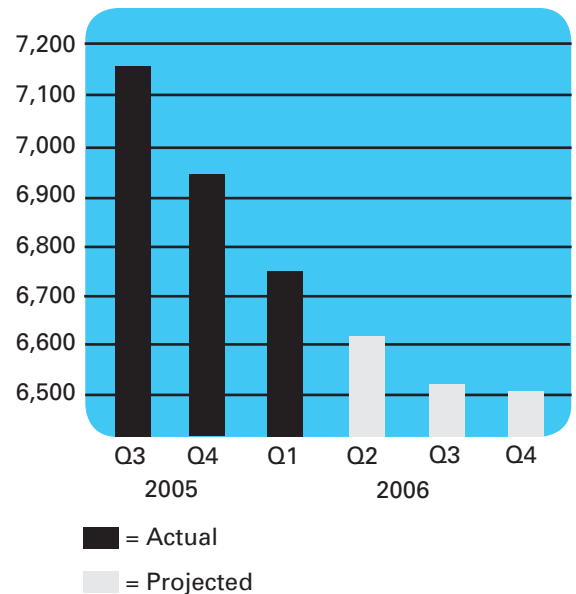
## Help Wanted Index

Source: The Conference Board 6/29/06

↓ **The Conference Board Help-Wanted Advertising Index** — a key measure of job offerings in major newspapers across America — dipped two points in May. The Index now stands at 33. It was 38 one year ago. In the last three months, help-wanted advertising declined in all nine U.S. regions. Steepest declines occurred in the West South Central (-19.5%), West North Central (-17.9%) and Pacific (-17.3%) regions.

## Housing Sales

Source: The National Association of Realtors 7/06



\*Number in thousands

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