



Recently Published Data and Indices Affecting the Stainless Steel Industry

## View Points

This Memorial Day, as we honor the men and woman who have given their lives for our country, it is worth noting that stainless steel used to construct the World War II Memorial, a national monument located in Washington D.C., was produced by Outokumpu Pipe. The memorial includes 56 pillars each measuring 17 feet tall, a reflecting pool, and two 43-foot arches. Within each arch is a sculpture of four American eagles holding a banner memorializing the victory of the men and women who served in World War II. The eagles are supported by stainless steel pipe produced at the Outokumpu pipe facility in Wildwood. "The Wildwood team was proud to be a part of such an important project. We worked diligently to fabricate and deliver the pipe material in keeping with the aggressive timetable requested by the contractor," stated Joe Avento, Executive Vice President at Outokumpu Pipe.



## Metal Matters

### Scrap Report

Source: *Advanced Steel* 4/07

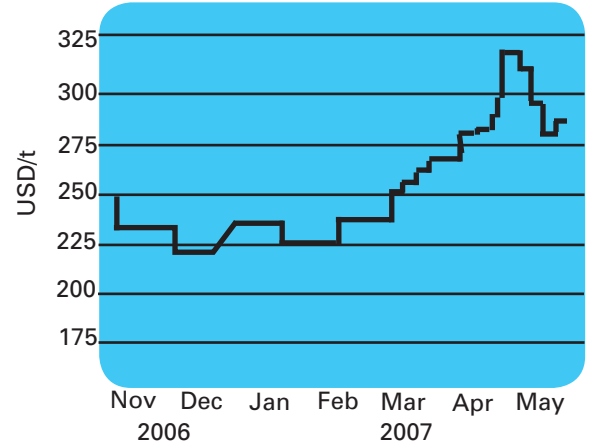
↓ The AMM Auto Factory Bundles Index declined \$10-a-ton at the beginning of the month but dealer pricing plummeted soon after, falling by as much as \$50-a-ton, spurring mills to make a mid-month reduction in raw material surcharges and increase base pricing for merchant bar and structural steel products.

↓ While most scrap brokers and buyers expected a decrease this month, few anticipated the up to \$50-a-ton drop of scrap pricing. By the end of the first week, No. 1 dealer bundles and No. 1 busheling slipped \$20 to \$30 below last month's prices in several major steelmaking markets and shredded scrap prices dove by as much as \$50-a-ton.

↑ U.S. raw steel production totaled 2,087,000 mid-April, up 3.4 percent from 2,017,000 tons the previous week, as mills operated at an average capability utilization rate of 87.2 percent. For the year to date, mills have produced 29,464,000 tons at an average capability utilization rate of 83.8 percent, down 7.4 percent from a year earlier, when mills produced 31,839,000 tons at an average capability utilization rate of 89.6 percent.

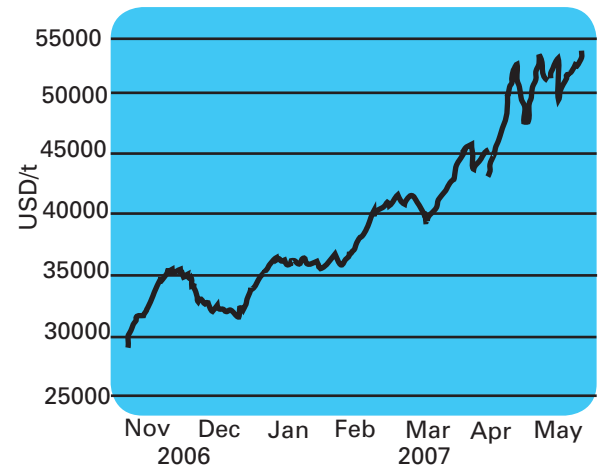
### Scrap Prices

Source: *Metal Bulletin* 5/8/07



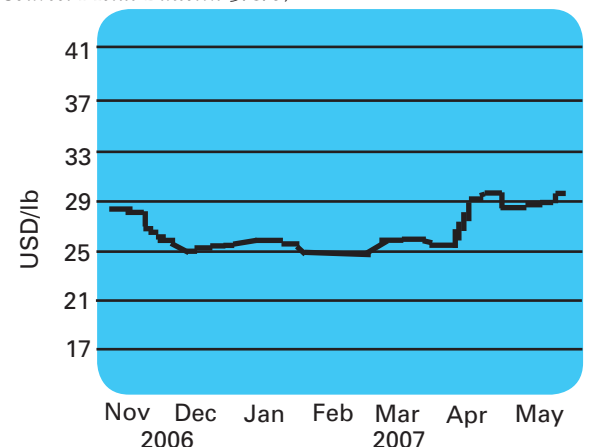
### Nickel Prices- Cash Buyer

Source: *LME* 5/8/07



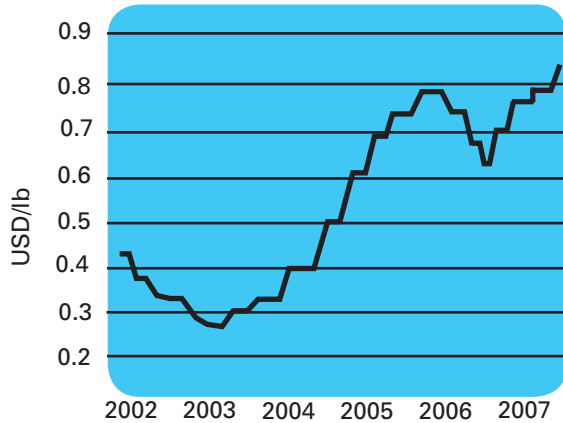
### Molybdenum Prices

Source: *Metal Bulletin* 5/8/07



## Ferrochrome Prices

Source: Metal Bulletin 5/8/07



## U.S. Exports of Steel Mill Products

Source: The U.S. Commerce Department 4/17/07

Country	Month		
	Dec	Jan	Feb
World	637,352	692,911	726,601
Canada	374,284	419,768	408,780
Mexico	142,843	156,243	162,213
India	8,385	9,041	8,255
China	7,746	8,428	7,833
Federal Republic of Germany	4,702	10,129	6,962
Italy	5,189	4,219	6,068
Venezuela	7,690	7,692	4,910
United Kingdom	4,937	4,002	5,416

\* Numbers in metric tons

## Global Economic Matters

### Exchange Rates

Source: Yahoo Finance 5/10/07

Crossrates							
	USD	EUR	JPY	GBP	CAD	SEK	CNY
USD	1	0.7416	120.0150	0.5053	1.1106	6.8436	7.7025
EUR	1.348	1	161.8402	0.6814	1.4976	9.2292	10.392
JPY	0.008332	0.006179	1	0.004210	0.009254	0.05708	0.06416
GBP	1.9790	1.4676	237.5143	1	2.1979	13.552	15.249
CAD	0.9004	0.6677	108.0632	0.4550	1	6.1605	6.9348
SEK	0.1462	0.1084	17.543	0.07385	0.1623	1	1.1259
CNY	0.1300	0.09639	15.598	0.06568	0.1445	0.8899	1

USD= US Dollar EUR= Euro JPY= Japanese Yen GPB= British Pound  
SEK= Swedish Krona CNY= Chinese Yuan CAD= Canadian Dollar

## U.S. Economic Matters

### Latest Statistics

Source: The Department of Labor 5/7/07

Consumer Price Index	+0.6%	Mar. 2007
Unemployment Rate	4.5%	Apr. 2007
Producer Price Index	+1.0 (p)%	Mar. 2007
Productivity	+1.7%	1st Qtr 2007

### Gross Domestic Product

Source: The Bureau of Economic Analysis 4/27/07

Real gross domestic product — the output of goods and services produced by labor and property located in the United States — increased at an annual rate of 1.3 percent in the first quarter of 2007. In the fourth quarter, real GDP increased 2.5 percent. The increase in real GDP in the first quarter primarily reflected positive contributions from personal consumption expenditures (PCE) and state and local government spending that were partly offset by negative contributions from residential fixed investment, private inventory investment, and federal government spending. Imports, which are a subtraction in the calculation of GDP, increased.

### Productivity

Source: The Department of Labor 5/3/07

In the **business sector**, output increased 1.2 percent while hours were unchanged. In nonfarm businesses, output rose 1.4 percent and hours declined 0.3 percent. In both sectors, productivity grew more slowly than in the fourth quarter of 2006, when output per hour rose 1.5 percent in the business sector and 2.1 percent in the nonfarm business sector (seasonally adjusted annual rates).

**Manufacturing productivity** growth in the first quarter of 2007 reflected a 1.5-percent increase in output and a 1.1-percent decrease in hours worked in the sector. Output per hour had increased 1.9 percent in the fourth quarter of 2006, as both output and hours fell, by 2.1 percent and 3.9 percent, respectively. Output and hours in manufacturing, which includes about 13 percent of U.S. business sector employment, tend to vary more from quarter to quarter than data for the aggregate business and nonfarm business sectors.

## Industrial Production and Capacity Utilization

Source: The Federal Reserve 4/17/07

Industrial Production	February	March
Total Index	113.1	112.2
Major Market Groups		
Final Products	114.5	113.6
Consumer Goods	109.6	107.8
Business Equipment	130.1	132.1
Nonindustrial Supplies	110.5	110.1
Construction	108.0	109.7
Materials	112.8	111.7
Manufacturing	114.3	114.4

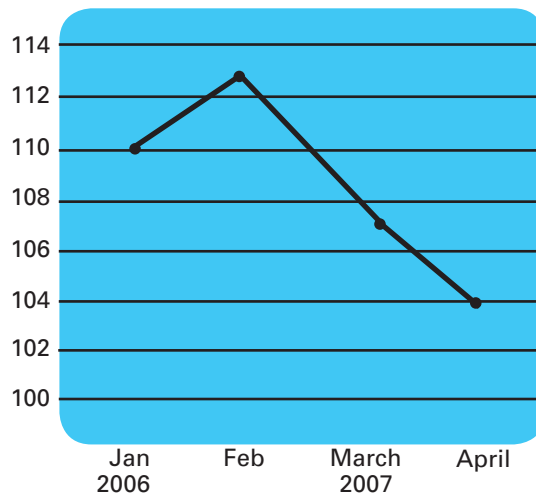
## Manufacturing

Source: The Institute for Supply Management 5/1/07

Index	Series Index April	Series Index March	Direction	Rate of Change	Trend (mos)
PMI	54.7	50.9	Growing	Faster	3
New Orders	58.5	51.6	Growing	Faster	5
Production	57.3	53.0	Growing	Faster	3
Employment	53.1	48.7	Growing	From Contracting	1
Supplier Deliveries	50.2	51.3	Slowing	Slower	46
Inventories	46.3	47.5	Contracting	Faster	9
Customers' Inventories	47.0	48.0	Too Low	Faster	2
Prices	73.0	65.5	Increasing	Faster	4
Backlog of Orders	54.5	47.0	Growing	From Contracting	1
Exports	57.0	55.5	Growing	Faster	53
Imports	58.0	57.5	Growing	Faster	64
Overall Economy			Growing	Faster	66
Manufacturing Sector			Growing	Faster	3

## Consumer Confidence Index

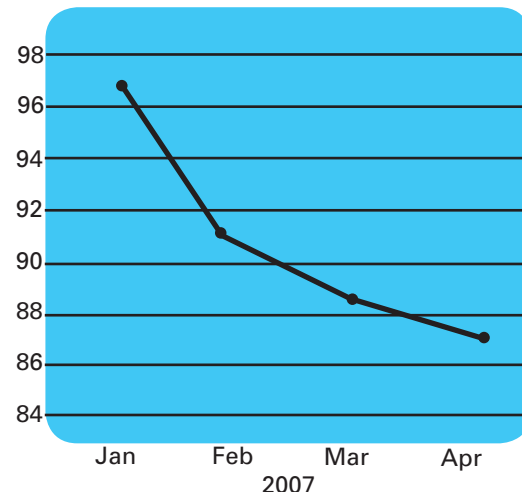
Source: The Conference Board 4/24/07



↓ The Conference Board Consumer Confidence Index, which had decreased in March, retreated further in April. The Index now stands at 104.0 (1985=100), down from 108.2 in March. The Present Situation Index decreased to 131.3 from 138.5 in March. The Expectations Index declined to 85.8 from 87.9.

## Index of Consumer Sentiment

Source: The University of Michigan 5/07



↓ While consumer confidence has fallen by 10% since the start of 2007, the April decline was quite small as it reflected the impact of offsetting changes. The Index of Consumer Sentiment was 87.1 in the April 2007 survey, just below the 88.4 in March, and nearly identical to the 87.4 recorded in April of 2006. The Index of Consumer Expectations, a closely watched component of the Index of Leading Economic Indicators, was 75.9 in the April 2007 survey, down from 78.7 in March, but remained above the 73.4 recorded in April 2006. The Current Economic Conditions Index was 104.3 in the April 2007 survey, up from 103.5 in March, but well below the 109.2 recorded in April of 2006.

## Manufacturers' Shipments, Inventories and Orders

Source: The US Census Bureau 5/2/07

- ↑** **New orders** for manufactured durable goods in March, up four of the last five months, increased \$7.6 billion or 3.7 percent to \$215.2 billion, revised from the previously published 3.4 percent increase. This followed a 2.3 percent February increase.
- ↑** **Shipments** of manufactured durable goods in March, up following two consecutive monthly decreases, increased \$1.7 billion or 0.8 percent to \$207.8 billion, unchanged from the previously published increase. This followed a 1.4 percent February decrease.
- ↑** **Unfilled orders** for manufactured durable goods in March, up twenty-two of the last twenty-three months, increased \$12.9 billion or 1.8 percent to \$717.3 billion, unchanged from the previously published increase. This was at the highest level since the series began and followed a 1.1 percent February increase.
- ↑** **Inventories** of manufactured durable goods in March, up thirteen consecutive months, increased \$0.6 billion or 0.2 percent to \$298.5 billion, revised from the previously published 0.3 percent increase. This followed a 0.1 percent February increase.

## Help Wanted Index

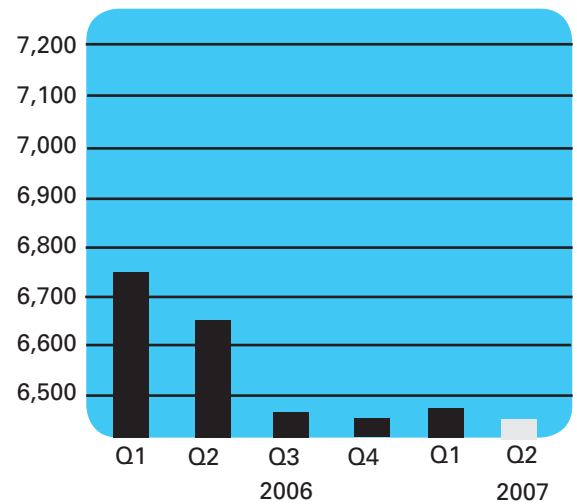
Source: The Conference Board 4/26/07

- ↓** **The Conference Board Help-Wanted Advertising Index** — a key measure of job offerings in major newspapers across America — dipped one point in March. The Index now stands at 30. It was 37 one year ago. In the last three months, help-wanted advertising declined in eight of the nine U.S. regions. Steepest declines occurred in the East South Central (-22.6%), South Atlantic (-17.5%) and East North Central (-17.0%) regions. The New England region rose 3.2%.



## Housing Sales

Source: The National Association of Realtors 5/07



■ = Actual  
 □ = Projected

\*Numbers in thousands

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*Outokumpu is an international stainless steel company. Our vision is to be the undisputed number one in stainless, with success based on operational excellence. Customers in a wide range of industries use our stainless steel and services worldwide. We are dedicated to helping our customers gain competitive advantage.*