



Recently Published Data and Indices Affecting the Stainless Steel Industry

View Points

Three of the world's largest stainless steel producers, including Outokumpu, and six major auto companies have joined forces to present stainless as a viable alternative for automotive structural components. It's called the Next Generation Vehicle research project (NGV).



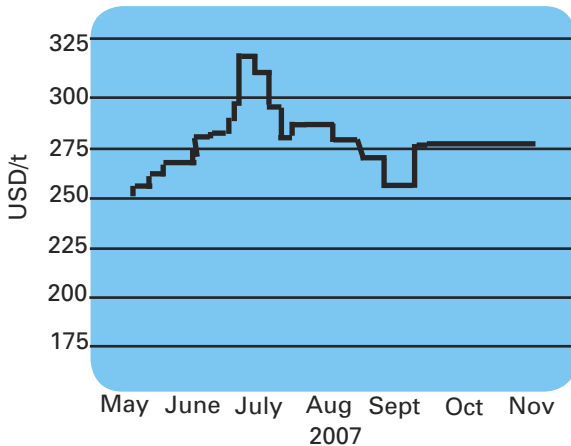
A Volvo S40 was used in tests to demonstrate how stainless steel can reduce vehicle weight by 20 percent.

By using high-strength stainless grades, such as duplex stainless steels, car parts can be made considerably thinner and lighter, with other benefits including excellent fabrication and unique hardening behavior during cold-forming processes. Using the structural design of a portion of a Volvo S40 as a benchmark, NGV engineers developed automobile designs that reduced vehicle weight by 20 percent. In crash-tests, the behavior of stainless steel was very good, although different from ordinary steel. From these test results, virtual design tools will be developed and made available to the auto industry by the end of 2007 and will be fine-tuned and promoted over the next year.

Metal Matters

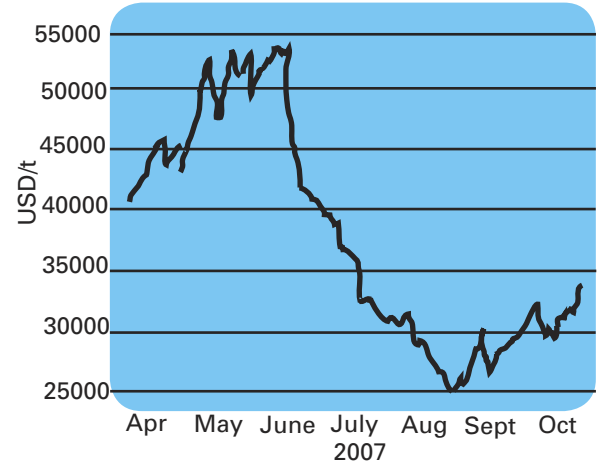
Scrap Prices

Source: Metal Bulletin 11/10/07



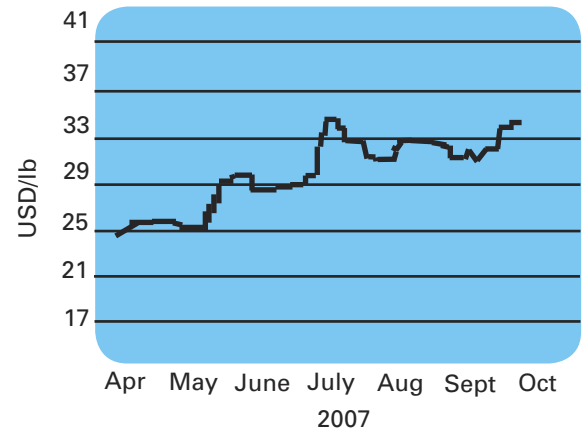
Nickel Prices- Cash Buyer

Source: LME 11/10/07



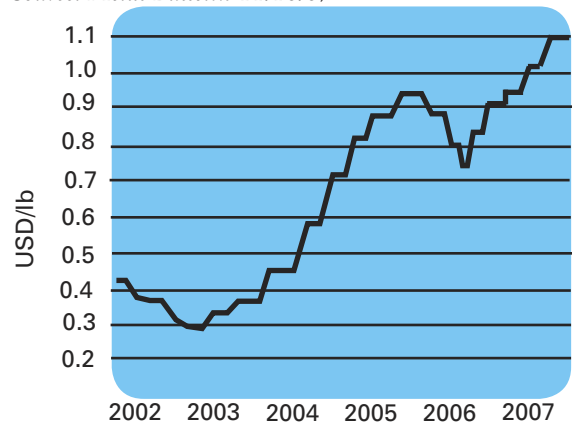
Molybdenum Prices

Source: Metal Bulletin 11/10/07



Ferrochrome Prices

Source: Metal Bulletin 11/10/07



U.S. Exports of Steel Mill Products

Source: The U.S. Commerce Department 11/16/07

Country	Month		
	July	Aug	Nov
World	766,796	881,284	903,506
Canada	426,603	496,046	507,952
Mexico	175,365	188,621	173,022
India	11,621	14,816	10,422
China	13,385	16,911	10,952
Federal Republic of Germany	4,637	7,143	7,470
Italy	9,118	10,572	5,331
Venezuela	7,752	5,287	5,410
United Kingdom	5,766	9,035	30,354

* Numbers in metric tons

Global Economic Matters

Exchange Rates

Source: Yahoo Finance 11/13/07

Crossrates							
	USD	EUR	JPY	GBP	CAD	SEK	CNY
USD	1	0.6853	110.7100	0.4832	0.9640	6.4227	7.5375
EUR	1.4591	1	161.5424	0.7051	1.4066	9.1241	10.701
JPY	0.009033	0.006190	1	0.004365	0.008707	0.05473	0.06417
GBP	2.0695	1.4183	229.1141	1	1.9950	13.120	15.387
CAD	1.0373	0.7109	114.8444	0.5013	1	6.5752	7.7114
SEK	0.1575	0.1079	17.444	0.07625	0.1519	1	1.1717
CNY	0.1345	0.09208	14.899	0.06500	0.1295	0.8534	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 11/15/07

Consumer Price Index	+0.3%	Sept 2007
Unemployment Rate	4.7%	Oct 2007
Producer Price Index	+1.1 (p)%	Sept 2007
Productivity	+4.9%	3rd Qtr 2007

Gross Domestic Product

Source: The Bureau of Economic Analysis 10/31/07

↑ **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 3.9 percent in the third quarter of 2007. In the second quarter, real GDP increased 3.8 percent. The increase in real GDP in the third quarter reflected positive contributions from personal consumption expenditures (PCE), exports, federal government spending, equipment and software, nonresidential structures, private inventory investment, and state and local government spending that were partly offset by a negative contribution from residential fixed investment. Imports, which are a subtraction in the calculation of GDP, increased.

Productivity

Source: The Department of Labor 11/7/07

↑ From the second quarter to the third quarter of 2007, labor productivity in the **business** sector increased 5.3 percent, the largest gain since the third quarter of 2003, when it increased 9.1 percent (seasonally adjusted annual rates). Output per hour had increased 3.6 percent in the second quarter, as revised. Output grew at about the same rate in the second and third quarters of 2007 — 4.4 percent and 4.3 percent, respectively — but productivity grew faster in the third quarter because hours fell 0.9 percent, compared to a 0.8 percent increase one quarter earlier.

↑ Productivity increased 4.6 percent in **manufacturing** in the third quarter of 2007; output grew 4.3 percent and hours of all persons fell 0.4 percent (seasonally adjusted annual rates). In durable goods industries, productivity increased 5.7 percent on the strength of 6.6 percent output growth that was partially offset by a 0.8 percent rise in hours worked. Productivity increased 4.1 percent in nondurable goods in the third quarter, but in this sector a 2.4 percent decrease in hours contributed more to the productivity gain than a 1.6 percent increase in output.

Industrial Production and Capacity Utilization

Source: The Federal Reserve 10/16/07

Industrial Production	Aug	Sept
Total Index	114.3	114.4
Major Market Groups		
Final Products	115.2	115.1
Consumer Goods	109.8	109.4
Business Equipment	133.2	133.8
Nonindustrial Supplies	117.7	111.8
Construction	109.7	109.8
Materials	114.3	114.6
Manufacturing	116.1	116.2

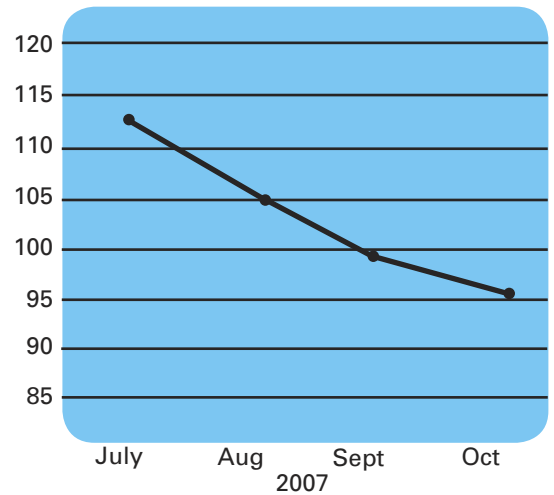
Manufacturing

Source: The Institute for Supply Management 11/1/07

Index	Series Index Oct	Series Index Sept	Direction	Rate of Change	Trend (mos)
PMI	50.9	52.0	Growing	Slower	9
New Orders	52.5	53.4	Growing	Slower	11
Production	49.6	54.6	Contracting	From Growing	1
Employment	52.0	51.7	Growing	Faster	7
Supplier Deliveries	50.6	51.9	Slowing	Slower	2
Inventories	47.2	41.6	Contracting	Slower	15
Customers' Inventories	54.0	50.0	Too High	From Unchanged	1
Prices	63.0	59.0	Increasing	Faster	10
Backlog of Orders	46.0	51.0	Contracting	From Growing	1
Exports	57.0	54.5	Growing	Faster	59
Imports	47.5	53.0	Contracting	From Growing	1
Overall Economy			Growing	Slower	72
Manufacturing Sector			Growing	Slower	9

Consumer Confidence Index

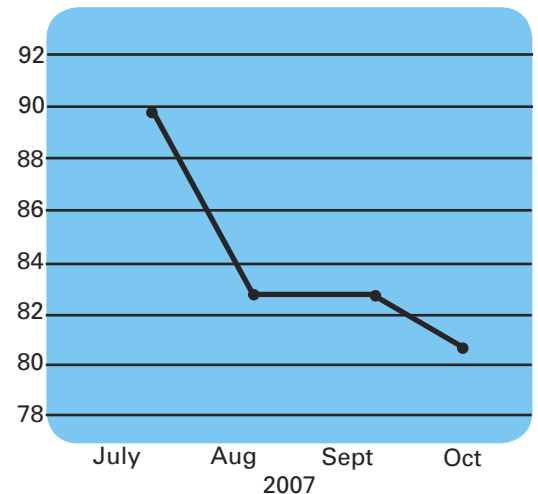
Source: The Conference Board 10/30/07



↓ The Conference Board Consumer Confidence Index, which has been declining since August, fell further in October. The Index now stands at 95.6 (1985=100), down from 99.5 in September. The Present Situation Index decreased to 118.8 from 121.2 in September. The Expectations Index declined to 80.1 from 85.0.

Index of Consumer Sentiment

Source: The University of Michigan 11/07



↓ Consumer confidence fell in October mainly due to falling home prices. The Index of Consumer Sentiment was 80.0 in the October 2007 survey, down from 83.4 in the August and September surveys, and significantly below the 93.6 recorded in October of 2006. The Index of Consumer Expectations, a closely watched component of the Index of Leading Economic Indicators, was 70.1 in the October survey, down from 74.1 in September, and significantly below the 84.8 record last October. The Current Economic Conditions was 97.6 in the October survey, nearly identical to the 97.9 in September, and well below the 107.3 recorded last October.

Manufacturers' Shipments, Inventories and Orders

Source: The US Census Bureau 11/2/07

- ↓** **New orders** for manufactured durable goods in September, down two consecutive months, decreased \$3.6 billion or 1.7 percent to \$214.7 billion, unchanged from the previously published decrease. This followed a 5.3 percent August decrease.
- ↓** **Shipments** of manufactured durable goods in September, down three of the last four months, decreased \$4.5 billion or 2.1 percent to \$211.5 billion, revised from the previously published 2.0 percent decrease. This followed a 1.9 percent August decrease.
- ↑** **Unfilled orders** for manufactured durable goods in September, up twenty-eight of the last twenty-nine months, increased \$8.5 billion or 1.1 percent to \$771.6 billion, unchanged from the previously published increase. This was also at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 1.2 percent August increase.
- ↑** **Inventories** of manufactured durable goods in September, up two of the last three months, increased \$1.2 billion or 0.4 percent to \$313.8 billion, unchanged from the previously published increase. This was also at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 0.1 percent August decrease.

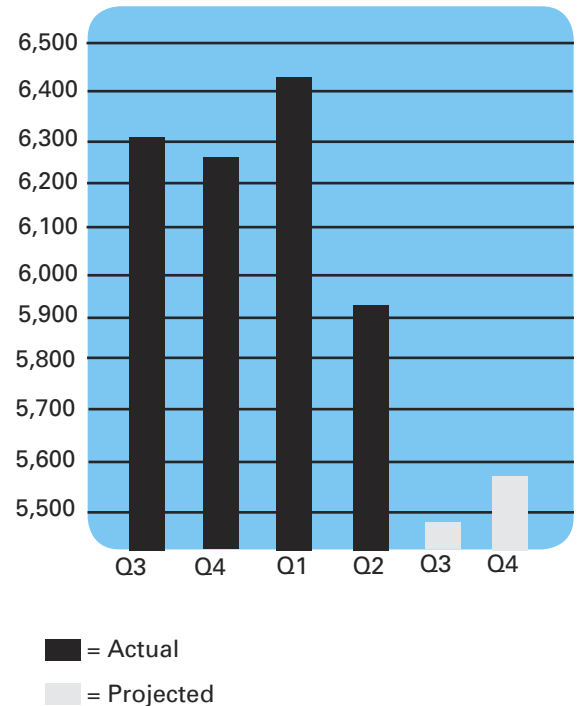
Help Wanted Index

Source: The Conference Board 10/25/07

- ↑** **The Conference Board Help-Wanted Advertising Index** — a key measure of job offerings in major newspapers across America — increased one point in September. The Index now stands at 24. It was 29 one year ago. In the last three months, help-wanted advertising declined in eight of the nine U.S. regions. Largest declines occurred in the New England (-12.0%), East North Central (-10.8%), West North Central (-10.5%) and South Atlantic (-10.5%) regions.

Housing Sales

Source: The National Association of Realtors 11/07



*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.