



Recently Published Data and Indices Affecting the Stainless Steel Industry

View Points

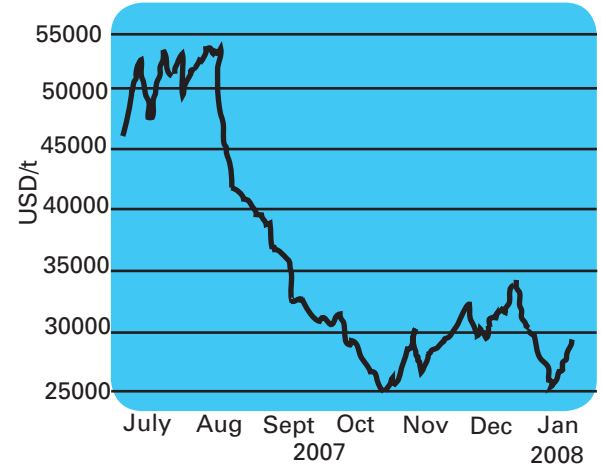
The many benefits of Outokumpu's lean duplex LDX 2101® (EN 1.4162, UNS S32101) make it appealing for traditional bar applications such as fittings, fasteners, and pump shafts — as well as stainless rebar for concrete construction. In hot-rolled plate, LDX is now being specified for applications including cargo, storage tanks and construction. In sheet it is used for dimpled jackets and tank trucks. LDX has twice the strength of 300-series stainless grades, yet has excellent machining properties. LDX has pitting resistance similar to 316L in most environments. The result is strength, corrosion resistance, and value — from stable material pricing to weight reduction for thinner gauges to lower maintenance and life-cycle costs. Outokumpu offers LDX 2101® as bar, coil, plate, pipe and fittings, and billets.



LDX 2101® can be used in rebar applications.
Photo courtesy of Anaco Trading Ltd. Australia

Nickel Prices- Cash Buyer

Source: LME 1/7/08



Molybdenum Prices

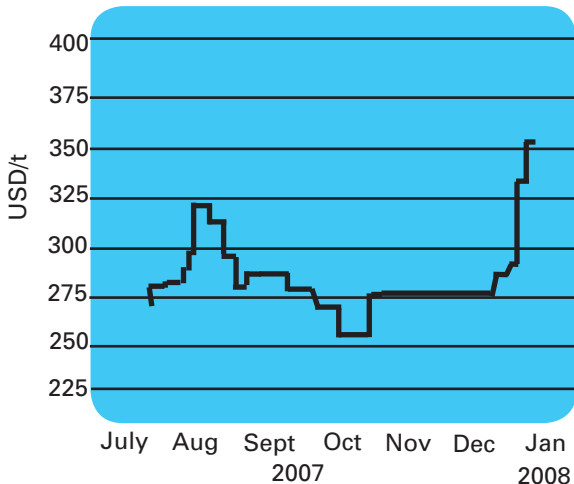
Source: Metal Bulletin 1/7/08



Metal Matters

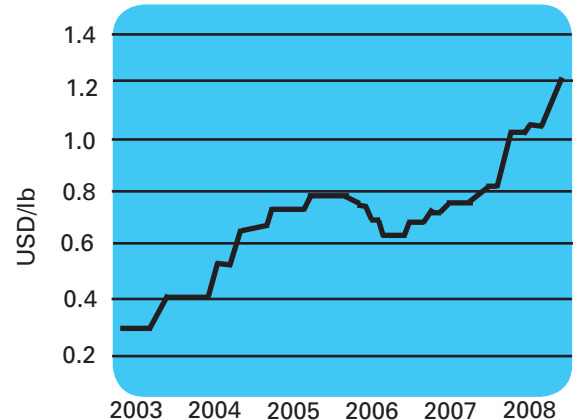
Scrap Prices

Source: Metal Bulletin 1/7/08



Ferrochrome Prices

Source: Metal Bulletin 1/7/08



U.S. Exports of Steel Mill Products

Source: The U.S. Commerce Department 1/14/08

Country	Month		
	Sept	Oct	Nov
World	903,506	955,881	893,232
Canada	507,952	547,283	528,421
Mexico	173,022	193,014	164,342
India	10,422	12,845	15,441
China	10,952	13,204	14,492
Federal Republic of Germany	7,470	3,994	4,615
Italy	5,331	12,644	9,600
Venezuela	5,410	5,200	8,291
United Kingdom	30,354	6,149	17,984

* Numbers in metric tons

U.S. Economic Matters

Latest Statistics

Source: The Department of Labor 1/8/08

Consumer Price Index	+0.8%	Nov 2007
Unemployment Rate	5.0%	Dec 2007
Producer Price Index	+3.2 (p)%	Nov 2007
Productivity	+6.3%	3rd Qtr 2007

Gross Domestic Product

Source: The Bureau of Economic Analysis 12/20/07

↑ 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 4.9 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 primarily reflected positive contributions from exports, personal consumption expenditures (PCE), private inventory investment, nonresidential structures, federal government spending, equipment and software, 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.

Global Economic Matters

Exchange Rates

Source: Yahoo Finance 1/11/08

Crossrates							
	USD	EUR	JPY	GBP	CAD	SEK	CNY
USD	1	0.6769	108.8700	0.5111	1.0201	6.3523	7.2665
EUR	1.4774	1	160.8445	0.7551	1.5071	9.3873	10.739
JPY	0.009185	0.006217	1	0.004695	0.009370	0.05834	0.06668
GBP	1.9565	1.3243	213.0041	1	1.9958	12.432	14.228
CAD	0.9803	0.6635	106.7248	0.5010	1	6.2332	7.1352
SEK	0.1575	0.1066	17.151	0.08044	0.1605	1	1.1441
CNY	0.1377	0.09219	14.998	0.07031	0.1403	0.8744	1

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

Industrial Production and Capacity Utilization

Source: The Federal Reserve 12/14/07

Industrial Production	Oct	Nov
Total Index	113.6	113.9
Major Market Groups		
Final Products	114.2	114.5
Consumer Goods	108.5	108.3
Business Equipment	133.4	134.7
Nonindustrial Supplies	110.7	110.5
Construction	108.5	108.5
Materials	114.0	114.6
Manufacturing	115.3	115.8

Manufacturing

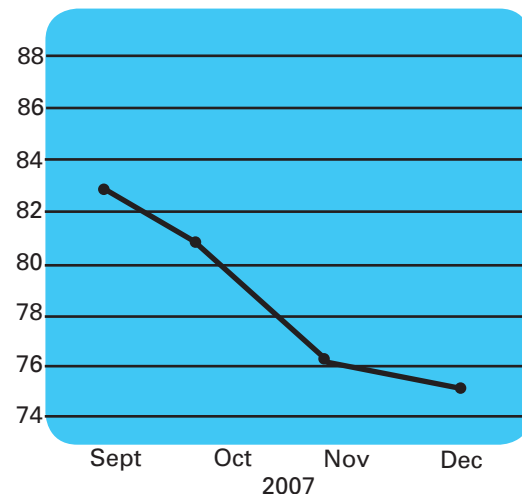
Source: *The Institute for Supply Management 1/2/08*

Index	Series Index Dec	Series Index Nov	Direction	Rate of Change	Trend (mos)
PMI	47.7	50.8	Contracting	From Growing	1
New Orders	45.7	52.6	Contracting	From Growing	1
Production	47.3	51.9	Contracting	From Growing	1
Employment	48.0	47.8	Contracting	Slower	2
Supplier Deliveries	53.3	51.7	Slowing	Faster	4
Inventories	45.5	46.9	Contracting	Faster	17
Customers' Inventories	51.5	49.0	Too High	From Too Low	1
Prices	68.0	67.5	Increasing	Faster	12
Backlog of Orders	43.0	41.5	Contracting	Slower	3
Exports	52.5	58.5	Growing	Slower	61
Imports	48.0	47.5	Contracting	Slower	3
Overall Economy			Growing	Slower	74
Manufacturing Sector			Contracting	From Growing	1

↑ The Conference Board **Consumer Confidence Index**, which had been declining since the summer, posted a slight increase in December. The Index now stands at 88.6 (1985=100), up from 87.8 in November. The Present Situation Index, however, decreased to 108.3 from 115.7 in November. The Expectations Index rose to 75.5 from 69.1.

Index of Consumer Sentiment

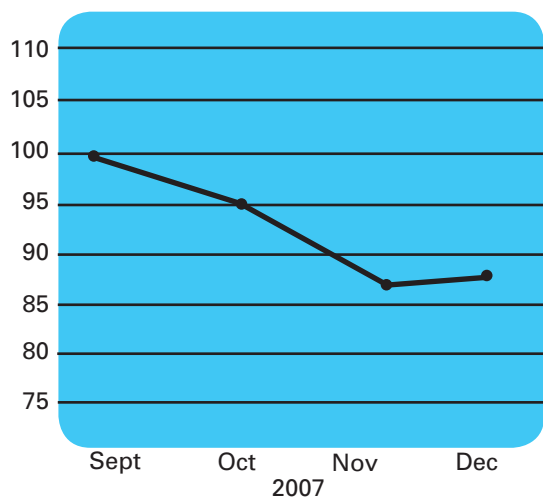
Source: *The University of Michigan 1/08*



↓ The decline in consumer confidence came to a near stand-still in December. Consumers still express the same concerns about the high cost of fuel, food and utilities as well as a diminished sense of financial security caused by falling home prices. The Index of Consumer Sentiment was 75.5 in the December 2007 survey, barely below the 76.1 in November, but significantly below the 91.7 recorded in December of 2006. The Index of Consumer Expectations, a closely watched component of the Index of Leading Economic Indicators, was 65.6 in the December 2007 survey, just below the 66.2 in November, but well below the 81.2 recorded last December. The Current Economic Conditions Index was 91.0 in the December 2007 survey, slightly below the 91.5 in November, but significantly below the 108.1 recorded last December.

Consumer Confidence Index

Source: *The Conference Board 12/27/07*



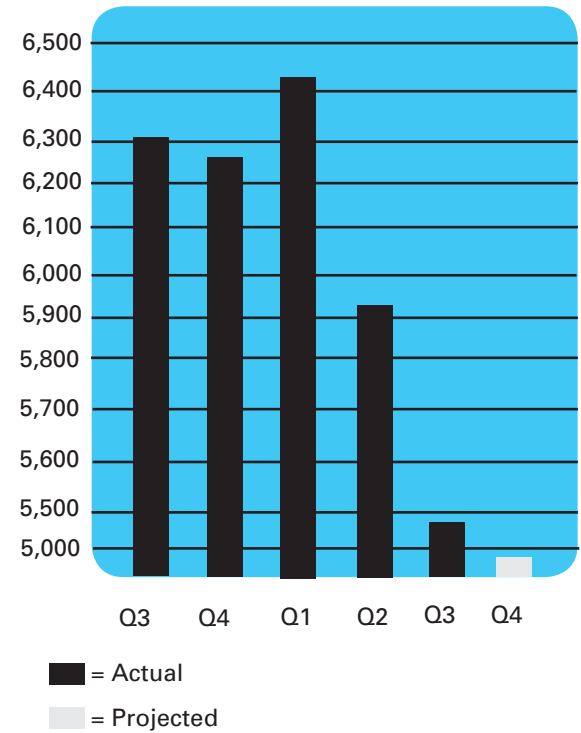
Manufacturers' Shipments, Inventories and Orders

Source: The US Census Bureau 1/3/08

- ↓** **New orders** for manufactured durable goods in November, down four consecutive months, decreased \$0.2 billion or 0.1 percent to \$214.1 billion, revised from the previously published 0.1 percent increase. This followed a 0.5 percent October decrease.
- ↓** **Shipments** of manufactured durable goods in November, down three of the last four months, decreased \$0.1 billion or 0.1 percent to \$213.1 billion, revised from the previously published slight decrease. This followed a 0.5 percent October increase. Shipments of manufactured nondurable goods, up six of the last seven months, increased \$6.4 billion or 3.0 percent to \$216.3 billion.
- ↑** **Unfilled orders** for manufactured durable goods increased \$7.5 billion or 1.0 percent to \$786.8 billion. This was also at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 1.0 percent October increase.
- ↑** **Inventories** of manufactured durable goods in November, up four of the last five months, increased \$2.4 billion or 0.7 percent to \$317.2 billion, revised from the previously published 0.8 percent increase. This was also at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 0.4 percent October increase.

Housing Sales

Source: The National Association of Realtors 1/08



*Numbers in thousands

Help Wanted Index

Source: The Conference Board 12/28/07

- ↓** **The Conference Board Help-Wanted Advertising Index** — a key measure of job offerings in major newspapers across America — dipped one point in November. The Index now stands at 21. It was 29 one year ago. In the last three months, help-wanted advertising declined in all nine U.S. regions. Steepest declines occurred in the Pacific (-12.8%), Mountain (-12.5%), and West North Central (-12.4%) regions.

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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.

