



Recently Published Data and Indices Affecting the Stainless Steel Industry

## View Points

Next month, Outokumpu representatives will host an exhibit (booth #544) and several customer events at NACE International's Corrosion 2008 conference in New Orleans. The conference is the largest corrosion industry event in the world, attracting more than 5,000 engineering professionals who are looking to network

with corrosion experts and searching for new ways to combat

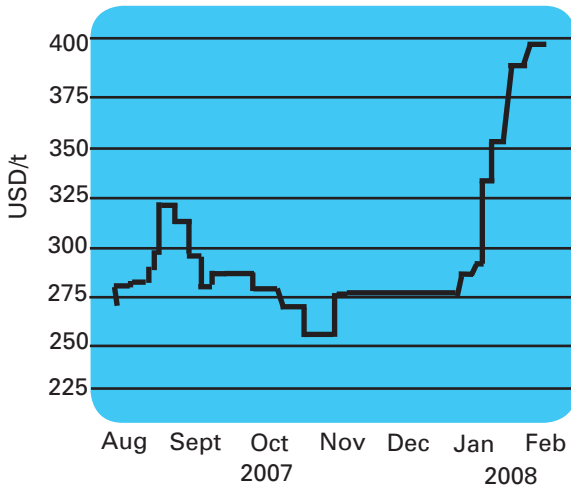
corrosion in a number of end-use applications including biofuels; oil & gas; pulp & paper; desalination; energy; fabrication; and the construction of roads, bridges, and buildings.



## Metal Matters

### Scrap Prices

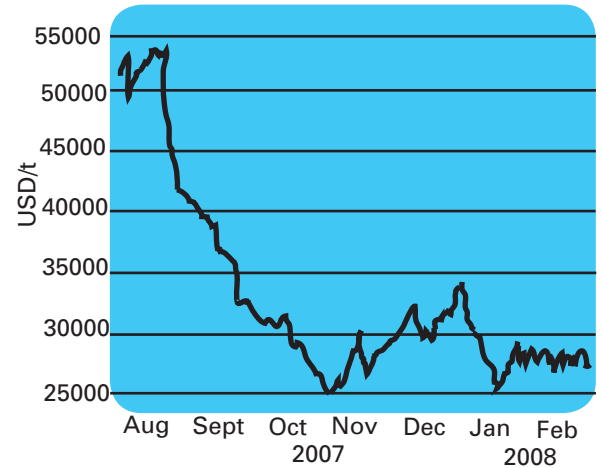
Source: Metal Bulletin 2/14/08



\* Ferrochrome prices are expected to continue to increase for the next several months until full production is restored in South Africa (a main producer). South Africa's summer draught and a severe power shortage have stifled ferrochrome production in that country.

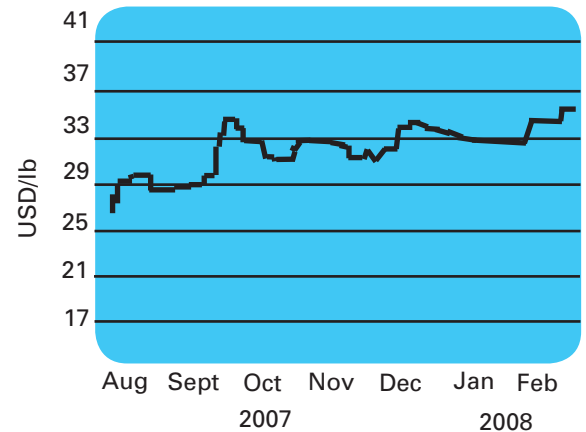
### Nickel Prices- Cash Buyer

Source: LME 2/14/08



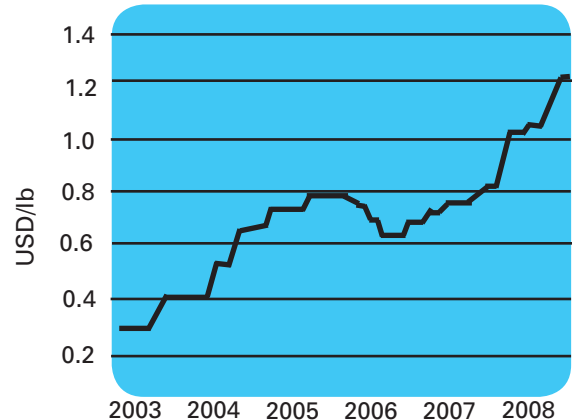
### Molybdenum Prices

Source: Metal Bulletin 2/14/08



### Ferrochrome Prices\*

Source: Metal Bulletin 2/14/08



## U.S. Exports of Steel Mill Products

Source: The U.S. Commerce Department 2/15/08

Country	Month		
	Oct	Nov	Dec
World	955,881	893,232	797,782
Canada	547,283	528,421	423,956
Mexico	193,014	164,342	167,347
India	12,845	15,441	15,283
China	13,204	14,492	14,013
Federal Republic of Germany	3,994	4,615	8,603
Italy	12,644	9,600	8,451
Venezuela	5,200	8,291	5,883
United Kingdom	6,149	17,984	6,496

\* Numbers in metric tons

## Global Economic Matters

### Exchange Rates

Source: Yahoo Finance 2/13/08

Crossrates							
	USD	EUR	JPY	GBP	CAD	SEK	CNY
USD	1	0.6769	108.3200	0.5093	0.9972	6.4143	7.2023
EUR	1.4572	1	157.8438	0.7422	1.4531	9.3409	10.496
JPY	0.009232	0.006217	1	0.004702	0.009206	0.05909	0.06651
GBP	1.9634	1.3243	212.6807	1	1.9580	12.587	14.140
CAD	1.0028	0.6635	108.6241	0.5107	1	6.4305	7.2225
SEK	0.1560	0.1560	16.896	0.07948	0.1556	1	1.1238
CNY	0.1388	0.09528	15.031	0.07072	0.1385	0.8901	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 2/13/08

Consumer Price Index	+0.3%	Dec 2007
Unemployment Rate	4.9%	Jan 2008
Producer Price Index	-0.1 (p)%	Dec 2007
Productivity	+1.8%	4th Qtr 2007

## Gross Domestic Product

Source: The Bureau of Economic Analysis 1/30/08

↑ **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 0.6 percent in the fourth quarter of 2007. In the third quarter, real GDP increased 4.9 percent. The increase in real GDP in the fourth quarter primarily reflected positive contributions from personal consumption expenditures (PCE), nonresidential structures, state and local government spending, exports, and equipment and software that were largely offset by negative contributions from private inventory investment and residential fixed investment. Imports, which are a subtraction in the calculation of GDP, increased slightly.

### Productivity

Source: The Bureau of Labor Statistics 2/6/08

↑ In the fourth quarter of 2007, **productivity** increased 0.6 percent in the business sector, with output increasing 0.2 percent and hours decreasing 0.5 percent. In the nonfarm business sector, productivity rose 1.8 percent as output grew 0.4 percent and hours fell 1.5 percent. When the annual averages for 2007 were compared with annual averages for 2006, productivity rose 1.6 percent in the business and nonfarm business sectors — slightly more than the 1.0 percent gain in both sectors from 2005 to 2006.

## Industrial Production and Capacity Utilization

Source: The Federal Reserve 1/16/08

Industrial Production	Nov	Dec
Total Index	113.9	114.0
Major Market Groups		
Final Products	114.5	114.9
Consumer Goods	108.3	108.8
Business Equipment	134.7	135.3
Nonindustrial Supplies	110.5	110.5
Construction	108.5	107.3
Materials	114.6	114.3
Manufacturing	115.8	115.7

## Manufacturing

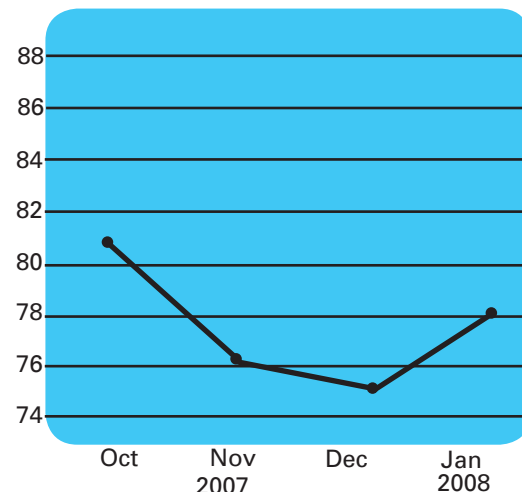
Source: *The Institute for Supply Management 2/1/08*

Index	Series Index Jan	Series Index Dec	Direction	Rate of Change	Trend (mos)
PMI	50.7	47.7	Growing	From Contracting	1
New Orders	49.5	45.7	Contracting	Slower	2
Production	55.2	47.3	Growing	From Contracting	1
Employment	47.1	48.0	Contracting	Faster	3
Supplier Deliveries	52.8	53.3	Slowing	Faster	7
Inventories	49.1	45.5	Contracting	Slower	21
Customers' Inventories	49.5	51.5	Too Low	From Too High	1
Prices	76.0	68.0	Increasing	Faster	13
Backlog of Orders	44.0	43.0	Contracting	Slower	4
Exports	58.5	52.5	Growing	Faster	62
Imports	52.5	48.0	Growing	From Contracting	1
Overall Economy			Growing	Faster	75
Manufacturing Sector			Growing	From Contracting	1

↓ The Conference Board **Consumer Confidence Index**, which had improved moderately in December, gave back the gain in January. The Index now stands at 87.9 (1985=100), down from 90.6 in December. The Expectations Index declined to 69.6 from 75.8. The Present Situation Index, however, increased to 115.3 from 112.9 in December.

## Index of Consumer Sentiment

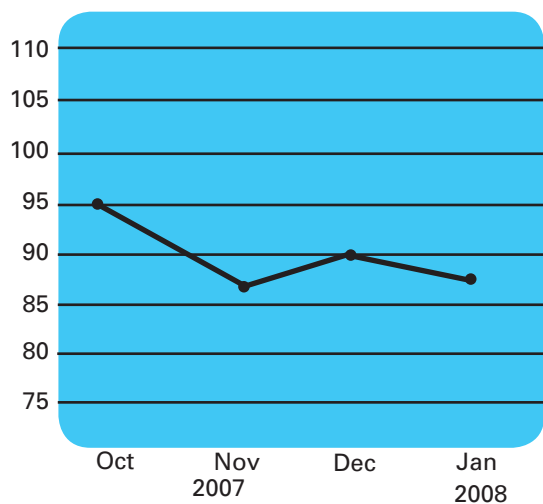
Source: *The University of Michigan 2/08*



↑ Although there was a small recent gain in consumer sentiment, confidence remains significantly below last January's level, declining by one-fifth during the last 12 months. The **Index of Consumer Sentiment** was 78.4 in the January 2008, above the 75.5 recorded in December of 2007, but significantly below the 96.9 recorded in January of 2007. The index of Consumer Expectations, a closely watched component of the Index of Leading Economic Indicators, was 68.1 in the January 2008 survey, ahead of the 65.6 in December, but well below the 87.6 recorded last January. The Current Economic Conditions Index was 94.4 in the January 2008 survey, up from 91.0 in December, but significantly below the 111.3 recorded last January.

## Consumer Confidence Index

Source: *The Conference Board 1/29/08*



## Manufacturers' Shipments, Inventories and Orders

Source: The US Census Bureau 2/4/08

- ↑** **New orders** for manufactured durable goods in December, up two consecutive months, increased \$10.9 billion or 5.0 percent to \$226.1 billion, revised from the previously published 5.2 percent increase. This followed a 0.5 percent November increase.
- ↓** **Shipments** of manufactured durable goods in December, down four of the last five months, decreased \$0.4 billion or 0.2 percent to \$212.0 billion, revised from the previously published 0.1 percent decrease. This followed a 0.4 percent November decrease.
- ↑** **Unfilled orders** for manufactured durable goods in December, up thirty-one of the last thirty-two months, increased \$20.0 billion or 2.5 percent to \$808.7 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 November increase.
- ↑** **Inventories** of manufactured durable goods in December, up five of the last six months, increased \$3.3 billion or 1.0 percent to \$320.2 billion, revised from the previously published 1.1 percent increase. This was also at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 0.7 percent November increase.

## Help Wanted Index

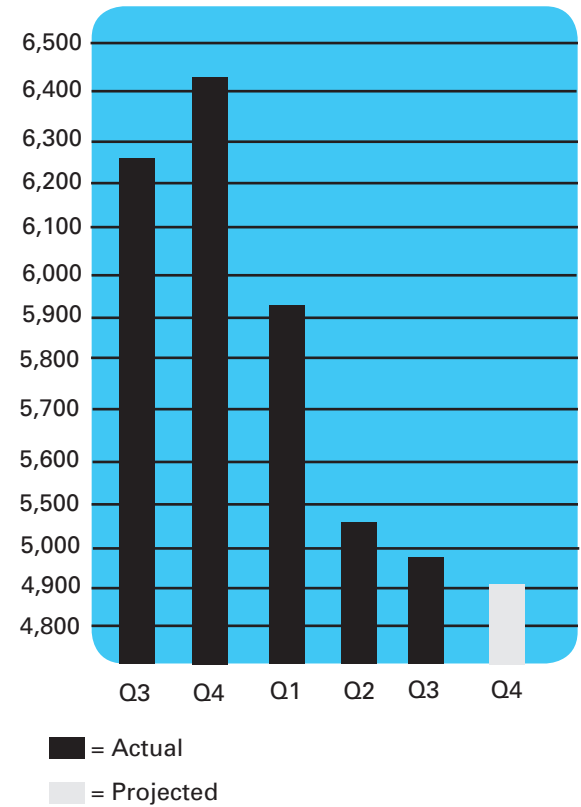
Source: The Conference Board 12/28/07

- ↑** **The Conference Board Help-Wanted Advertising Index** — a key measure of job offerings in major newspapers across America — inched up one point in December. The Index now stands at 22. It was 33 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 Pacific (-18.9%) and South Atlantic (-16.3%) regions. The East North Central region (2.5%) showed a modest increase.



## Housing Sales

Source: The National Association of Realtors 2/08



\*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 – from the process industry and industrial machinery to building, construction and transportation, electronics and information technology, as well as catering and households – use our stainless steel and services worldwide. We are dedicated to helping our customers gain competitive advantage.*