



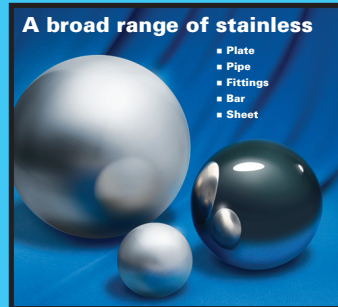
January 2009

Market Matters

Recently Published Data and Indices Affecting the Stainless Steel Industry

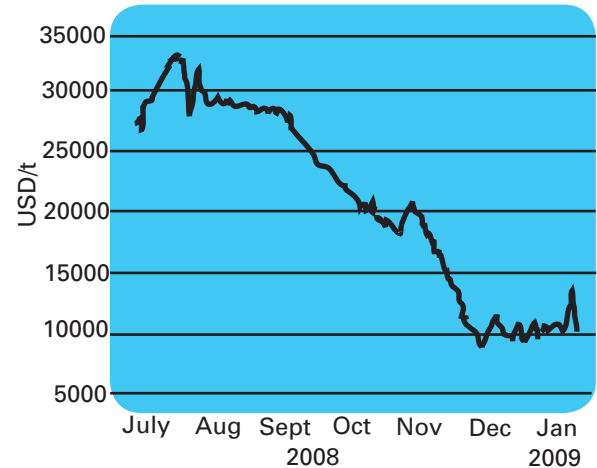
View Points

In 2009, Outokumpu is planning a presence at eleven international conferences. Global conferences will cover topics from precision machining to energy. In the U.S., Outokumpu will be exhibiting at numerous of end-use conferences including: NACE, Concrete International (ACI), Precision Machining Technology (PMTS), Fuel Ethanol Workshop (FEW), AMTA, National Industrial Fasteners Show and PowerGen



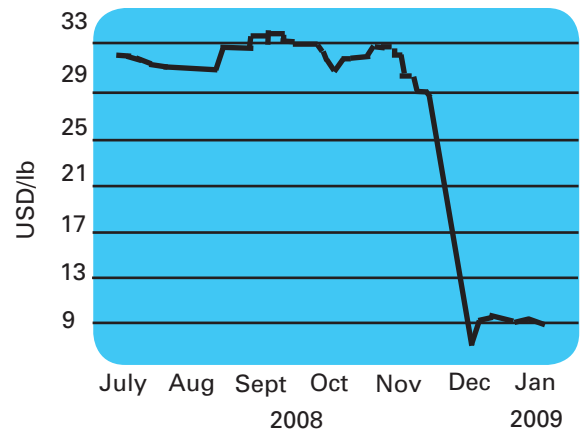
Nickel Prices- Cash Buyer

Source: LME 1/15/09



Molybdenum Prices*

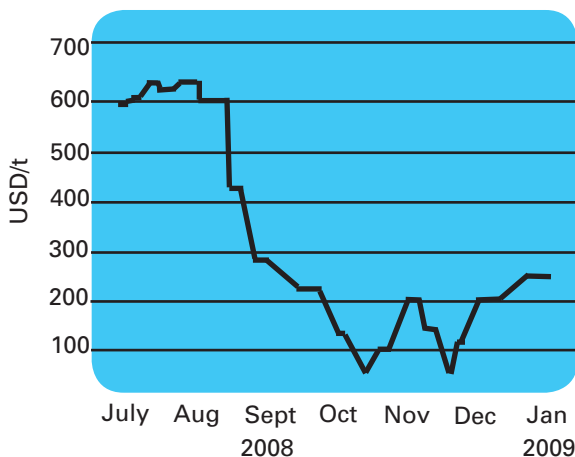
Source: Metal Bulletin 1/15/09



Metal Matters

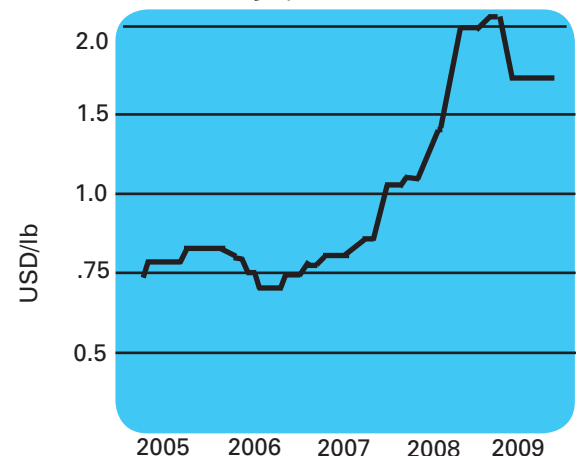
Scrap Prices

Source: Metal Bulletin 1/15/09



Ferrochrome Prices**

Source: Metal Bulletin 1/15/09



U.S. Exports of Steel Mill Products*

Source: The U.S. Commerce Department 1/14/09

Country	Month		
	September	October	November
World	1,264,554	1,169,717	835,796
Canada	617,458	557,025	428,013
Mexico	247,694	280,184	203,098
Brazil	82,847	43,790	9,365
India	9,837	8,253	8,253
China	28,389	24,148	24,265
Germany	6,692	5,551	4,663
Italy	20,765	21,189	7,876
Venezuela	7,162	21,564	21,616
United Kingdom	6,524	14,019	6,477

* Numbers in metric tons

Gross Domestic Product

Source: The Bureau of Economic Analysis 12/23/08

↓ **Real gross domestic product** — the output of goods and services produced by labor and property located in the United States — decreased at an annual rate of 0.5 percent in the third quarter of 2008, (that is, from the second quarter to the third quarter), according to final estimates released by the Bureau of Economic Analysis. In the second quarter, real GDP increased 2.8 percent. The decrease in real GDP in the third quarter primarily reflected negative contributions from personal consumption expenditures (PCE), residential fixed investment, and equipment and software that were partly offset by positive contributions from federal government spending, private inventory investment, exports, nonresidential structures, and state and local government spending. Imports, which are a subtraction in the calculation of GDP, decreased.

Global Economic Matters

Exchange Rates

Source: Yahoo Finance 1/19/09

Crossrates							
	USD	EUR	JPY	GBP	CAD	SEK	CNY
USD	1	0.7601	90.3850	0.6890	1.2505	8.2668	6.8396
EUR	1.3156	1	118.9120	0.9065	1.6924	10.8774	8.995
JPY	0.0111	0.0084	1	0.0076	0.0138	0.0915	0.0757
GBP	1.4514	1.1032	131.1829	1	1.8149	11.9948	9.924
CAD	0.7997	0.6078	72.2791	0.5510	1	6.6124	5.4708
SEK	0.121	0.0919	10.9311	0.0834	0.1512	1	.8274
CNY	0.1462	0.1111	13.212	0.01008	0.1828	1.2087	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 1/14/09

Consumer Price Index	-1.7%	Nov 2008
Unemployment Rate	7.2%	Dec 2008
Producer Price Index	-2.2 (p)%	Nov 2008
Productivity	+1.3%	3rd Qtr 2008

Industrial Production and Capacity Utilization

Source: The Federal Reserve 1/16/09

Industrial Production	Nov	Dec
Total Index	106.1	103.6
Major Market Groups		
Final Products	108.3	107.3
Consumer Goods	103.3	101.8
Business Equipment	120.6	122.4
Nonindustrial Supplies	100.8	97.7
Construction	94.1	89.7
Materials	106.0	102.3
Manufacturing	105.5	102.5

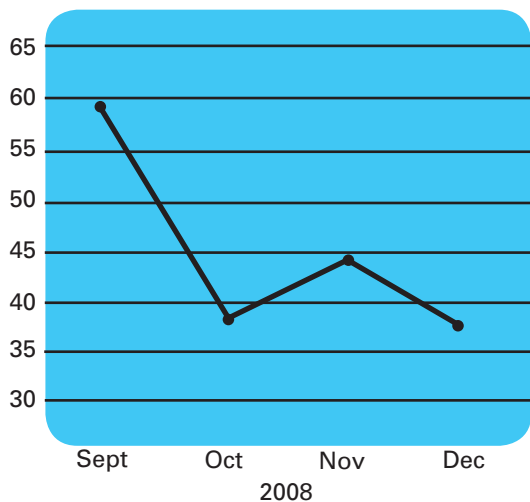
Manufacturing

Source: *The Institute for Supply Management 1/2/09*

Index	Series Index Nov	Series Index Nov	Direction	Rate of Change	Trend (mos)
PMI	32.4	36.2	Contracting	Faster	5
New Orders	22.7	27.9	Contracting	Faster	13
Production	25.5	31.5	Contracting	Faster	4
Employment	29.9	34.2	Contracting	Faster	5
Supplier Deliveries	44.9	48.4	Faster	Faster	3
Inventories	38.8	39.1	Contracting	Faster	6
Customers' Inventories	57.0	55.0	Too High	Faster	5
Prices	18.0	25.5	Decreasing	Faster	3
Backlog of Orders	23.0	27.0	Contracting	Faster	8
Exports	35.5	41.0	Contracting	Slower	3
Imports	39.0	37.5	Contracting	Faster	11
Overall Economy			Contracting	Faster	3
Manufacturing Sector			Contracting	Faster	5

Consumer Confidence Index

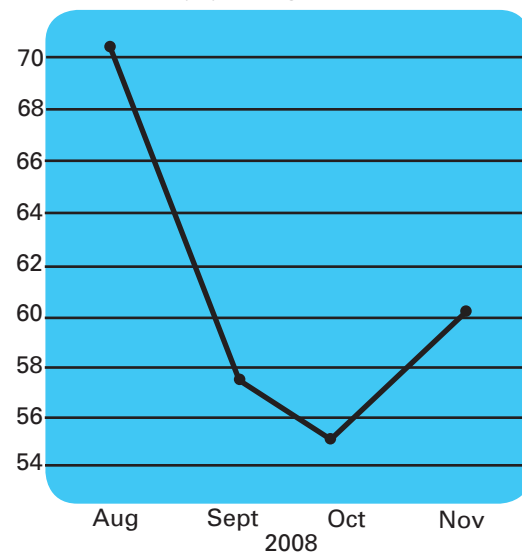
Source: *The Conference Board 12/30/08*



↓ The Conference Board **Consumer Confidence Index**, which had increased moderately in November, declined to a new all-time low in December. The Index now stands at 38.0 (1985=100), down from 44.7 in November. The Present Situation Index plummeted to 29.4 from 42.3 last month. The Expectations Index decreased to 43.8 from 46.2 in November.

Index of Consumer Sentiment

Source: *The University of Michigan 1/09*



↑ Consumers reported that lower prices provided some much needed relief, but continued job losses as well as income declines have kept consumers pessimistic about their future economic prospects. Not only did a record number of consumers report that retailers were currently offering deeply discounted prices, but consumers expected the overall rate of inflation to fall significantly in the future. Although most consumers view the recent price declines as due to the recessionary downturn in spending, even longer term inflation expectations have decreased. While most consumers expect a rebound in prices when the economy recovers, they now anticipate a somewhat lower overall inflation rate to prevail in the future. Given the depth of the recent declines in confidence, the relatively small December gain does not substantially change the negative outlook for spending during the year ahead. Declines in pension accounts and home values, uncertainty about future job and income prospects, and continued restrictions on the availability of credit have made consumers much more interested in restoring their savings and reserve funds.

The **Index of Consumer Sentiment** was 60.1 in the December 2008 survey, up from 55.3 in November, but substantially below last December's 75.5. The Index of Consumer Expectations, a closely watched component of the Index of Leading Economic Indicators, was 54.0 in December, barely above the 53.9 in November and well below last December's 65.6.

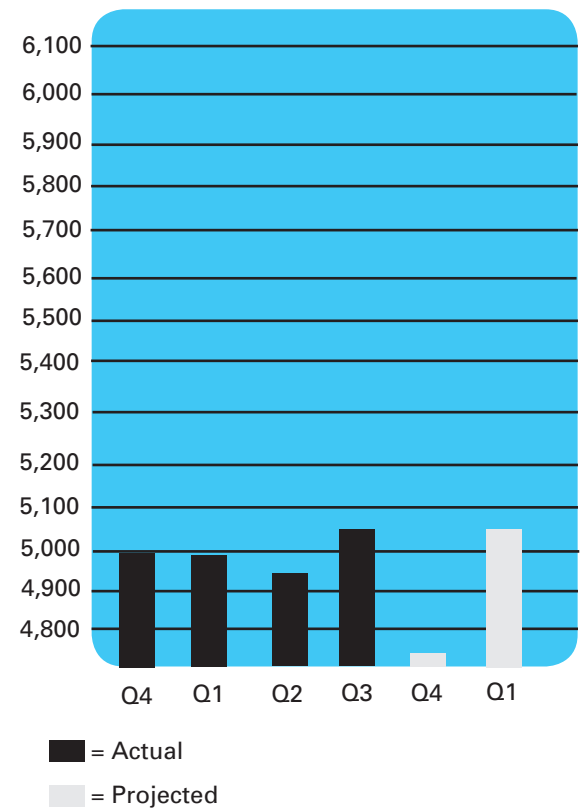
Manufacturers' Shipments, Inventories and Orders

Source: The US Census Bureau 1/6/09

- ↓** **New orders** for manufactured durable goods in November, down four consecutive months, decreased \$2.8 billion or 1.5 percent to \$185.7 billion, revised from the previously published 1.0 percent decrease. This followed an 8.5 percent October decrease.
- ↓** **Shipments** of manufactured durable goods in November, down four consecutive months, decreased \$6.2 billion or 3.1 percent to \$194.9 billion, revised from the previously published 2.6 percent decrease. This followed a 3.4 percent October decrease.
- ↓** **Unfilled orders** for manufactured durable goods in November, down two consecutive months, decreased \$5.3 billion or 0.6 percent to \$815.4 billion, unchanged from the previously published decrease. This followed a 0.9 percent October decrease.
- ↑** **Inventories** of manufactured durable goods in November, up sixteen of the last seventeen months, increased \$1.5 billion or 0.4 percent to \$342.7 billion, revised from the previously published 0.5 percent increase. This was 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 1/09



*Numbers in thousands

Contact an Outokumpu Sales Representative Today

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Outokumpu is a global leader in stainless steel. 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. Being fully recyclable, maintenance-free, as well as very strong and durable material, stainless steel is one of the key building blocks for sustainable future.

What makes Outokumpu special is total customer focus – all the way, from R&D to delivery. You have the idea. We offer world-class stainless steel, technical know-how and support. We activate your ideas at www.outokumpu.com/stainless/na.