



Market Matters

Recently Published Data and Indices Affecting the Stainless Steel Industry

View Points

Outokumpu Webinar Series

Outokumpu is pleased to announce the 2009 Webinar Program. With topics ranging from fabrication to water treatment, the monthly webinars will discuss issues that are relevant to a variety of markets. These live Webinars will be hosted by subject experts and are free to Outokumpu customers. Most Webinars are typically 30-45 minutes in length. To register your participation in a Webinar, log-on to the Outokumpu web site at www.outokumpu.com or click on the button below.

The next Webinar Program topic is: **Duplex Stainless for the Pulp and Paper Industry**. Lena Wegrelius, an expert on the topic, will introduce participants to duplex stainless steel before focusing on specific applications of duplex grades and their suitability to the sub-processes of pulp and paper production. The Webinar is scheduled for May 20 at 7:00 am EDT (6:00 am CDT).

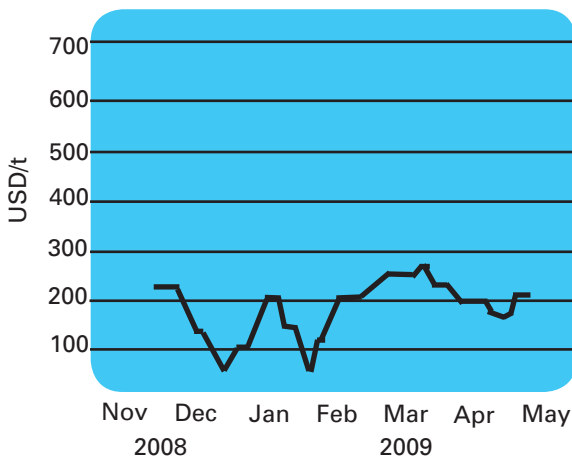
Click Here to Sign up for this month's webinar

Duplex Stainless for the Pulp and Paper Industry
May 20 7:00 am EDT (6:00 am CDT)

Metal Matters

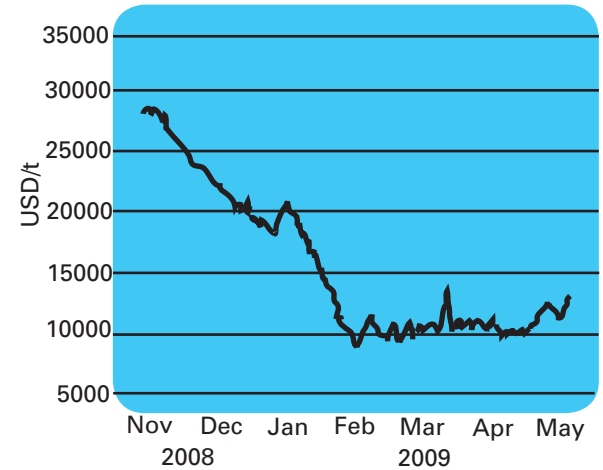
Scrap Prices

Source: Metal Bulletin 5/12/09



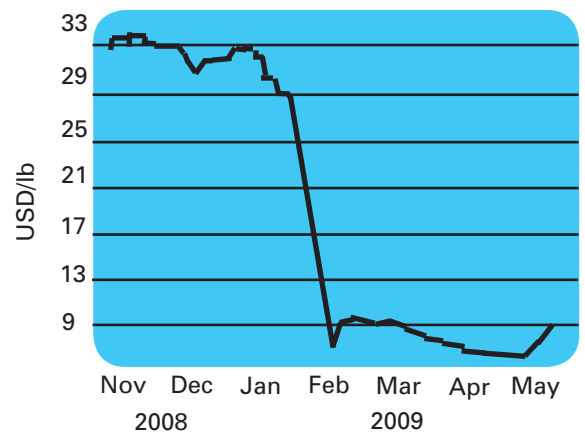
Nickel Prices- Cash Buyer

Source: LME 5/12/09



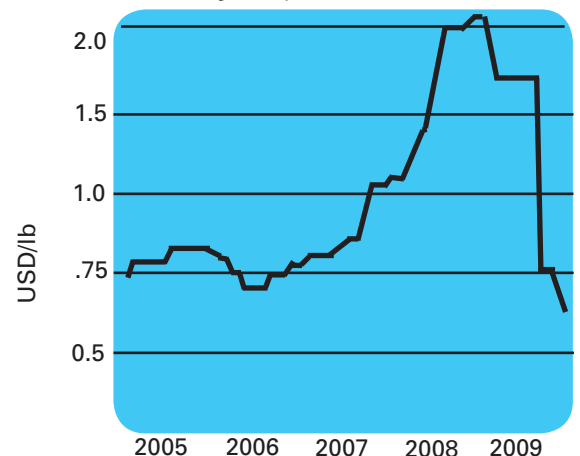
Molybdenum Prices

Source: Metal Bulletin 5/12/09



Ferrochrome Prices

Source: Metal Bulletin 5/12/09



U.S. Exports of Steel Mill Products*

Source: The U.S. Commerce Department 5/13/09

Country	Month		
	January	February	March
World	617,911	546,983	636,558
Canada	299,980	272,833	307,374
Mexico	152,966	134,375	150,202
Brazil	8,161	7,675	18,467
India	6,134	9,966	16,276
China	9,874	13,798	13,341
Germany	4,573	4,573	4,063
Italy	2,898	6,596	5,528
Venezuela	11,891	8,377	6,387
United Kingdom	6,992	6,851	5,228

* Numbers in metric tons

Gross Domestic Product

Source: The Bureau of Economic Analysis 4/29/09

↓ **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 6.1 percent in the first quarter of 2009, (that is, from the fourth quarter to the first quarter), according to advance estimates released by the Bureau of Economic Analysis. In the fourth quarter, real GDP decreased 6.3 percent. The decrease in real GDP in the first quarter primarily reflected negative contributions from exports, private inventory investment, equipment and software, nonresidential structures, and residential fixed investment that were partly offset by a positive contribution from personal consumption expenditures (PCE). Imports, which are a subtraction in the calculation of GDP, decreased.

Global Economic Matters

Exchange Rates

Source: Yahoo Finance 5/15/09

Crossrates							
	USD	EUR	JPY	GBP	CAD	SEK	CNY
USD	1	0.7414	95.0500	0.6596	1.1805	7.9136	6.8307
EUR	1.3488	1	128.2034	0.8897	1.5923	10.6739	9.2132
JPY	0.0105	0.0078	1	0.0069	0.0124	0.0833	0.0719
GBP	1.5161	1.1240	144.1025	1	1.7897	11.9976	10.3558
CAD	0.8471	0.6280	80.5167	0.5587	1	6.7047	5.7873
SEK	0.1264	0.0937	12.0078	0.0834	0.1491	1	0.8632
CNY	0.1464	0.1085	13.9115	0.0966	0.1728	1.1585	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 5/15/09

Consumer Price Index	+0.4%	Apr 2009
Unemployment Rate	8.9%	Mar 2009
Producer Price Index	+0.3 (p)%	Apr 2009
Productivity	+0.8%	1st Qtr 2009

Industrial Production and Capacity Utilization

Source: The Federal Reserve 5/15/09

Industrial Production	March	April
Total Index	97.4	97.1
Major Market Groups		
Final Products	101.3	101.3
Consumer Goods	97.4	98.1
Business Equipment	112.0	110.6
Nonindustrial Supplies	90.6	90.4
Construction	81.6	81.7
Materials	96.1	95.5
Manufacturing	95.8	95.5

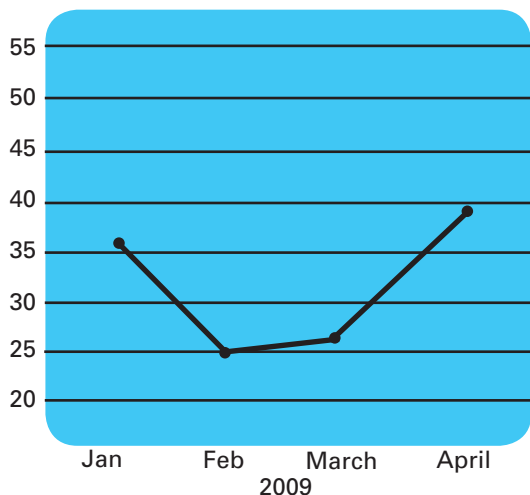
Manufacturing

Source: *The Institute for Supply Management 5/1/09*

Index	Series Index Apr	Series Index Mar	Direction	Rate of Change	Trend (mos)
PMI	40.1	36.3	Contracting	Slower	15
New Orders	47.2	41.2	Contracting	Slower	17
Production	40.4	36.4	Contracting	Slower	8
Employment	34.4	28.1	Contracting	Slower	9
Supplier Deliveries	44.9	43.6	Faster	Slower	7
Inventories	33.6	32.2	Contracting	Slower	36
Customers' Inventories	49.5	54.0	Too Low	From Too High	1
Prices	32.0	31.0	Decreasing	Slower	7
Backlog of Orders	40.5	35.5	Contracting	Slower	12
Exports	44.0	39.0	Contracting	Slower	7
Imports	42.0	33.0	Contracting	Slower	15
Overall Economy			Contracting	Slower	7
Manufacturing Sector			Contracting	Slower	15

Consumer Confidence Index

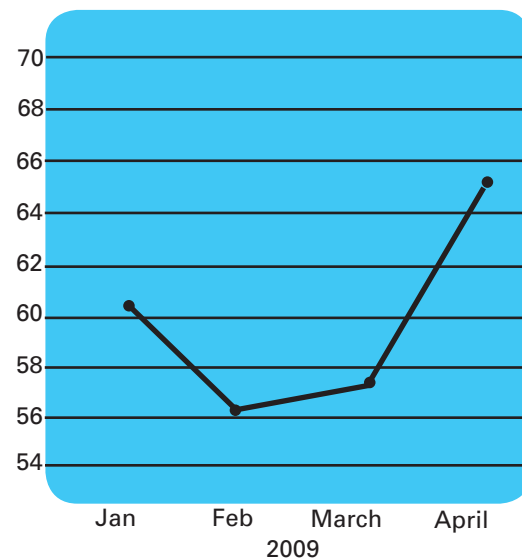
Source: *The Conference Board 4/28/09*



↑ The Conference Board **Consumer Confidence Index**, which had posted a slight increase in March, improved considerably in April. The Index now stands at 39.2 (1985=100), up from 26.9 in March. The Present Situation Index increased to 23.7 from 21.9 last month. The Expectations Index rose to 49.5 from 30.2 in March.

Index of Consumer Sentiment

Source: *Reuters 5/1/09*



↑ The **Index of Consumer Sentiment** increased in April due to the widespread perception that President Obama's economic policies will be effective in improving economic conditions. "Two-thirds of all consumers anticipated that the economic policies of the Obama administration will be effective in improving national economic conditions, with most of the gains anticipated in the next several years," according to Richard Curtin, the Director of the Reuters/University of Michigan Surveys of Consumers. Favorable views about the effectiveness of Obama's policies would be effective in improving their own financial situation. "Consumers continued to report that their finances remained dismal and their buying plans were still on hold due to concerns about their future job and income prospects," Curtin said. The Index of Consumer Sentiment was 65.1 in the April 2009 survey, up from 57.3 in March, and just above the 62.6 recorded last April — the first positive year-to-year change since mid 2007. The Sentiment Index is still 33% below its January 2007 peak of 96.9. The Index of Consumer Expectations, a closely watched component of the Index of Leading Economic Indicators, was 63.1 in April up from 53.5 in March and well above last April's 53.3 (but still 28% below its January 2007 peak of 87.6).

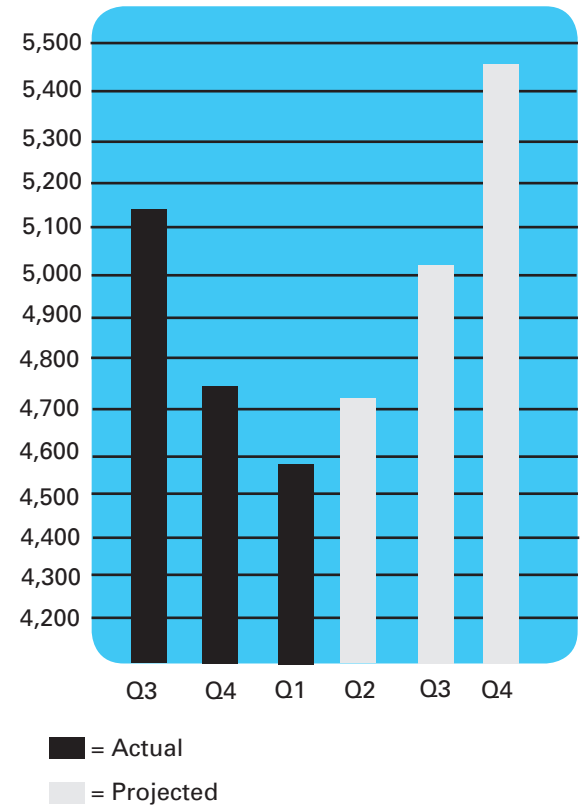
Manufacturers' Shipments, Inventories and Orders

Source: The US Census Bureau 4/2/09

- ↓ **New orders** for manufactured durable goods in March, down seven of the last eight months, decreased \$1.3 billion or 0.8 percent to \$160.5 billion, unchanged from the previously published decrease. This followed a 1.6 percent February increase.
- ↓ **Shipments** of manufactured durable goods in March, down eight consecutive months, decreased \$2.7 billion or 1.5 percent to \$175.1 billion, revised from the previously published 1.7 percent decrease. This also was the longest streak of consecutive monthly decreases since the series was first published on a NAICS basis in 1992 and followed a 0.9 percent February decrease.
- ↓ **Unfilled orders** for manufactured durable goods in March, down six consecutive months, decreased \$11.9 billion or 1.5 percent to \$759.0 billion, revised from the previously published 1.4 percent decrease. This followed a 1.7 percent February decrease.
- ↓ **Inventories** of manufactured durable goods in March, down three consecutive months, decreased \$4.5 billion or 1.3 percent to \$330.7 billion, revised from the previously published 1.1 percent decrease. This followed a 1.3 percent February decrease.

Housing Sales

Source: The National Association of Realtors 5/09



*Numbers in thousands

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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.