



Market Matters

Recently Published Data and Indices Affecting the Stainless Steel Industry

View Points

Outokumpu Fittings Used in a Variety of Industries

Outokumpu produces butt-weld and threaded fittings to meet engineering and industrial needs in the same wide variety of high quality stainless steel grades in which we manufacture pipe and flat rolled products. Our fittings are used anywhere that a reliable and safe connection is required, in sizes ranging from small to large diameter and wall thickness from light to heavy. Butt weld fittings are particularly suited to customers facing the challenge of transporting fluids in corrosive, high temperature or Cryogenic environments. We have recently expanded our production of butt weld fittings to include heavier wall thickness (S80s), and high strength/low nickel duplex grades. Outokumpu fittings support industries including:



- chemical and petrochemical processing
- food and pharmaceutical processing
- pulp and paper
- hydrometallurgy
- liquefied natural gas piping
- desalination and wastewater projects
- power generation
- offshore construction

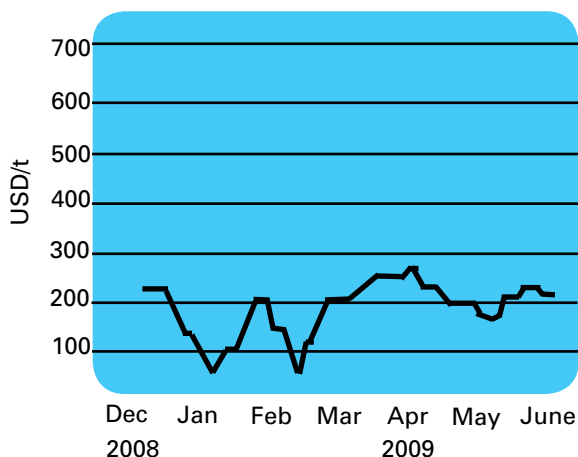
Outokumpu's Webinar Series

Stainless Solutions for the Food and Beverage Industry
July 1 7 am EDT (6:00 am CDT)
Click here or visit www.outokumpu.com for more details

Metal Matters

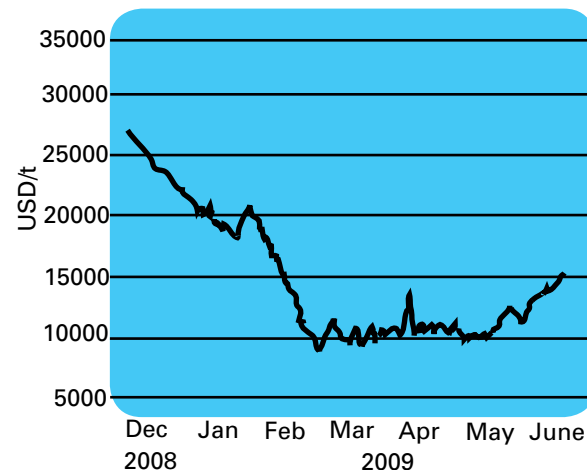
Scrap Prices

Source: Metal Bulletin 6/10/09



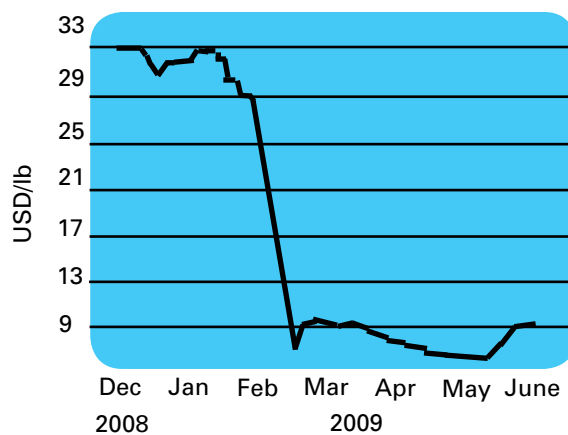
Nickel Prices- Cash Buyer

Source: LME 6/10/09



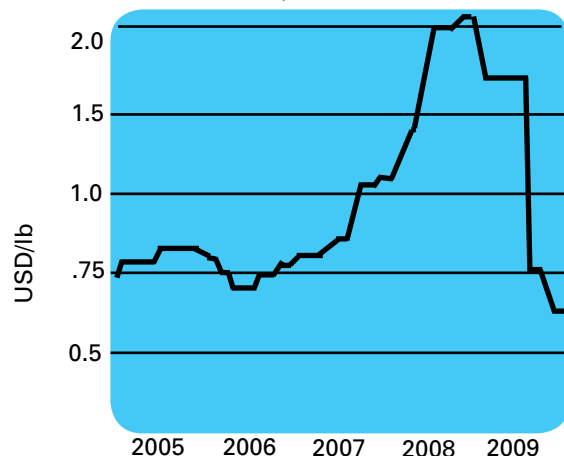
Molybdenum Prices

Source: Metal Bulletin 6/10/09



Ferrochrome Prices

Source: Metal Bulletin 6/10/09



U.S. Exports of Steel Mill Products*

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

Country	Month		
	February	March	April
World	546,983	636,558	560,212
Canada	272,833	307,374	311,068
Mexico	134,375	150,202	127,356
Brazil	7,675	18,467	7,984
India	9,966	16,276	11,575
China	12,798	13,341	12,779
Germany	4,573	4,063	4,019
Italy	6,596	5,528	4,728
Venezuela	8,377	6,387	6,478
United Kingdom	6,851	5,228	4,318

* Numbers in metric tons

Gross Domestic Product

Source: The Bureau of Economic Analysis 5/29/09

↓ **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 5.7 percent in the first quarter of 2009, (that is, from the fourth quarter to the first quarter), according to preliminary 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, equipment and software, private inventory investment, 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 6/15/09

Crossrates							
	USD	EUR	JPY	GBP	CAD	SEK	CNY
USD	1	0.7263	98.0300	0.6150	1.1356	7.9021	6.8341
EUR	1.3768	1	134.9718	0.8468	1.5635	10.8799	9.419
JPY	0.0102	0.0074	1	0.0063	0.0116	0.0806	0.0698
GBP	1.6260	1.1810	159.3984	1	1.8465	12.8489	11.1236
CAD	0.8806	0.6396	86.3244	0.5416	1	6.961	6.0263
SEK	0.1265	0.0919	12.4056	0.0778	0.1437	1	0.8657
CNY	0.1462	0.1062	14.3298	0.0899	0.1659	1.1551	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 6/15/09

Consumer Price Index	-0.1%	May 2009
Unemployment Rate	9.4%	May 2009
Producer Price Index	+0.3 (p)%	Apr 2009
Productivity	+1.6%	1st Qtr 2009

Industrial Production and Capacity Utilization

Source: The Federal Reserve 6/16/09

Industrial Production	April	May
Total Index	97.1	95.8
Major Market Groups		
Final Products	101.3	100.0
Consumer Goods	98.1	97.2
Business Equipment	110.6	107.2
Nonindustrial Supplies	90.4	89.5
Construction	81.7	80.2
Materials	95.5	94.3
Manufacturing	95.5	94.4

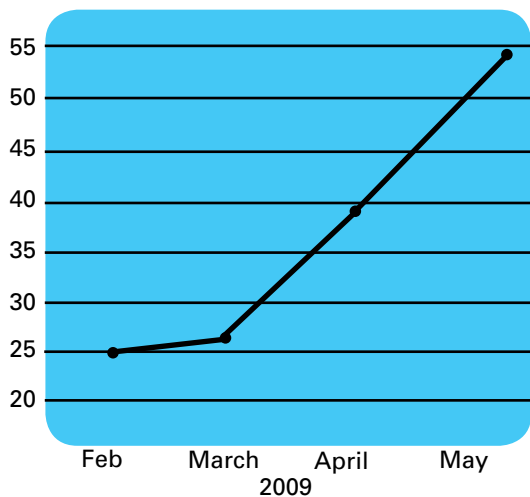
Manufacturing

Source: *The Institute for Supply Management 6/1/09*

Index	Series Index May	Series Index Apr	Direction	Rate of Change	Trend (mos)
PMI	42.8	40.1	Contracting	Slower	16
New Orders	51.1	47.2	Growing	From Contracting	1
Production	46.0	40.4	Contracting	Slower	9
Employment	34.3	34.4	Contracting	Slower	10
Supplier Deliveries	49.8	44.9	Faster	Slower	8
Inventories	32.9	33.6	Contracting	Faster	37
Customers' Inventories	46.0	49.5	Too Low	Faster	2
Prices	43.5	32.0	Decreasing	Slower	8
Backlog of Orders	48.0	40.5	Contracting	Slower	13
Exports	48.0	34.0	Contracting	Slower	8
Imports	42.5	42.0	Contracting	Slower	16
Overall Economy			Growing	From Contracting	1
Manufacturing Sector			Contracting	Slower	16

Consumer Confidence Index

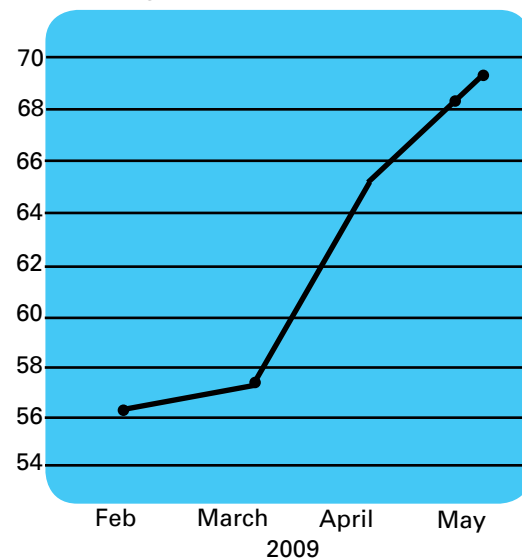
Source: *The Conference Board 5/26/09*



↑ The Conference Board **Consumer Confidence Index**, which had improved considerably in April, posted another large gain in May. The Index now stands at 54.9 (1985=100), up from 40.8 in April. The Present Situation Index increased to 28.9 from 25.5 last month. The Expectations Index rose to 72.3 from 51.0 in April.

Index of Consumer Sentiment

Source: *Bloomberg 6/1/09*



↑ Confidence among U.S. consumers rose for a fourth straight month in June, reinforcing signs of an impending end to the recession, while prices of imported goods jumped as oil costs climbed. The **Index of Consumer Sentiment** increased to 69, from 68.7 in May. The gain in confidence was less than economists had projected, and reflects a “dichotomy” between improving financial markets and the rising cost of gasoline, said Michael Feroli, an economist at JPMorgan Chase & Co. in New York. The reemergence of commodity-price inflation threatens to stunt the economic recovery and constrain corporate-profit growth. “Consumers are acknowledging some improvement is under way, but they’re not seeing a tremendous potential for upside in the economy,” said Stephen Gallagher, chief U.S. economist at Societe Generale in New York. A gauge of current conditions, which reflects Americans’ perceptions of their financial situation and whether it is a good time to buy big-ticket items such as cars, rose to 74.5, the highest since September, from 67.7. An index of consumer expectations for six months from now, which more closely projects the direction of consumer spending, fell to 65.4 in June from 69.4 the prior month.

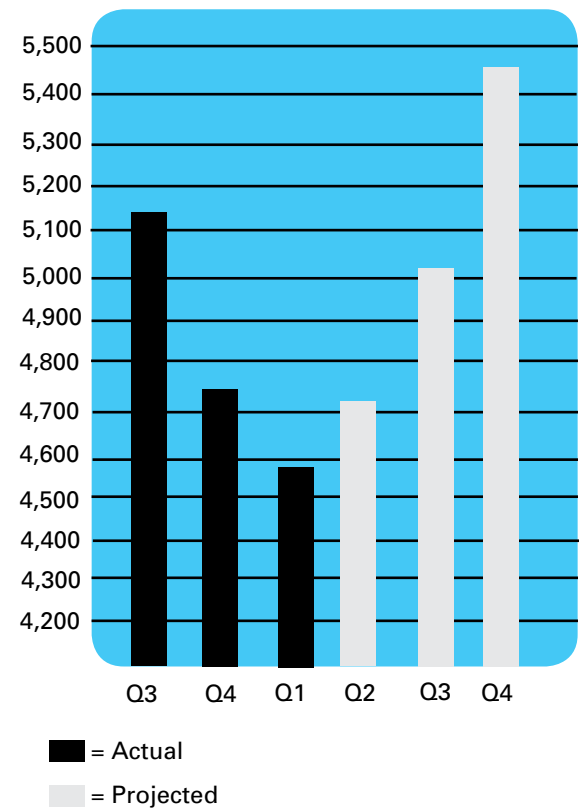
Manufacturers' Shipments, Inventories and Orders

Source: The US Census Bureau 6/3/09

- ↑** **New orders** for manufactured durable goods in April, up two of the last three months, increased \$2.7 billion or 1.7 percent to \$160.9 billion, revised from the previously published 1.9 percent increase. This followed a 2.2 percent March decrease.
- ↓** **Shipments** of manufactured durable goods in April, down nine consecutive months, decreased \$0.6 billion or 0.4 percent to \$173.8 billion, revised from the previously published 0.2 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 1.9 percent March decrease.
- ↓** **Unfilled orders** for manufactured durable goods in April, down seven consecutive months, decreased \$8.9 billion or 1.2 percent to \$748.7 billion, unchanged from the previously published decrease. This followed a 1.7 percent March decrease.
- ↓** **Inventories** of manufactured durable goods in April, down four consecutive months, decreased \$3.0 billion or 0.9 percent to \$326.5 billion, revised from the previously published 0.8 percent decrease. This followed a 1.7 percent March decrease.

Housing Sales

Source: The National Association of Realtors 6/09



*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.