



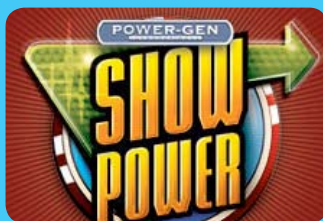
Market Matters

Recently Published Data and Indices Affecting the Stainless Steel Industry

View Points

PowerGen 2009

Next month Outokumpu representatives will host an exhibit (booth #C2-219) at PowerGen 2009 in Las Vegas, NV. Over 18,000 attendees are expected to attend the power generation industry's three-day information exchange designed to share practical experiences, knowledge and ideas on the latest power industry trends and challenges. The show features insightful discussions, educational conference sessions and networking exchanges with the power sector's leading companies.

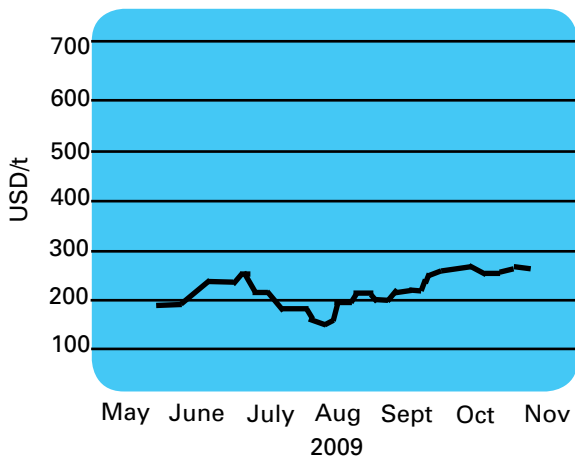


Outokumpu's stainless steel has been used in power projects around the world—from biofuel reactors and flue gas desulphurization scrubbers to petrochemical and liquefied natural gas pipelines—all constructed with Outokumpu duplex and austenitic grades.

Metal Matters

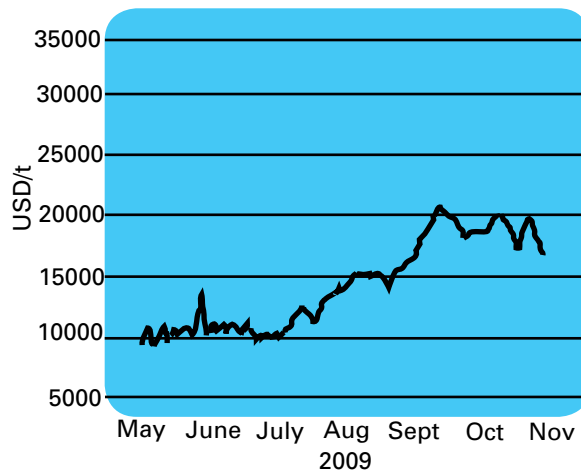
Scrap Prices

Source: Metal Bulletin 11/17/09



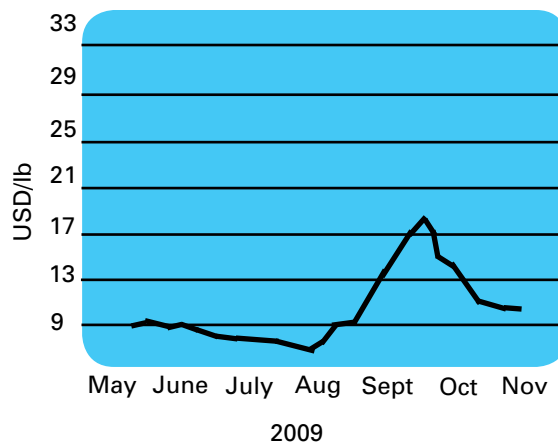
Nickel Prices- Cash Buyer

Source: LME 11/17/09



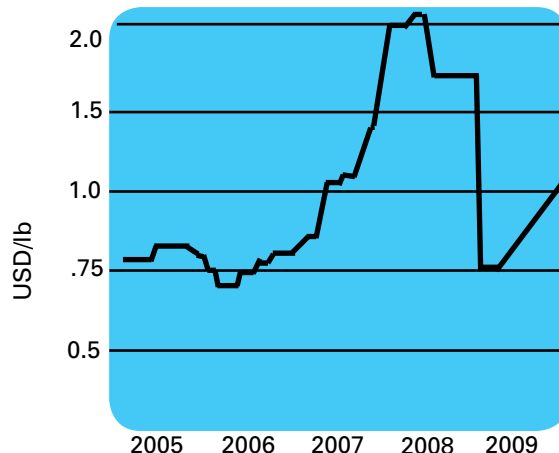
Molybdenum Prices

Source: Metal Bulletin 10/13/09



Ferrochrome Prices

Source: Metal Bulletin 11/17/09



U.S. Exports of Steel Mill Products*

Source: The U.S. Commerce Department 11/16/09

Country	Month		
	July	Aug	Sept
World	641,758	725,830	897,952
Canada	340,529	362,238	459,151
Mexico	149,483	148,078	158,964
Brazil	5,417	11,611	25,475
India	13,681	12,283	17,741
China	19,223	20,684	16,020
Germany	2,378	3,209	3,985
Italy	4,203	6,358	4,390
Venezuela	4,082	1,986	3,394
United Kingdom	3,069	2,989	3,482

*Numbers in metric tons

U.S. Economic Matters

Manufacturing

Source: The Institute for Supply Management 11/2/09

Index	Series Index Oct	Series Index Sept	Direction	Rate of Change	Trend (mos)
PMI	55.7	52.6	Growing	Faster	3
New Orders	58.5	60.8	Growing	Slower	4
Production	63.3	55.7	Growing	Slower	5
Employment	53.1	46.2	Growing	From Contracting	1
Supplier Deliveries	56.9	58.0	Slowing	Slower	5
Inventories	46.9	42.5	Contracting	Slower	42
Customers' Inventories	38.5	39.0	Too Low	Faster	7
Prices	65.0	63.5	Increasing	Faster	4
Backlog of Orders	53.5	53.5	Growing	Same	3
Exports	55.5	55.0	Growing	Faster	4
Imports	51.0	52.0	Growing	Slower	2
Overall Economy			Growing	Faster	6
Manufacturing Sector			Growing	Faster	3

Latest Statistics

Source: The Department of Labor 11/13/09

Consumer Price Index	+0.2%	Sept 2009
Unemployment Rate	10.2%	Sept 2009
Producer Price Index	-0.6 (p)%	Sept 2009
Productivity	+9.5%	3rd Qtr 2009

Gross Domestic Product

Source: The Bureau of Economic Analysis 10/29/09

↑ **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 3.5 percent in the third quarter of 2009, (that is, from the second quarter to the third quarter), according to the “advance” estimate released by the Bureau of Economic Analysis. In the second quarter, real GDP decreased 0.7 percent. The increase in real GDP in the third quarter primarily reflected positive contributions from personal consumption expenditures (PCE), exports, private inventory investment, federal government spending, and residential fixed investment. Imports, which are a subtraction in the calculation of GDP, increased.

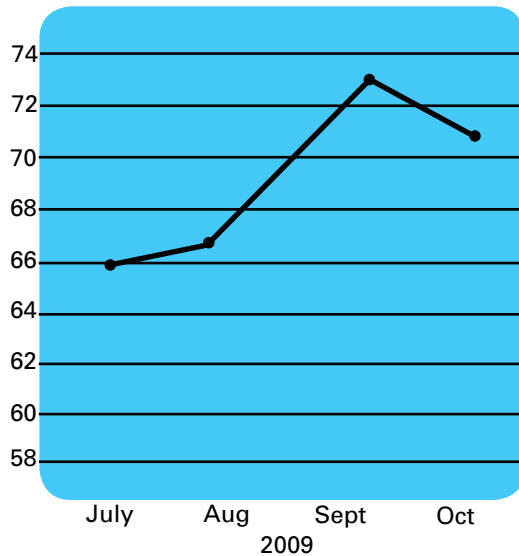
Industrial Production and Capacity Utilization

Source: The Federal Reserve 11/17/09

Industrial Production	Sept	Oct
Total Index	98.5	98.6
Major Market Groups		
Final Products	102.2	102.2
Consumer Goods	99.6	100.0
Business Equipment	108.3	107.0
Nonindustrial Supplies	90.8	90.4
Construction	82.5	81.2
Materials	97.9	98.4
Manufacturing	97.5	97.6

Index of Consumer Sentiment

Source: Reuters 11/1/09

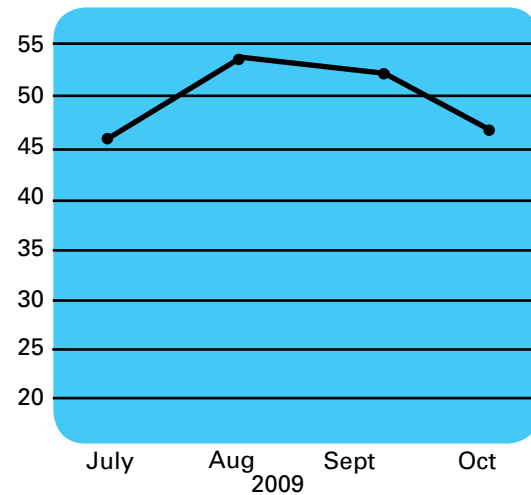


↓ The **Index of Consumer Sentiment** was 70.6 in the October 2009 survey, just below the 73.5 recorded in September, but substantially above the 57.6 recorded last October. The Index of Consumer Expectations, a closely watched component of the Index of Leading Economic Indicators, was 68.6 in October, down from 73.5 in September but significantly above the 57.0 recorded last October. The Current Economic Conditions Index rose to 73.7 in October, just ahead of the 73.4 in September and well above the 58.4 recorded last October.

Consumer confidence has improved substantially from the low recorded in late 2008, and consumers expect the economy to continue to recover during the year ahead. "The ongoing economic recovery will be unlike any other due to changes in consumer spending preferences," according to Richard Curtin, the Director of the Reuters/University of Michigan Survey of Consumers. In the past, these spending preferences were unleashed as soon as the recovery began. Consumers now put debt reduction and increased savings at the top of their agendas rather than the quick resumption of postponed spending plans. Curtin estimated the growth of total personal consumption expenditures at just 1.6% during 2010, well below the typical rebound in consumer spending during the first year following a recession.

Consumer Confidence Index

Source: The Conference Board 10/27/09



↓ The Conference Board **Consumer Confidence Index**, which had declined in September, deteriorated further in October. The Index now stands at 47.7 (1985=100), down from 53.4 in September. The Present Situation Index decreased to 20.7 from 23.0 last month. The Expectations Index declined to 65.7 from 73.7 in September.

Manufacturers' Shipments, Inventories and Orders

Source: The US Census Bureau 10/28/09

↑ **New orders** for manufactured durable goods in September increased \$1.6 billion or 1.0 percent to \$165.7 billion. This followed a 2.6 percent August decrease. Excluding transportation, new orders increased 0.9 percent. Excluding defense, new orders increased 0.5 percent.

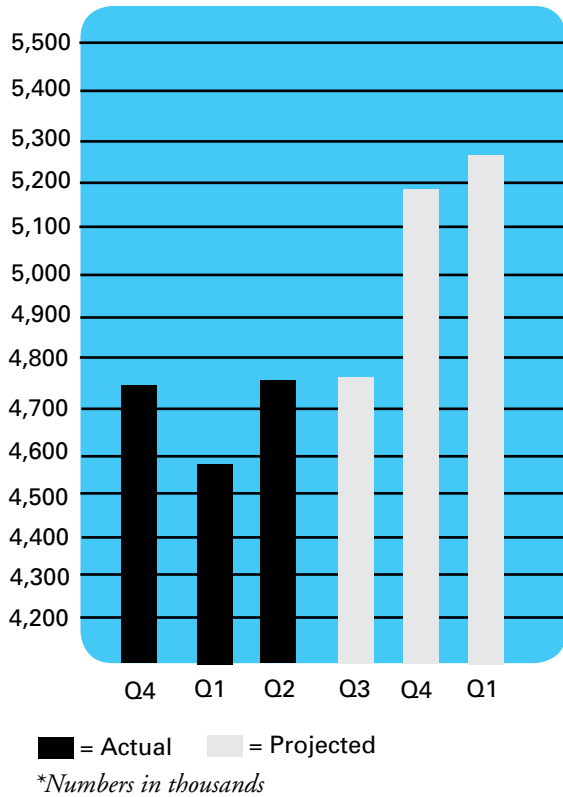
↑ **Shipments** of manufactured durable goods in September, up three of the last four months, increased \$1.3 billion or 0.8 percent to \$172.6 billion. This followed a 1.4 percent August decrease.

↓ **Unfilled orders** for manufactured durable goods in September, down twelve consecutive months, decreased \$3.3 billion or 0.4 percent to \$733 billion. This was the longest streak of consecutive monthly decreases since the series was first published on a NAICS basis in 1992 and followed a 0.4 percent August decrease.

↓ **Inventories** of manufactured durable goods in September, down nine consecutive months, decreased \$3.1 billion or 1.0 percent to \$305 billion. This followed a 1.5 percent August decrease.

Housing Sales

Source: The National Association of Realtors 11/09



Global Views

Eurozone emerges from recession in 3rd quarter

Source: Associated Press 11/13/09

The 16-country eurozone has officially joined the United States and Japan out of recession, after figures showed its economy grew by 0.4 percent in the third quarter from the previous three-month period.

However, the rise reported by the EU's statistics office Eurostat was not as large as the 0.6 percent most economists had been predicting, as growth in major economies fell short of forecasts. With a rebound in exports partially offset by weak household spending, Germany's economy grew by 0.7 percent and France's by 0.3 percent.

Still, the third quarter rise in eurozone output was the first in six quarters and brings to an end Europe's sharpest recession since World War II. Though the eurozone's banks were not at the epicenter of the financial crisis that triggered the global economic downturn, the region suffered as demand for its high-value products fell off a cliff.

Despite the modest improvement, growth is not expected to return to pre-crisis levels for a while yet, meaning the output lost during the recession will take years to be made up.

President Hu expounds China's views on sustainable development

Source: www.cnpanyu.com 11/16/09

Chinese President Hu Jintao and other leaders of the Asia-Pacific Economic Cooperation (APEC) member economies met for the second and final day on Sunday for their annual meeting, focusing on "sustaining growth."

The theme for this year's APEC meeting is "Sustaining Growth, Connecting the Region," reflecting APEC's continuing efforts to facilitate trade and investment in the region.

During their two-day meeting, the APEC leaders focused on countering international financial crisis, climate change, opposing trade protectionism, supporting multilateral trading regime, furthering regional economic integration and the APEC's future.

The Chinese president, speaking at the second-day session on Sunday, expounded China's view on promoting sustainable development.

In his remarks, Hu said China needs an international development environment featuring peace, stability, harmony and cooperation.

Continued on page 5

Global Economic Matters

Exchange Rates

Source: Yahoo Finance 11/16/09

Crossrates							
	USD	EUR	JPY	GBP	CAD	SEK	CNY
USD	1	0.6679	89.1250	0.5944	1.0461	6.8024	6.8310
EUR	1.4972	1	133.4406	0.8900	1.5663	10.1848	10.2276
JPY	0.0112	0.0075	1	0.0067	0.0117	0.0763	0.0766
GBP	1.6824	1.1237	149.9411	1	1.7599	11.4441	11.4923
CAD	0.9559	0.6385	85.1974	0.5682	1	6.5026	6.4045
SEK	0.1470	0.0982	13.1045	0.0874	0.1538	1	0.9964
CNY	0.1442	0.0969	12.8841	0.0904	0.1483	1.0043	1

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

Hu also made the following four-point proposal on sustainable development:

- Make unremitting efforts to fully restore world economic growth;
- Take a long-term perspective and promote sustainable growth;
- Follow a holistic approach and advocate inclusive growth;
- And engage in comprehensive coordination and pursue balanced growth.

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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.