

April 2010

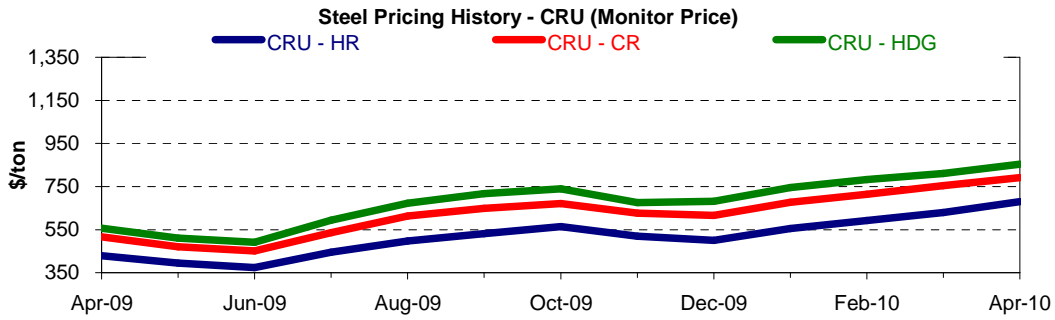
----- MARKET INDICATORS -----

- Sales of new homes surged 27% in March. The gain in new-home sales was the biggest in 27 years as buyers rushed to take advantage of the first-time homebuyers tax credit. Sales of previously owned homes, which account for about 90% of the housing market, are counted at contract closings which indicates that the influence of the tax credit may be seen through June.
- According to a report released by the Commerce Department, orders for durable goods, those expected to last at least three years, dropped 1.3% in March. However, excluding the transportation sector, order rose 2.8%, the most since December 2007. The overall decline in durable goods was driven by a decline in aircraft orders which plummeted 67% in March. Boeing reported that it delivered 108 aircraft in Q1, down 11% from deliveries in Q1 2009.

----- RAW MATERIAL -----

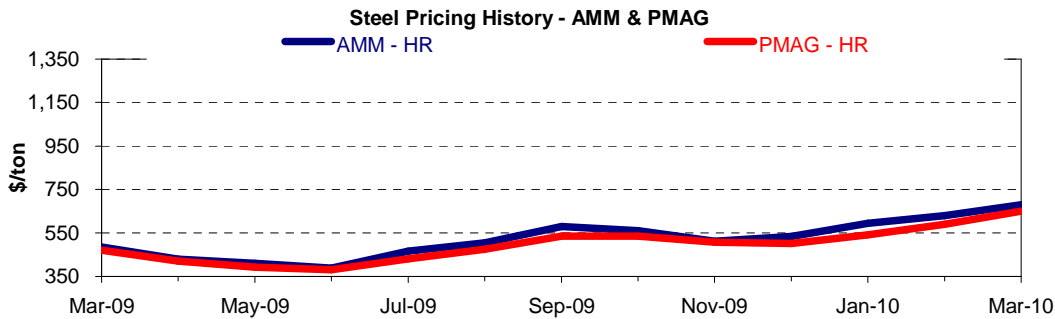
- U.S raw steel production totaled 1.76 million net tons in the week ending April 17, up 1.4% from the previous week when production totaled 1.73 million. Mills operated at an average capacity utilization rate of 72.6%, well above the average rate of 40.8% in the corresponding week last year. Year to date, mills have produced 25.32 million tons, up 63.5% from the same period last year. - [AMM 4/20/10](#)
- According to the latest reference prices released by The Steel Index in the middle of April, HR prices stand at \$708/ton, CR at \$796/ton, and HDG at \$852. Prices have risen steadily in the recent months due to higher input costs and the lack of competitively priced imports. - [SBB 4/20/10](#)
- Shipments from U.S. service centers increased to over 3.2 million tons in March, an increase of 21% from February. Inventories reached an 11-month high in March and stand at 6.49 million tons which equates to a two -month supply based on current shipping levels. - [SBB 4/20/10](#)
- Nucor reported a net income of almost \$31 million in Q1, a drastic change from a \$189.6 million loss in the same quarter for 2009. Nucor expects Q2 to prove even better even though the market continues to be negatively impacted by extremely weak non-residential construction. Nucor's mills operated at approximately 73% in the first quarter, 5% higher than the average for the industry in Q1 2010. - [AMM 4/22/10](#)
- According to Peter Marcus at World Steel Dynamics, the export price for HRB could rise to as much as \$900/tonne in the coming months as demand increases and further price increases for prime industrial scrap are realized. Marcus believes that U.S. producers will peak their production volumes in the second quarter of 2010. - [AMM 4/22/2010](#)
- The World Steel Association forecasts U.S. steel consumption for 2010 to be approximately 72.7 million tonnes, up more than 25% from the 57.4 million tonnes consumed during the recession of 2009. The forecast for 2011 is consumption of 78.1 million tonnes, 7.5% higher than the 2010 estimate, as the U.S. economy continues to rebuild. - [AMM 4/21/2010](#)

Steel Pricing - CRU



CRU	<u>3/3</u>	<u>3/10</u>	<u>3/17</u>	<u>3/24</u>	<u>3/31</u>	<u>4/7</u>	<u>4/14</u>	<u>4/21</u>
HR	623	629	648	662	670	677	680	686
CR	741	754	770	786	792	791	792	805
	<u>Sep-09</u>	<u>Oct-09</u>	<u>Nov-09</u>	<u>Dec-09</u>	<u>Jan-10</u>	<u>Feb-10</u>	<u>Mar-10</u>	<u>Apr-10</u>
HDG	673	718	740	676	681	745	782	812

Steel Pricing - AMM & Purchasing Magazine

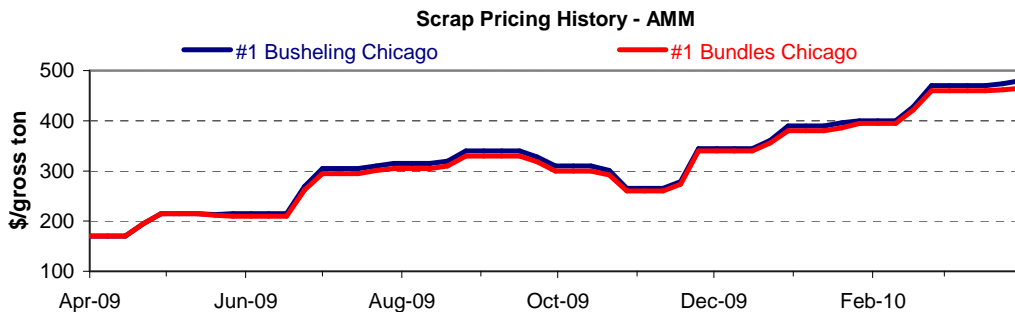


AMM	<u>Aug-09</u>	<u>Sep-09</u>	<u>Oct-09</u>	<u>Nov-09</u>	<u>Dec-09</u>	<u>Jan-10</u>	<u>Feb-10</u>	<u>Mar-10</u>
HR	505	580	561	513	534	593	630	680
CR	605	680	671	617	634	693	735	794
HDG	702	780	784	758	784	837	850	880
PMAG								
HR	475	535	535	508	500	541	590	650
CR	568	625	630	607	598	644	695	765
HDG	580	630	645	610	606	655	730	804

Steel Pricing - SteelBenchmarker

SBM	<u>12/14</u>	<u>12/25</u>	<u>1/11</u>	<u>1/25</u>	<u>2/8</u>	<u>2/22</u>	<u>3/8</u>	<u>3/22</u>
HR	522	535	557	586	595	608	640	662
CR	640	642	659	687	703	712	739	764

Scrap Pricing



	<u>3/5</u>	<u>3/12</u>	<u>3/19</u>	<u>3/26</u>	<u>4/2</u>	<u>4/9</u>	<u>4/16</u>
#1 Bushel Chicago	428	470	470	470	470	474	480
#1 Bundle Chicago	422	460	460	460	460	462	465

----- RAW MATERIAL -----