

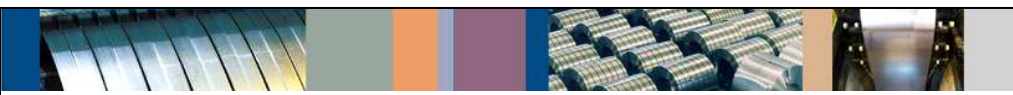
May 2010

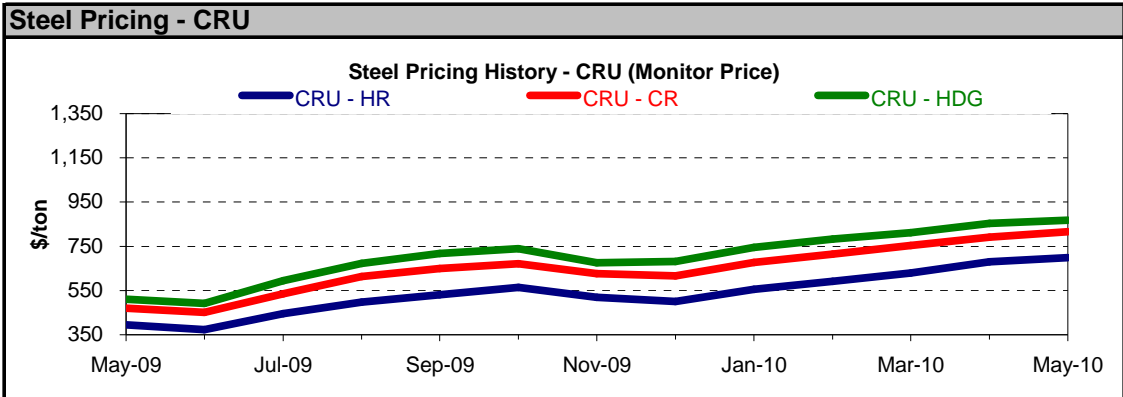
MARKET INDICATORS

- The USA Purchasing Managers Index rose further in June and now stands at 60.4.
- The United States manufacturing employment index rose 3.4 points to 58.5 in April, reflecting accelerating hiring in the manufacturing sector. The global manufacturing employment index rose to 53.6 in April, a 71-month high in growth rate.
- Automotive sales for the top seven U.S. brands shifted into reverse in April as sales were down 8.5% to 826,170 units. Executives for both GM and Ford mentioned the increasing prices that used cars are fetching on the auction block. This indicates that there is pent-up consumer demand for vehicles and the resale value of GM and Ford cars is very healthy and that will prompt buyers to seek out new models that they expect will have a high resale value.
- According to the Census Bureau, housing starts increased to a seasonally adjusted annual rate of 672,000 last month, up 5.8% from the revised March estimate of 635,000 and 40.9% above the revised April 2009 rate of 477,000.

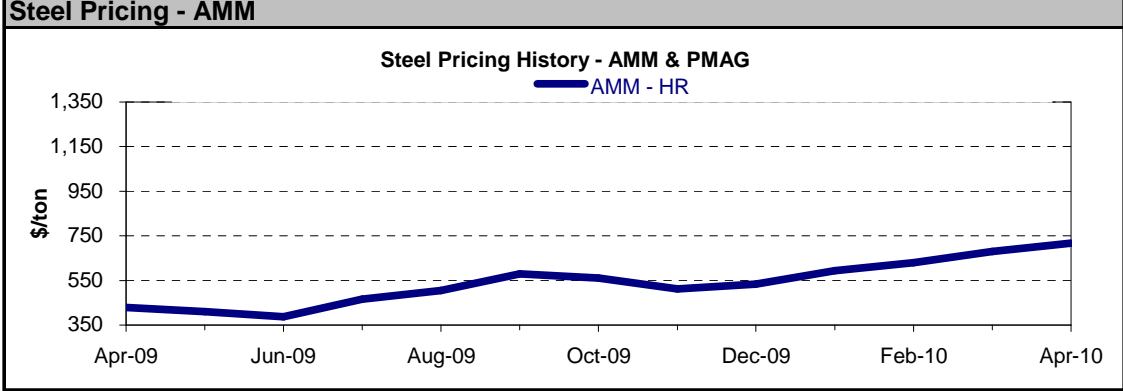
RAW MATERIAL

- The Steel Index reference spot price for iron ore continued to climb through April, hitting \$184.80/tonne, more than triple the 2009 benchmark price of \$60.14. The reference price eased back to \$175.00/tonne in early May.
- North American steel output edged up a bit further the first week of May to around 73.4% of estimated capacity, the highest since October 2008--[AMM 5/17/10](#).
- The World Steel Association reports that global capacity utilization in March was roughly 80.2%, essentially flat from February but 15.3 points higher than in March 2009--[WSA](#).
- Nucor's top executive and chairman of AISI, Daniel DiMicco, urged the government to take action against China's trade practices. During the 118th meeting of AISI, DiMicco stated that "China's mercantilist trading practices and willingness to violate international trade obligations it made as it prepared to become a member of the World Trade Organization must be dealt with in Washington" – [AMM 5/4/10](#).
- U.S. April imports of steel products were about 1.79m tonnes, down 2.9% from the revised March figure of 1.84m tonnes. Imports of HR coils were down 13.0% while imports of CR coils were off 5.9%. Imports of HDG coils dropped the most at 26.2%.
- Apparent steel use in the NAFTA region fell by 41.6% in 2009 according to a report released by the World Steel Association. Apparent steel use is expected to grow by 26.5% in 2010 and then by 7.5% to 78.1m tonnes in 2011--[WSA](#).





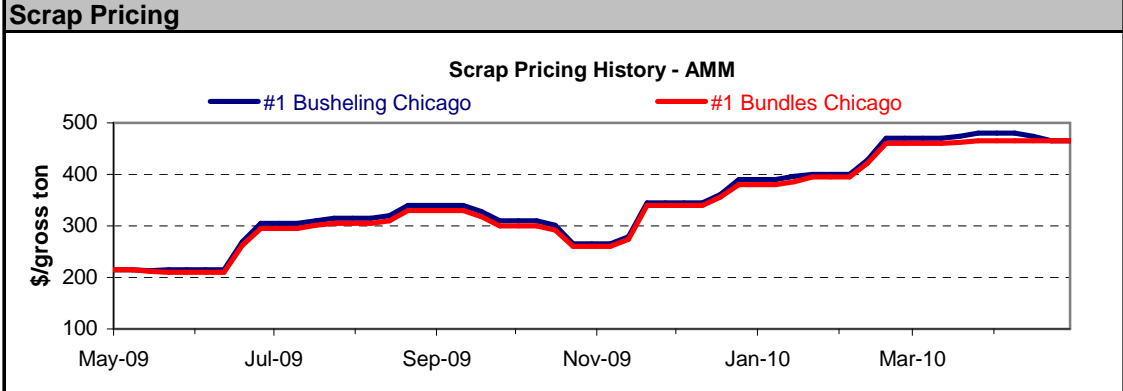
CRU	<u>4/7</u>	<u>4/14</u>	<u>4/21</u>	<u>4/28</u>	<u>5/5</u>	<u>5/12</u>	<u>5/19</u>	<u>5/26</u>
HR	677	680	686	703	704	699	688	679
CR	791	792	805	809	815	816	812	800
	<u>Oct-09</u>	<u>Nov-09</u>	<u>Dec-09</u>	<u>Jan-10</u>	<u>Feb-10</u>	<u>Mar-10</u>	<u>Apr-10</u>	<u>May-10</u>
HDG	673	718	740	676	681	745	782	812



AMM	<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>
HR	580	561	513	534	593	630	680	717
CR	680	671	617	634	693	735	794	831
HDG	780	784	758	784	837	850	880	911

Steel Pricing - SteelBenchmarker

SBM	<u>2/8</u>	<u>2/22</u>	<u>3/8</u>	<u>3/22</u>	<u>4/12</u>	<u>4/26</u>	<u>5/10</u>	<u>5/24</u>
HR	595	608	640	662	678	700	704	690
CR	703	712	739	764	784	805	811	800



	<u>4/9</u>	<u>4/16</u>	<u>4/23</u>	<u>4/30</u>	<u>5/7</u>	<u>5/14</u>	<u>5/21</u>
#1 Bushel Chicago	474	480	480	480	474	465	465
#1 Bundle Chicago	462	465	465	465	465	465	465

