



MARKET UPDATE

WORTHINGTON
STEEL
A Worthington Industries Company

ISM PURCHASING MANAGERS INDEX

- The PMI registered 53.9%, an increase of 1.2 percentage points from November's reading of 52.7%, indicating expansion in the manufacturing sector for the 29th consecutive month. The past relationship between the PMI and the overall economy indicates that the average PMI for January through December (55.3%) corresponds to a 4.5 percent increase in real gross domestic product (GDP). In addition, if the PMI for December (53.9%) were annualized; it corresponds to a 4% increase in real GDP annually. Manufacturing finished the year on a positive note, with new orders, production and employment all growing in December at faster rates than in November, and with an optimistic view toward the beginning of 2012.



INDUSTRIAL PRODUCTION

- Industrial production fell 0.2% in November after a 0.7% increase in October. Manufacturing output fell 0.4%, the first decline since April, led by a 3.4% drop in motor vehicle production. Floods in Thailand led to vehicle parts shortages and impacted transplants, causing output to slip. Away from autos, manufacturing output fell 0.2%, with production of business equipment taking a breather after a string of very strong gains.



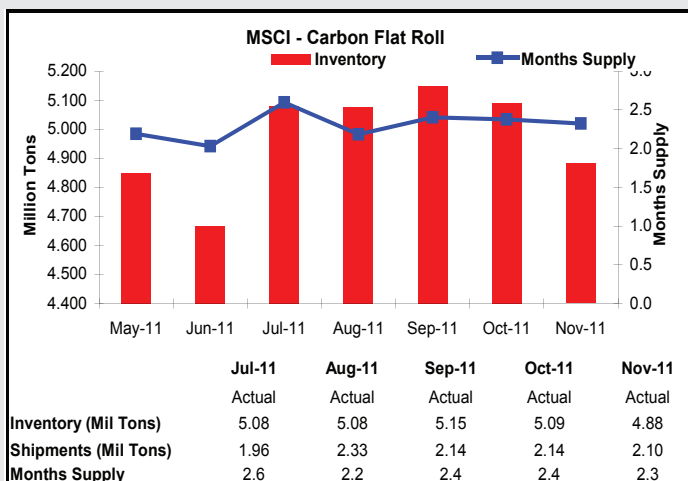
CONSUMER CREDIT

- Consumer credit increased much more than expected in November, rising \$20.4 billion. This surge is in-line with current trends as balances have increased in 10 out of 11 months this year. A \$14.8 billion rise in non-revolving balances was the main driver, with revolving credit adding \$5.6 billion.

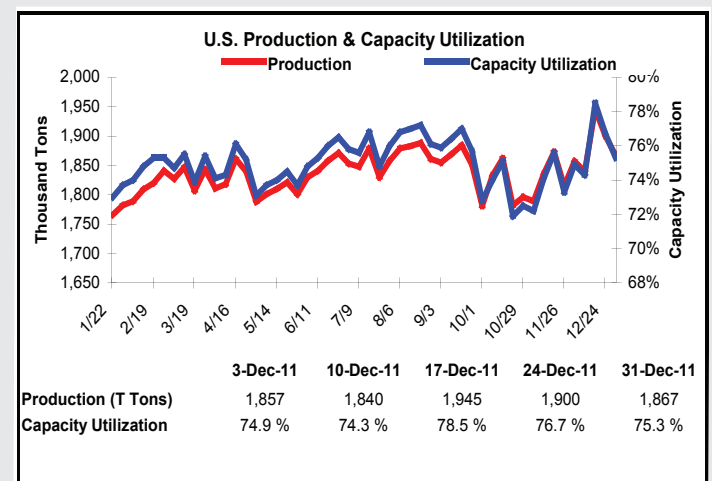
EMPLOYMENT

- The labor market recovery picked up speed at the end of 2011. The payroll survey showed job growth of 200,000 in December, with private payrolls up 212,000 during the month. The unemployment rate fell again, from 8.7% to 8.5%, and is the lowest it has been since February 2009. The decline in the unemployment rate was mostly good news, with the labor force falling only modestly and household employment up strongly.

SERVICE CENTER INVENTORIES



PRODUCTION & CAPACITY UTILIZATION





MARKET UPDATE

LEADING INDICATORS

- The OECD composite leading indicator fell to 100.1 in November from 100.2 a month earlier. All key individual country measures are indicating slowdowns. Heightened financial market uncertainty amid the escalated euro zone sovereign debt crisis is the key drag facing the global economy.

AUTOMOTIVE MARKET

- Compared to December, 2010, last month's sales were up 9%. Chrysler led the Detroit Three again in December with a year-over-year sales gain of 37%. That compares with a 10% sales increase reported by Ford and a 5% increase at GM. Toyota's sales increased less than 1% while Hyundai sales were up 13% and Nissan grew 8%. Honda was the only major manufacturer to report a sales decline in December; down 19%.



CONSUMER CONFIDENCE

- The Bloomberg consumer comfort index inched up 0.1 point in the latest week to settle at -44.7, up from -44.8, for the week ending January 8. Perceptions of the state of the economy improved, more than offsetting souring moods regarding personal finances and an unchanged view of the buying climate. The index is enjoying its highest level in six months.



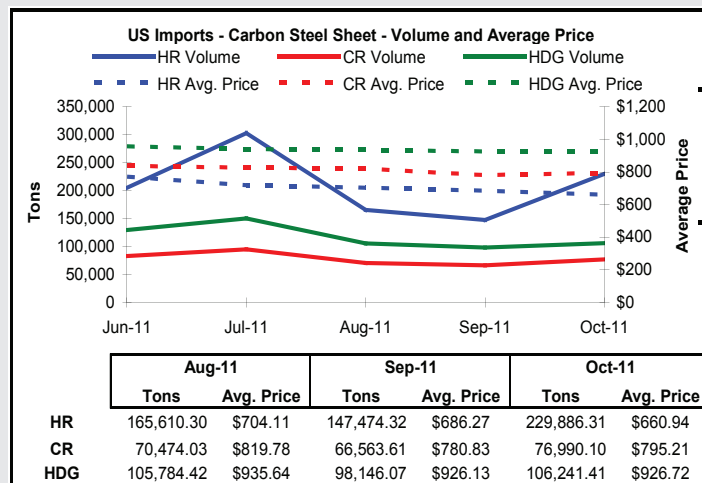
RETAIL SALES

- Consumers further moderated their spending in December. Retail sales rose 0.1%, the slowest growth since May. This comes on the heels of upwardly revised growth of 0.4% in November and stronger growth in October and September. Sales fell 0.2% excluding auto sales while core sales were essentially unchanged.

HOUSING MARKET

- Residential construction jumped in November, with housing starts climbing 9.3% from the revised October number. This performance is better than anticipated. Single-family starts increased 2.3% month to month to 447,000. Sales of new homes increased 1.6% in November compared with October to an annualized pace of 315,000. Sales are also up on a year-ago basis by 9.8%. U.S. foreclosure activity declined 8.4% in December.

IMPORTS



SCRAP

