

THE SUPPLY MANAGER

MAKE SMARTER BUYING DECISIONS AND DELIVER BOTTOM-LINE RESULTS

► CRITICAL COMMODITY INSIGHT AND MARKET PERSPECTIVES

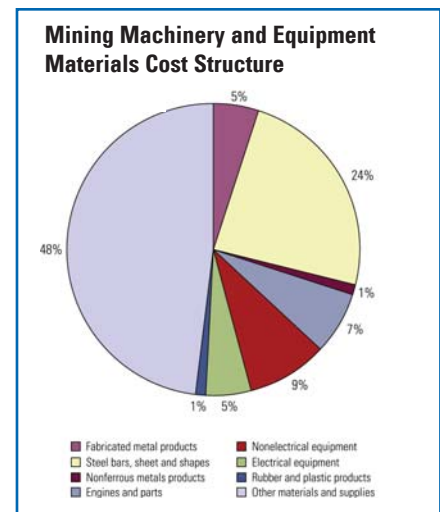
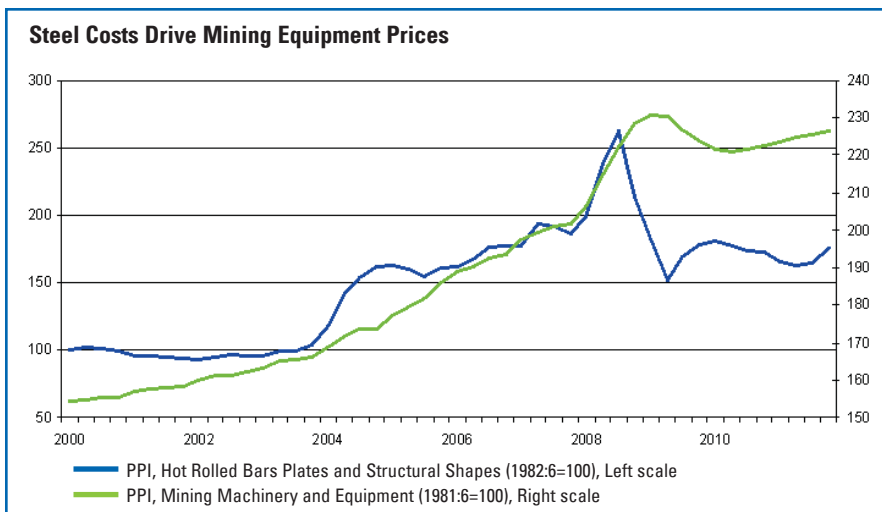
In today's volatile marketplace, gaining insight into where prices will move next is essential for purchasing professionals to make more cost-effective buys. IHS Global Insight's Web-based publication *Supply Manager* offers in-depth commodity market analyses of prices, costs, productivity, and margins. This concise, comprehensive deliverable provides a total-market perspective that is crucial to keeping your competitive edge.

► A BETTER ASSESSMENT OF SUPPLIER COSTS

The valuable information in IHS Global Insight's *Supply Manager* allows you to:

- Understand supplier quotes
- Quantify sources of price changes
- Benchmark costs more accurately
- Evaluate escalator clauses
- Identify ideal timing for material buys

UNDERSTAND THE DRIVERS BEHIND COMMODITY PRICES



► QUARTERLY ANALYSIS ACROSS MANY INDUSTRIES

Supply Manager tracks manufacturing-related trends and statistics on a quarterly basis, including projections of detailed materials and commodity buys across multiple sectors:

- Steel
- Nonferrous metals
- Energy
- Chemicals, resins, and plastics
- Machinery and equipment
- Electronic components
- Shipping, paper, and packaging
- Transportation costs



▶ **SERVICE FEATURES**

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Iron and Steel

TABLE D1
Iron & Steel Products
(Second Quarter 2009 Forecast)

	2008.3	2008.4	2009.1	2009.2	2009.3	2009.4	2010.1	2010.2	2010.3	2010.4	2011.1	2011.2	2011.3
RAW MATERIALS													
Iron Ore, Brazil Spot Price (\$dry metric ton unit)	488.4	488.4	488.4	317.0	275.0	210.9	203.3	204.8	194.0	191.9	205.7	218.3	230.6
LME#ALZ#CC23	0.0	0.0	0.0	-35.1	-13.2	-23.3	-8.6	0.7	-5.3	-1.1	7.2	6.1	5.6
%CHYA	66.0	66.0	0.0	-35.1	-43.7	-58.8	-68.4	-35.4	-29.5	-9.0	12	6.6	18.9
Ferrous Scrap - No. 1 Bushing, Three City Avg (\$/gross ton)	782.7	206.3	229.2	216.0	211.6	250.1	263.3	261.6	258.4	265.0	263.7	276.2	
PSIBUSHELNS	19.9	-73.6	11.1	-62.1	-1.6	18.2	6.1	-0.7	-0.7	-1.2	2.6	-0.5	4.7
%CHYA	158.8	-33.9	-43.0	-67.1	-73.0	21.2	16.8	22.5	23.6	3.3	-0.1	0.1	5.6
Price of Steel													
PSIHMSNS													
%CHYA													
Fig. Inc. Rate													
RUSP#0158L													
%CHYA													
PRODUCTS													
Hot Rolled SF													
PHRCSHEET													
%CHYA													
Cold Rolled S													
PHRCSHEET													
%CHYA													
Hot Dipped G													
PHRCSHEET													
%CHYA													
Plates, C&C													
PHRCSHEET													
%CHYA													
Flats, Cutto													
PHRCSHEET													
%CHYA													
Cold Finished													
PHRCSHEET													
%CHYA													
Light Struct													
PHRCSHEET													
%CHYA													
Wire Rod, C													
PHRCSHEET													
%CHYA													
Concrete Ste													
PHRCSHEET													
%CHYA													
Merchant Bar													
PHRCSHEET													
%CHYA													
Stainless Ste													
PHRCSHEET													
%CHYA													
Stainless Col													
PHRCSHEET													
%CHYA													

▶ **DATA FORECAST TABLES** provide three-year quarterly forecasts that help you anticipate price changes and better negotiate contracts.

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Iron and Steel

Hot-Rolled Sheet Summary

Sheet prices are extremely low, below equilibrium in our view. Prices are higher in other markets including Europe, and thus the low prices in the United States will not be sustained. Current prices should be seen as a buying opportunity, although the need to move quickly is small because the upside is limited.

Inventory destocking is complete. Consumers and service centers will soon be forced to start buying from mills once again, implying the need for production will still be high.

The low inventory levels are a rather bare. If a be available, an increased use short-lived jump.

Underlying demand is weak. The United States economy is still in a recession. Meanwhile Europe has turned the corner.

Supply

Sheet inventories in most global regions are still high. Inventory is low in the United States, but it is still high in other regions. China is not the strongest of buyers, but it has already regained its position as the largest consumer of steel.

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▶ **QUARTERLY ANALYSIS** tracks manufacturing-related trends and statistics, including projections of detailed materials and commodity buys.

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Iron and Steel

Hot-Rolled Sheet at a Glance

Leverage Profile Over the Next Four Quarters

Messure	Rating
Price	\$\$\$
Cost	\$\$\$
Productivity	\$\$\$
Markets	\$\$
Margins	\$\$\$

Key:

- \$ Weaker
- \$\$\$ Neutral
- \$\$\$\$ Stronger

Major Cost Drivers
(Percent change over specified period)

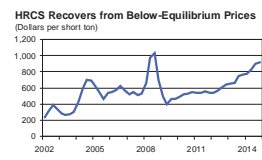
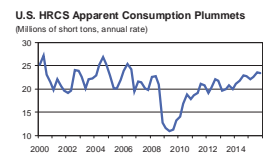
Forecast Highlights

Hot-rolled coil and sheet (HRCS) supply is near balance, and may actually be getting a bit tight. This scenario should not be construed as a sign of strength, however. It is rather a consequence of very low output and continuous inventory drawdown. Mills will boost production very modestly to balance inventory, but much global sheet capacity remains idle through 2011, maybe 2012.

Demand is reaching its low point in most countries and will creep upwards over the second half of 2009 and the first half of 2010. China is recovering faster; Europe and Japan are slower. Significant improvement starts late in 2010, with 2008 peaks not regained until 2012 or later.

Prices reached their low point in April and May. Most regions fell below \$450/metric tonne (\$400/short ton), which was too low. A mild recovery is already occurring as prices move to a more sustainable level just above \$500/metric tonne. Sellers will find it very hard to get additional increases with so much capacity sitting idle.

▶ **AT A GLANCE** provides a quick summary of the sector and what's driving change.



IHS Global Insight

THE POWER OF PERSPECTIVE

ABOUT IHS GLOBAL INSIGHT: IHS Global Insight (www.ihsglobalinsight.com) provides the most comprehensive economic and financial information on countries, regions, and industries available from any source. IHS Global Insight's immediate and insightful analysis of market conditions and key events enables innovative and successful decision making for clients around the world. IHS Global Insight employs approximately 700 employees in 13 countries.

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