

"Our quoting activity is very high. The third quarter looks like it will be very good for us."

"We are almost at an idle. Layoffs are occurring weekly. There is no relief in sight."

"OEM customers are outsourcing more work (steel fabrication) to suppliers."

"For the first time in a while, most everything is on an even keel. I don't know if that is a good sign."

"The July slowdown has come a month early. If Chrysler were not building inventory banks as a contingent to upcoming labor negotiations, we would be very slow. This is especially troublesome since our major Tier I customers are well diversified among the Big Three and transplants. The increased sales numbers for autos must be coming out of excess inventory because production requirements are down across the board."

"We are attempting to cut operating costs by 15-20% by having our satellite garages work 4/10 hour with no overtime."

"China's export rebate has been reduced by 8%"

"We are doing well!"

"Nickel prices have dropped 20% in 2-3 weeks. We hope that continues as cost of stainless steel should follow."

"Same story, different day!"

"Copper continues to present cost problems. Also, customers are demanding price concessions. These are difficult days!"

"We remain busy and may need more employees to keep up with the workload."

"Things to watch: (1) China's VAT tax law changes. Will it increase the cost of China goods? (2) Rare earth metals that are used in magnets. (3) Polypropylene showed a downward price trend in July. (4) Aluminum. Time to hedge is now. (5) Ocean transit. Carriers created artificial capacity constraints by moving ship to increase contract pricing. Competition will return later this year."

	UP	SAME	DOWN	N/A	June Index	May Index	Apr. Index	13 Year Average
Sales (New Orders)	35%	36%	26%	3%	+ 9	+26	+16	+16
Production	32%	36%	26%	6%	+ 6	+13	+10	+16
Employment	26%	48%	26%		+ 0	+10	+ 8	+10
Purchases	32%	36%	32%		+ 0	+11	- 5	+ 9
Prices Paid (major commod.)	18%	79%		3%	+18	+26	+18	+13
Lead Times (from suppliers)	9%	82%	9%		+ 0	+ 8	+ 6	- 7
Purchased Materials Inv. (Raw materials & supplies)	3%	65%	26%	6%	-23	+ 0	-20	-10
Finished Goods Inventory	18%	44%	26%	12%	- 8	-16	-11	-11

Items in shot supply: 201 stainless, gasoline, some stainless steel, emulsions, resins, plasticizers, white oil, quality welders.

Prices on the UP side: Stainless steel, copper, chrome, ferromoly, magnets, styrene, brass, certain plastic resins, gasoline surcharges, resin, gelcoat, polypropylene resins, emulsions bituminous asphalts PVC resin, plasticizers, some nickel, ABS, nylon, castings, plating, foam, polyfoam, HDPE, LCD monitors, shipping costs from Asia.

Prices on the DOWN side: Some nickel, aluminum & aluminum ingot, carbon steel, scrap steel, CR & HR carbon steel.