



SFSA CASTEEL REPORTER

Steel Founders' Society of America

a monthly publication

serving SFSA steel casting industry Members

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www.sfsa.org

AUGUST — 2002

SFSA celebrates 100 years of service this year! We have many special events and opportunities. You need to plan to participate. Do not miss the Annual Meeting this year. Tough times create new challenges. The Society is one hundred years old because members meeting together in tough times survive and prosper.

Annual Meeting

It's not too late to register for this year's meeting. Call Kathi Reese at 847-382-8240 for registration details.

Market News

Business remains weak. The fall in the stock market has brought equity values more in line with the conditions that have existed in manufacturing. Low inventories, interest rates, and inflation are all positive factors that should strengthen the recovery when it begins. The recent volatility in the stock markets may signal the final stage of our current weakness and trigger an upturn.

Bookings in May for the SFSA trend cards and DOC census iron and steel castings were up. New orders or bookings were still lagging shipments indicating ongoing weakness in the market. Steel shipments are up significantly, helped by a strong consumer durable goods sector and by government action on trade. New orders for capital goods remain soft. Steel casting demand will continue to improve for the balance of the year but it is unclear how fast or how much improvement will come.

Casteel Commentary

One hundred years ago, farsighted steel foundrymen formed the Steel Founders' Society. The Society has served the Steel Casting Industry through wars, depressions, shortages, and even occasionally during prosperity. Our Annual Meeting this year is a celebration of the "century of service".

Times are tough in the industry. While conditions will improve this year, deciding to participate in the Annual Meeting is difficult.

As many members know, participation is the only way to get the value from SFSA membership. Especially in difficult times, meeting others in the Industry and looking for creative solutions and opportunities is more important, not less. The Annual Meeting gives SFSA members a unique chance to find a route to prosperity through adversity.

Join us to celebrate 100 years! Join us to find out what's happening. Join us to look for new solutions and new opportunities. Join us to discuss the future outlook for the Industry. Uncertain times require that we have a clear idea of the challenges we face. Join us to secure the future prosperity of our Industry. Join us at the Annual meeting at The Broadmoor in beautiful Colorado Springs.

Raymond

STEEL FOUNDERS' SOCIETY OF AMERICA
MEETINGS CALENDAR

2002

August 19-20 Marketing Committee - Rosemont, IL

September 12-13 Western Division Meeting and Tour of ME Global - Tempe, AZ

September 21-25 SFSA's 100th Anniversary Annual Meeting - The Broadmoor, Colorado Springs, CO

November 5 Specifications Committee

November 6-9 National T&O Conference - Hotel Inter-Continental, Chicago, IL

December 2-3 Marketing Committee - Rosemont, IL

2003

September 13-17 SFSA Annual Meeting, The Ritz-Carlton Resort, Amelia Island, FL

November 5-8 National T&O Conference - Hotel Inter-Continental, Chicago, IL

2004

September 11-15 SFSA Annual Meeting, The Resort at Squaw Creek, Lake Tahoe, NV

November 3-6 National T&O Conference - Hotel Inter-Continental, Chicago, IL

**STEEL FOUNDERS' SOCIETY OF AMERICA
BUSINESS REPORT**

SFSA Trend Cards 3 Mo Avg May Apr
(%-12 mos. Ago)

Carbon & Low Alloy

Shipments	-15.8	-27.2	2.1
Bookings	-2.5	46.0	-29.0

High Alloy

Shipments	35.6	74.5	21.0
Bookings	8.6	15.0	10.7

**Department of Commerce
Census Data**

Iron & Steel Foundries (million \$)

Shipments	1,270	1,350	1,262
New Orders	1,239	1,292	1,247
Inventories	1,723	1,746	1,709

Nondefense Capital Goods (billion \$)

Shipments	58.7	57.9	59.1
New Orders	56.3	56.6	56.8
Inventories	115.8	116.4	114.8

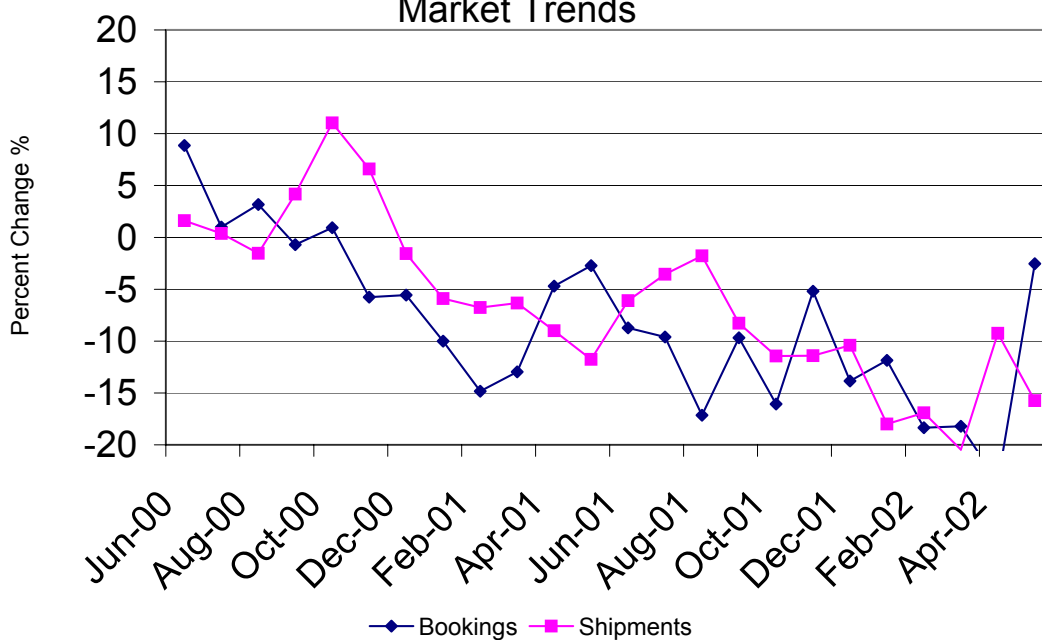
**Nondefense Capital Goods
less Aircraft (billion \$)**

Shipments	54.7	54.6	55.0
New Orders	53.7	54.2	54.6
Inventories	93.4	92.9	93.3
Inventory/Orders	1.74	1.71	1.71
Inventory/Shipments	1.71	1.70	1.70
Orders/Shipments	0.98	0.99	0.99

American Iron and Steel Institute

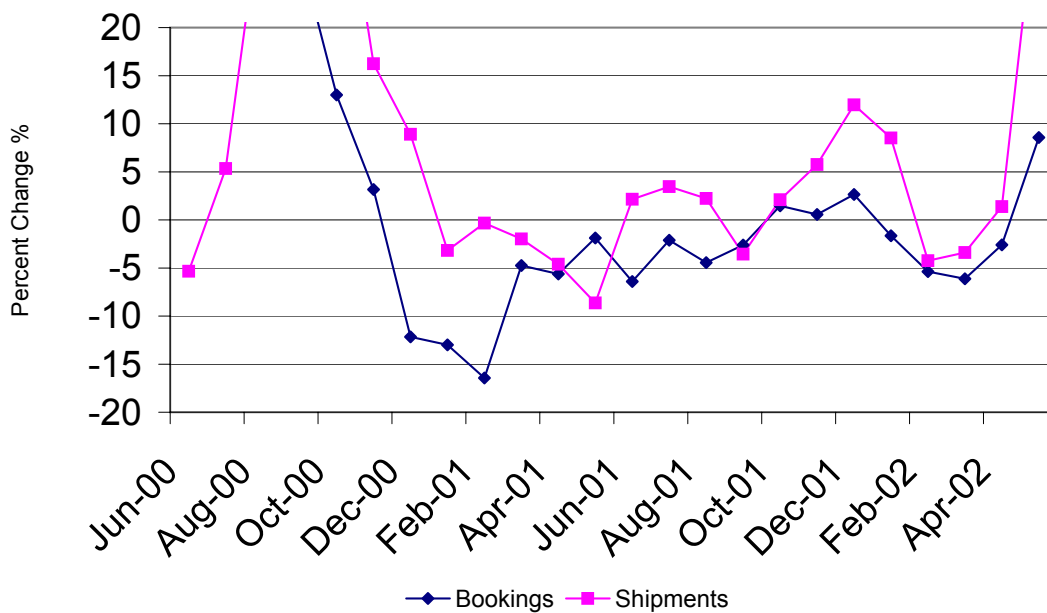
Raw Steel Shipments (million net tons)	8.5	8.7	8.6
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Carbon & Low Alloy Casting Market Trends



SFSA Postcards

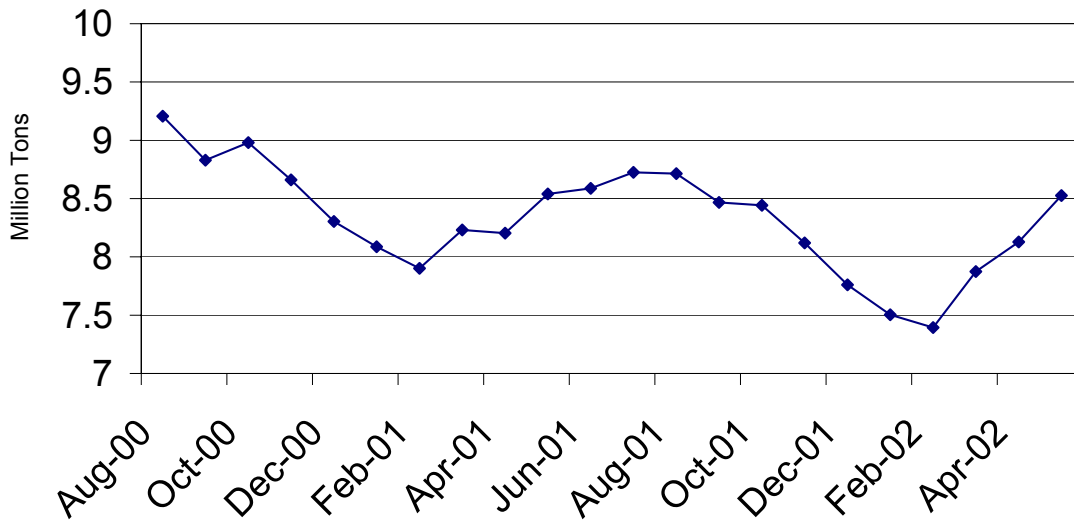
High Alloy Casting Market Trends



SFSA Postcards

Raw Steel Shipments

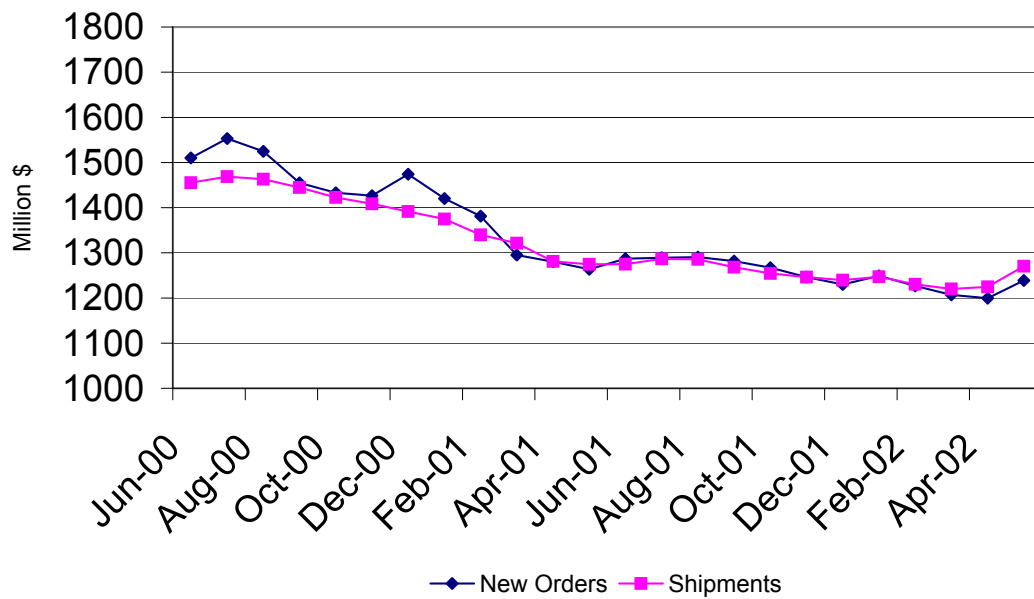
3 month average



AISI Data

Iron and Steel Castings

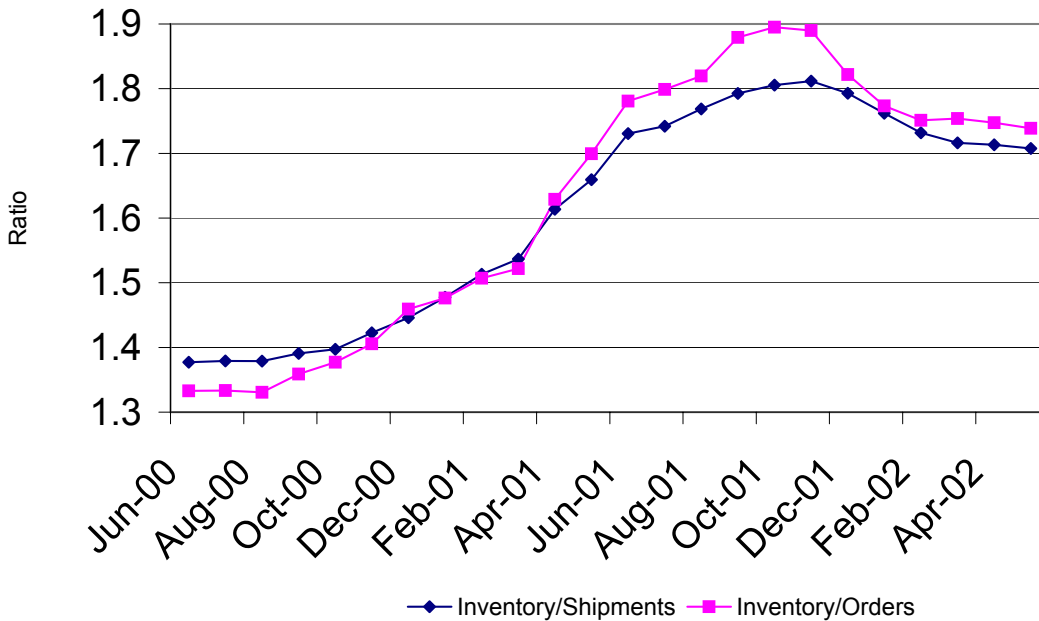
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SFSA

Nondefense Capital Goods less Aircraft

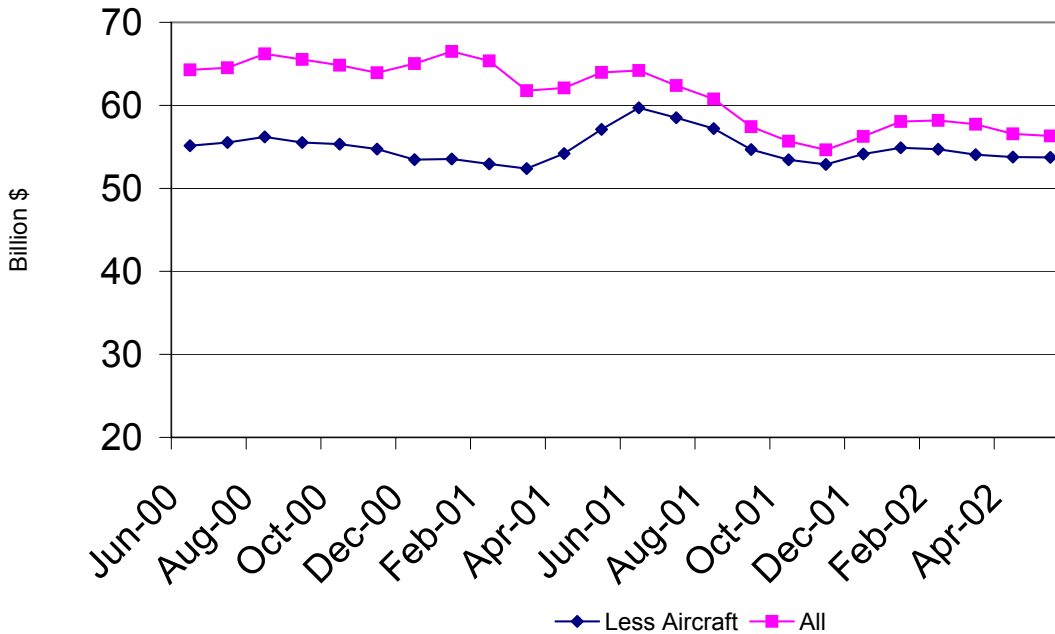
3 month average



Department of Commerce

Nondefense Capital Goods New Orders

3 month average



Department of Commerce