



SFSA CASTEEL REPORTER

Steel Founders' Society of America

a monthly publication
serving SFSA steel casting industry Members

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August — 2006

Casteel Commentary Highlights:

Most operations have at least one area with unique process capability. Often this capability is complemented by unique technology and provides the plant with a competitive advantage in the global marketplace. One strategy for future prosperity is to look for opportunities to extend unique process advantages. This is the topic of the Casteel Commentary this month.

SFSA Annual Meeting

Do not miss the 2006 SFSA Annual Meeting scheduled for September 10-12 in Santa Fe, NM. We have added another special speaker to the program for the meeting. Todd D. Wyman, General Manager-Global Supply Chain, from GE transportation will be speaking to us concerning the Expectations of the customer. Charlie, Cook, the political pollster, Martin Regalia, the eminent economist, and Neal Elliot, the energy expert, will be presenting issues critical to our future success. Martin Stap is presenting the SFSA Forecast for 2007. Time is limited so you will want to register soon. I would suggest that all members take advantage of the strong business conditions to invest in the future at the SFSA Annual Meeting.

Safety

Safety is a key issue for improvement in our industry. The next SFSA safety meeting will emphasize ergonomics and include a review of some studies in steel foundries. The meeting is scheduled for August 22-23 in Bettendorf, IA. It will include a tour of

Sivyer Steel. Registration and a program have been emailed to SFSA members and are attached to this newsletter.

Marketing Committee

The SFSA Marketing Committee meeting is scheduled for the August 21-23 in London, Ontario. The meeting will include a tour of A.G. Anderson and London Precision. If you are interested in joining the committee, email or call Sandra Walker or Raymond Monroe. The committee will be preparing the 2007 Forecast.

Porosity in Steel Castings

On August 29 at 10 a.m. CDT, Raymond will be presenting a web course through AFS on "Porosity in Steel Castings." There are still a few slots available so let us know if you would like to participate.

International

The International Foundry Forum is held this year in Lisbon, Portugal. The meeting is September 28-29 and Raymond Monroe will be presenting conditions in North America. If you are interested in being invited to attend, contact him. Details are available at <http://www.international-foundry-forum.org/>.

SFSA is organizing a tour of progressive steel foundries operating in China for members, October 20-November 1. The tour will include about 12 plant tours all over China. Details are included for registrations have been emailed to SFSA members and are attached to this newsletter. If you have an interest in China, this tour will provide you with the opportunity to see for yourself.

Environmental Note

Courtesy of KERAMIDA

Common Pitfalls of a Hazardous Waste Agency Inspection – There are several common violations that inspectors of hazardous waste generators find over and over again. KERAMIDA Environmental has researched the types of violations commonly cited by regulatory agencies across the country and has also observed many of them during their audits. Here is a summary of their results.

· Satellite Accumulation Areas –

Improper labeling

Over 55 gallons in the area

Open containers

· No documented Training or Job Descriptions

· No notifications to local authorities regarding emergency response

· Inadequate Contingency Planning

· Exceeding SQG threshold

· Improper LDR notifications

More information on common violations and hazardous waste compliance can be obtained from Kristen Belcredi at Keramida Environmental, Inc. at 1-800-508-8034.

Yellow Exact Express®

In today's fast-paced world, transportation is becoming more important than ever. While supply chains are adjusting to globalization, inventories must be kept closer to customers and arrive faster, which means supply chains and inventories must be managed more efficiently. To get your shipment to its destination exactly when you want it there—same day, next day, by an exact time, even on weekends, utilize Yellow Transportation's Exact Express service.



Creating Possibilities. Yes We Can.

With Exact Express, you receive proactive notification. From time to time, weather complications or other unforeseen circumstances occur. If there is a chance we can't make your requested delivery time, we'll call you and discuss your options to reach agreed-on service deadlines or to reschedule delivery.

Exact Express provides service throughout the 50 United States, Canada, Mexico and Puerto Rico. You can count on Exact Express for your shipments of 70 lbs and up, subject to normal exclusions and available air shipment space.

For more information, contact Mike Ramsey at 800-458-3323 ext 5728.

Technical Innovation

Deoxidation is often an art rather than a science in steel foundries. We still rely primarily on aluminum often supplemented with titanium or zirconium. In the SFSA technical service reports it is often the case that brittle casting failures is due to inappropriate deoxidation practice. For normal sulfur levels above about 0.015%, inadequate deoxidation may lead to under-riser porosity or even type II sulfides. When aluminum is used, the aluminum content needs to be over 0.02% to prevent these sulfides. On the other hand, if excessive aluminum, say greater than 0.06%, is used aluminum nitride embrittlement called rock candy can occur. This is especially a problem at high nitrogen and slow cooling rates typical of cast sections greater than 4 inches. The addition of titanium or zirconium can help prevent rock candy fractures but these elements must be added after, not with or before the aluminum to be effective.

Specification Note

Many customers order steel castings using ASTM material Grades. For example, ASTM A352 LCB could be a material for a casting. When an ASTM grade is ordered, it refers either to a general requirements

specification A781 or a pressure requirements specification A703. A352 refers to A703. The producing foundry is required not only to meet all the requirements of A352 for the grade but also A703 for the casting. One of the significant requirements of A703 is a requirement that the weld procedure and the welder both be qualified to ASTM A488. A488 allows a single qualification for similar materials and groups A352 LCB with other carbon steels like A216 WCB. But since A352 requires a Charpy Impact test, the weld qualification must also pass the impact test. It is necessary to make sure that for all the ASTM materials produced the foundry has

qualified procedures and welders. These qualifications can be used to demonstrate to potential customers that the foundry is capable of producing the needed materials. It is also a good sales tool to post certificates in the weld area of welder qualification.

Market News

Shipments and bookings remain strong. The SFSA Trend Cards show continued strong growth in bookings and shipments for the month of May. Continued high commodity prices and global growth should support strong demand through the balance of the year.

Casteel Commentary

Another strategy for global competitiveness is to have unique processes. One example particularly pertinent and obvious today is the ability to make large castings. The suppliers of castings over 5 tons are limited. With the current strong demand, these foundries are busy and are well positioned to continue to prosper in the global economy. Any unique process or equipment can confer a process advantage on a plant.

A process advantage is similar to the technology advantage that was discussed last month but it generally involves specialized equipment. Identifying a process capital investment that leads to a value-added competitive advantage is not easy. But it can institutionalize a competitive advantage that will sustain in global competition. Often the unique process can be combined with technology for particular product.

For example, a large AOD vessel can be combined with strong metallurgical expertise to develop unique alloys capable of high performance. This can create a unique production ability that is difficult to match in a developing country. Another example would be heat treating furnaces capable of operating in excess of 2100°F. This type furnace can process complex high alloy castings and can improve properties. Another example is vacuum melting and pouring allowing a foundry to make aerospace super alloys.

Special process technology can be as simple as the ability to perform unusual NDE tests or perform specialized machining operations. It can be as complex as custom built flasks and molding lines to process special casting shapes. It is common for some potential users to want to find a producer with shell molding, "V" process, "lost foam" steel, Shaw process, etc. Many steel foundries have at least one special capability.

This strategy would be to extend the process advantage and supplement it with proprietary technology. If a plant can marry a special tool or equipment with unique technology, they can create customer value that is unavailable elsewhere in the global marketplace.

Raymond

STEEL FOUNDERS' SOCIETY OF AMERICA

MEETINGS CALENDAR

2006

August

- 2/3 High Alloy Product Group Meeting, Baytown, TX
9/10 Research Review, Rosemont, IL
21/23 Marketing Committee Meeting and Plant Tours, London, Ontario, Canada
22/23 Safety Meeting, Bettendorf, IA

September

- 10/12 SFSA Annual Meeting, Eldorado Hotel, Santa Fe, NM

October

- 20/Nov 1 China Foundry Tour, China

December

- 13/16 National Technical & Operating Conference, The Drake Hotel, Chicago, IL

2007

December

- 12/15 National Technical & Operating Conference, The Drake Hotel, Chicago, IL

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

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

Shipments	15.2	28.0	22.1
Bookings	36.7	30.9	54.7
Backlog (wks)	11.8	11.2	13.5

High Alloy

Shipments	40.1	33.3	12.9
Bookings	34.9	6.4	21.2
Backlog (wks)	11.1	11.7	11.3

**Department of Commerce
Census Data**

Iron & Steel Foundries (million \$)

Shipments	1,670	1,647	1,630
New Orders	1,697	1,666	1,677
Inventories	2,045	2,101	2,074

Nondefense Capital Goods (billion \$)

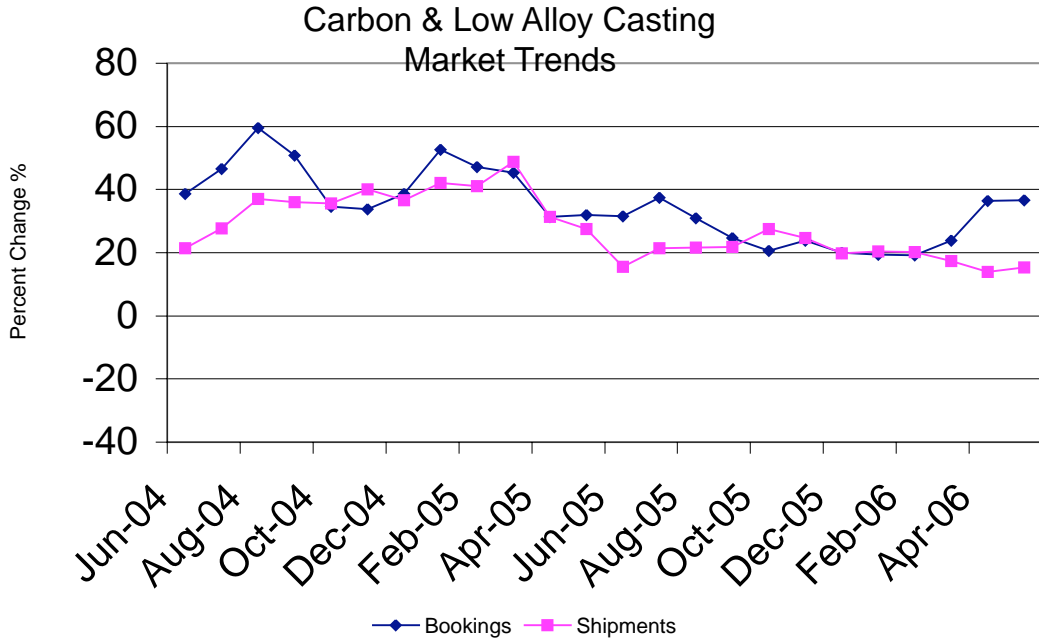
Shipments	67.8	66.3	65.2
New Orders	75.4	70.2	71.9
Inventories	110.9	108.5	108.8

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

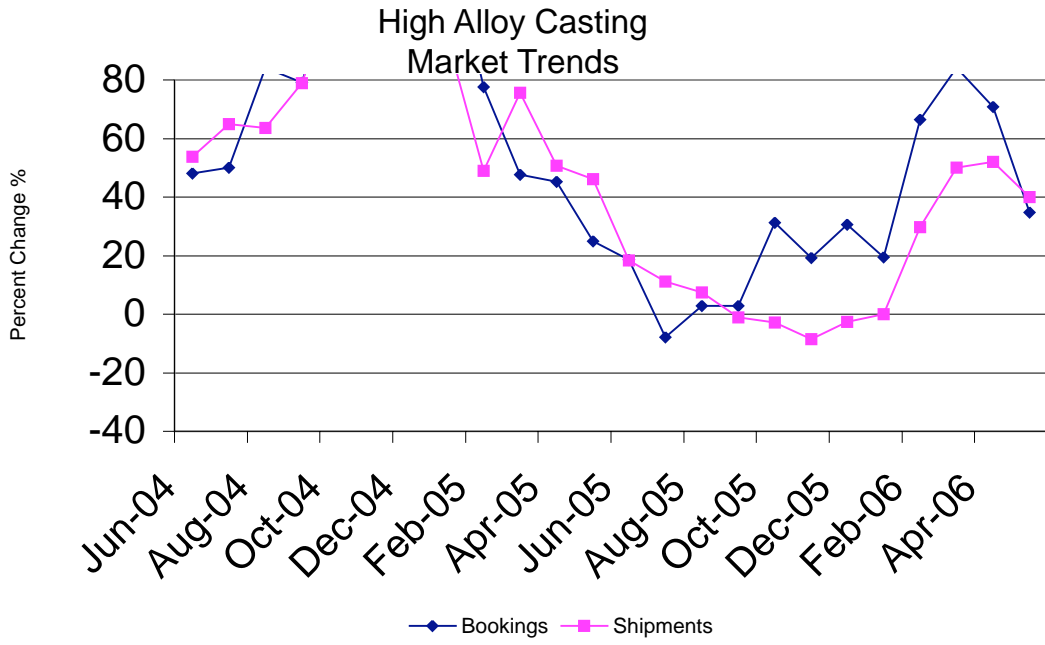
Shipments	62.9	61.1	61.3
New Orders	64.5	62.5	62.2
Inventories	93.1	91.3	91.5
Inventory/Orders	1.44	1.46	1.47
Inventory/Shipments	1.48	1.49	1.49
Orders/Shipments	1.03	1.02	1.01

American Iron and Steel Institute

Raw Steel Shipments (million net tons)	9.5		9.2
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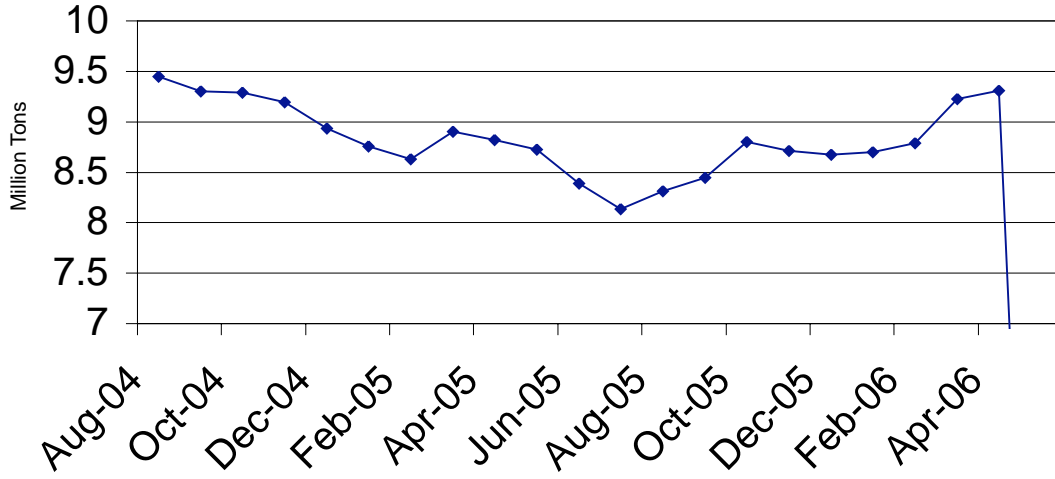
SFSA Postcards



SFSA Postcards

Raw Steel Shipments

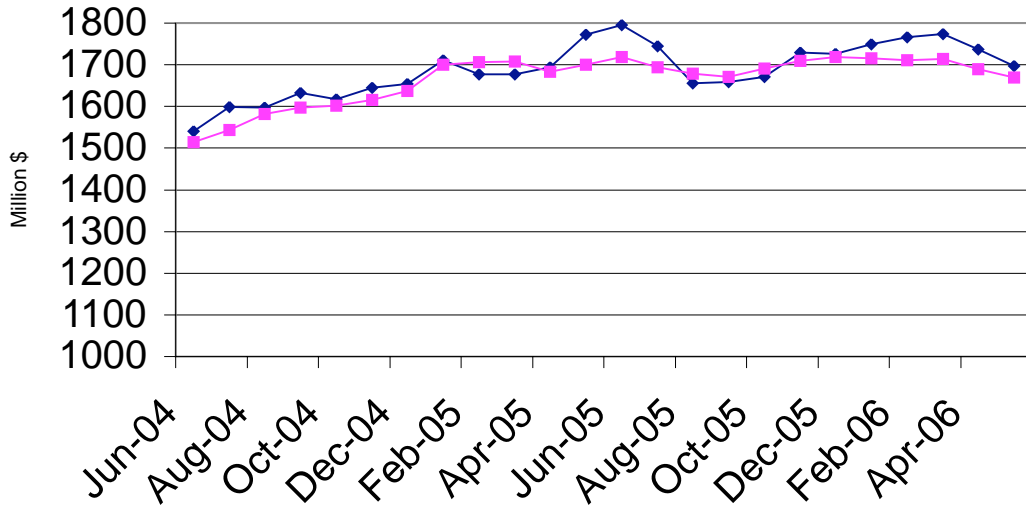
3 month average



AISI Data

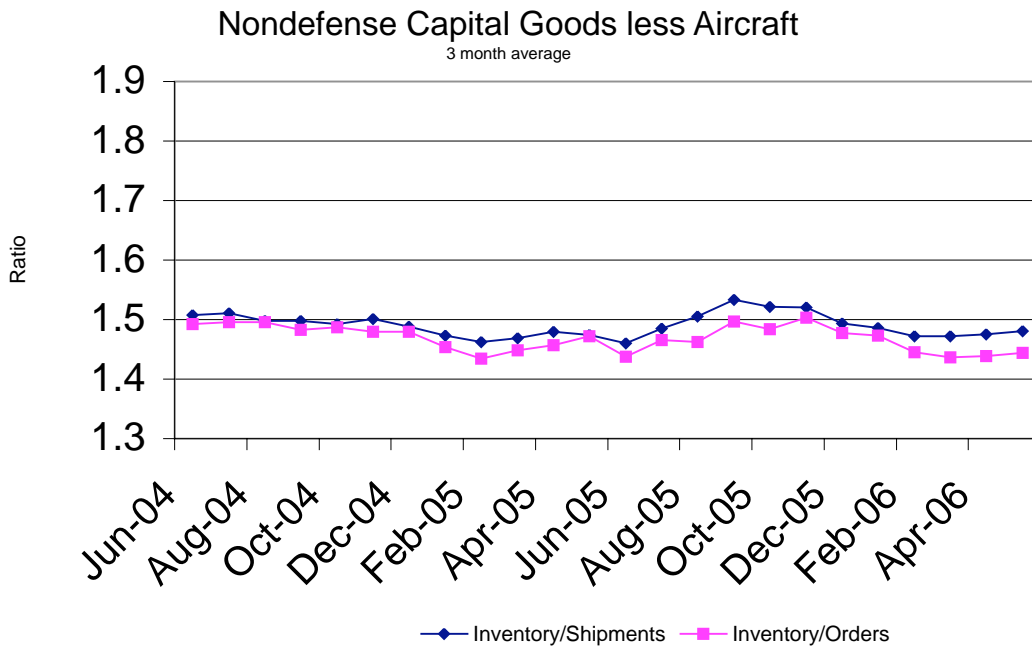
Iron and Steel Castings

3 month average

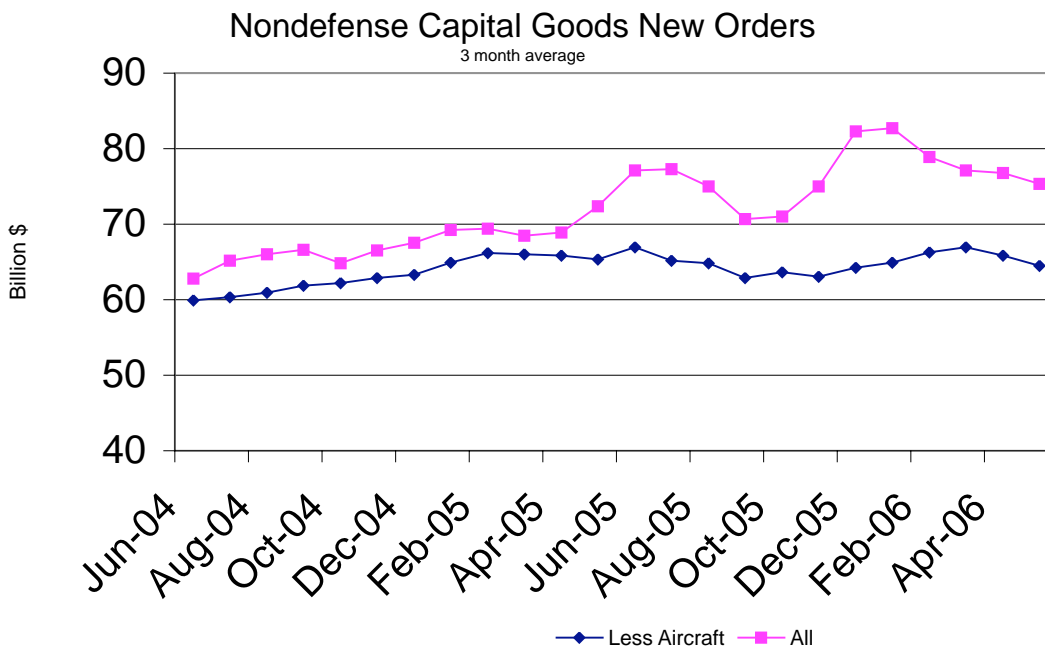


—◆— New Orders —■— Shipments

SFSA



Department of Commerce



Department of Commerce

Safety

The next Safety meeting will be held at The Lodge Hotel, Bettendorf, IA on August 22. The meeting will be followed by a tour of Sivyer Steel on August 23.

****8.22.06 - 1:00 pm to 5:00 pm****

The agenda will include:

1. Brief update on the status of the SFSA Safety Committee - *Malcolm Blair, SFSA*
 - 1.1 Development of a mission statement
 - 1.2 Frequency of meetings - at least twice per year
 - 1.3 Identification of a Chairman
2. The principles of Ergonomics - *Pat Patterson*
- *ISU/Texas Tech.*
3. Round table discussion - each company should give an update on some or all of the following items:
 - The status of your safety program
 - Challenges on the horizon
 - Topics for the next Safety Committee meeting.

We are arranging a dinner for the evening of 8.22.06 - hopefully we can arrange for separate checks.

****8.23.06 - 8:30 am****

Tour of Sivyer Steel.

It is anticipated that we should be finished by 11:30 am.

The sleeping rooms and the Safety meeting are at The Lodge Hotel. A block of rooms has been reserved for 8/21 and 8/22. Attendees will need to call the hotel at the number below and state they are with Sivyer Steel to get the corporate rate.

Reservations must be made by July 21st. The price for a room is \$57 plus tax.

A hotel shuttle service is available from the Quad Cities Airport.

The Hotel information is:

The Lodge Hotel & Conference Center. Located off I-74 at Spruce Hills Drive. Address: 900 Spruce Hills Drive, Bettendorf, IA 52722.

Local phone: 563-359-7141

For reservations, call toll free 1-866-690-4006

Website: <http://www.lodgehotel.biz/>

Please register your attendance at the meeting with me this helps with head counts.

I look forward to seeing you in Bettendorf.

Malcolm

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Malcolm Blair

VP Technology, SFSA

Chairman/Secretary ISO TC17/SC11

104th SFSA ANNUAL MEETING REGISTRATION

The Eldorado Hotel & Spa

Santa Fe, NM

Please register the following individuals for the Annual Meeting Sept. 9-12, 2006
(Please copy this form and submit one form per person/couple)

First Name Nick Name Last Name Check if Alumni
_____ _____ _____

Please register the following spouse/guest:

_____ _____
Email Address: _____

Company _____

Address _____

Signature: _____

Fees

Meeting registration (1 st & 2 nd delegate from company)	\$1200	(3 rd & after):	\$1025	=	_____
Spouse, Guest, or Alumni	\$ 600		\$600	=	_____
			TOTAL		_____

Payment Information

- A check is enclosed
 Charge my Visa, MasterCard or American Express

PLEASE CHOOSE METHOD
OF PAYMENT AND SEND
WITH REGISTRATION

Credit Card # _____

Exp. Date _____

Sign up for golf and other activities on the separate activities form.

Return this form to SFSA by AUGUST 1st, 2006.

Sandra Walker
SFSA
780 McArdle Drive Unit G
Crystal Lake, IL 60014
Fax: (815) 455-8241
E-mail: sandra@sfsa.org

Hotel Cut-off Date is August 15th

Please make your hotel reservations directly with The Eldorado, using the enclosed hotel registration form or by calling the hotel at (800) 955-4455 in all communications regarding the hotel stay, please refer to the **Steel Founders'** event.

Please list here any special needs; i.e. special dietary requests, special accommodations, etc.



AGENDA: 2006 US Steel Founders' Delegation to China

October 21, Saturday: Delegates check into Hilton Hotel in **Beijing** (or hotel of equivalent ranking)

October 22, Sunday:

- Breakfast briefing at the hotel.
- Half day city tour of **Beijing**
- Fly to **Taiyuan** in late afternoon (flight departs at 5:10 pm and arrives at 6:20 pm)
- Check into World Trade Center Hotel in **Taiyuan** (best 5-star hotel in town)

October 23, Monday

- Visit two foundries in **Taiyuan**
- Stay at the same hotel in **Taiyuan**

October 24, Tuesday

- Visit one foundry in **Taiyuan** in the morning
- Fly to **Shenyang** in the afternoon (flight departs at 2:10 pm and arrives at 3:30 pm)
- Check into Sheraton or Marriott hotel in **Shenyang**
- Meet with board members of Foundry Institution of Chinese Mechanical Engineering Society (FICMES).

October 25, Wednesday

- Visit two foundries in **Shenyang**
- Stay at the same hotel in **Shenyang**

October 26, Thursday

- Visit two steel foundries in **Shenyang**
- Fly to **Hefei** in late evening (flight departs at 9:20 pm and arrives at 11:20 pm)
- Check into Sofitel hotel in **Hefei**

October 27, Friday

- Visit two steel foundries in **Hefei**
- Stay at the same hotel in **Hefei**

October 28, Saturday

- Fly back to **Beijing** in the morning (flight departs at 10:35 am and arrives at 11:50 am)

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- Delegates purchasing the one-week package will be dismissed upon flight arrival. Those who purchase the 12-day package will follow the itinerary below
- Half day city tour of **Beijing**
- Check into Sino-Swiss Hotel, the only 4-star business-leisure hotel near the Beijing Airport

October 29 – Sunday

- Fly to **Luoyang** in early morning (flight departs at 7:25 am and arrives at 9:00 am)
- Check into Hua-Yang Plaza Hotel (the only 5-star hotel in town)
- Half day city tour of **Luoyang**

October 30 – Monday

- Visit two foundries in **Luoyang**
- Stay at the same hotel in **Luoyang**

October 31 – Tuesday

- Visit one to two foundries in **Luoyang** and/or **Kaifeng**
- Stay at the same hotel in **Luoyang**

November 1 – Wednesday

- Fly back to **Beijing** (flight departs at 9:40 am and arrives at 10:55 am)
- Group will be dismissed upon flight arrival

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Trade Mission Cost and Payment Terms

	One-week Trip (excluding Luoyang)		12-day trip (including Luoyang)	
	Less than 15	15 or above	Less than 15	15 or above
Numbers of Delegates	Less than 15	15 or above	Less than 15	15 or above
Package Price	\$7,200	\$6,400	\$10,400	\$9,300
Visits to foundries in Taiyuan, Shenyang and Hefei	✓	✓	✓	✓
Meeting with China foundry industry and government officials	✓	✓	✓	✓
Hotel in Beijing on 10/21	✓	✓	✓	✓
Half-day city tour of Beijing on 10/22	✓	✓	✓	✓
Two nights' Hotel in Taiyuan	✓	✓	✓	✓
Two nights' hotel in Shenyang	✓	✓	✓	✓
Two nights' hotel in Hefei	✓	✓	✓	✓
Domestic flights between Beijing, Taiyuan, Shenyang and Hefei	✓	✓	✓	✓
Hotel in Beijing on 10/28/06	X	X	✓	✓
Flights between Beijing and Luoyang	X	X	✓	✓
Visits to foundries in Luoyang	X	X	✓	✓
Three nights' hotel in Luoyang	X	X	✓	✓
Most meals during the whole trip	✓	✓	✓	✓
All ground transportation	✓	✓	✓	✓
Single-entry Visa application	✓	✓	✓	✓
International Flight	X	X	X	X
Payment Terms	<ul style="list-style-type: none"> • Registration and non-refundable deposit: <ul style="list-style-type: none"> ■ \$600 for the one-week package ■ \$900 for the 12-day package • Registration and deposits due by 7/28/06 • 50% due by 8/11/06 • Remaining due by 8/25/06 • Additional charges will apply if registration and deposits are received after 7/28/06 			

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Terms and Rules

- The above prices are only good for a group of more than 10 delegates for each package. Package prices will be adjusted based on the final number of delegates if it falls below 10. If more than 10 people sign up for the trip yet less than 10 people choose the 12-day package, the prices for the 12-day package will be adjusted based on the final number of people who choose that package.
- Local tipping not to exceed \$80 per person will be collected at the end of the trip. These tips are for China local personnel including bus drivers, tour guides, etc.
- The above prices are subject to change and can't be guaranteed until at least 50% payment is received.
- Single-entry visa application is included in each package price. Additional fees will apply for double entry or multiple entry visas.
- The hotels, activities and flight schedules listed in the itinerary are for planning purpose only and are subject to change.
- Additional charges will apply for packages secured after 7/28/06.
- Extended travel or customized itinerary can be arranged upon request. Service charges will apply.
- Package prices cannot be discounted for delegates' late arrival, early withdraw or absence from the delegation's activities.
- Every delegate should be fully aware of the planned itinerary upon signing up the delegation. It is upon the request of the delegates to visit as many foundries as possible within a short period of time. The inevitable result could be long days with extensive ground and air travel. DragonVenture should not be held responsible for actual itinerary changes due to local traffic or flight delays or cancellations.

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SFSA Delegation – China Tour, October 2006.

The following information is required for each individual traveler:

1. Name as appeared on your passport – This must be the exact spelling of the names on your passport, which is required for international travel.
2. Name preferred to be put on the name badge, which you will be wearing throughout the trip.
3. Title
4. Name of the Company
5. Company full address
6. Telephone Number (Please provide extension or direct line number if available)
7. Fax Number
8. Company Website
9. Email address – Please provide email address for each participant from the same company if available
10. Type of package to purchase
One-Week Package _____ 12-Day Package _____
11. Preferred room types in the hotel – Our agent will request this for us but can't guarantee it
2 twin beds _____ 1 queen/king bed _____
Non-smoking _____ Smoking _____

It is important that this information should be sent to Yulei Zhang <yulei@dragonventure.com>. Remember checks must also be sent, credit cards are not acceptable, there are not any exceptions.

Mailing Address:

Attn: Yulei Zhang / SFSA Delegation
Dragon Venture Inc.
1737 N. 1st Street
Suite 250
San Jose
CA 95112

Envelopes must be marked Attn: Yulei Zhang / SFSA Delegation

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Steel Guru July 2006

Economists see another steel price increase in US

- 24 Jul 2006

According to the latest Kiplinger Letter a Washington DC economic forecaster steel prices could rise in August and remain high well into next year. The newsletter said "Typically they decline in the fall, but not this time around. Growing demand in the US, China, India and Europe are to blame." China, India and other developing nations have consumed millions of tons of metals to fuel their economies, putting pressure on world prices.

According to Kiplinger metal product manufacturers should expect a \$30 per ton across the board price increase in about a month, which would put the price of hot rolled steel at about \$660 per ton and cold rolled steel at about \$790 per ton.

According to Mr Robert Schenosky an industry analyst with Jefferies & Co in New York some companies have already absorbed a \$20 per ton increase in the price of steel in recent months, and a similar increase could be coming. He said "I am not sure it will be in August, but it could be sometime this fall. I think that you could see one more price increase this year, partly because steel imports have remained down and broadly speaking, demand for steel has remained firm."

In the United States, rebuilding Gulf Coast areas destroyed by Hurricane Katrina has further tightened metal supplies and bolstered prices. The hurricane destroyed barges, highways, bridges, buildings and offshore oil and gas rigs requiring large amounts of steel to replace them. A nationwide surge in building new railroad cars has further tightened steel supplies.

Top 80 steel producing companies in 2005

- 24 Jul 2006

As per the compilation by International Institute of Steel & Iron, top 80 companies accounted for 772.5 million tonnes of crude steel output, out of total global production of 1109.445 million tonnes, accounting for a share of 69.6%

The list of top 80 companies ranked in order of crude steel production in million tonnes during 2005 is given below.

Rank	Output	Company	Rank	Output	Company
1	63.0	Mittal Steel	41	5.9	Mechel
2	46.7	Arcelor	42	5.8	Celsa
3	32.0	Nippon Steel	43	5.8	Anyang
4	30.5	POSCO	44	5.7	Jiuquan
5	29.9	JFE	45	5.6	AK Steel
6	23.8	Baosteel	46	5.5	HKM2*
7	19.3	US Steel	47	5.4	Taiyuan
8	18.4	Nucor	48	5.2	CSN
9	18.2	Corus Group	49	5.2	Erdemir
10	17.5	Riva	50	5.1	Salzgitter
11	16.5	ThyssenKrupp	51	5.0	Jianlong
12	16.1	Tangshan	52	4.6	Liuzhou
13	13.9	Evrax	53	4.6	Beitel
14	13.7	Gerdau	54	4.5	Tangshan Guofeng
15	13.6	Severstal	55	4.5	Stelco
16	13.5	Sumitomo	56	4.4	Tata Steel
17	13.4	SAIL	57	4.4	Zaporizhstahl
18	12.0	Wuhan	58	4.4	Nangang
19	11.9	Anshan	59	4.2	SIDOR
20	11.4	Magnitogorsk	60	4.2	HADEED
21	10.5	Jiangsu Shagang	61	4.2	Dofasco
22	10.4	Shougang	62	4.2	Ezz Group
23	10.4	Jinan	63	4.0	Jlangxi Xinyu
24	10.3	Laiwu	64	4.0	SSAB
25	10.3	China Steel	65	3.9	Nisshin
26	9.6	Maanshan	66	3.7	Alchevsk
27	9.4	IMIDRO	67	3.6	Urals Steel
28	8.7	Techint	68	3.6	Xuanhua
29	8.7	Usiminas	69	3.5	Shaoguan
30	8.5	Novolipetsk	70	3.5	Kunming
31	8.2	Hyundai	71	3.4	Ruukki
32	7.7	Kobe Steel	72	3.4	Tinjin Tiantie
33	7.0	Baotou	73	3.4	Vizag Steel
34	7.0	Handan	74	3.4	Tokyo Steel
35	7.0	Illyich	75	3.4	Hebei Jinxi
36	6.8	Blue Scope	76	3.4	Pingxiang
37	6.5	Benxi	77	3.3	AHMSA
38	6.4	Voestalpine	78	3.3	Steel Dynamics
39	6.2	Panzhuhua	79	3.3	Duferco
40	5.9	Azovstal	80	3.2	Ipsco

Output in million tonnes

* 50% of HKM2 included in ThyssenKrupp Source – IISI

Inco estimates world nickel deficit at 30,000 tonnes in 2006

- 23 Jul 2006

Canadian nickel producer Inco is predicting a world nickel deficit of 30,000 tonnes for 2006 with no significant new production coming on stream this year. Mr Peter Goudie executive VP of marketing at Inco while speaking at the company's second quarter earnings conference call said that the deficit could not get much larger as effectively all available nickel will be utilized.

Mr Goudie said that "In 2006 we are experiencing the tightest nickel market we have ever seen. This is the result of the lack of new major nickel projects for a number of years. The final two quarters of 2006 will be the most interesting ones that the nickel market has seen."

Mr Goudie said that the drawdown in London Metal Exchange stocks fell by 2,880 tonnes last week to a level where stocks less cancelled warrants fell to 3,318 tonnes representing 17 hours of world consumption.

Mr Goudie said "There is not sufficient nickel to meet demand, so we really are in a discovery process to find out what levels of price are required to pull demand back in line with available supply." He said that the market appeared to find these levels and then pulled back temporarily before moving up again. "It happened at \$17,000 and again at \$20,000 and we're seeing it again at about the \$26,000-27,000 level and it will pull back." He said that the price had to remain at very high levels to pull demand back to supply.

World Bureau of Metal Statistics had last month said that there was a 6,000 tonnes deficit in the global nickel market in the first four months of this year.

Nucor's Q2 profit surge by 40%

- 22 Jul 2006

Charlotte based Nucor Corp announced that its profit increased by 40% in April to June 2006. It reported net earnings of \$452.8 million as compared to \$322.7 million in April to June 2005. Nucor's net sales rose by 21% to \$3.81 billion in Q2 as compared with \$3.15 billion a year ago. Average sales price per ton was up by 5% over the second quarter of 2005.

Nucor said that it shipped a record total of 5.8 million tons to outside customers in the second quarter up by 15% over the year-ago period and a 4% increase over the first quarter of this year.

Mr DiMicco CEO told analysts on the conference call that his management team's strategic plan, implemented when he took over the

company six years ago, continues to show results. He noted that the 11.6 million tons of steel Nucor shipped in the first half of 2006 is more than the 11 tons the company shipped in all of 2000. He said "Our strategic plan has strengthened Nucor's position as North America's most diversified steel producer. Nucor's product line diversity is important because our short term performance is not tied to any one steel product."

During the second quarter, Nucor acquired Connecticut Steel Corp. for \$43.9 million in cash. The facility produces wire rod and rebar, as well as wire and structural mesh products. Also in the quarter, Nucor announced plans for three new facilities: a factory to produce pre-engineered steel building systems, to be built in the West; a galvanizing steel facility that will be added to an existing plant in Decatur, Ala.; and a mill in the South that is to produce high-quality steel bars.

Production of SS at highest level in first quarter of 2006

- 21 Jul 2006

The International Stainless Steel Forum has announced that world stainless crude steel production in the first quarter of 2006 stood at 6.6 million tonnes. The total is the highest amount of stainless steel that has been produced in a single quarter. Compared to the first quarter of 2005, production only rose by 0.3%. However, compared to the fourth quarter of 2005, production has risen by 12.2%. This indicates that demand is recovering from the poor results in the second half of 2005.

When compared to the fourth quarter of 2005, the strongest growth rate in the first quarter of 2006 (17.7% to 0.8 million tonnes) was achieved in The Americas. The Western Europe/Africa region increased stainless steel production by 12.6% to 2.4 million tonnes. Asia saw an increase of 11.1% to 3.3 million tonnes. Production in the Central and Eastern Europe region was relatively flat in this comparison. Stainless and heat-resisting crude steel production

Region	Q4 2005/Q1 2006		Q-0-Q +/- %	Quarter 1		Y-0-Y +/- %
	Q4/2005	Q1/2006		2005	2006	
Western Europe/Africa	2,144	2,414	12.6	2,448	2,414	-1.4
Central and Eastern Europe	79	82	3.0	70	82	17.4
The Americas	646	760	17.7	731	760	4.1
Asia	3,015	3,348	11.1	3,336	3,348	0.4
World total	5,884	6,604	12.2	6585	6604	0.3

(In '000 metric tons) Source ISSF

When compared to the strong first quarter of 2005, the total world production increase in the first quarter of 2006 was just 0.3%. In

this comparison the Western Europe/Africa region is still 1.4% behind last year's production level. However, all other regions have increased their production.

The strongest growth year-on-year was achieved in Central and Eastern Europe, mainly due to the strong recovery of stainless steel production in Russia. The Americas increased their stainless steel output by 4.1%. Asia, with an increase of just 0.4%, shows flat development when compared to the first quarter of 2005

Steel Dynamics reports strong results for Q2

- 21 Jul 2006

Steel Dynamics Inc announced second quarter 2006 net earnings of \$97 million as against \$51 million in the second quarter of 2005 and \$76 million in the first quarter of 2006. Net sales for the second quarter were \$821 million, an increase of 50% YOY over Q2 of 2005 and 23% over Q1 of 2006. Consolidated shipments for the second quarter were 1.2 million tons. Second quarter and first half revenues and shipments both set new records for the company.

SDI's average consolidated selling price per ton shipped increased from \$631 in the first quarter to \$672 in the second quarter due largely to better price realizations and mix, while the cost of steel scrap per net ton charged increased \$10 from the first quarter.

Second quarter 2006 figures include the results of operations of the former Roanoke Electric Steel Corporation from April 12, 2006 forward.

Global crude steel production grows by 12.7% in June 2006

- 20 Jul 2006

World crude steel production for the 62 countries reporting to the International Iron and Steel Institute was 103.767 million tons in June 2006, which is 12.7% higher than for the same month of 2005. The production during January to June 2006 amounted to 593.379 million tonnes an increase of 8.1% over corresponding period of 2005.

The growth in crude steel production during June 2006 among regions was led by CIS which registered growth of 15.1%. Asia, North America, European Union (25), Oceania and Middle East also registered positive growth of 14%, 13.1%, 12.4%, 2.8% and 1.3% respectively in June 2006 YOY. South America and Africa regions witnessed negative growth in June 2006 YOY.

The crude steel production during January to June 2006 was led by Asia, which produced 310.246 million tonnes registering a growth of 12.8%.

Region	June'05	June'06	Change	YTD'05	YTD'06	Change
European Union (25)	15249	17146	12.4%	96633	100305	3.8%
C.I.S. (6)	8696	10013	15.1%	55633	58363	4.9%
North America	9790	11073	13.1%	63860	66731	4.5%
South America	3666	3605	-1.7%	22711	21545	-5.1%
Africa	1482	1465	-1.1%	8878	8413	-5.2%
Middle East	1196	1211	1.3%	7250	7423	2.4%
Asia	48813	55650	14.0%	274974	310246	12.8%
Oceania	715	735	2.8%	4260	4239	-0.5%

Among the top 20 nations, China recorded 18.5% growth in crude steel production during June 2006 by producing all time monthly high of 36.619 million tonnes

Sl	Region	June'05	June'06	Change	YTD'05	YTD'06	Change
1	China	30896	36619	18.5%	166915	198781	19.1%
2	Japan	9454	9691	2.5%	56727	56971	0.4%
3	United States	7110	8330	17.2%	46908	50410	7.5%
4	Russia	5144	5836	13.5%	32630	34636	6.1%
5	South Korea	3917	4259	8.7%	23786	23928	0.6%
6	Germany	3654	3980	8.9%	22896	23316	1.8%
7	Ukraine	2827	3478	23.0%	19034	19856	4.3%
8	India	2971	3360	13.1%	17882	20756	16.1%
9	Italy	2476	2678	8.2%	15203	15827	4.1%
10	Brazil	2489	2380	-4.4%	15928	14479	-9.1%
11	Turkey	1727	2018	16.9%	10197	11307	10.9%
12	France	1608	1790	11.3%	10151	10646	4.9%
13	Taiwan, China	1575	1720	9.2%	9665	9810	1.5%
14	Spain	1593	1695	6.4%	9350	9195	-1.7%
15	Mexico	1344	1320	-1.8%	8378	7930	-5.3%
16	Canada	1255	1305	4.0%	8012	7729	-3.5%
17	United Kingdom	1041	1200	15.3%	6813	7122	4.5%
18	Belgium	769	965	25.5%	5506	5639	2.4%
19	South Africa	761	840	10.4%	4835	4776	-1.2%
20	Poland	640	830	29.7%	4265	4798	12.5%

POSCO to raise SS prices this week on nickel costs

- 25 Jul 2006

POSCO will increase the domestic prices of its stainless steel products by 9%-10% from Wednesday to help offset rising raw material costs.

The price of 300 series SS HR coil will increase by about 10% to

KRW2.88 million (\$3,032) a ton, while the price of 300 series SS CR will rise to KRW3.15 million per ton up by about 9%.

A POSCO official said "This is the fourth price hike for stainless products this year. As the nickel price has gone up more than 80% so far this year, we can't help but raise the selling prices."

Posco's overall stainless steel output capacity is 2.6 million tons a year, of which its plants in China account for around 23%, or 600,000 tons. POSCO sold 489,000 tons of stainless steel products in Q2 of 2006 up by 12% YOY.

AK Steel profits up in Q2 despite lock up at Middletown

- 26 Jul 2006

In its earnings release, AK Steel said that its profits rose in 2nd quarter on higher prices and the absence of a large charge that weighed down results in the year earlier quarter.

Net earnings were \$29.1 million in Q2 of 2006 as compared with \$9 million in Q2 of 2005. AK Steel said its average selling price was \$936 per ton, up from \$903 per ton in the second quarter of 2005. Net sales in this year's second quarter were a record \$1.50 billion up by 3% YOY on shipments of 1,599,100 tons, down from 1,610,500 tons shipped in the second quarter of 2005.

Mr James Wainscott president and CEO said "Production at every unit is at, or above pre-lockout levels. It is an amazing accomplishment. We are doing more with less, fewer workers and more flexibility." He warned that the company was prepared to stick with replacement workers until it got a competitive labor contract.

However Mr Michael Locker a business consultant said the Middletown situation weighed heavily on AK Steel's results. They were disappointing compared to US Steel's, which also reported a big jump on Tuesday. He said "The market is doing well and they are not, because of the labor problems at Middletown."

AK Steel locked out union workers at its Middletown, Ohio plant in March after talks to reach a new contract broke down. Wainscott said by the end of the second quarter, the temporary workforce, including staff and managers, numbered about 1,800 compared with approximately 2,700 independent AEIF union members who operated it before.

ATI Allegheny Ludlum hikes prices of SS product by 6%

- 26 Jul 2006

Allegheny Technologies Incorporated announced that ATI Allegheny Ludlum is increasing selling prices of cold rolled and hot rolled stainless sheet and strip products, including tubular quality, and continuous mill plate and Precision Rolled Strip products, by approximately 6%. These price increases are effective with shipments beginning August 7, 2006.

In addition, the ATI Allegheny Ludlum Specialty Plate business unit is increasing selling prices by approximately 5% for 300 series alloys and approximately 10% for 400 series alloys of stainless plate-mill-plate products. These price increases are effective with shipments beginning August 7, 2006.

All surcharges remain in effect.

AK Steel to increase prices for SS by 6% with effect 6th August

- 26 Jul 2006

AK Steel has announced that it will increase transaction prices for all hot rolled and cold rolled stainless steel sheet, strip, tubular quality and continuous mill plate products by approximately 6%, effective with shipments on August 6, 2006.

The transaction price increases will be accomplished through a two percentage point reduction in the functional discount rate, which equates to approximately \$70 per ton.

Japanese steelmakers seek \$100 price hike for SBQ plates

- 27 Jul 2006

It is reported that Japanese steelmakers have demanded that South Korean shipbuilders accept a hike of steel plate prices by \$100 per ton between October and March next year in ongoing negotiations. While the steel plate shipments from Japan currently cost \$580 per ton, the Japanese firms hope to push the price to \$680 per ton due to high raw material prices.

The negotiations over prices of steel plates for shipbuilding take place twice a year, once for shipments between April and September and the other for those between October and March the following year.

South Korean steelmakers POSCO and Dongkuk Steel Mill Co are likely to follow suit if Japanese steel makers succeed in getting hike.

As per reports South Korea's top three shipyards Hyundai Heavy Industries, Daewoo Shipbuilding & Marine Engineering Co and Samsung Heavy Industries Co are expected to use 5.23 million tons of steel

plates to build ships this year, out of which 1.7 million tons are to be imported from Japan.

POSCO increases SS prices by 9% to 10%

- 27 Jul 2006

POSCO has increased the domestic prices of its stainless steel products by 9% to 10% from Wednesday to help offset rising raw material costs. The price of stainless 300 series hot rolled coil will increase about 10% to KRW2.88 million (\$3,032) per tonne, while the price of stainless 300 cold rolled coil will rise to KRW3.15 million.

POSCO official said "This is the fourth price hike for stainless products this year. As the nickel price has gone up more than 80% so far this year, we can't help but raise the selling prices."

POSCO's overall stainless steel output capacity is 2.6 million tons a year, of which its plants in China account for around 23%. POSCO sold 489,000 tons of stainless steel products in Q2 of 2006 up by 12% YOY. The average second-quarter selling price was KRW1.986 million per ton (\$2,090/ton) up by 13% over the first quarter.

SDI's earnings surge by 90% in Q2

- 28 Jul 2006

Fort Wayne based Steel Dynamics Inc has announced second quarter 2006 earnings of \$97 million as against \$51 million in Q2 of 2005 and \$76 million in Q1 of 2006. Net sales for the second quarter were \$821 million up by 50% YOY over Q2 of 2005 and by 23% as against Q1 of 2006.

Second quarter consolidated shipments of 1.2 million tons were greater than the 1.1 million tons shipped in the first quarter. SDI's average consolidated selling price per ton shipped increased from \$631 in the first quarter to \$672 in the second quarter.

Mr Keith Busse president and CEO said "Steel Dynamics enjoyed continued strength in the second quarter. Demand has remained very strong for the entire portfolio of products we produce. As a result of higher utilization rates at our facilities, we are maintaining high production rates and shipping volumes, as well as strong profit margins."

AK Steel to increase prices of SS for auto exhaust alloys

- 01 Aug 2006

AK Steel has announced that it will increase prices for stainless steel automotive exhaust alloys by 20% to 30% beginning with September 3rd shipments.

Prices for types 409, 439, 15 Cr-Cb, 18 Cr-Cb and 429 DS will increase by 30%. Prices for Aluminized 409, Aluminized 439, and types 409 Ni and 410 Cb will increase 20%.

The published stainless steel product surcharges remain in effect.