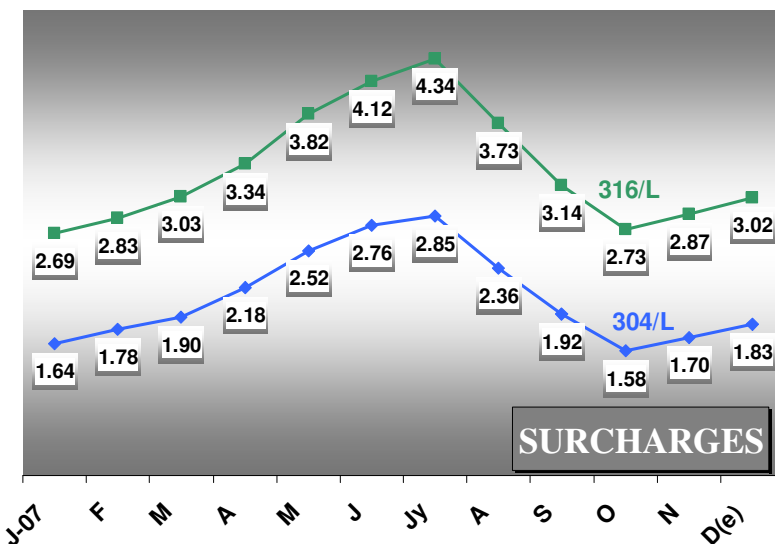


Nickel/Moly/Stainless Prices Push Upward

Nickel surcharges for stainless pipe bounced in November after consecutive decreases in the previous three months. With another increase expected in December (see graph), along with new increases of 8% to 10% in base prices recently announced and published by domestic pipe manufacturers, stainless prices will likely continue to trend upward thru the first quarter of 2008.

Nickel is not the only precious metal in play here. The strong demand for steel is also boosting molybdenum (moly) prices which will have a positive impact on the price of stainless products, particularly 316/L.



Carbon Steel

We expect prices on carbon steel products to remain stable. As we stated in our last release, however, we expect carbon steel ERW pipe prices to increase thru the first quarter of 2008 because primarily of the unsettled Chinese market.

Mick Davis, chief executive officer of Xstrata Plc, the world's fourth-largest nickel producer, said he is "bullish" on the outlook for stainless steel..."We are bullish on stainless steel. It remains the outstanding growth commodity. It has been for some years and we see no reason why that will change."
 Brett Foley
 Bloomberg.com



Tom Sheeler has been involved in the PVF industry for over 36 years and is currently the General Manager for **American Stainless & Supply** located in Cheraw, SC. With his extensive experience in inventory management, sales and most importantly, purchasing, Tom has developed a passion for discovering where the market is and where it is headed. He can be reached via email at TSheeler@amerstain.com.

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