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Industry: **STEEL**

Coverage:

<b>Ticker</b>	<b>Rating</b>	<b>Price</b>
AKS	Buy	\$14.98
CMC	Neutral	\$10.08
GNA	Buy	\$7.06
GTI	Neutral	\$9.26
NUE	Buy	\$30.97
RS	Neutral	\$25.38
SCHN	Neutral	\$27.34
STLD	Neutral	\$9.70
WOR	Neutral	\$11.96
X	Buy	\$51.28
ZEUS	Neutral	\$21.27

## September Steel Distributor Survey

- Distributors reported negative demand growth for steel products on both a year over year (-1.9%) and a sequential basis (-2.5%).
- Our contacts reported prices fell sequentially for most steel products. Hot rolled coil averaged \$990 per ton in September (-\$65 per ton). Similar declines were noted for plate and rebar, while structural beam prices remain flat.
- Metal spreads increased in September to all time highs for most steel products, given the substantial decline in scrap prices in the month.
- Although near historically low levels, our contacts reported above target inventories and plan to continue de-stocking in the coming months.
- Import offer activity reportedly picked up in September, but traction was minimal due to uncompetitive pricing, falling prices, and short lead times domestically.
- Lead times continue to fall for all steel products, despite capacity reductions by the mills.
- The outlook remains tepid for steel demand and pricing in the coming 3-6 months. Our contacts, on average, expect spot hot rolled coil prices to bottom at \$800 per ton in 4Q08.
- Steel buyers are reportedly trying to hold off negotiations in hope for further price declines but our contacts report that \$900-\$1000 per ton is the starting point for 2009 contract hot rolled coil.

*Important Disclosures are found on last page.*



## **SEPTEMBER STEEL DISTRIBUTOR SURVEY SUMMARY AND IMPLICATIONS**

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Our contacts continued to report difficult steel market conditions in September. Demand growth was again reported negative both sequentially (-2.5%) and on a year-over-year basis (-1.9%). Prices for most steel products fell in September (-4% on average month over month), driven by weakness in end user demand. Prices fell for hot rolled coil (-\$65 per ton month-over-month to \$990), rebar (-\$70 per ton to \$986), and plate (-\$58 per ton to \$1,418), but remained flat for beams at \$1,152 per ton. Metal margins, however, expanded for all steel products as the decline in scrap prices have been far more pronounced than for steel prices thus far in 2H08. Further declines in prices for all products are expected in the coming 3-6 months by the majority of our contacts as finished product prices are expected to follow scrap price trends. The consensus estimate from our respondents is for spot hot rolled coil to bottom out at \$800 per ton in 4Q08.

Inventory levels, albeit not far from cycle lows, were reported as above desirable levels in the current downward pricing environment and de-stocking is said to be underway. Despite announced production cuts, lead times declined sequentially for all steel products. Import offers increased in September but remain mostly unattractive compared to falling prices and very low lead times domestically.

While much of the information we learned in this month's survey is negative, there are some positive factors. Prices seem to be holding up fairly well, given the current tepid demand environment. The prospects for producer favorable 2009 steel contract price realizations (by X, AKS, and MT) remain intact and our contacts are reporting negotiations in the range of \$900-\$1000 per ton for contract hot rolled coil. Also, metal margins are currently at all time peaks which will be a tailwind for the mini-mill producers, particularly those using LIFO inventory accounting, namely NUE. Falling spot prices and increased competition are incrementally negative for distributors, but have been far less pronounced for those with heavy exposure to plate (ZEUS), where pricing has been in relatively better shape.



### September Steel Distributor Survey Overview

We contacted steel product distributors across the U.S. to gain insight on domestic steel industry fundamentals, including demand, pricing, inventories, import levels, and their 3-6 month outlook. Below are key takeaways from our September Steel Distributor Survey.

#### Demand

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Softness in demand persists in September, as reported by our contacts, as on average they experienced a 2.5% sequential decline compared to the 8.9% decline last month. On a year-over-year basis, respondents said demand had decreased 1.9%, compared with a decline of 5.7% in the previous month. Pockets of good activity remain in commercial construction, manufacturing, and industrial equipment. Alternatively, automotive, small fabricators and residential construction are reportedly weaker.

#### Pricing

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Hot rolled coil prices averaged \$990 per ton in September, decreasing \$65 from the prior month. Contacts expect further declines in October and reportedly prices have averaged \$918 per ton thus far. Our contacts anticipate spot hot rolled coil prices to fall no further than \$800 per ton by year end on average. Prices for plate slipped \$58 sequentially to \$1,418. Sources note further declines are likely in October, and prices month to date are \$1,350.

Within long products, rebar prices declined \$70 per ton to \$986 in September. Beam prices, were reported flat at \$1,152 per ton in September, but contacts note declines are likely due to lower raw material surcharges.

#### Lead Times

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Reported lead times continued to be drawn down across all product categories. Hot rolled coil fell to 3.4 weeks from 3.9, while contacts report very quick lead times from mini-mills in comparison to integrated. Plate leads also declined to 5.0 weeks from 8.2 weeks in the prior month, and long product leads were reportedly 4.3 weeks compared to 6.7 last month.



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### **Inventory**

Service center inventories are said to be low by only 5% of contacts, while 16% are content with current levels and 79% believe levels to be too high given falling steel prices and weak demand. Last month 63% indicated higher than desirable inventories, 32% were on target, and only 5% intended to increase. Contacts report average months-on-hand to be 2.8, compared with 2.6 in August.

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### **Imports**

Contacts continue to report increased offer activity in September as 33% saw an increase, 61% said there was no change, and 6% saw fewer. In August, 25% of our contacts saw increases, while 63% said there was no change, and 13% continued to see decreases. Most contacts note offer prices remain uncompetitive with current domestic prices, although they are becoming more attractive.

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### **Margins**

Hot rolled coil and plate metal margins increased to \$546 (+\$44/ton) and \$977 (+\$48/ton) in October. Both rebar and beam metal margins are also expanding, a greater amount than flat rolled, by \$61 each to \$698 per ton for rebar and \$864 for beams.

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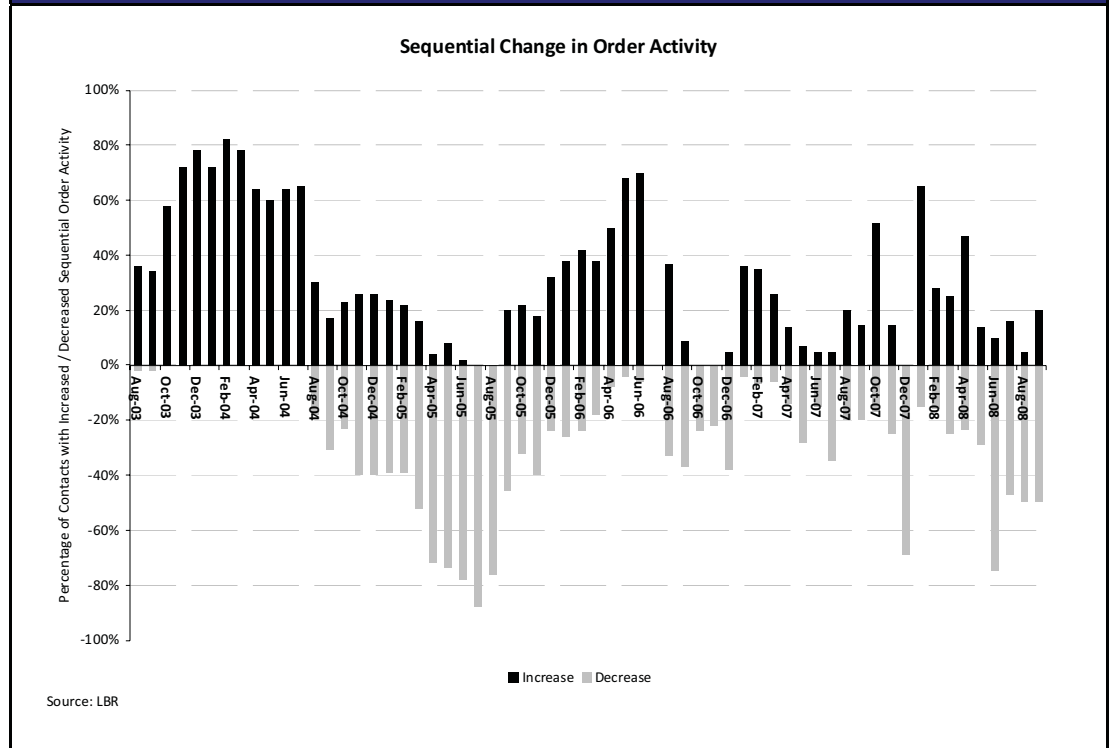
### **Outlook**

Our contacts demand outlook is rather pessimistic, with 54% anticipating no change through the balance of 2008, and 46% expecting to see further declines. The price outlook, per our contacts, is negative, and 100% of contacts expect declining prices for all products in the next 3 – 6 months. Respondents say prices for spot hot rolled coil, however, are not expected to fall below \$800 per ton, on average.



End Market Activity

Exhibit 1: Sequential Order Activity



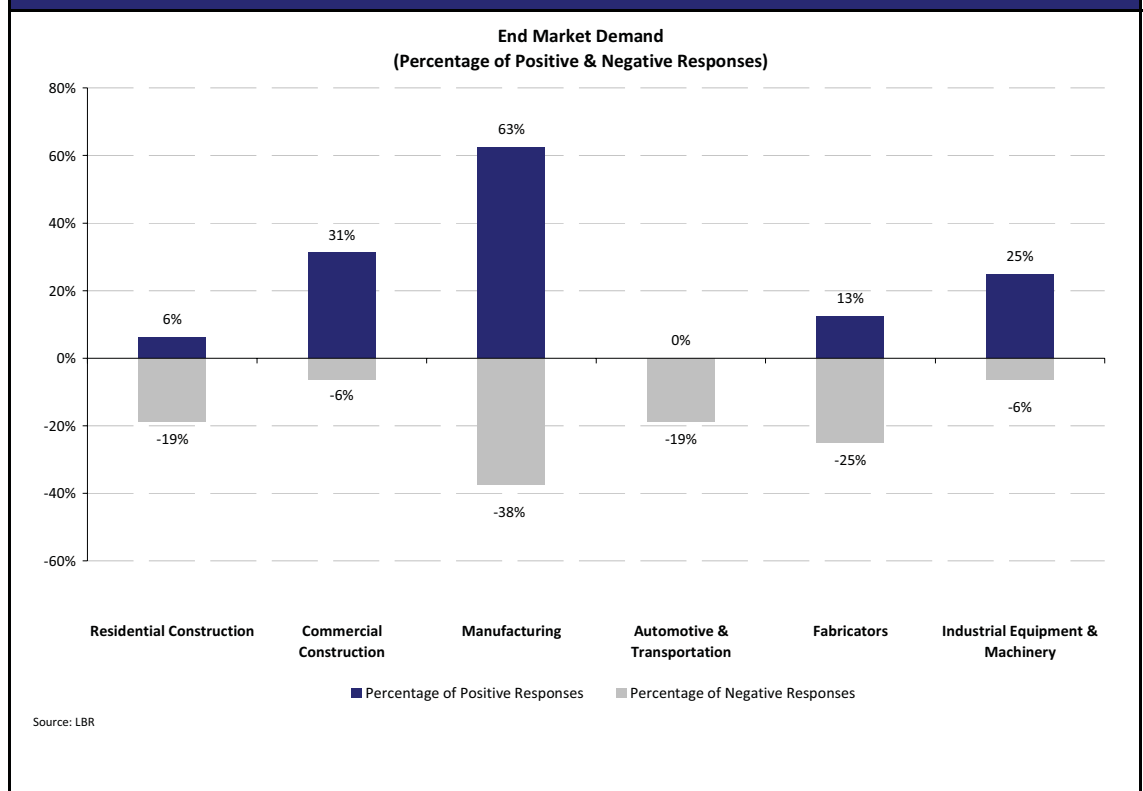
In September, demand declined 2.5% from the last month, and was reportedly down 1.9% year over year. Contacts cited general weakness across the board from end users. Additionally, sources note that their customers remain cautious with respect to new purchases and are ordering strictly on an as needed basis.



Despite reported weakness across the board, contacts noted growth from manufacturing and HVAC, partially offset weak overall demand. Steady order activity persists within agriculture and mining equipment, and a modest level of commercial construction has also aided demand.

Contacts said the automotive and appliance slow downs have contributed to excess flat rolled products in the channel. Other areas of manufacturing remain soft, while smaller fabricators continue to struggle with inventory management given inflated steel prices. Residential construction continues to be reportedly depressed in most regions.

**Exhibit 2: End Market Demand (Percentage of Positive & Negative Responses)**





### Most Notable Demand Quotes

“Yes there was a change in order activity, it's down 10-15% since August, and headed down further. It's scary what's happening out there. Both residential and commercial remain weak. Our end markets are down across the board.” – Steel Distributor

“Both August and September activity slowed a little bit, less than 5%. Seems like every one of our customers, in both fabrication and manufacturing slowed lately. It's difficult to tell if this is seasonal, or more a result of the economy.” – Steel Distributor

“Automotive is spearheading the decline in demand, and we were down 10-15% from August, but up 5% over last year. Manufacturing remained good through September, but they're starting to see signs of weakness and are slowing down now.” – Steel Distributor

“I'd say demand has decreased 2-3% from August, and we're off 5-7% from last year. Our customers are only buying as needed and there is excess inventory at the distributor level. HVAC is still holding in there, but appliance, manufacturing, and housing are all down.” – Steel Distributor

“Our volumes haven't fallen off like other distributors. In our area, nonresidential construction remains good. High rises and restaurants are still being built, and our customers have good backlogs. Fabrication is decent also, but mom and pop type shops are having trouble because of the higher material costs.” – Steel Distributor

“Orders slowed down between 5-10% in September, and were off a similar amount to last year. Office furniture is by far the strongest end market, but slowing now. Auto, HVAC, and residential are weak, but commercial remains steady.” – Steel Distributor

“We had a pretty good month in September, and volumes were on par with August, while year-over-year tons were actually up 3%. We don't have auto exposure, so no issues there with the downturn. Electrical enclosures and large durable goods are doing well.” – Steel Distributor

“Now we're seeing steady demand through September, and were up 5-10% over last year. Agriculture, infrastructure was both good, while automotive, housing, and appliances are off.” – Steel Distributor

“We had a slight change in demand, and orders decreased 2-3%, not much from August. Over last year we were up 21%, mostly due to increased commercial and infrastructure work.” – Steel Distributor



## Steel Prices

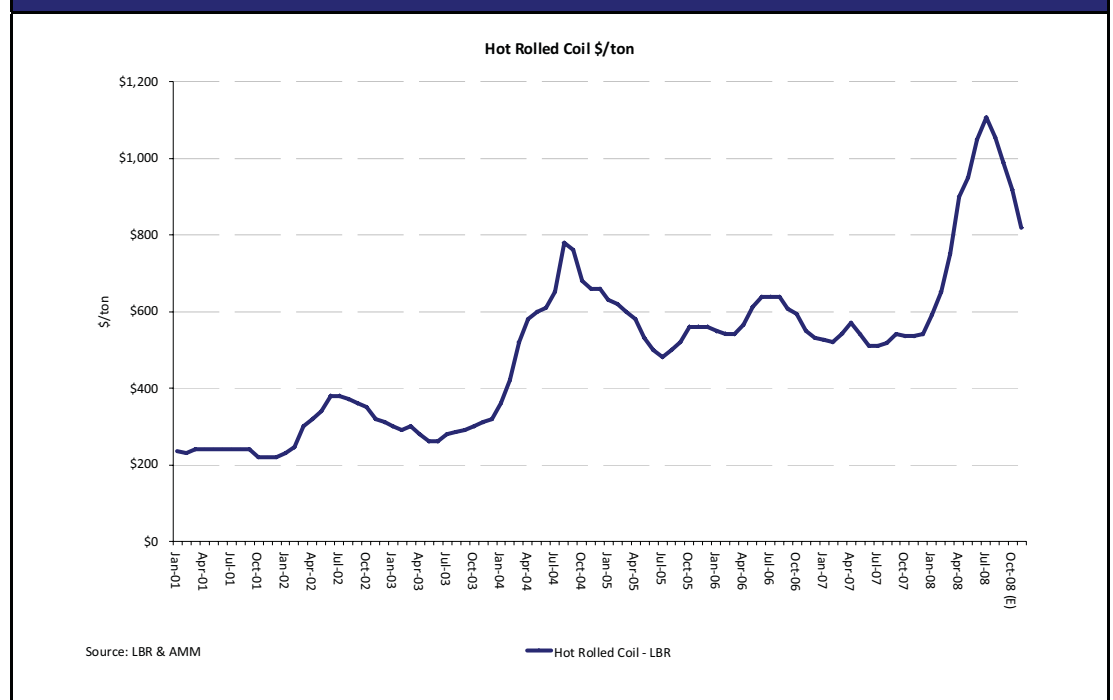
### Hot Rolled Coil

The average reported price for spot hot rolled coil in September was \$990 per ton, indicating a \$65 decrease. AKS and STLD were reportedly offering more aggressive prices.

Spot hot rolled coil prices are anticipated to decline another \$71 per ton in October, and prices will likely average \$918. AKS is reportedly offering November tonnage at \$820 per ton, but contacts were reportedly not booking orders that far out yet.

When asked how far spot hot rolled coil could fall, on average, contacts believe \$800 per ton. Responses ranged from \$600 to \$950 per ton. This compares to last month when respondents expected hot rolled coil prices to fall no further than \$920 per ton, on average.

Exhibit 3: Hot Rolled Price Trends



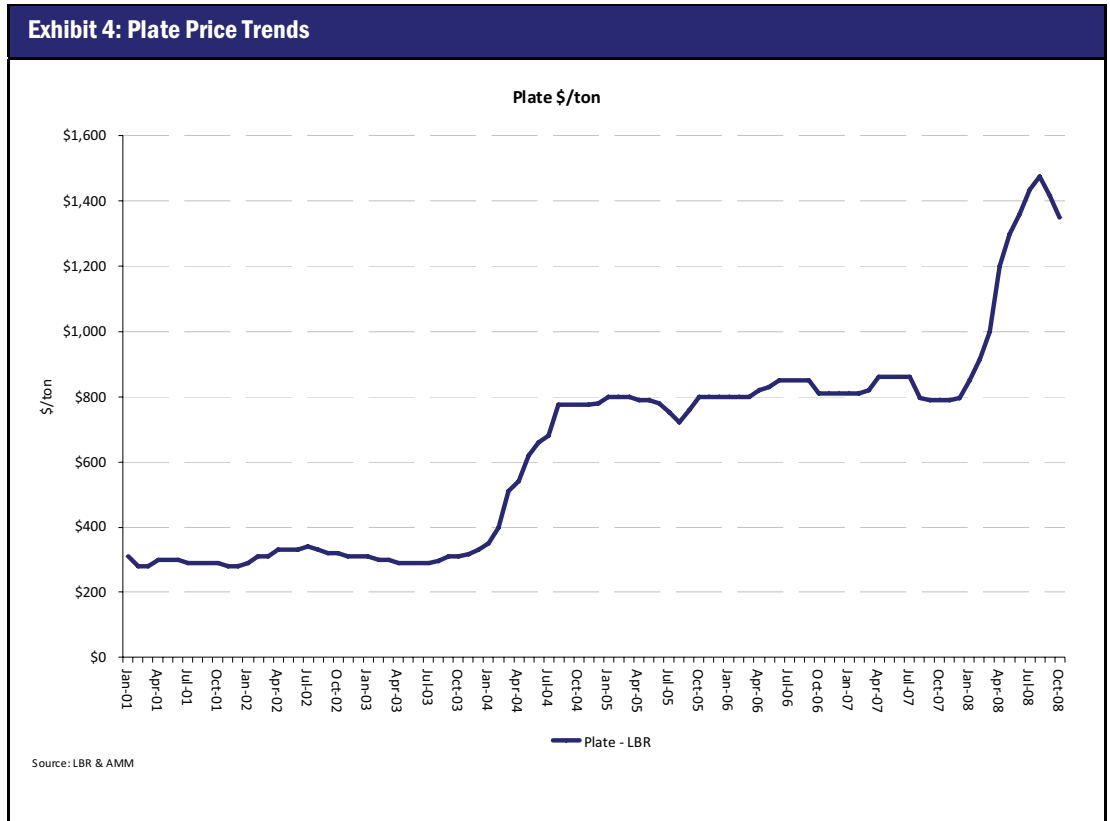
### 2009 Contract Pricing

We continue to hear reports of contracts for 2009 beginning around \$900 – 1,000 per ton, although sources note participants are delaying negotiations with the mills in light of falling prices.



**Plate**

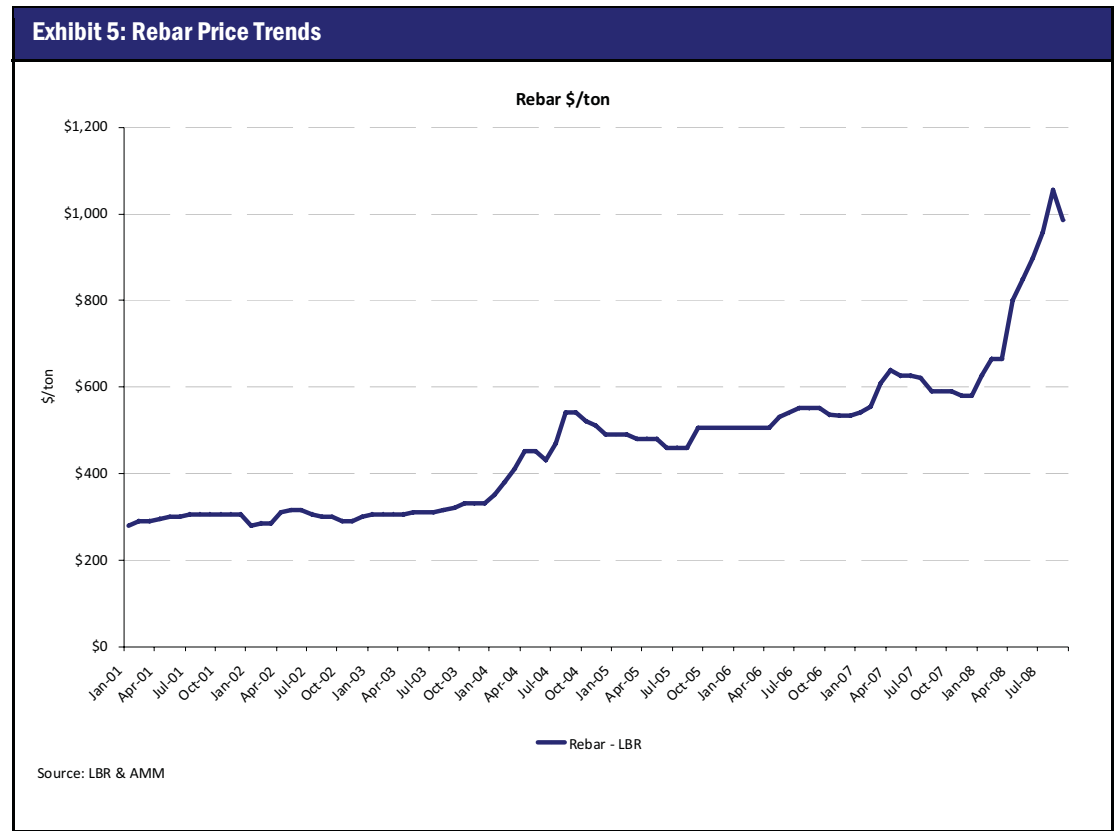
Respondents reported average plate prices to be \$1,418 per ton in September, a \$58 decrease from the previous month. Plate prices are expected to decrease further in October, and some contacts report tonnage being booked at \$1,350 per ton.





**Rebar**

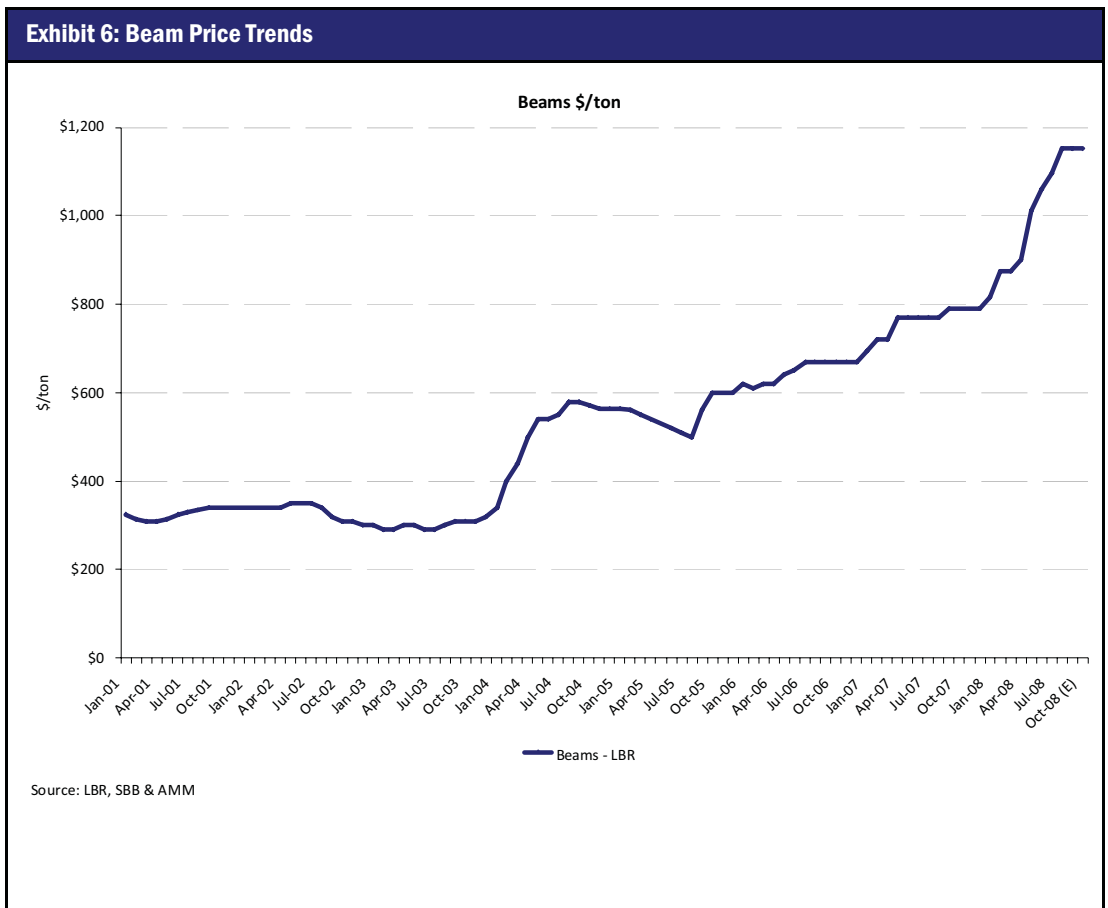
After decreasing \$70 per ton in September, rebar prices look to hold steady at \$986 in October. Contacts expect decreases for October deliveries.





**Beams**

Reported beam prices averaged \$1,152 per ton for September deliveries, but contacts expect decreasing prices soon. Beam prices have reportedly held steady and not decreased as other long products have. One service center anticipates beam prices could fall to \$900 per ton soon, as a result of the reduced raw material surcharge.





### Most Notable Pricing Quotes

“Beam and rebar prices are around \$1,152 and \$986, but we haven't been purchasing lately. We expect further declines in prices through the end of this year of about 5-10%.” – Steel Distributor

“Hot rolled coil averaged \$900 per ton in September and is \$860 - \$900 for October. AKS was offering hot rolled coil at \$820 for November with orders around 5-10K tons. “– Steel Distributor

“Prices were all over in September. We saw hot rolled coil prices of \$820, \$900, and \$1,020. The larger mills are trying to protect pricing, X, MT, NUE. Then there's STLD and AKS who are in the market with deals for hot rolled coil. X is using a rolling average of the CRU index for 2009 contracts, and the September average is \$1,020 per ton.” – Steel Distributor

“Hot rolled coil from integrated mills is being held at \$1,040 per ton, but deals are being cut by STLD and AKS at \$820 to \$860. The integrated mills will have to cut prices or they'll lose business.” – Steel Distributor

“Hot dipped galvanized is around \$1,200 per ton in September, prices came off about 4-5% during the month. So far prices in October are steady, but there could be a decrease mid-month.” – Steel Distributor

“Deals are being cut by STLD and AKS around \$820 to \$860 per ton, with larger 5-10K tonnage orders. Typical prices for September were \$960 - \$1,000. People are holding off on contract talks for now because they think prices will fall more. Our understanding is all contracts will be indexed to something, either CRU, or scrap or something else.” – Steel Distributor

“\$1,475 per ton is fair for September plate prices, and we're waiting to see who will blink first and lower prices.” – Steel Distributor

“Hot rolled coil was around \$1,060 per ton from integrated mills, while October prices are expected to be \$1,000. The integrated mills like MT, X, and also NUE (mini) are trying to hold the line with pricing and keep steadfast. They don't want to see the prices collapse. We've read about deals being cut from AKS and STLD, but have yet to see those deals.” – Steel Distributor



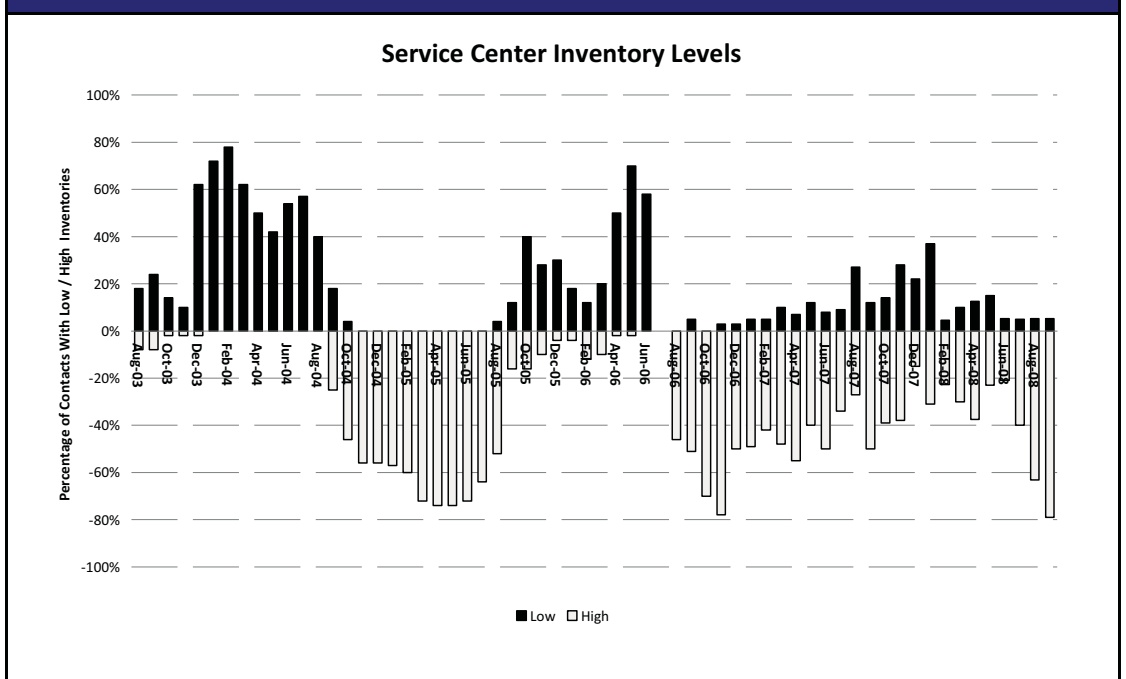
### Inventories & Lead-Times

#### Inventory

Inventory levels seem relatively high in light of falling steel prices as 79% of our respondents aim to reduce current levels, 16% were satisfied, and 5% aim to increase in the coming months. Last month only 5% wanted to increase inventories, while 32% intended to stay flat, and 63% aimed to reduce inventories.

**“We'll be destocking through the end of this year, then make a purchase for 1Q09 early next year. We're at 2.5 months-on-hand (MOH) and aim for 1.9” – Steel Distributor**

Exhibit 7: Service Center Inventory Levels



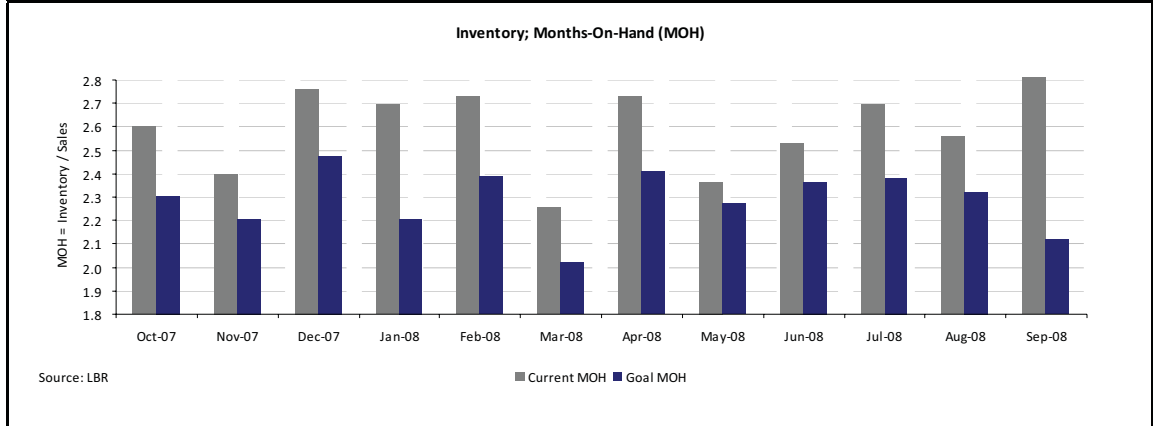


### Months On Hand

On average, months-on-hand (MOH) was reportedly 2.8 compared to 2.6 in August. The spread between current and goal MOH increased from 0.24 to 0.71 in September.

**“Everyone is decreasing inventories, we are at 2.25 MOH and want to be at 1.0 by the end of the 4Q.” – Steel Distributor**

**Exhibit 8: Inventory; Months-On-Hand**



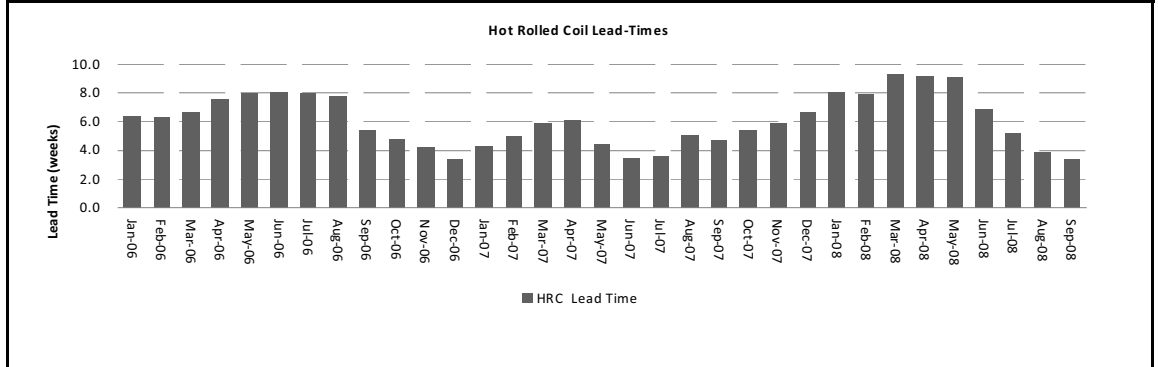


### Lead-Times

Reported lead times declined to 3.4 weeks for hot rolled coil, the lowest level this year, compared to 3.9 weeks in the prior month. Lead times have been consistently falling since March of 2008.

**“Leads are 3-4 from integrated and 1 week from mini mills.”—  
Steel Distributor**

**Exhibit 9: Hot Rolled Coil Lead-Times**

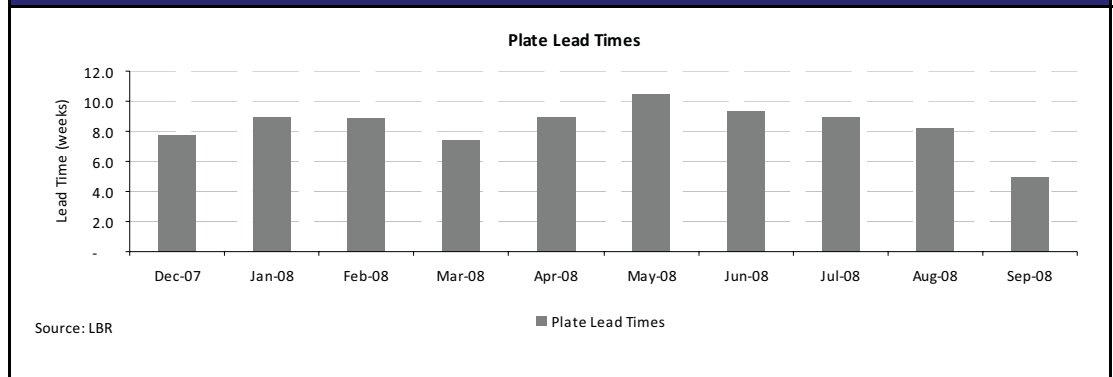




Contacts report plate leads remain the highest at 5.0 weeks, but fell off from 8.2 weeks in August.

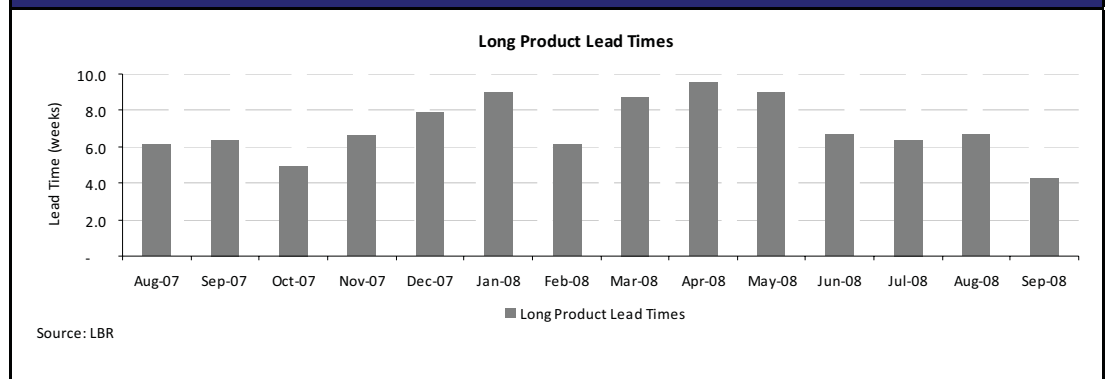
**“Rebar leads are 1-2 weeks, while plate is a little longer at 6 weeks. Beams remain tight for heavy size, but overall leads are at 9 weeks.”— Steel Distributor**

**Exhibit 10: Plate Lead-Times**



Long product (structural & bar) lead times fell to 4.3 weeks in September from 6.7 in the prior month. September’s lead time was the lowest since we have been tracking the data.

**Exhibit 11: Long Product Lead-Times**



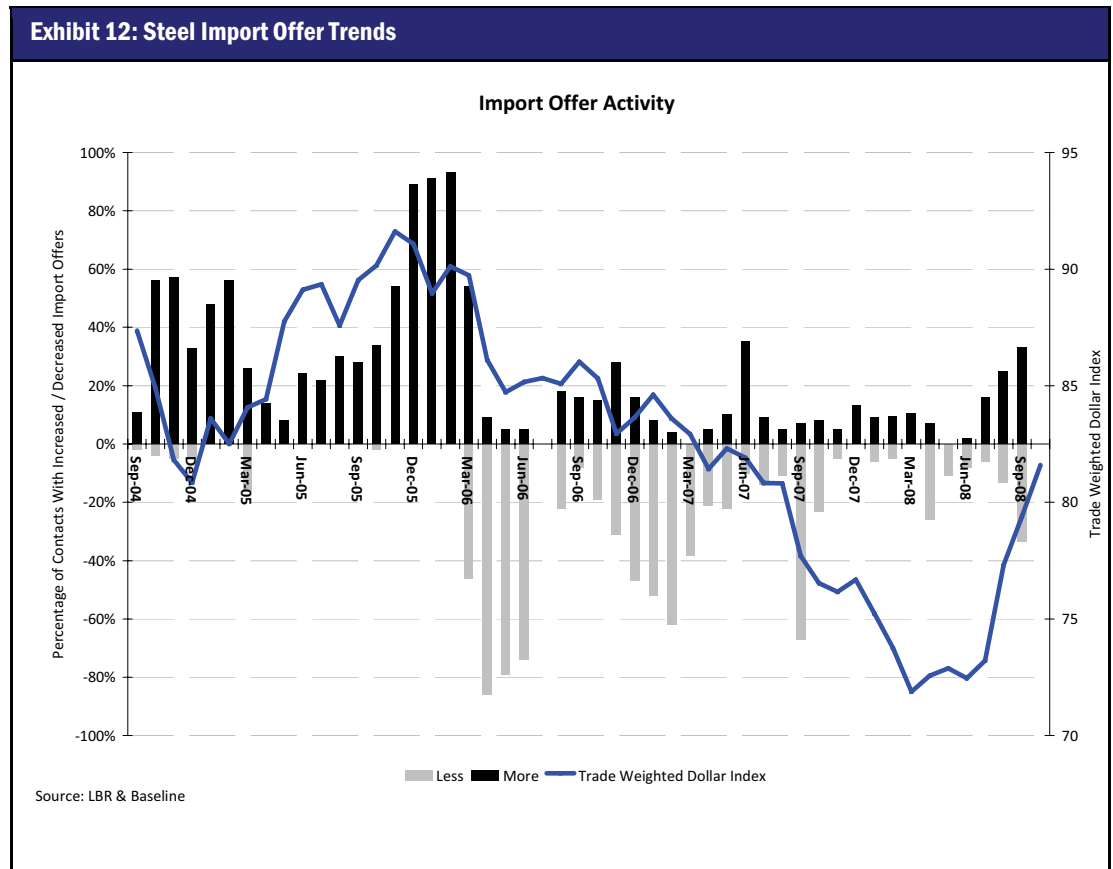


### Import Offer Activity

Offers have reportedly been on the rise recently as 33% of contacts have seen more, 61% experienced no change, and 6% said there was a decline in September. This compares to August when 25% stated there was an increase, 63% said no change, and 13% saw fewer.

Contacts note import prices on the whole remain uncompetitive and few were seriously considering recent offers. Offers from China are said to be muted, while offers from Brazil and other Latin American countries (mostly coated flat rolled) are on the rise. One contact noted an offer for hot dipped galvanized from Brazil, delivered to the port of Houston in November, for \$980 per ton. Export rebar offers to Canada for late November delivery ranged from \$826 to \$909 per ton.

Exhibit 12: Steel Import Offer Trends

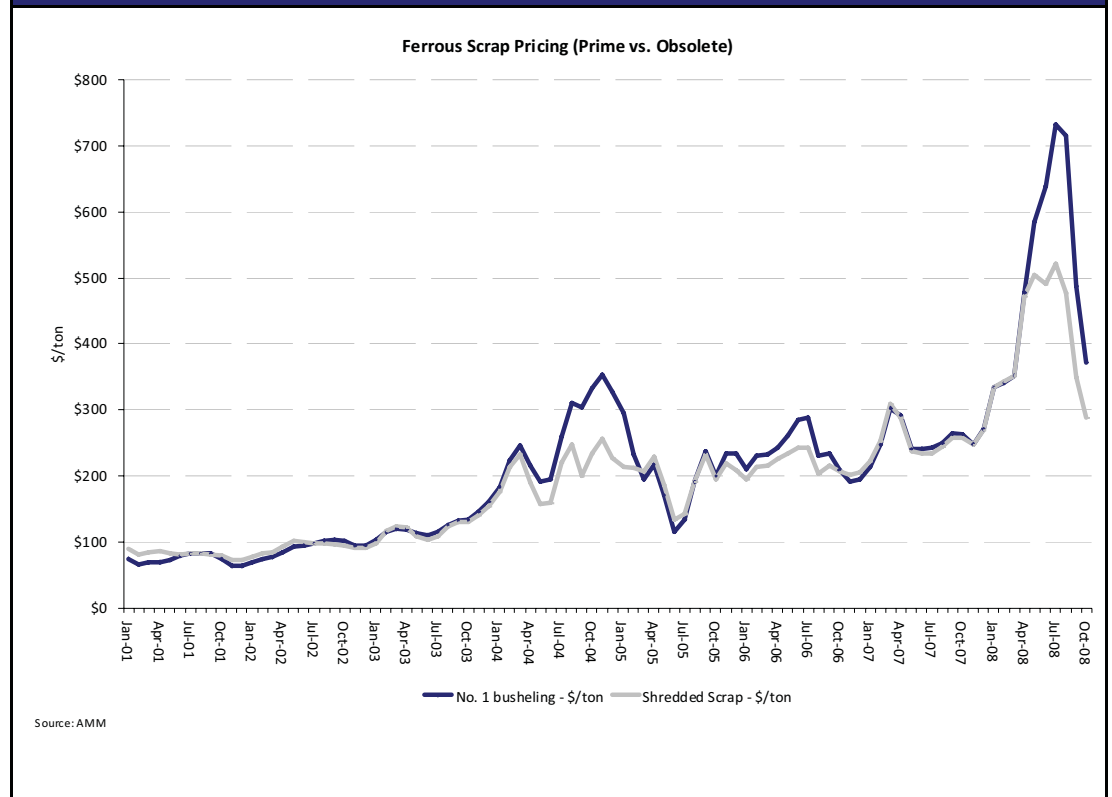




### Scrap & Metal Margins

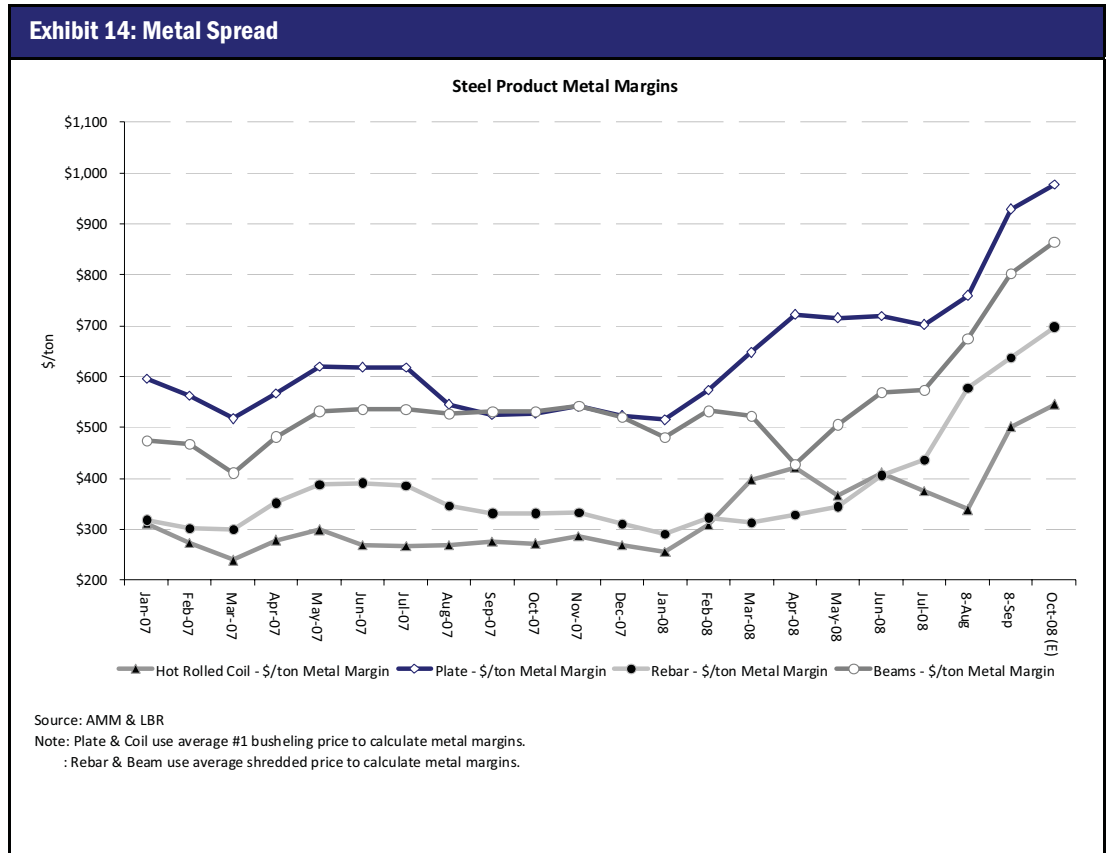
September's average No. 1 busheling price was \$488 per ton, a \$227 decrease sequentially. October's price has averaged \$373 per ton, decreasing another \$116 from September. Average price in September for shredded was \$349 per ton, a \$129 decrease from August. Prices have averaged \$288 per ton in the first weeks of October, a \$61 decrease from the prior.

Exhibit 13: Ferrous Scrap Pricing Trends





Metal margins appear particularly favorable for producers in October. Hot rolled coil metal margins are \$546 per ton (+\$44/ton), and plate metal margins remain the highest at \$977 per ton, up \$48 from September. Both rebar and beam metal margins increased to \$698 (+\$61/ton) and \$864 (+\$61/ton) per ton, respectively in October.





**Exhibit 15: Metal Spread**

**Scrap Price**

**Metal Margins**

Dollars per Ton

	No. 1 busheling	Shredded Scrap	Hot Rolled Coil	Plate	Rebar	Beams
Sep-07	\$264	\$259	\$276	\$526	\$331	\$531
Oct-07	\$263	\$258	\$272	\$527	\$332	\$532
Nov-07	\$248	\$247	\$287	\$542	\$333	\$543
Dec-07	\$271	\$269	\$269	\$524	\$311	\$521
Jan-08	\$335	\$334	\$255	\$515	\$291	\$481
Feb-08	\$341	\$342	\$309	\$574	\$323	\$533
Mar-08	\$352	\$352	\$398	\$648	\$313	\$523
Apr-08	\$478	\$472	\$422	\$722	\$328	\$428
May-08	\$585	\$504	\$365	\$715	\$344	\$506
Jun-08	\$639	\$492	\$411	\$719	\$407	\$568
Jul-08	\$732	\$521	\$374	\$702	\$436	\$574
Aug-08	\$715	\$478	\$339	\$760	\$578	\$674
Sep-08	\$488	\$349	\$501	\$929	\$637	\$803
<b>Oct-08</b>	<b>\$373</b>	<b>\$288</b>	<b>\$546</b>	<b>\$977</b>	<b>\$698</b>	<b>\$864</b>

**Net Sequential Dollar Change per Ton**

	No. 1 busheling	Shredded Scrap	Hot Rolled Coil	Plate	Rebar	Beams
Sep-07	\$14	\$15	\$7	(\$20)	(\$15)	\$5
Oct-07	(\$1)	(\$0)	(\$4)	\$1	\$0	\$0
Nov-07	(\$15)	(\$11)	\$15	\$15	\$1	\$11
Dec-07	\$23	\$22	(\$18)	(\$18)	(\$22)	(\$22)
Jan-08	\$64	\$65	(\$14)	(\$9)	(\$20)	(\$40)
Feb-08	\$6	\$8	\$54	\$59	\$32	\$52
Mar-08	\$11	\$10	\$89	\$74	(\$10)	(\$10)
Apr-08	\$126	\$120	\$24	\$74	\$15	(\$95)
May-08	\$107	\$32	(\$57)	(\$7)	\$16	\$78
Jun-08	\$55	(\$13)	\$45	\$3	\$62	\$63
Jul-08	\$93	\$30	(\$37)	(\$17)	\$29	\$5
Aug-08	(\$16)	(\$43)	(\$36)	\$57	\$142	\$100
Sep-08	(\$227)	(\$129)	\$163	\$170	\$59	\$129
<b>Oct-08</b>	<b>(\$116)</b>	<b>(\$61)</b>	<b>\$44</b>	<b>\$48</b>	<b>\$61</b>	<b>\$61</b>

**Net Sequential Percentage Change per Ton**

	No. 1 busheling	Shredded Scrap	Hot Rolled Coil	Plate	Rebar	Beams
Sep-07	6%	6%	3%	-4%	-4%	1%
Oct-07	0%	0%	-1%	0%	0%	0%
Nov-07	-6%	-4%	5%	3%	0%	2%
Dec-07	9%	9%	-6%	-3%	-7%	-4%
Jan-08	24%	24%	-5%	-2%	-6%	-8%
Feb-08	2%	2%	21%	11%	11%	11%
Mar-08	3%	3%	29%	13%	-3%	-2%
Apr-08	36%	34%	6%	11%	5%	-18%
May-08	22%	7%	-13%	-1%	5%	18%
Jun-08	9%	-3%	12%	0%	18%	12%
Jul-08	14%	6%	-9%	-2%	7%	1%
Aug-08	-2%	-8%	-10%	8%	33%	18%
Sep-08	-32%	-27%	48%	22%	10%	19%
<b>Oct-08</b>	<b>-24%</b>	<b>-17%</b>	<b>9%</b>	<b>5%</b>	<b>10%</b>	<b>8%</b>

Source: LBR & AMM



**“Demand will be average in the coming months, probably flat. There will be some slow down for the holidays. Prices will continue declining through October, then scrap will determine the prices for the remainder of the year. Prices could bottom around \$790.” – Steel Distributor**

## Outlook

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### Flat Products

The demand outlook for flat rolled products is better than long, although no respondents expect increased demand through the balance of this year. Most contacts, 54%, expect flattish demand trends through 2008, while 46% anticipate further declines. In August, 27% of contacts anticipated an up-tick in demand, 13% expected flat trends, and 60% thought demand would decline.

All contacts anticipate further declines with flat rolled product prices. Last month 33% believed prices would trend flat, and 67% expected declines.

### Long Products

Demand for long products is expected to decline by 75% of our contacts, while 25% see flat trends in coming months. Last month 25% anticipated an increase in demand, 25% believed volumes would be flat, and 50% foresaw a decline.

In September, all contacts foresee further long product price decreases. Last month 60% expected flat prices through 2H08 and 40% believed some softness was likely.



### Most Notable Outlook Quotes

“Demand is going to be spotty going forward. We're hoping some of the end users who are doing well will continue doing well in order to offset losses in other areas. Pricing is heading down through the end of the year.” – Steel Distributor

“Pretty good demand is expected in coming months. October started off slow, but then picked up to better levels in the past days. Think we'll see prices come off more, but in my opinion, prices are already too low.” – Steel Distributor

“I think demand will level off now, and we've heard, and also read, mills are elongating shut downs. If prices continue to head down, hot band could bottom around \$850.” – Steel Distributor

“We are expecting to see tight demand, and people are only doing what they have for work, and aren't seeing new work come online due to funding (credit) availability. Prices will trend downward through the end of this year.” – Steel Distributor

“Our demand seems to be right on despite what we hear from others in the industry. Our customers have backlogs of 3-4 months for projects, but prices are falling drastically.” – Steel Distributor

“October orders have started to slow and we expect it to decline more. Prices are headed down. I imagine mills will be decreasing material produced. Some mills were out there cutting deals because people weren't taking their orders and they needed to move material.” – Steel Distributor

“Demand is expected to be stagnant through the rest of this year and pricing should level off in the coming months and be around \$950 per ton for hot rolled coil.” – Steel Distributor

“We see demand coming down through the end of this year, and won't see a pick up until maybe 1Q09 or 2Q09. Prices will decline between 5-10% more before the end of this year.” – Steel Distributor



Exhibit 16: Historical Steel Distributor Survey

Historical Steel Distributor Survey Results



Period	Steel Product Year-Over-Year Demand	Hot Rolled Coil Price	HRC Lead Time	Inventory			Sequential Changes			Three To Six Month Outlook					
				Above Target	On Target	Below Target	More Imports	Flat Imports	Less Imports	Higher Demand	Flat Demand	Lower Demand	Higher Pricing	Flat Pricing	Lower Pricing
Jan-06	1.5%	\$548	6.4	4%	78%	18%	91%	9%	0%	16%	64%	20%	4%	52%	44%
Feb-06	1.5%	\$542	6.3	12%	76%	12%	93%	7%	0%	8%	82%	10%	6%	60%	34%
Mar-06	2.6%	\$540	6.6	20%	70%	10%	54%	0%	46%	42%	52%	6%	30%	48%	22%
Apr-06	5.5%	\$566	7.6	2%	48%	50%	9%	5%	86%	66%	34%	0%	74%	26%	0%
May-06	8.3%	\$611	8.0	2%	28%	70%	5%	16%	79%	74%	26%	0%	86%	14%	0%
Jun-06	8.4%	\$639	8.1	0%	42%	58%	5%	21%	74%	62%	30%	8%	83%	12%	5%
Jul-06	7.0%	\$639	8.0	15%	40%	25%	15%	40%	45%	35%	45%	20%	50%	35%	15%
Aug-06	6.0%	\$639	7.8	46%	54%	0%	22%	60%	18%	29%	41%	31%	6%	50%	44%
Sep-06	3.8%	\$608	5.4	51%	44%	5%	8%	76%	16%	20%	54%	26%	0%	60%	40%
Oct-06	2.2%	\$594	4.8	70%	30%	0%	15%	66%	19%	13%	70%	17%	0%	55%	45%
Nov-06	-1.4%	\$550	4.2	78%	19%	3%	28%	41%	31%	12%	52%	36%	31%	49%	20%
Dec-06	-1.0%	\$531	3.4	50%	47%	3%	16%	37%	47%	47%	41%	12%	17%	54%	29%
Jan-07	0.4%	\$526	4.3	49%	46%	5%	8%	40%	52%	63%	32%	5%	69%	28%	3%
Feb-07	1.0%	\$520	5.0	42%	53%	5%	4%	34%	62%	61%	32%	7%	75%	25%	0%
Mar-07	0.8%	\$542	5.9	48%	42%	10%	0%	62%	38%	66%	29%	5%	85%	15%	0%
Apr-07	0.5%	\$571	6.1	55%	38%	7%	5%	74%	21%	39%	49%	12%	24%	66%	10%
May-07	-4.4%	\$540	4.4	40%	48%	12%	10%	68%	22%	24%	52%	24%	20%	37%	43%
Jun-07	-5.8%	\$510	3.5	42%	50%	8%	35%	55%	10%	21%	40%	39%	20%	41%	39%
Jul-07	-4.9%	\$510	3.6	35%	56%	9%	9%	77%	14%	56%	44%	0%	43%	28%	29%
Aug-07	-3.3%	\$519	5.1	27%	46%	27%	5%	84%	11%	46%	46%	8%	67%	33%	0%
Sep-07	-6.6%	\$540	4.7	50%	38%	12%	7%	26%	67%	53%	47%	0%	55%	45%	0%
Oct-07	-4.0%	\$535	5.4	39%	46%	14%	8%	69%	23%	27%	40%	33%	33%	40%	27%
Nov-07	-2.8%	\$535	5.9	38%	34%	28%	5%	90%	5%	63%	25%	13%	92%	8%	0%
Dec-07	-6.3%	\$540	6.7	15%	63%	22%	13%	87%	0%	68%	24%	8%	83%	13%	4%
Jan-08	0.7%	\$590	8.1	31%	32%	37%	9%	83%	6%	65%	22%	13%	86%	14%	10%
Feb-08	-0.6%	\$650	8.0	23%	73%	5%	5%	86%	10%	29%	64%	7%	92%	8%	0%
Mar-08	3.1%	\$750	9.3	30%	60%	10%	0%	89%	11%	40%	50%	10%	95%	5%	0%
Apr-08	3.6%	\$900	9.2	38%	50%	12%	6%	67%	27%	63%	25%	12%	100%	0%	0%
May-08	-1.2%	\$950	9.1	23%	62%	15%	5%	84%	11%	25%	52%	23%	90%	7%	3%
Jun-08	-3.8%	\$1,050	6.8	21%	74%	5%	2%	90%	8%	29%	47%	24%	53%	41%	6%
Jul-08	-1.0%	\$1,106	5.2	40%	55%	5%	16%	78%	6%	5%	37%	58%	15%	45%	40%
Aug-08	-8.9%	\$1,054	3.9	63%	32%	5%	25%	63%	13%	28%	17%	56%	0%	37%	63%
Sep-08	-1.9%	\$990	3.4	79%	16%	5%	33%	61%	6%	0%	40%	60%	0%	5%	95%

Source: Longbow Research

Note: All statistics include flat & long products, excluding hot rolled coil lead time and hot rolled coil price



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