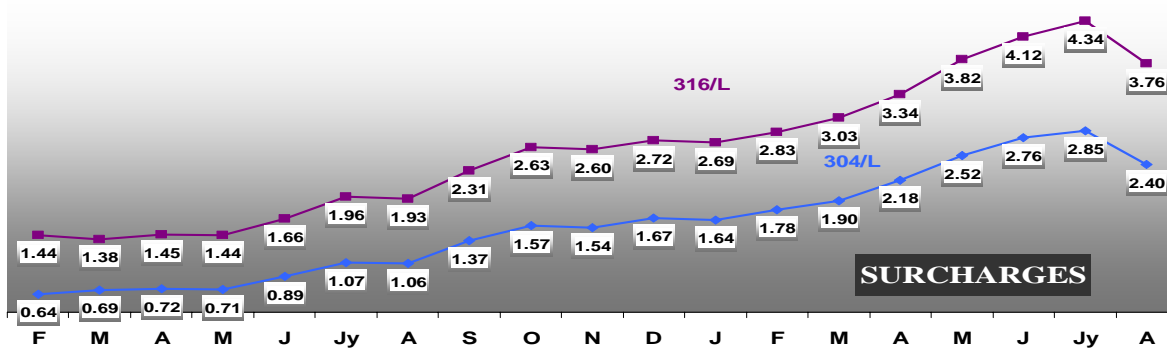


Below is a chart showing the steady climb in surcharges since February of last year.



The projected dip in August is a short-term correction and should be viewed as a buying opportunity as this is a demand-pull market, not a supply-push market. Translation: Because the business activity level for all major industries remains very strong, there is quite a diversified demand for piping and other metals. It is demand that is pulling these prices higher and there appears to be no let-up in the near future.

The infrastructural improvements noted in the side bar only add to the major expansions in power plant construction, ethanol, pharmaceuticals, wastewater, chemical and steel manufacturing nationwide.

“Another shot in the economic arm will be the \$300-billion allocation for nationwide infrastructural improvements...This unprecedented commitment, signed by the president last year, is the first major infrastructural leap forward since the Eisenhower administration in the late 1950’s.” –Morris R. Beschloss, Economic Analyst

Of note, U.S. exports reached a record \$1.3 trillion in 2006, further strengthening the argument that demand for American made goods is strong and commodity prices are well supported.



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