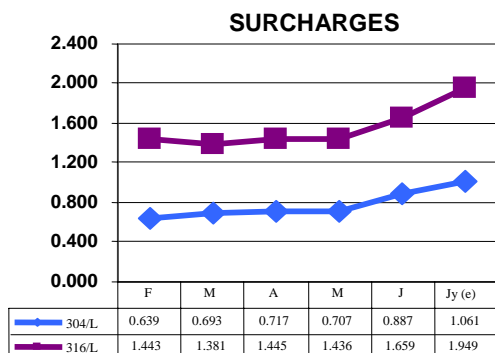


MARKET ANALYSIS

June, 2006

- Base prices on **stainless steel pipe** increased for the fourth time this year with a 6 to 9% hike on May 15. This represents approximately a 30% rise in price since March 1. The increasing costs of raw materials, transportation and manufacturing are contributing to this steep incline.

- Since our last announcement in April, surcharges actually decreased a little in May. But hold on--- They are going to jump up in June and by the end of July, we expect that the surcharges will have increased by 33% over April's numbers.



- As we stated in April, stainless steel fittings, flanges and related items will be increasing soon. Percentages at this time are unknown.

- Pricing on carbon steel PVF products is either holding steady or increasing; however, they are not nearly as volatile as stainless steel right now.

- World-wide demand continues to be very strong and is expected to strengthen even more over the next 6-9 months. Stainless welded pipe mills

are quoting **"price in effect at time of shipment"** and deliveries continue to get stretched out. While smaller sizes are averaging 8-12 week deliveries, some larger sizes can take up to 6 months to ship.

About the Author

Tom Sheeler has been involved in the PVF industry for over 36 years and is currently the General Manager for **American Stainless and 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.

From his daily discussions with leaders of international companies and major domestic manufacturers, he keeps his finger on the pulse of the commodity markets and guides the company in its purchasing decisions. "I've seen several business cycles come full circle," Tom says, "and the one thing I know for sure is that no trend lasts forever... Things change."

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American Stainless & Supply, LLC is a wholesale distributor of industrial pipe, valves, fittings, controls and shapes, selling primarily to manufacturers and industrial contractors throughout the country.



"15 acre pipe yard • 200k sf warehouse"
In stock - 1/2"-24" carbon and stainless pipe & fittings

Links to **Engineering Specifications & Data:**

- Pipe Weights and Dimensions
- Forged Carbon Steel Lap Joints
- Stainless Steel Butt Weld Fitting Specs
- Barlow's Formula



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