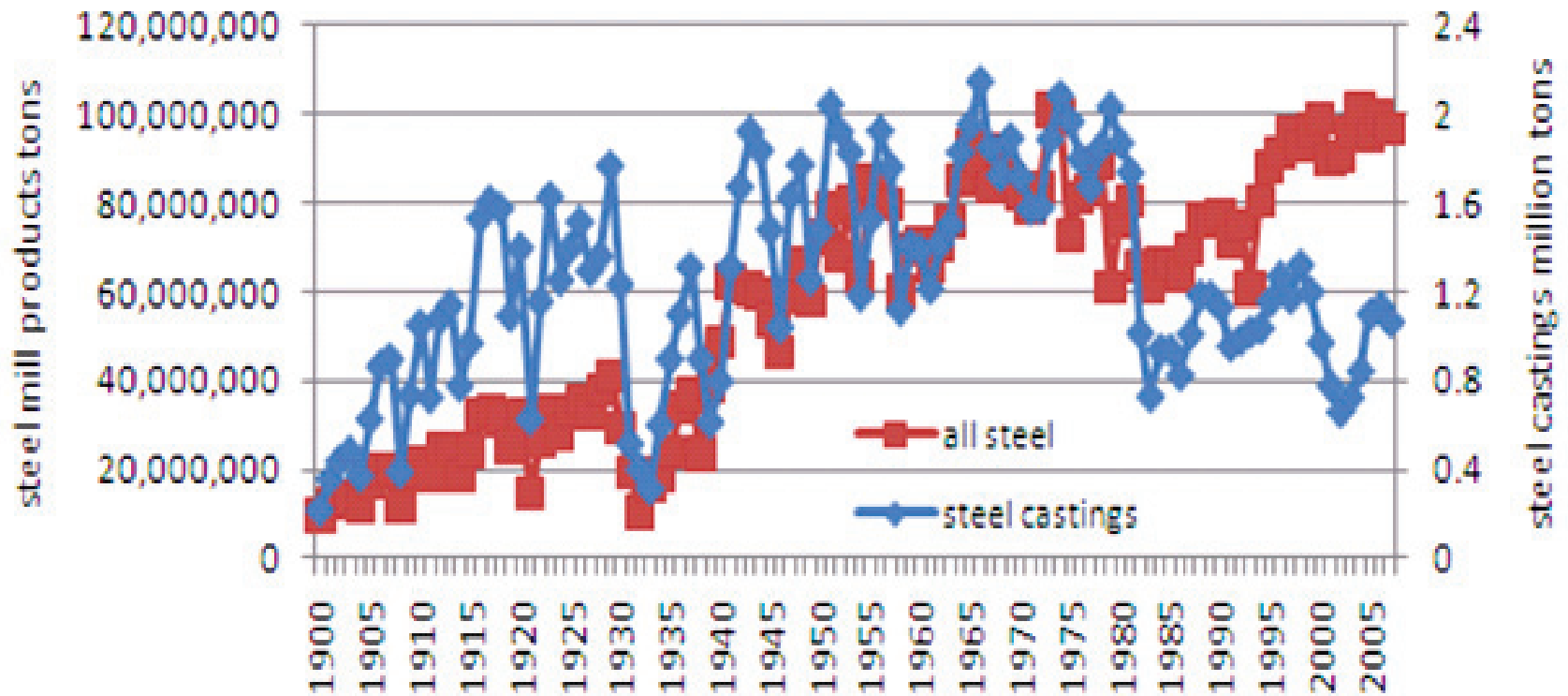




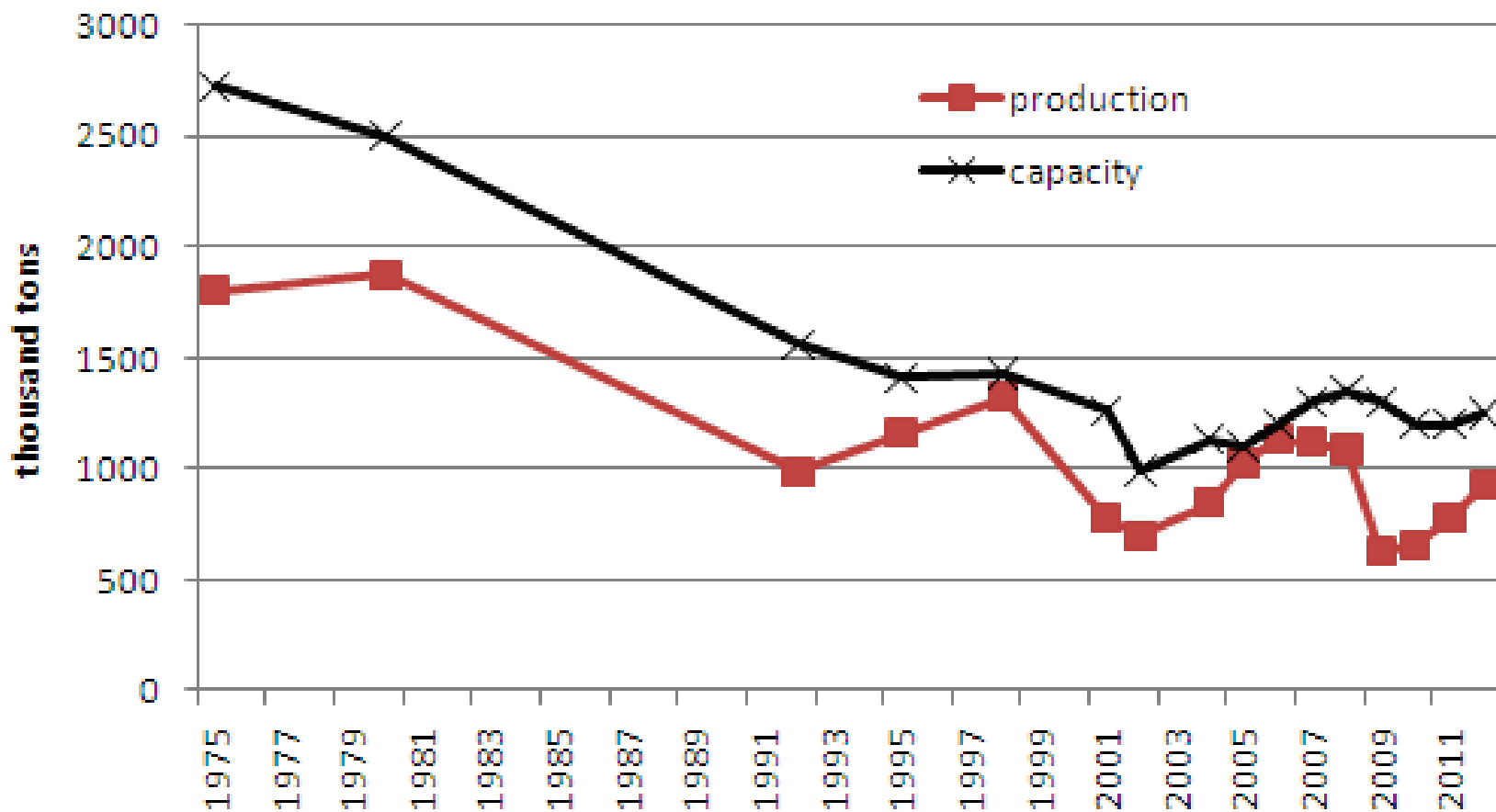
Investment Drivers and Opportunities

Raymond Monroe

All Steel and Steel Casting Production in US



Steel Casting

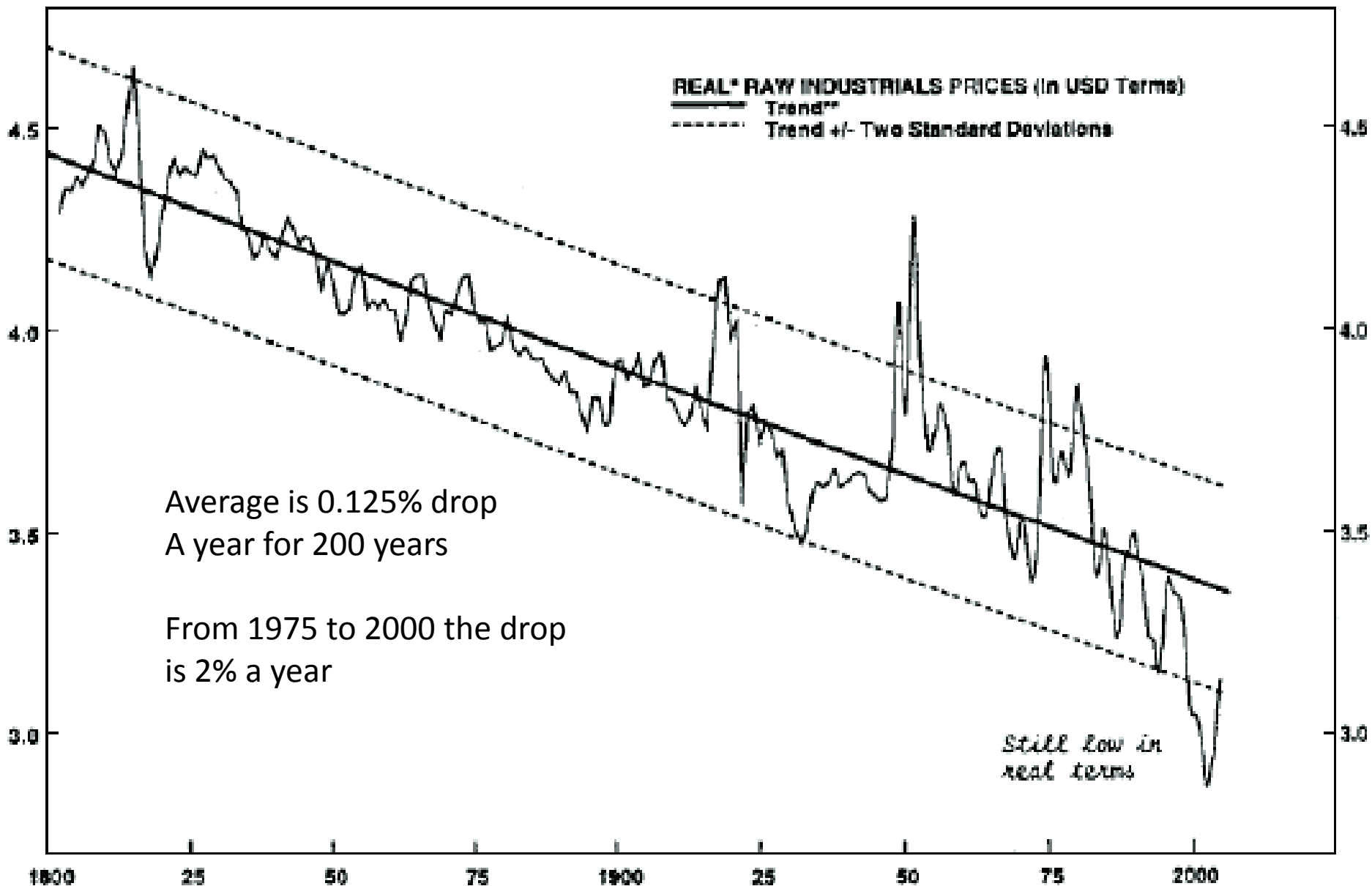


Economic Trends in US

Capital Equipment Investment

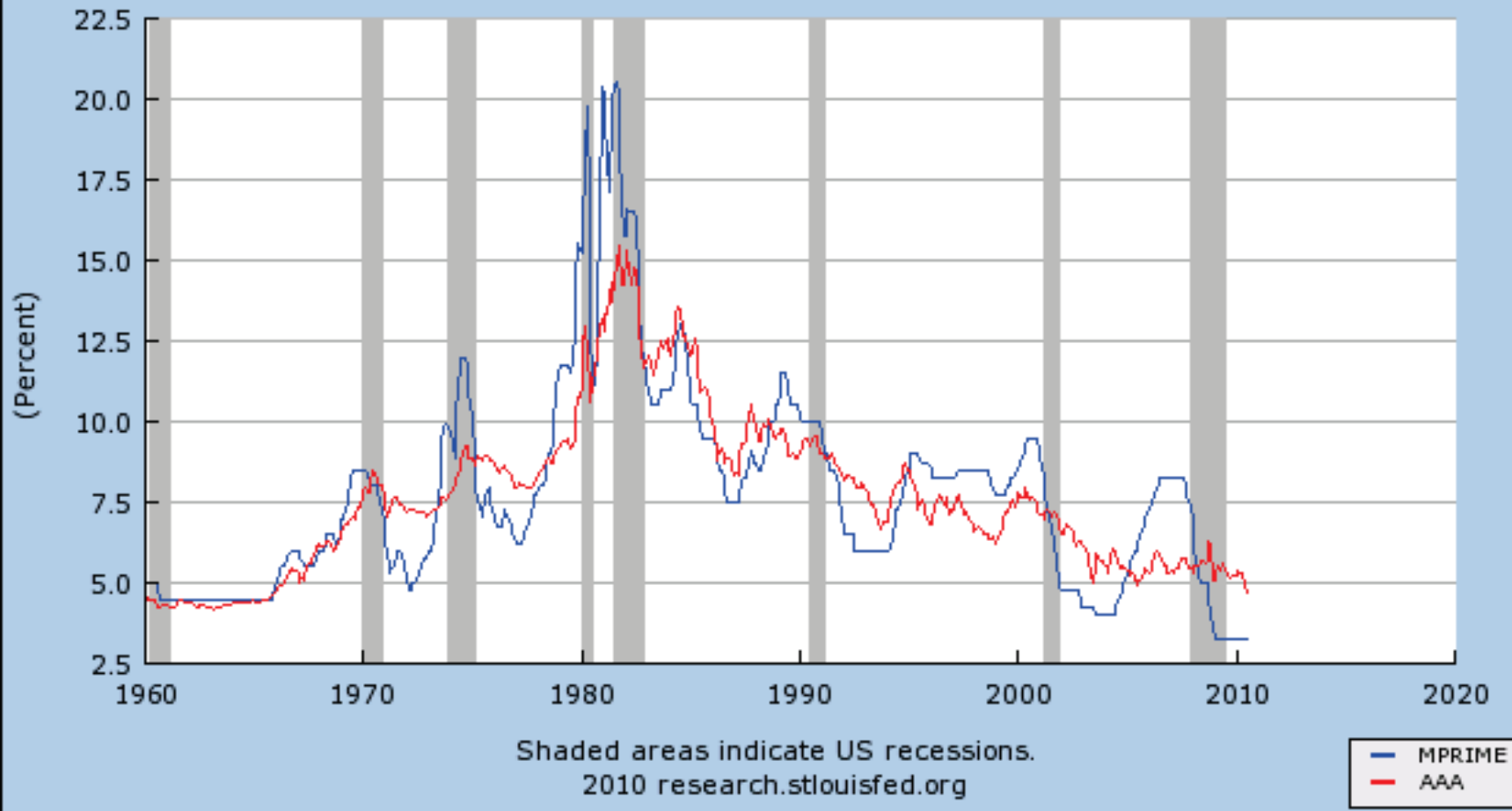
15 to 40 years

- Excess Capacity
 - Prices stable or decline
 - Cost cutting required
 - Reduce inventory
 - Minimum staff
 - Low profitability
 - Liquidation of capacity
 - Low interest rates, inflation, inventories, lead times
 - Fewer captive operations
- Limited Supply
 - Prices increase
 - Production required
 - Inventory asset
 - Staff required
 - New products and processes
 - Increases in capacity
 - Increases in interest rates, inventory, inflation, lead times
 - New captive operations



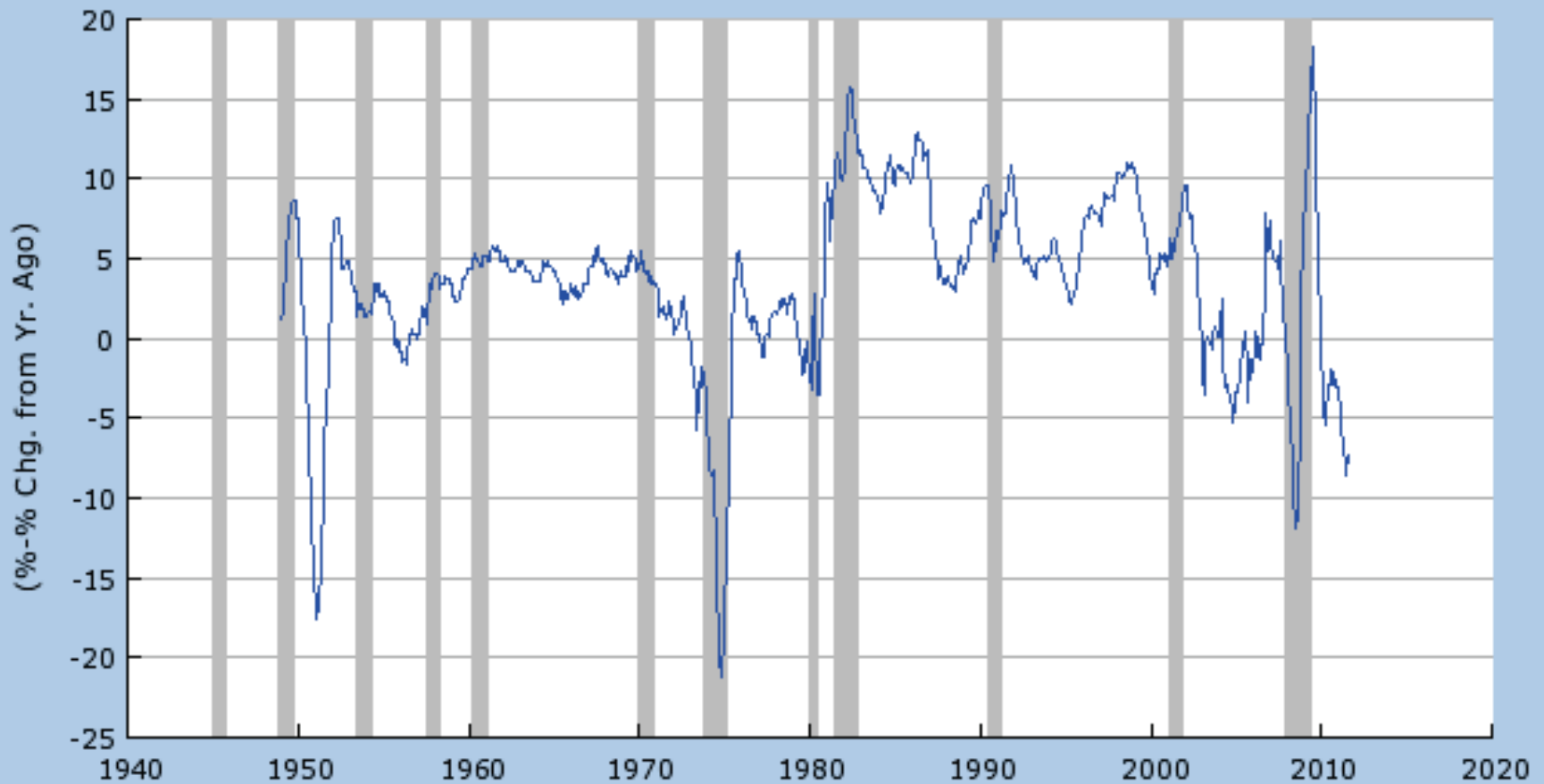
*Adjusted by the U.S. GDP Deflator.
 **Time trend from 1800 to 2004.

Bank Prime Loan Rate (MPRIME)
Moody's Seasoned Aaa Corporate Bond Yield (AAA)





MPRIME-PPIITM



Shaded areas indicate US recessions.
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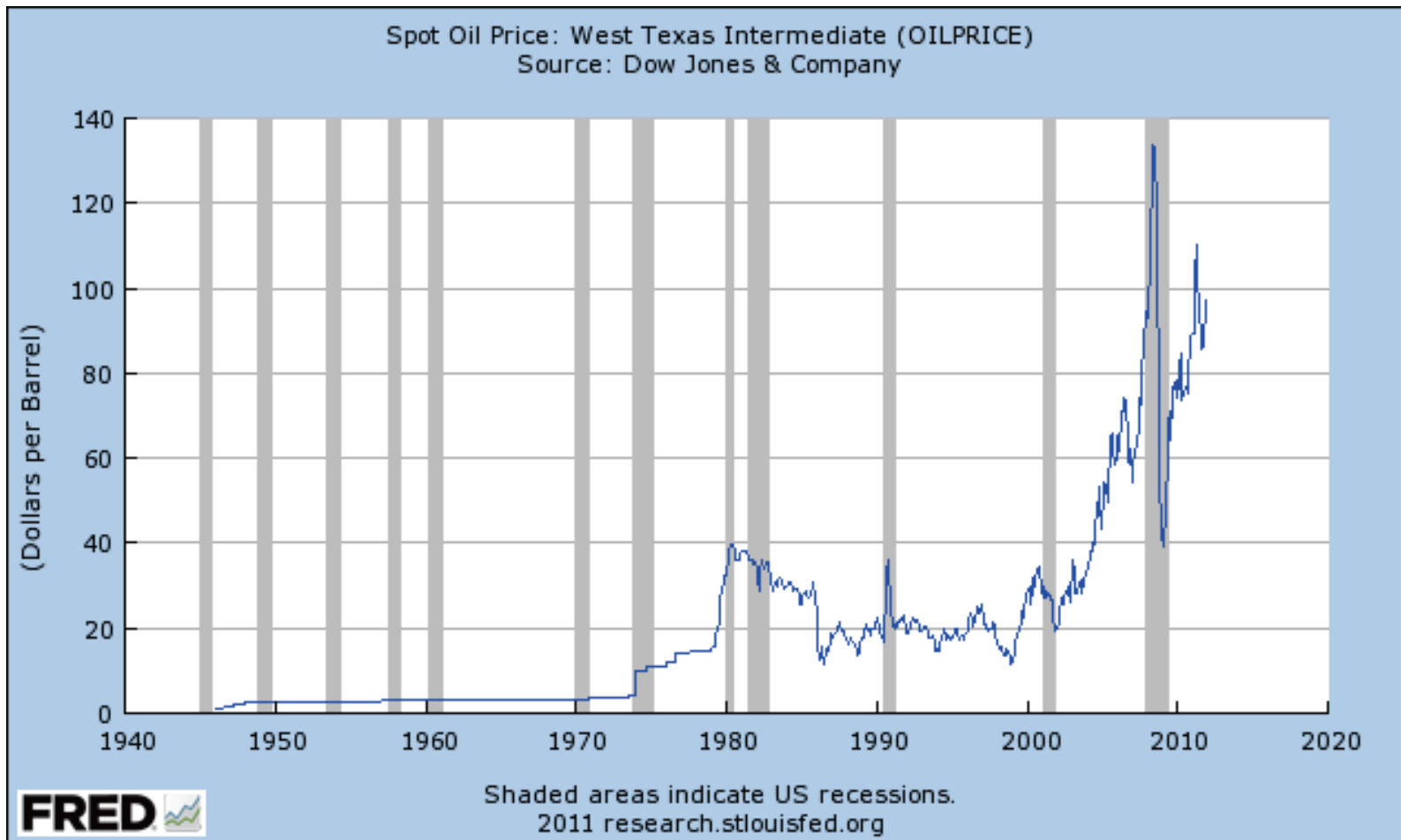


5 Year Copper Spot



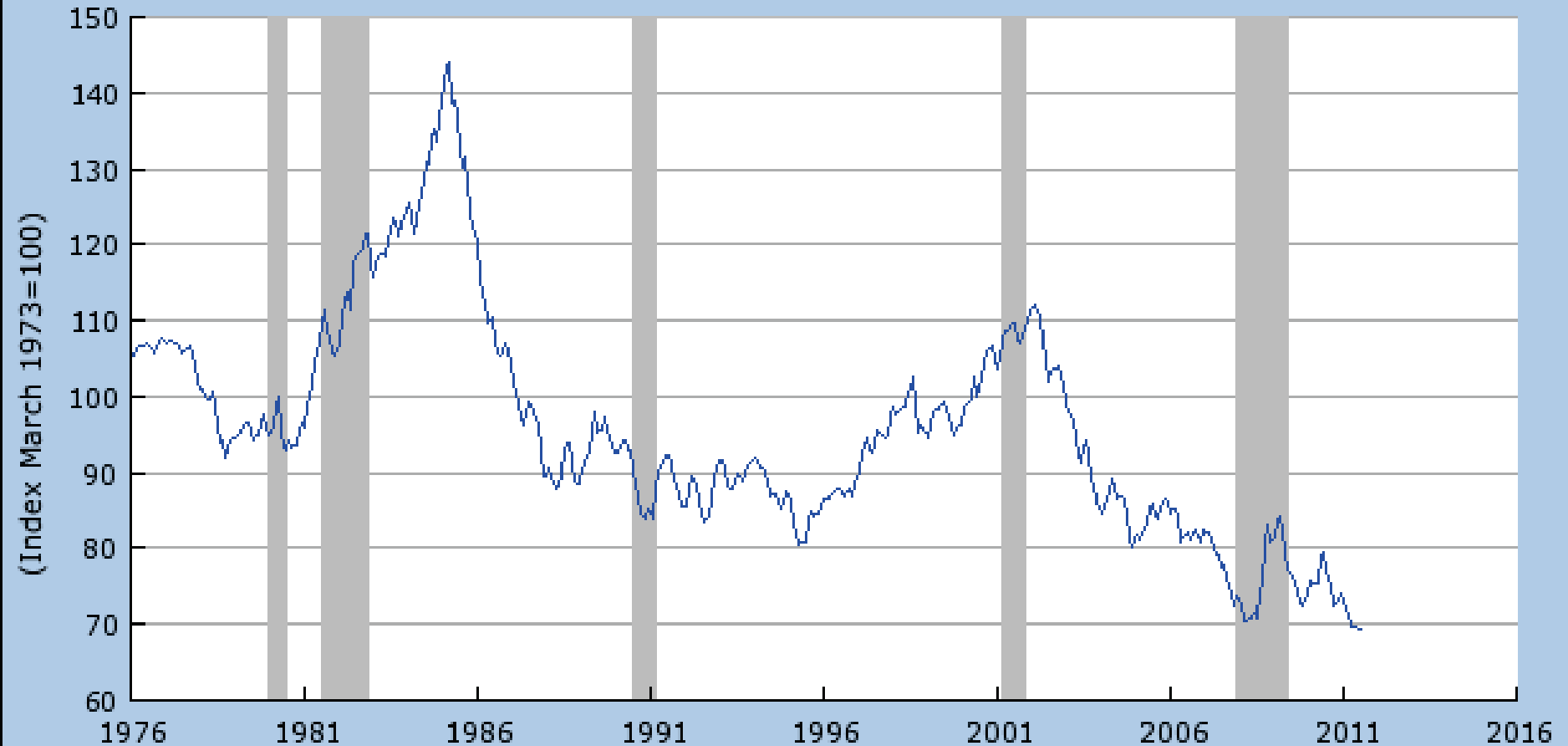
www.kitco.com

Price of Oil



Value of the Dollar

Trade Weighted Exchange Index: Major Currencies (TWEXMMTH)
Source: Board of Governors of the Federal Reserve System



Shaded areas indicate US recessions.

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- Thanks