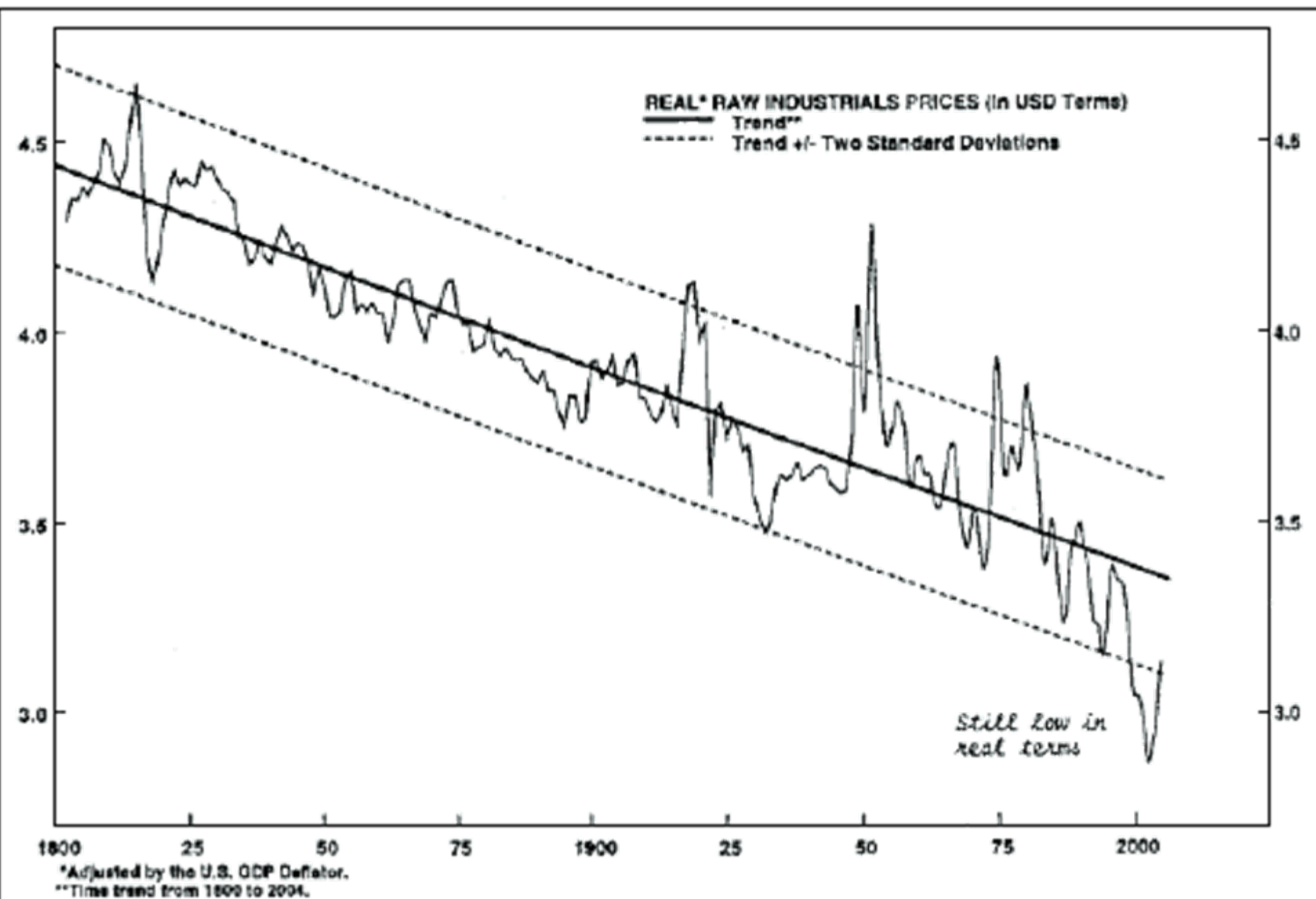


Industrial Investment in energy efficient technology

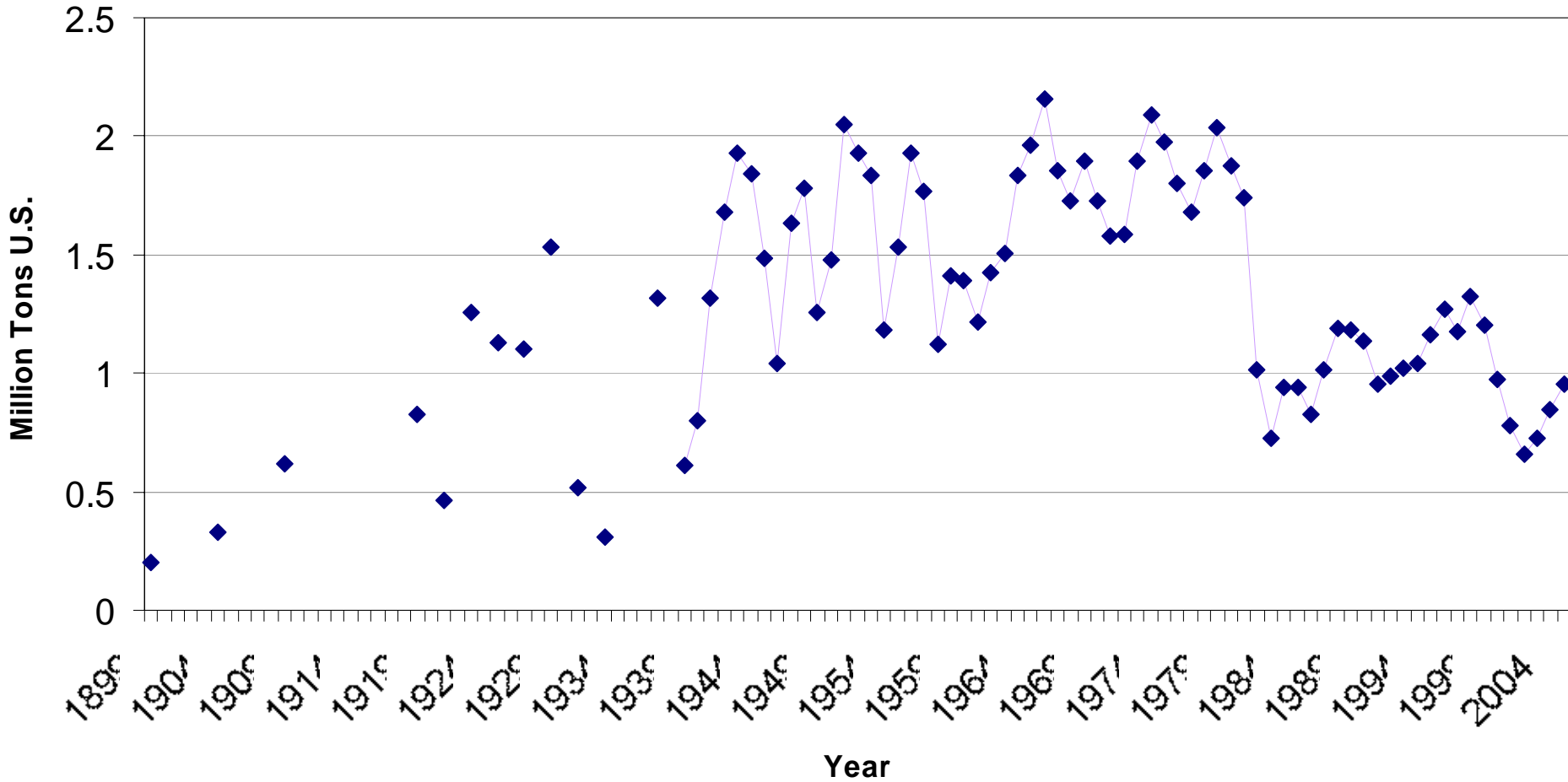
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Raymond Monroe





Steel Casting Production in the U.S. million tons



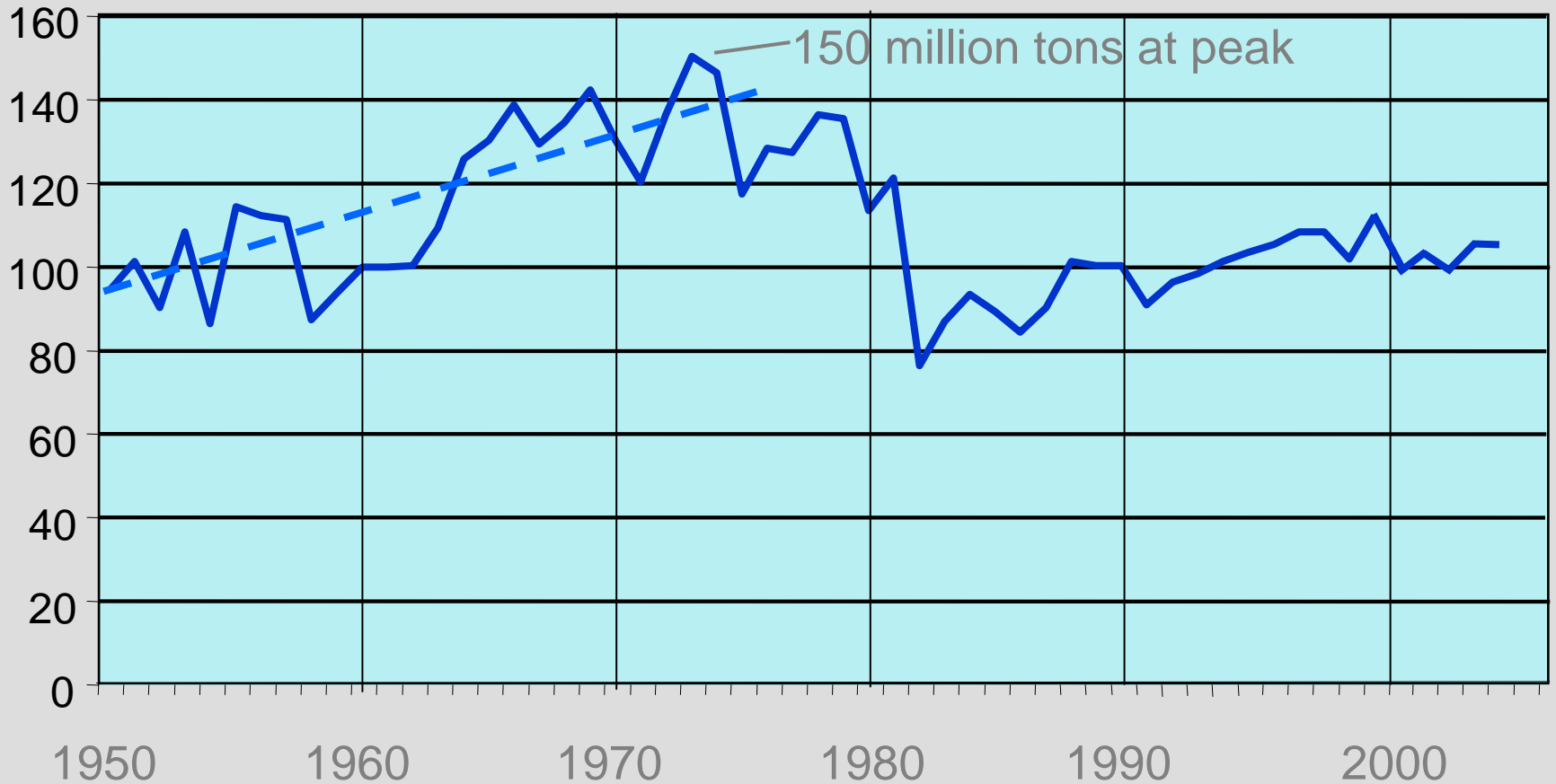
Economic Trends in US

Capital Equipment Investment

15 to 40 years

- Excess Capacity 80-90's
 - 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 60-70's
 - 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

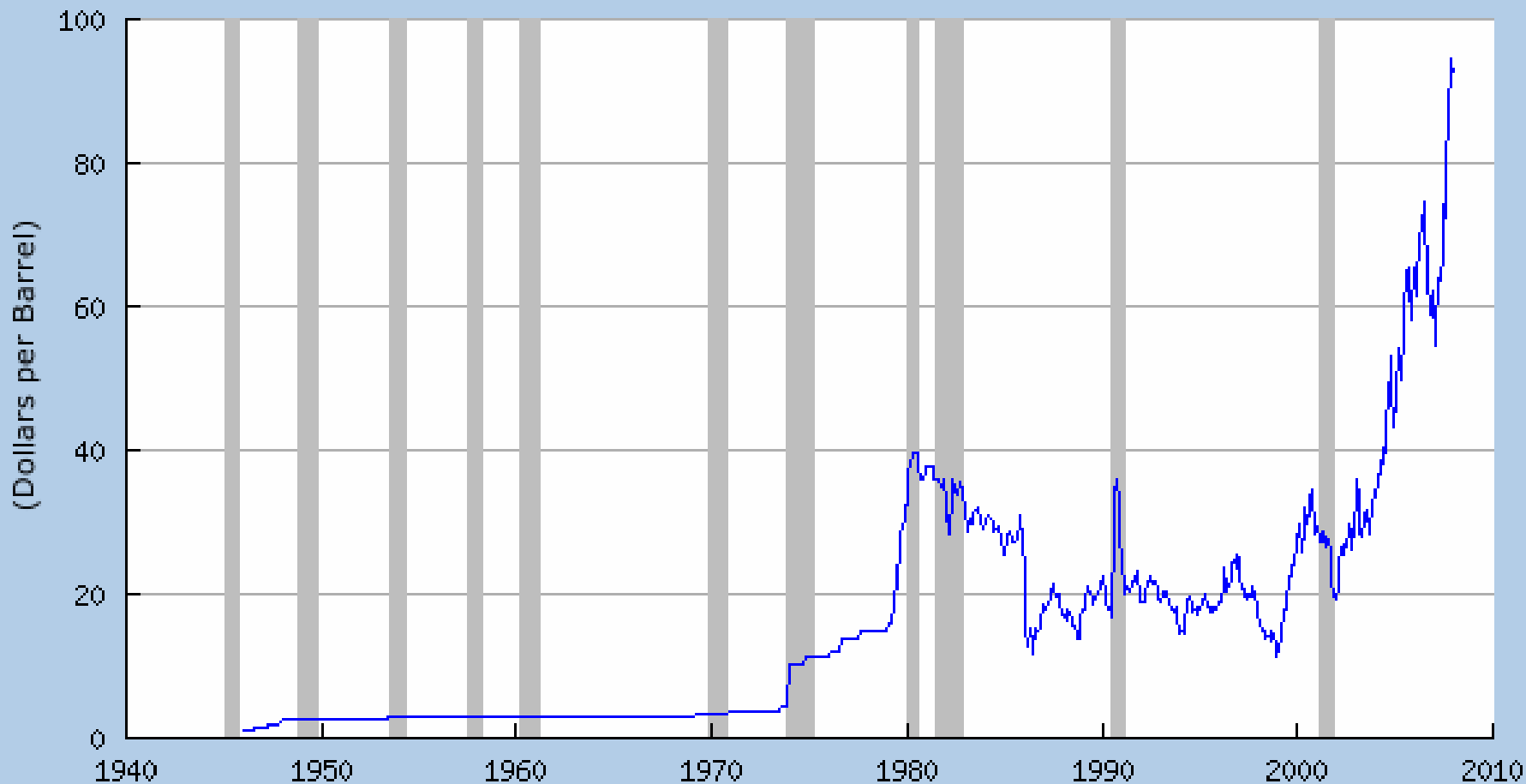
Domestic Steel Production, 1950-2005



Source: American Iron and Steel Institute

Spot Oil Price: West Texas Intermediate (OILPRICE)

Source: Dow Jones & Company



Shaded areas indicate US recessions as determined by the NBER.

2008 Federal Reserve Bank of St. Louis: research.stlouisfed.org

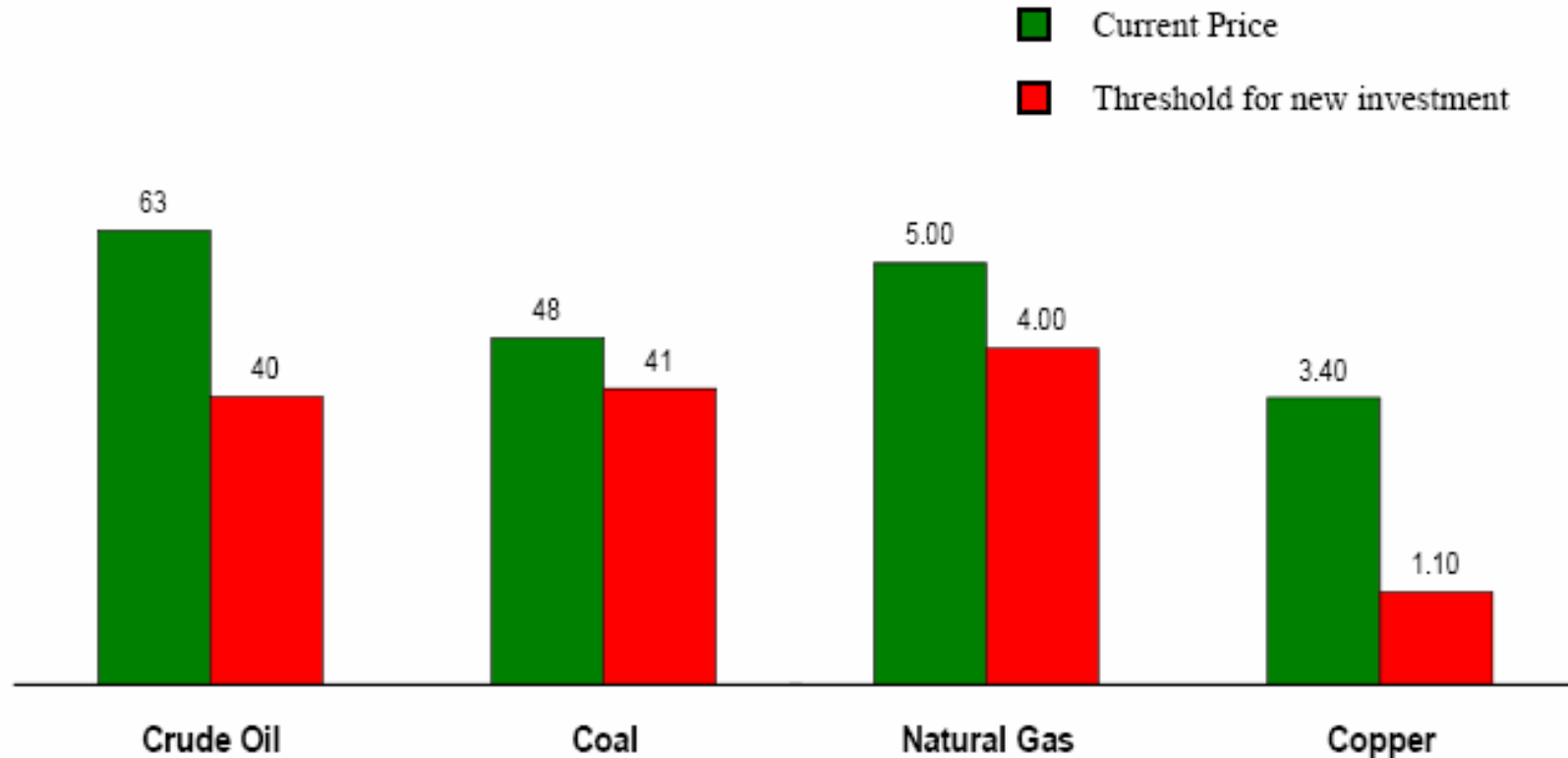
Copper Prices



Commodity Prices

Prices have been favorable for investment

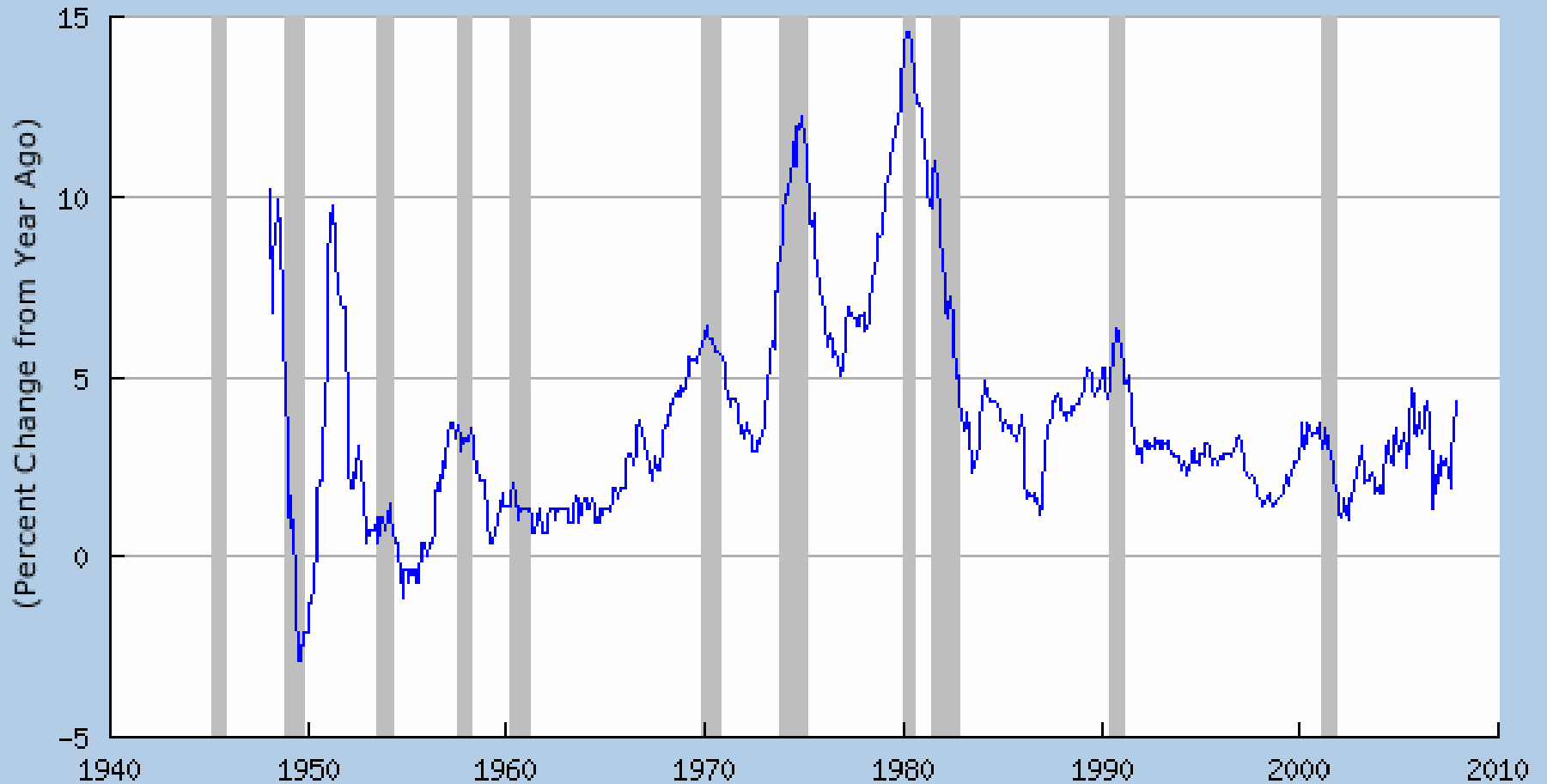
Dollars per Market Unit



Source: Haver Analytics, Caterpillar estimates for threshold prices

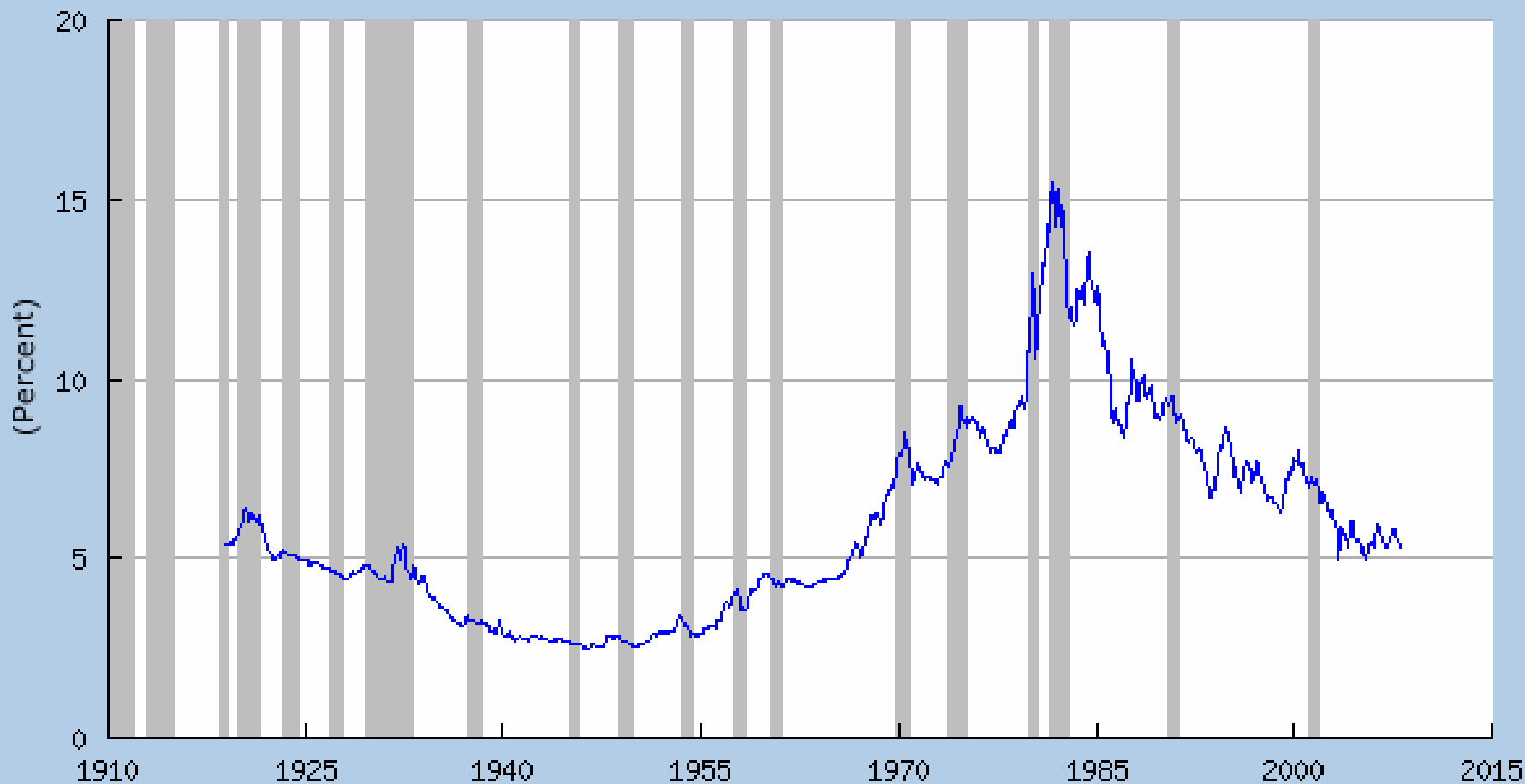


Consumer Price Index For All Urban Consumers: All Items (CPIAUCSL)
Source: U.S. Department of Labor: Bureau of Labor Statistics



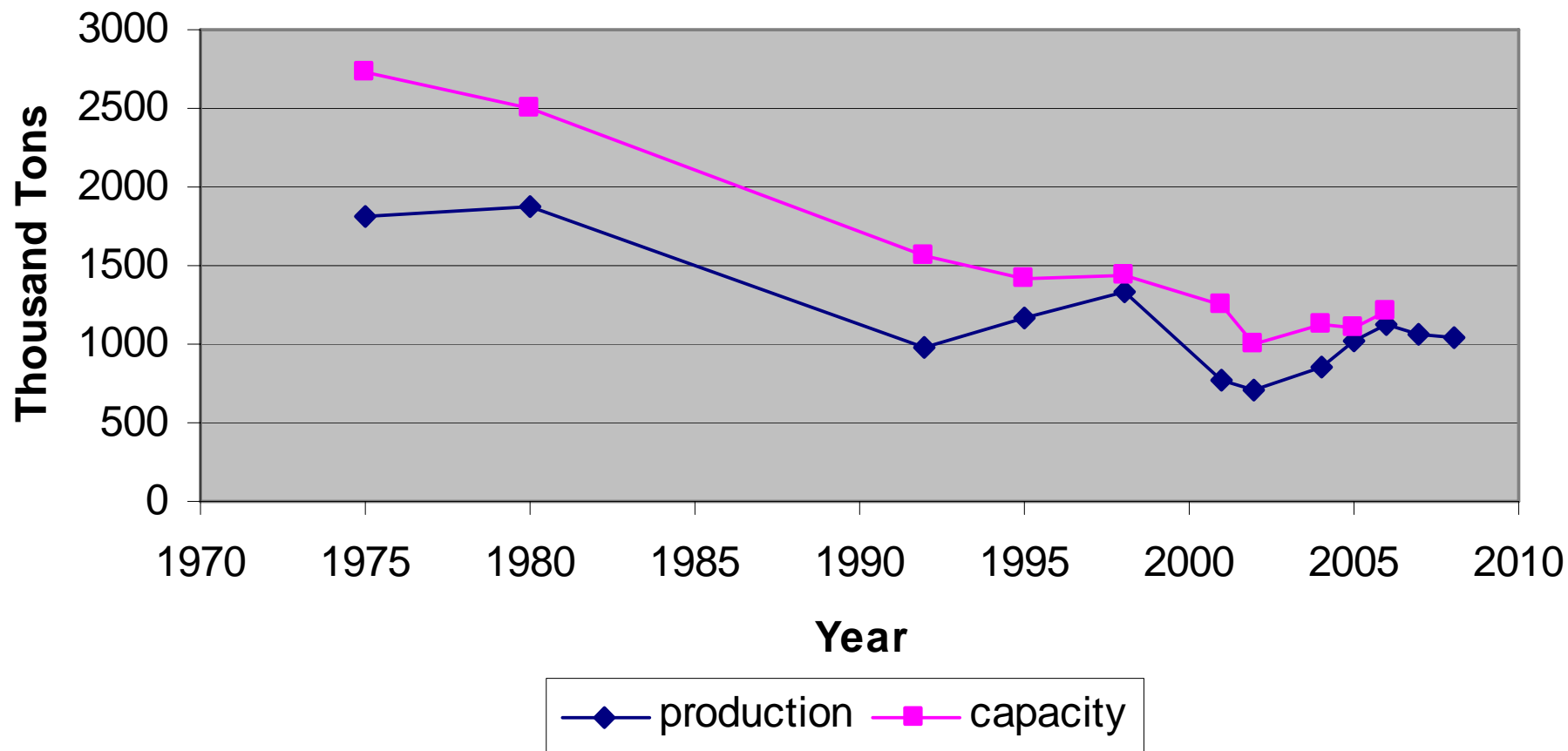
Shaded areas indicate US recessions as determined by the NBER.
2008 Federal Reserve Bank of St. Louis: research.stlouisfed.org

Moody's Seasoned Aaa Corporate Bond Yield (AAA)
Source: Board of Governors of the Federal Reserve System



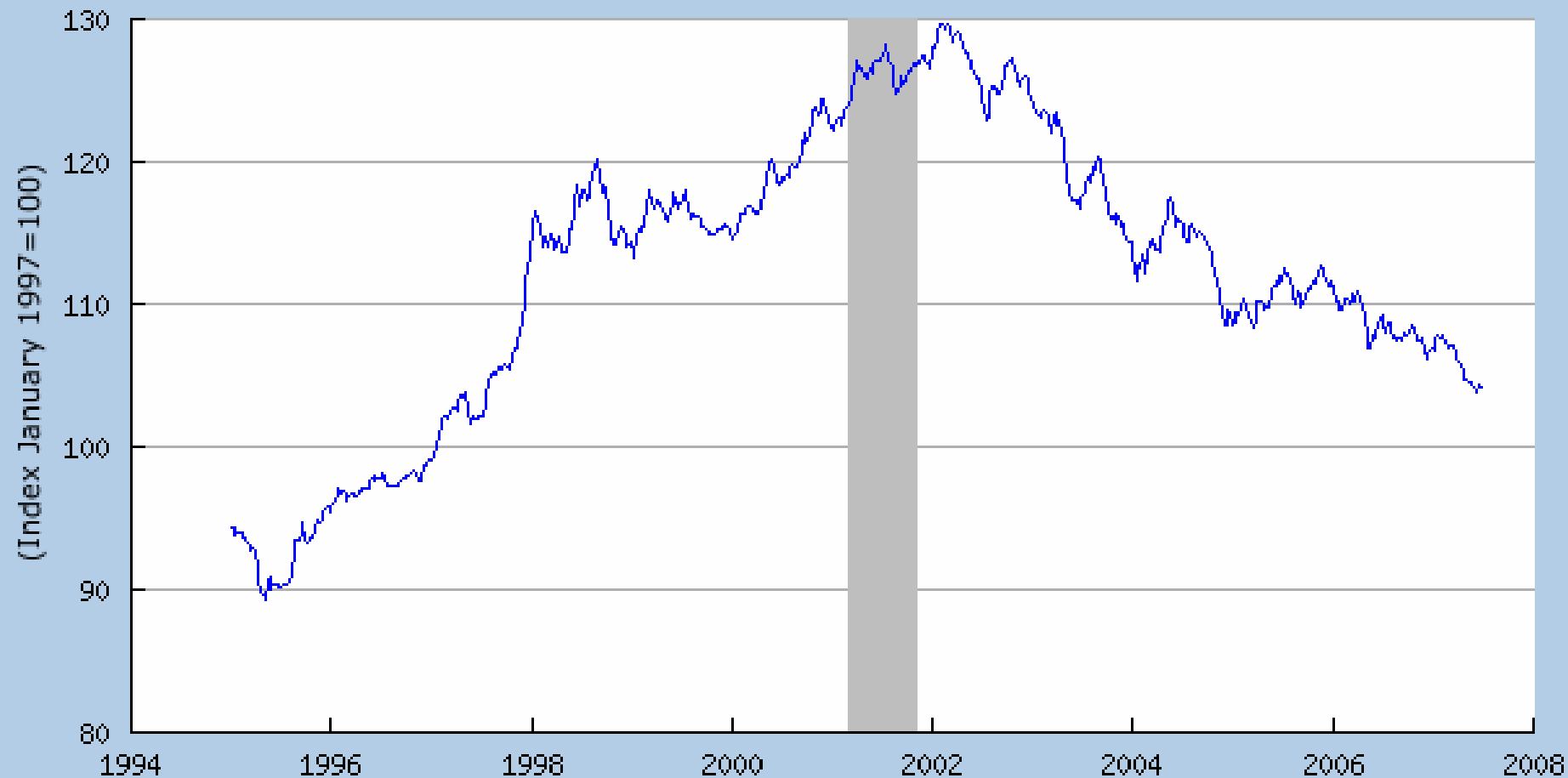
Shaded areas indicate US recessions as determined by the NBER.
2008 Federal Reserve Bank of St. Louis: research.stlouisfed.org

Steel Casting Capacity

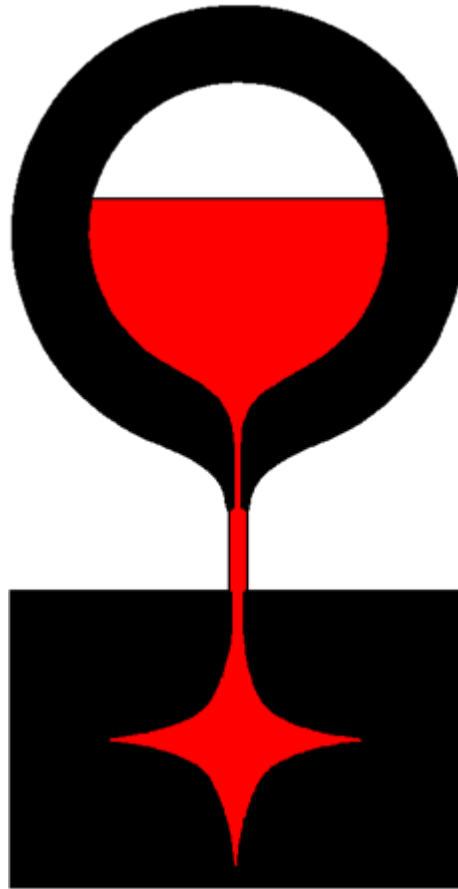


U.S. Dollar Index

Trade Weighted Exchange Index: Broad (TWEXB)
Source: Board of Governors of the Federal Reserve System



Shaded areas indicate recessions as determined by the NBER.
2007 Federal Reserve Bank of St. Louis: research.stlouisfed.org



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