

**MARKETS
UPDATE
SUPPLEMENT
P. 2**

Illinois Tool Works has acquired **Tregaskiss Welding Products** of Windsor, Ontario, Canada. Tregaskiss is a manufacturer of robotic and semi-automatic MIG welding torches and peripherals.

Danaher Corporation has agreed to buy **Chem-Treat Inc.**, Glen Allen, VA, a provider of water treatment products and services, for \$435 million in cash. ChemTreat has annual revenues of \$200 million. Danaher is a manufacturer of Professional Instrumentation, Medical Technologies, Industrial Technologies and Tools and Components.

Anixter International Inc., Glenview, IL, distributor of communication products, electrical and electronic wire & cable and a distributor of fasteners and other small parts has acquired **Eurofast SAS**, Collegien, France, from **Lisi SA** for \$27 million. Eurofast is an aerospace fastener distributor in the aerospace and defense industries. For 2007, Eurofast is expected to generate sales of \$22 million.

JH Larson Electrical Company, Plymouth, MN, has purchased **Lappin Lighting**, a full-service lighting showroom, Minneapolis, MN. Lappin serves the commercial and residential lighting markets. JH Larson serves the electrical, plumbing and HVAC residential and commercial markets. It has 240 employees in eight branches in three states.

Canadian manufacturers had a strong March, following a slight increase in factory shipments in February, as previous supply disruptions caused by the rail strike and the refinery fire in Ontario were rectified. In March, manufacturers shipped goods worth an estimated \$50.1 billion (Canadian), a 2.8 percent gain over the previous month. For the first quarter, shipments were up 1 percent compared to the fourth quarter of 2006. Unfilled factory orders, an indicator of probable future shipments, remained virtually unchanged from February. New orders slipped 1.4 percent in March.

U.S. industrial production increased 0.7 percent in April after a decrease of 0.3 percent in March. Output in the manufacturing sector moved up 0.5 percent in April; the increase was led by advances in motor vehicles and parts and in high-technology goods. The rate of capacity utilization for total industry rose 0.4 percentage point, to 81.6 percent, a level 0.6 percentage point above its 1972-2006 average.

U.S. housing starts in April were 2.5 percent above the revised March estimate, but 16.1 percent below April 2006. Permits were down 9 percent from March, and 28.1 percent from April 2006. The Midwest saw the largest drop year-to-date in housing starts, with a 40.2 percent decline.

Calculation of MDM Inflation Index for April 2007

	BLS Price Indices Apr. '07	BLS Price Indices Mar. '07	BLS Price Indices Apr. '06	% Sales Weight	Weighted Indices Apr. '07 (1)X(4)	% Change Apr. '07 Mar. '07	% Change Apr. '07 Apr. '06	
1136	Abr. Prod.	462.2	458.9	452.7	19.1	88.28	0.71	2.10
1135	Cutting Tools	436.3	436.5	429.0	18.9	82.46	-0.06	1.71
1145	Power Trans.	634.8	634.8	607.9	15.4	97.76	0.00	4.42
1081	Fasteners	442.6	437.2	425.1	9.0	39.84	1.24	4.13
1149.01	Valves, etc.	775.8	767.0	717.0	7.6	58.96	1.14	8.19
1132	Power Tools	329.0	329.0	326.6	6.5	21.39	0.00	0.75
1144	Mat. Handling	461.3	460.1	443.8	6.2	28.60	0.25	3.94
0713.03	Belting	542.7	540.1	534.0	6.1	33.10	0.48	1.63
1042	Hand Tools	678.7	676.3	664.7	8.1	54.97	0.35	2.10
108	Misc. Metal	415.0	415.0	405.7	3.1	12.87	0.00	2.30
"New" April Index		270.8	April Inflation Index			518.22	0.42	3.30
"New" March Index		269.6	March Inflation Index			516.08		
			April 2006 Inflation Index			501.65		

New index reflects 1977=100 base other #: 1967 To convert multiply by .52247