

**MARKETS
UPDATE
SUPPLEMENT
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increases. Capacity utilization for total industry was unchanged, at 82.2 percent, a rate 0.2 percentage point below August 2006 but 1.2 percentage points above its 1972-2006 average.

Wolseley plc reports there are no signs yet of any upturn in the U.S. housing market; it is also seeing the repairs, maintenance and improvement market start to soften. A weaker dollar and price deflation in lumber and panels has also hurt its North American building materials business. In its preliminary results for the year ended July 31, 2007, Wolseley had sales of 16.2 billion pounds (US\$32.7 billion), up 14.6% from the previous year. Operating profit fell slightly. North American revenues declined slightly overall, reflecting slow sales **by Stock Building Supply**. **Ferguson**, the plumbing/HVAC business, had 5.5% organic growth.

The Producer Price Index for Finished Goods fell 1.4 percent in August, seasonally adjusted, according to the U.S. Bureau of Labor Statistics. Core inflation (minus food and energy) moved up 0.2 percent in August compared with a 0.1-percent increase a month earlier.

Acme United Corporation, Fairfield, CT, has acquired the knife and cutting business of **Tiger Sharp Technologies, Inc.** The purchase price was \$350,000. Revenues were \$400,000 in 2006. Tiger Sharp sells knives to independent knife dealers, industrial wholesalers, and companies

such as John Deere and Browning.

Dana Corporation, Toledo, OH, has completed the sale of its North American coupled products business to **Coupled Products LLC**, a wholly owned subsidiary of **Wanxiang (USA) Holdings Corporation**. The sale concludes the divestiture of Dana's fluid products business. **July U.S. manufacturing technology consumption** totaled \$271.37 million, according to the Association for Manufacturing Technology and the American Machine Tool Distributors' Association. This total was down 22 percent from June, and down 9.5 percent from the total of \$300.01 million reported for July 2006. Year-to-date, 2007 was up 5.3 percent compared with 2006.

Air Liquide, Houston, TX, has acquired **Team One Technologies Inc.**, an independent producer and distributor of medical and specialty gases in Romeoville, IL. Air Liquide Healthcare America will own and operate the medical and specialty gas facility to support its growth initiatives in the Midwest medical gas market. The newly acquired facility will also supply Air Liquide's non-medical packaged and specialty gas business.

Chase Corp., Bridgewater, MA, a global manufacturer of specialty tapes, laminates, sealants

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Calculation of MDM Inflation Index for August 2007

	BLS Price Indices Aug. '07	BLS Price Indices Jul. '07	BLS Price Indices Aug. '06	% Sales Weight	Weighted Indices Aug. '07 (1)X(4)	% Change Aug. '07 Jul. '07	% Change Aug. '07 Aug. '06
1136 Abr. Prod.	464.9	465.2	453.6	19.1	88.79	-0.06	2.49
1135 Cutting Tools	437.4	436.3	430.6	18.9	82.66	0.25	1.57
1145 Power Trans.	641.1	640.4	616.1	15.4	98.72	0.10	4.06
1081 Fasteners	454.0	448.3	438.0	9.0	40.86	1.27	3.64
1149.01 Valves, etc.	792.7	786.9	748.9	7.6	60.25	0.74	5.85
1132 Power Tools	329.0	329.0	324.6	6.5	21.39	0.00	1.37
1144 Mat. Handling	464.2	463.3	452.4	6.2	28.78	0.19	2.60
0713.03 Belting	550.4	544.3	532.7	6.1	33.58	1.12	3.32
1042 Hand Tools	680.0	678.0	667.1	8.1	55.08	0.30	1.94
108 Misc. Metal	419.3	418.2	411.9	3.1	13.00	0.27	1.78
"New" August Index	273.3	August Inflation Index			523.10	0.35	3.04
"New" July Index	272.4	July Inflation Index			521.28		
		August 2006 Inflation Index			507.68		

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