

**MARKETS
UPDATE
SUPPLEMENT
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U.S. housing starts in January were 0.8 percent above the revised December estimate, but 27.9 percent below the revised January 2007 rate.

The **Producer Price Index** for Finished Goods rose 1.0 percent in January, seasonally adjusted, the Bureau of Labor Statistics of the U.S. Department of Labor reported. This increase followed a decline of 0.3 percent in December and a 2.6-percent advance in November.

The **Canadian Machinery and Equipment Price Index** stood at 83.8 (1997=100) in the fourth quarter, down 3.3 percent from the third quarter. The import component index fell 5.1 percent, while the domestic index edged down 0.5 percent.

NEMA's Electroindustry Business Confidence Index for current North American conditions lagged the 50-point threshold, which is indicative of industry expansion, for a third straight month in February.

New orders for manufactured durable goods in January decreased \$12 billion or 5.3 percent to \$212.8 billion, the **U.S. Census Bureau** announced. This decrease followed two consecutive monthly increases including a 4.4 percent December increase.

The total value of residential construction

investment in Canada for 2007 reached \$8-.7 billion, an increase of 8.5 percent compared with 2006.

Manufacturing failed to grow in February, according to the nation's supply executives in the latest Manufacturing ISM Report on Business.

Atlanta, GA-based **LifeGas**, a company of **The Linde Group**, has acquired **Sky Oxygen Inc.**'s medical business.

U.S. construction spending during January 2008 was 1.7 percent below the revised December estimate. The January figure is 3.3 percent below January 2007.

Actuant Corporation, Milwaukee, WI, has acquired **Superior Plant Services, LLC**, Terrytown, LA, for \$57 million in cash.

Dyneon LLC, a **3M** company based in Oakdale, MN, has acquired **Hitech Polymers Inc.**, a manufacturer of specialty thermoplastic polymers and provider of toll thermoplastic compounding services based in Hebron, KY.

Brady Corporation, Milwaukee, WI, has acquired **DAWG, Inc.**, Terryville, CT, a direct marketer of sorbents, spill-containment products, safety-storage cabinets, first-aid kits, and other safety and cleaning products.

Calculation of MDM Inflation Index for January 2008

	BLS Price Indices Jan. '08	BLS Price Indices Dec. '07	BLS Price Indices Jan. '07	% Sales Weight	Weighted Indices Jan. '08 (1)X(4)	% Change Jan. '08 Dec. '07	% Change Jan. '08 Jan. '07
1136 Abr. Prod.	479.1	473.8	457.8	19.1	91.51	1.13	4.67
1135 Cutting Tools	438.7	438.2	433.3	18.9	82.92	0.12	1.25
1145 Power Trans.	654.2	651.4	632.0	15.4	100.74	0.43	3.51
1081 Fasteners	467.7	465.6	439.7	9.0	42.10	0.46	6.39
1149.01 Valves, etc.	792.4	787.1	767.0	7.6	60.22	0.68	3.31
1132 Power Tools	328.6	331.0	325.9	6.5	21.36	-0.74	0.82
1144 Mat. Handling	473.9	468.5	457.6	6.2	29.38	1.16	3.57
0713.03 Belting	548.5	549.8	533.7	6.1	33.46	-0.23	2.77
1042 Hand Tools	687.2	683.4	675.9	8.1	55.66	0.55	1.66
108 Misc. Metal	425.8	425.2	414.2	3.1	13.20	0.13	2.79
"New" January Index	277.2	January Inflation Index			530.55	0.49	3.18
"New" December Index	275.9	December Inflation Index			527.97		
		January 2007 Inflation Index			514.21		

New index reflects 1977=100 base. Other numbers = 1967 base. To convert multiply by .52247