

**MARKETS  
UPDATE  
SUPPLEMENT  
P. 2**

Change Expectation Survey (QSCE). Of distributors surveyed, 59.4 percent estimate that their sales for the quarter ended June 30 will show increases exceeding 10 percent. For the third quarter now under way, 87.6 percent of distributors predict sales gains. And, 36.9 percent of distributors expect double-digit growth to continue, predicting gains of over 10 percent for the July-September period. Flat or declining sales are forecast by only 11.6 percent.

**ABC Supply Co., Inc.**, distributor of building materials, tools and supplies based in Beloit, WI, will open a new branch in Erlanger, KY, in October. The new location will include a 3,000-square-foot showroom and a 60,000-square-foot warehouse and carry lines of residential and commercial roofing and siding products, windows and doors, as well as tools and equipment.

**Parker Hannifin Corporation**, Cleveland, OH, reported an increase of 13 percent in total orders for August compared to the same month a year ago. By operating segment: Orders in the Industrial North America segment increased 6 percent; Industrial International orders went up 18 percent; orders in the Aerospace segment jumped 17 percent on a rolling 12-month average basis; and orders in the Climate and Industrial Controls segment increased 20 percent over the same month a year ago.

**Protective Industrial Products**, Guilderland Center, NY, supplier of gloves to industrial distributors in the U.S., has acquired the **Brahma Glove Division** from **Great Southern Corporation**. Steve Vaught, the former president of Great Southern, will be the general manager of the newly created Brahma Glove Co. Division of Protective Industrial Products, Inc. Brahma offers industrial and consumer gloves made for working, hunting, gardening, welding and chemical protection.

**Plymouth Rubber Company, Inc.**, Canton, MA, and its wholly-owned subsidiary, **Brite-Line Technologies, Inc.**, have emerged from Chapter 11, supported by an infusion of financing from **Chrysalis Capital Partners, LP**, a private equity firm, and a new senior credit facility provided by Wells Fargo Business Credit. The companies' Plan of Reorganization, effective Sept. 5, was approved by the U.S. Bankruptcy Court on July 26. Plymouth Rubber is a manufacturer of vinyl and rubber tapes in the automotive, electrical and other industries; Brite-Line manufactures rubber reflective highway marking tapes and materials.

**Barnes Group Inc.**'s board of directors has elected Gregory F. Milzcik president and CEO, effective Oct. 19. Milzcik, 46, will succeed Edmund M. Carpenter, who announced his retirement but will remain with the company through year-end.

**Calculation of MDM Inflation Index for August 2006**

	BLS Price Indices Aug. '06	BLS Price Indices Jul. '06	BLS Price Indices Aug. '05	% Sales Weight	Weighted Indices Aug. '06 (1)X(4)	% Change Aug. '06 Jul. '06	% Change Aug. '06 Aug. '05
1136 Abr. Prod.	453.6	453.0	436.1	19.1	86.64	0.13	4.02
1135 Cutting Tools	430.6	430.6	413.8	18.9	81.38	0.00	4.06
1145 Power Trans.	616.1	614.2	593.9	15.4	94.87	0.31	3.73
1081 Fasteners	438.0	429.4	414.5	9.0	39.42	2.01	5.67
1149.01 Valves, etc.	748.9	735.6	686.5	7.6	56.92	1.80	9.10
1132 Power Tools	324.6	324.6	328.1	6.5	21.10	0.00	-1.08
1144 Mat. Handling	452.4	447.8	434.1	6.2	28.05	1.02	4.23
0713.03 Belting	532.7	535.6	516.6	6.1	32.50	-0.54	3.12
1042 Hand Tools	667.1	667.4	636.1	8.1	54.03	-0.05	4.87
108 Misc. Metal	411.9	409.1	397.5	3.1	12.77	0.69	3.62
"New" August Index	265.2	August Inflation Index			507.68	0.47	4.45
"New" July Index	264.0	July Inflation Index			505.32		
		August 2005 Inflation Index			486.03		

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