

**MARKETS
UPDATE
SUPPLEMENT
P. 2**

1.9 percent above its year-earlier level. For the third quarter as a whole, industrial production rose at an annual rate of 4 percent, a pace that was 1/2 percentage point faster than in the previous quarter.

Housing starts in September were at a seasonally adjusted annual rate of 1,191,000, 10.2 percent below the revised August estimate and 30.8 percent below the revised September 2006 rate.

Anixter International Inc., Glenview, IL, distributor of communication products, electrical and electronic wire & cable, and fasteners, reported sales of \$1.52 billion in the third quarter 2007, which includes \$31.7 million from acquisitions. Sales were up 14 percent. Profit fell 15 percent to \$64.8 million. Year-to-date sales were \$4.36 billion.

Genuine Parts Company, Atlanta, GA, reported total sales of \$2.8 billion in the third quarter were up 4 percent from the prior-year period, and net income was up 6 percent. For the nine months ended Sept. 30, 2007, sales were \$8.22 billion, up 4 percent, and profit was \$380.3 million, up 7 percent. Motion Industries generated the strongest revenue increase, with sales up 7 percent in the quarter.

WESCO International Inc., Pittsburgh, PA, supplier of electrical MRO products, construc-

tion materials, and integrated supply services, reported sales of \$1.5 billion in third quarter 2007, an increase of 15.1 percent. Profit was \$70 million in the quarter. Year-to-date, sales were \$4.5 billion, up 14.4 percent. Sales from recent acquisitions were \$524 million.

Applied Industrial Technologies, Cleveland, OH, reported that for its fiscal 2008 first quarter ended Sept. 30, profit rose by 15.8 percent and sales rose 5.3 percent to \$518.5 million.

Praxair, Inc., Danbury, CT, reported third-quarter 2007 sales of \$2.37 billion, 13 percent above the prior-year period. Profit grew 23 percent to \$305 million. Sales were led by strong growth in Asia and South America from new business and project start-ups, and stable growth in North America.

Hagemeyer NV reported Group revenue was up 3.2 percent on an organic basis in the third quarter 2007, with sales of 1.6 billion euro (US\$2.3 billion). Organic growth for the PPS business was 2.8 percent in the third quarter, with improvement in the North American rate. Organic growth for Hagemeyer's electronics division was 3.7 percent. In the U.S., sales were down 3.9 percent in the first nine months of 2007, and down 0.6 percent in the quarter.

MDM News Digest
Continued on p. 4 of this section

Calculation of MDM Inflation Index for September 2007

	BLS Price Indices Sep. '07	BLS Price Indices Aug. '07	BLS Price Indices Sep. '06	% Sales Weight	Weighted Indices Sep. '07 (1)X(4)	% Change Sep. '07 Aug. '07	% Change Sep. '07 Sep. '06
1136 Abr. Prod.	464.9	464.9	450.9	19.1	88.79	0.00	3.09
1135 Cutting Tools	437.1	437.4	431.7	18.9	82.61	-0.06	1.26
1145 Power Trans.	640.1	641.1	616.7	15.4	98.58	-0.15	3.80
1081 Fasteners	455.6	454.0	436.1	9.0	41.00	0.36	4.46
1149.01 Valves, etc.	791.6	792.7	759.3	7.6	60.16	-0.14	4.26
1132 Power Tools	330.8	329.0	324.6	6.5	21.50	0.54	1.91
1144 Mat. Handling	466.7	464.2	453.6	6.2	28.94	0.56	2.91
0713.03 Belting	552.7	550.4	533.7	6.1	33.71	0.41	3.56
1042 Hand Tools	681.4	680.0	668.1	8.1	55.19	0.20	1.99
108 Misc. Metal	420.1	419.3	411.1	3.1	13.02	0.20	2.20
"New" September Index	273.5	September Inflation Index			523.51	0.08	3.00
"New" August Index	273.3	August Inflation Index			523.10		
		September 2006 Inflation Index			508.27		

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