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## **Insteel outlook outlines challenges ahead**

*Monday, 20 Jul, 2009*

Mr HO Woltz III president & CEO of Insteel said that "Despite recent signs of stabilization in our markets, we expect business conditions to remain challenging. Private nonresidential construction, particularly for commercial projects, is expected to soften in view of the recessionary environment and financing constraints. Infrastructure related spending under the American Recovery and Reinvestment Act, which has been negligible up to this point, should begin to accelerate later in the year and serve to at least partially offset the anticipated decline in other construction categories."

He added that "Prices for our products as well as for wire rod appear to have bottomed out following the extended downturn that began last September. In view of the recent up tick in scrap prices and announced closures of two US mills representing over 20% of domestic capacity, we expect that wire rod prices will rise in the coming months, although the magnitude of the increase and the impact on the prices for our products are uncertain at this time."

Mr Woltz said that "As we navigate our way through the difficult business environment that is likely to persist over the next few quarters, we will continue to focus on maintaining our market position, managing our costs and preserving liquidity. We remain hopeful that these ongoing challenges in our industry will serve as a catalyst for attractive growth opportunities to develop in the near future."

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