
Update on Synalloy Corporation outlook 2009

Sunday, 26 Apr, 2009

The Specialty Chemicals Segment began 2009 experiencing difficult conditions during the first two months of the quarter. However, revenues and profits began to improve in March. Management is hopeful that this favorable trend will continue, reflecting its efforts to generate new products, improve existing products, and compete in markets not as susceptible to foreign imports. With raw material prices stabilizing, primarily from lower petroleum costs, the negative impacts of rapidly increasing raw material costs experienced over the last several quarters should allow the Segment to generate more consistent profit margins in the second quarter of 2009, assuming economic conditions do not deteriorate from their current levels. However, the uncertainty of the economy makes predictions of the Segment's performance extremely difficult.

As a result of the significant increases in stainless steel pipe imported from China, the Bristol Metals, LLC along with three other U.S. producers of stainless steel pipe and the United Steelworkers Union filed an unfair trade case against China on January 30th 2008. The US Department of Commerce issued final determinations on welded stainless steel pipe, and on January 21st 2009, it announced its determination of duties ranging from 12% to over 300% on stainless steel welded pipe smaller than 16 inches in diameter imported from China. The International Trade Commission had its final vote February 19th and upheld the earlier determinations by the DOC.

(Sourced from www.synalloy.com)

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