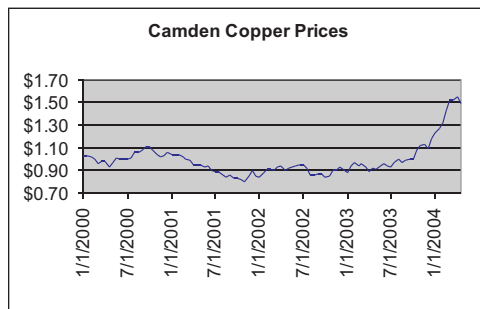




What's Behind High Copper Prices

If there is any doubt about a global economic recovery, just look at copper prices, which have accelerated to eight-year highs with forecasters predicting even higher prices.



By mid-February, Comex Copper had risen to \$1.36 per pound crashing through the levels reached just before prices tanked in May, 1996, after the Sumitomo copper trading scandal. In the last 12 months, according to BUSINESS WEEK, copper prices have increased 83 percent compared with aluminum, 23 percent; coal, 63 percent; nickel, 75 percent; steel, 79 percent, and tin, 41 percent.

There are many factors contributing to these increases. The Financial Times of London writes, "The price has been driven by China's seemingly insatiable demand for raw materials, which has led to supplies falling to dangerously low levels." Bill O'Neill, principal with Logic Advisors cited strength from the following areas: investment and hedge-fund buyers; copper dealers; copper refiners; copper producers; automobile manufacturers; and the housing/construction sector.

The strength of the US dollar also contributes to fluctuations in copper prices. Copper is traded in US dollars so a weaker dollar makes copper more attractive to countries purchasing in foreign currencies and stimulates demand.

In the light of the Copper Markets' volatility, and current high prices, Atlas urges its customers to be mindful of inventories. Consider Atlas' ability to fill smaller orders quickly and efficiently. Rather than having to inventory expensive copper wire, by using Atlas you can create a "Just in Time"-type supply chain system. Please talk to Jan, Vivian and Jim and see what Atlas can do to get you optimum prices and help streamline your raw materials inventory system.

According to Tony Warwick-Ching, one of the world's leading copper experts, global inventories have halved since 2002 to less than 900,000 tons. Adding fuel to the price boost was U.S. Federal Reserve Chairman Alan Greenspan's testimony before Congress about seeing encouraging signs for capital spending and manufacturing.

Yet another factor resulting in higher prices have been production problems at the world's two biggest copper mines. Grasberg in Indonesia and Escondita in Chile have been struggling to reach full capacity.

In early March and in mid-April prices eased somewhat. According to a Bank of Zambia economist, the reason for the sudden drop was "noise by speculators." He called such "noise" adjustments "temporary" and predicted prices would soon resume their upward movement and "continue soaring." Copper accounts for 15 percent of Zambia's exports.

Wire-Line

How Much Wire Should You Stock?

With the higher copper costs, do we continue to replenish and carry normal inventory amounts or do we reduce inventory and buy solely for current need? It's a critical question that, if handled incorrectly, can lead to reduced customer service, missed delivery promises, and unhappy clients.

Consider Atlas Wire Corporation's lead times when deciding how much inventory to carry. Our standard lead times are 2-3 weeks after receipt of order but anyone that has dealt with us knows that communication is the key to our customer service. Call our sales people and let them know your needs, they'll diligently work with scheduling to see how we can help.

Atlas Wire Corporation "over delivers" on the 2-3 week lead time standard.

Consider these statistics:

2004 Delivery Statistics	
Shipped Same Day	2.4%
Shipped within 1 Week	35.5%
Shipped within 2 Weeks	75.8%
Shipped within 3 Weeks	97.2%

Within these statistics are products that require double insulation, twisting, bonding, striping, odd or nonstandard conductors, and line items that have "not before" ship dates. These statistics are compiled from comparing the ship date with the entered date.

Atlas Wire's production schedule is posted weekly at www.atlaswirecorp.com and can be emailed or faxed directly to your computer. Call Vivian, Jan, or Jim to see how Atlas Wire Corporation might help you with your delivery needs.

Production Schedules

Click on [Schedule](#) for the latest Atlas production and shipping schedule.

Please email [Bruce Leska](#) if you would like to have Atlas e-mail you weekly production schedules.