

Document 0336

[20336001]

LTV Steel Co. is boosting the prices of flat rolled steel products by an average of 3 % following a recent erosion in the prices of such crucial steel products .

[20336003]

It is widely expected that they will .

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But LTV 's move marks the first effort by a major steelmaker to counter the free fall in spot prices .

[20336006]

Major steel producers are selling cold rolled sheet steel at about \$ 370 a ton , compared with a peak price of \$ 520 a ton in 1988 .

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Second-tier companies are receiving even less per ton .

[20336009]

LTV confirmed the price-increase plan , saying the move is designed to more accurately reflect the value of products and to put steel on more equal footing with other commodities .

[20336010]

A spokesman for LTV Steel , which is a unit of Dallas-based LTV Corp. , noted that steel prices , adjusted for inflation , increased only 1.7 % between 1981 and the fourth quarter of 1988 , while the prices of other industrial commodities increased nearly five times as much .

[20336011]

At the same time , steelmakers are trying to invest more to modernize technology and make themselves more competitive .

[20336012]

But analysts say the company is also trying to prevent further price drops .

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Moreover , they note that LTV may be trying to send a signal to major customers , such as Chrysler Corp. and Whirlpool Corp. , that steelmakers need more money .

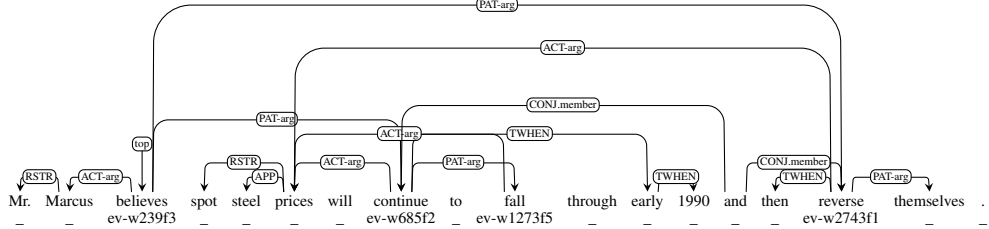
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Both companies are in the process of negotiating contracts with LTV and others .

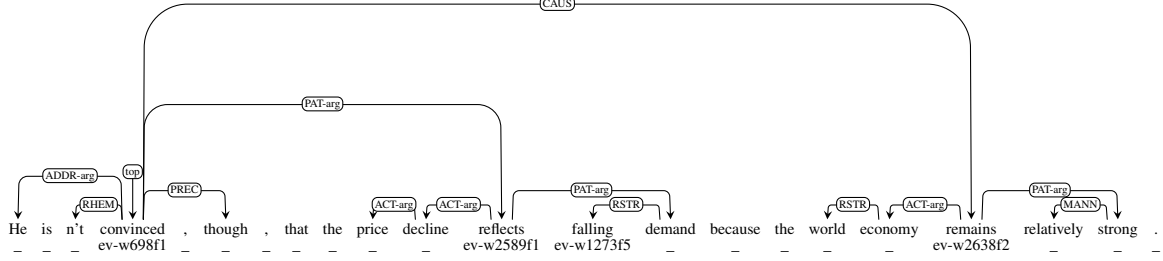
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" They [ LTV ] may believe this can impact contract negotiations and is their signal to the world that now is the time to get tough on prices , " said Peter Marcus , an analyst with PaineWebber Inc .

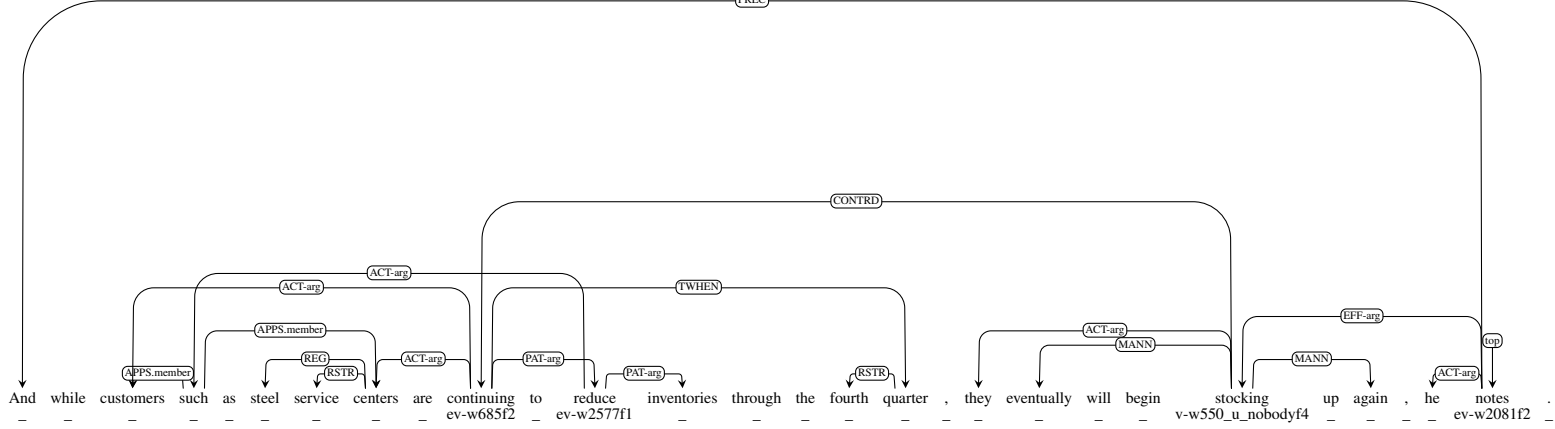
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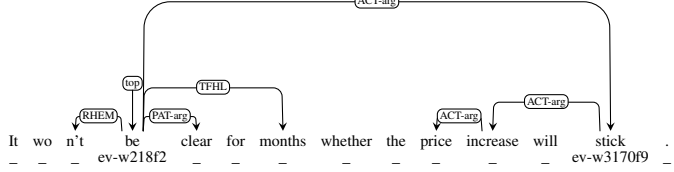
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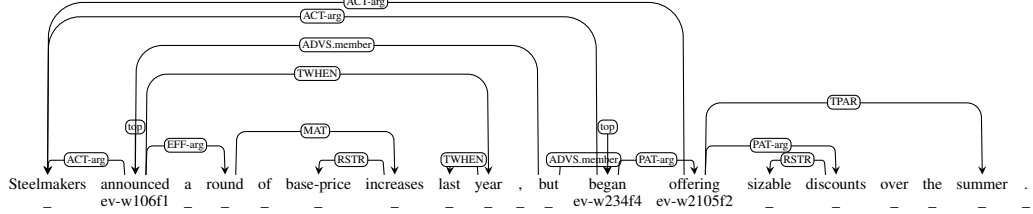
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