

EUROPEAN STEEL REVIEW

KEYNOTE

SEPTEMBER 2014

EU STEEL PRICE UPTURN SLOW TO TAKE HOLD

The European holiday season in late July and August led to a significant slowdown in strip mill market activity. Generally, prices have held steady through the summer. More recently, ArcelorMittal announced the intention to raise product values by €20 per tonne, for all new business to be delivered in the final trimester. The initiative is mainly driven by better mill order books and declining competition from third country importers, as a result of the weaker euro. Most October business has already been settled at the old prices. It remains to be seen whether the increase can be imposed for the remainder of the quarter. Most buyers believe that current consumption is not strong enough to support an advance, particularly as the producers' raw material costs are reducing.

There has been no real change in German market prices over the last two months. The mills are targeting a €20 per tonne rise but this has, so far, proved unsuccessful. However, the downward trend has been halted. There is very little interest from third country suppliers because domestic values are comparatively low. Moreover, the exchange rate is now working in favour of local steelmakers. Consumption is at a similar level to that of 2013. Service centre stocks remain low and resale margins are poor.

French demand remains very modest in early September. With end-users still ordering on a day-to-day basis, distributors have been reluctant to place new business. In addition,

FLAT ROLLED PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES - GERMANY

price/metric ton		2014					
		APR	MAY	JUN	JUL	AUG	SEP
Hot Rolled Coil	High	490	480	460	450	450	450
	Low	440	430	410	410	410	410
Hot Rolled Plate	High	545	545	545	540	540	545
	Low	505	505	505	500	500	505
Cold Rolled Coil	High	560	550	540	540	540	540
	Low	520	510	500	500	500	500
Hot Dipped Galvanised Coil	High	560	550	540	530	530	530
	Low	520	510	500	490	490	490
Electro-Zinc Coated Coil	High	570	570	560	550	550	550
	Low	520	520	510	500	500	500
Stainless CR Coil Type 304	High	1130	1130	1150	1160	1160	1170
	Low	1030	1030	1050	1060	1060	1070
Stainless CR Coil Type 430	High	1090	1090	1090	1090	1090	1090
	Low	1040	1040	1040	1040	1040	1040

ISSN 1369-8583

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some are still receiving material ordered in July. Meanwhile, European mills have been pushing for price rises but buyers remain sceptical.

At the beginning of September, Italian producers, Ilva and Marcegaglia, announced an official increase of €20 per tonne for October. We have noted little effect on market selling values so far, apart from a halt to the recent price slide. This has been helped by the decrease in import competition. There are few enquiries from end-users, who appear to have sufficient stock for today's low level of demand. Service centres purchased slightly higher volumes than they needed in mid-July, when they felt prices had bottomed. However, in the main, inventories are very light because material can be obtained quickly.

A number of UK distributors reported reasonable demand in August, despite seasonal factors. September has also started well. Nevertheless, basis figures dropped below the level published in our July issue, due to intense import competition. The recent

weakening of sterling is an interesting development, which could affect forward orders for Chinese and even mainland European material. The announced price increases have not been applied for October business and November is still to be agreed. This may help to arrest the downward tendency.

Despite reasonable economic forecasts, activity in the Belgian market is very slow. Basis figures are stable, even though all the major mills are claiming increases of €10/15 per tonne. Third country imports look less attractive because of currency movements.

The likelihood of limited import competition, together with supply issues that could result from the Ukrainian crisis, have given the mills confidence to push for higher prices in Spain. October business is already settled at the figures agreed before the holidays but some buyers feel that €10 per tonne may be achievable for November. Demand is stable. Distributors moved their resale prices up in August. They have sufficient stocks for now.

FLAT PRODUCTS

HOT ROLLED COIL

Although the pipemakers have satisfactory order books, general demand in the German market is flat. Producers have failed to lift October basis values. During the summer, some business was concluded as low as €400 per tonne but, now, figures have recovered to the early July level. A number of big users have still not finalised fourth quarter negotiations. In France, the mills are looking for a €430 per tonne basis from local distributors. Negotiations are ongoing in many instances but buyers remain unsure that the higher price can be implemented. There are competitive offers

from Russian suppliers in the Italian market. Domestic basis numbers fell to €400 per tonne in mid-July but have revived since then. Suppliers are pushing for more but it seems unlikely this will be achieved.

As third country material, ordered earlier in the year, is now arriving in the UK, resale values are weakening. Over the course of the year, the greatest pressure on prices has come for non-EU sources. However, more recently, the cheapest offers have been from Germany and Scandinavia. The domestic mill has been forced to cut basis values by £20 per tonne in order to compete. Italian suppliers to the Belgian market have raised

LONG PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES - GERMANY

price/metric ton		2014					
		APR	MAY	JUN	JUL	AUG	SEP
Wire Rod	High	530	530	530	530	530	530
	Low	510	510	510	510	510	510
Medium Sections and Beams	High	570	570	570	550	550	550
	Low	530	530	530	510	510	510
Reinforcing Bar	High	250	250	235	235	235	245
	Low	230	230	215	215	215	225
Merchant Bar	High	180	180	170	160	160	160
	Low	140	140	130	120	120	120

**MEPS - API LINEPIPE STEEL PRICE INDEX
X60/65 COMPOSITE**

	Hot Rolled Plate		Hot Rolled Coil	
	Q3/14	Q4/14p	Q3/14	Q4/14p
EU Average				
Non Sour	108.8	109.4	128.1	128.9
Sour	114.7	115.3	126.8	127.6
* Q4/06 = 100 - based on euro values ** p = Provisional				

their offers by €40 per tonne. Russian mills are quoting for December delivery. Buyers expect them to lift prices a little because of exchange rate fluctuations. A number of service centres purchased during July/August, so can afford to wait a while to see if the hike proposed by domestic suppliers will take hold. Many feel that current demand is not strong enough to support a rise. End-users are unlikely to pay more to the distributors. Resale margins are already poor. Spanish basis numbers are unchanged but we can detect some upward pressure.

HOT ROLLED PLATE

Plate prices have begun to recover. The vast improvement in the linepipe market has also helped the commodity plate producers who are now reasonably well booked. Another major influence on the price trend has been the change in the supply-side situation. Because of the Ukrainian crisis, slab availability has been seriously reduced and plate exports from that country have also declined. Competition from third country imports has slowed due to the weakness of the euro versus the US dollar.

German stock levels are stable. Activity in the commodity grade market is low as the economy slows. However, the higher specifications are performing better as the global linepipe market picks up, with several big projects already running and new ones to come. French basis figures are on the rise, following a significant reduction in volumes offered. German customers have been ordering large quantities in France, reacting to the slab shortages in Poland. This has led to expanding delivery lead times of nine to ten weeks. Italian rerollers are attempting to lift basis values by €30/50 per tonne as their slab supplies have been curtailed, with a consequent increase in costs. However, freight rates to Germany, their target market, are sufficiently high to make their offers uncompetitive in that country. Domestic demand is stagnant. Nevertheless, we have noted a €20 per tonne advance during recent negotiations.

UK demand for commodity plate is flat, amidst a great

**MEPS - STEELPPI - AUTOMOTIVE
Auto Body Parts Composite Index**

	Jul-14	Aug-14	Sep-14
EU Average	74.2	74.2	74.2
Year-on-year % +/-	-2.1	-2.0	-5.0
* Jan 07 = 100 - based on transaction prices ** STEELPPI - Steel Purchasing Price Index			

deal of import pressure, both from third countries and from mainland Europe. Prices have weakened since the publication of our July report. Resale values have also come under pressure. Sales, across the board, have been slow to resume after the summer holidays. We can report a €10 per tonne advance in Belgium and more may prove possible. Some previously postponed, government-funded projects are about to restart in Spain. Producers have secured a €10 per tonne rise

COLD ROLLED COIL

There has been no significant improvement in German demand since the summer vacation. Despite announcements to the contrary, domestic suppliers have maintained basis figures at the July level. French selling values are the same as those published in our July issue. Activity remains subdued. In Italy, local steelmakers have secured a marginal rise during recent transactions, mainly due to a reduction in import competition.

A number of UK market participants have commented that growing stocks of cold rolled coil at some service centres are creating negative pressure on resale

**COMPARISON OF LOW MARKET
DOMESTIC BASIS PRICES - COLD ROLLED COIL**

price/ metric ton	Local currency		US dollars	
	Last Month	This Month	Last Month	This Month
Germany	500	500	672	656
France	500	500	672	656
Italy	475	480	638	630
UK	395	385	665	640
Belgium	500	500	672	656
Spain	500	500	672	656

Note: Exchange rates used for conversion are based on the figures given in our currency exchange rate table.

FLAT ROLLED PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES

price/metric ton		Germany (€)	France (€)	Italy (€)	UK (£)	UK (€)	Belgium (€)	Spain (€)
Hot Rolled Coil	High	450	460	450	345	437	460	440
	Low	410	420	410	320	405	420	420
Hot Rolled Plate	High	545	555	510	440	557	540	525
	Low	505	505	470	410	519	500	475
Cold Rolled Coil	High	540	540	530	420	532	550	540
	Low	500	500	480	385	487	500	500
Hot Dipped Galvanised Coil	High	530	540	505	435	551	550	540
	Low	490	500	455	395	500	500	500
Electro-Zinc Coated Coil	High	550	540	545	455	576	550	550
	Low	500	510	505	415	525	500	510
Stainless CR Coil Type 304 (a)	High	1170	1150	1100	965	1222	1130	1075
	Low	1070	1100	1050	895	1133	1080	1025
Stainless CR Coil Type 430 (a)	High	1090	1070	955	995	1259	—	1007
	Low	1040	1020	905	970	1228	—	977

MONTH on MONTH % CHANGE

Hot Rolled Coil	Low	0.0	0.0	0.0	-5.9	-4.9	0.0	0.0
Hot Rolled Plate	Low	1.0	1.0	4.4	-4.7	-3.7	2.0	2.2
Cold Rolled Coil	Low	0.0	0.0	1.1	-2.5	-1.6	0.0	0.0
HD Galv Coil	Low	0.0	0.0	1.1	-2.5	-1.6	0.0	0.0
EZ Coated Coil	Low	0.0	0.0	0.0	-5.7	-4.7	0.0	0.0
SS CR Coil 304	Low	0.9	0.9	0.0	0.0	1.0	1.9	0.0
SS CR Coil 430	Low	0.0	0.0	0.0	-2.0	-1.0	—	0.0

BASIS PRICE AND PRODUCT DEFINITIONS

Negotiated basis prices pertain to new purchases for mainstream business negotiated with regional mills during the current month for delivery in the future. They relate to prime material ex basing point net of all rebates and discounts for the lowest quality product in the producers' price lists.

Extras for size, cutting, testing, transport etc. are excluded except where specified.

Notes: (a) Basis - 1.5mm thickness.

Prices in this table may relate to deliveries in different time periods. It is important that this table is read in conjunction with the text in the newsletter.

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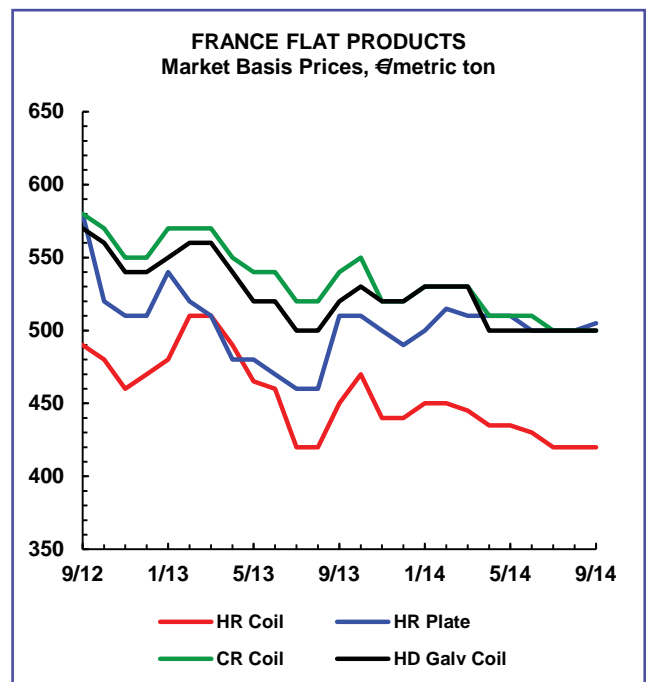
values. Russian material remains the cheapest on offer, at £415 per tonne, effective delivered. The mills may be taking a margin hit to maintain market share. Basis numbers from EU suppliers have fallen by £10 per tonne during the summer. Domestic basis prices in Belgium are unchanged, after softening by €10 per tonne in July. Demand has not revived after the holidays. Nevertheless, producers are pushing for a fourth quarter increase. Spanish numbers for October business are the same as before the vacation. Resale prices, which were under a great deal of pressure, have improved during the summer.

COATED COIL

The German automakers are struggling with declining export sales. They continue to try to reduce their steel costs wherever possible. Construction-related sales of hot dipped galvanised coil are static. In the general market, basis numbers have not recovered, due to oversupply. The French vehicle manufacturers are faring slightly better than earlier in the year, which could help producers to lift coated steel prices. Consumption, in general, is tepid. The Italian auto sector shows no real signs of improvement. The purchase of consumer goods is low due to the deflationary nature of the economy. Despite poor demand and fierce internal competition, buyers have agreed to a very small advance.

In the UK, prices of hot dipped galvanised material for forward orders have slipped by another £10 per tonne, due to import pressure. Third country material is quoted at £375 per tonne basis and Chinese suppliers are discounting size extras on the light gauges. The carmakers are busy but sales to construction are still not as good as expected. In Belgium, customers are paying the same as in July. Car production has picked up in Spain, where market prices are unchanged for October delivery.

In Germany, the steelmakers have rolled over



the July figures for sales of electro-zinc coated steel. The situation in France is similar. The small concession offered in Italy in July remains in place. Very competitive offers from French suppliers have forced down basis values in the UK by £25 per tonne. After winning a decrease in July, Belgian buyers have settled for a roll-over. We have noted a comparable situation in Spain.

COLD ROLLED STAINLESS STEEL

In July, cold rolled austenitic steel numbers advanced by €10/20 per tonne in Germany, France and Belgium. In the remaining countries under review, they were stable. Italian stockholders were carrying plenty of Asian material which was purchased when prices were lower. This was keeping current values down. UK buyers were anticipating nickel costs rising during the second half of 2014. In Spain, the mills were indicating their intention to lift basis values in September.

LONG PRODUCTS

WIRE ROD

Low carbon wire rod mills have held on to selling figures in Germany for the sixth consecutive month. There is little activity in the recoil market, where values are unchanged, despite the producers' desire to lift them. In France, prices for drawing rod are at the level reported two months ago. Those for the mesh quality are also the same as in July. Italian low carbon wire rod prices are static. A poorly performing construction

sector continues to create lacklustre demand for recoil. Steelmakers have kept effective figures steady, after offering a small discount in July to try to stimulate sales.

Selling values for the basic drawing qualities have firmed in the UK, although consumption has not improved to any great extent. Prices for the higher specifications are fairly steady. Recoil numbers are flat as sales of finished mesh are relatively slow. Import pressure is almost exclusively European. Drawing

quality figures are unchanged in Belgium, where order intake is sluggish. In Spain, low carbon wire rod prices have not altered. Demand for the mesh quality is flat.

MEDIUM SECTIONS AND BEAMS

Steelmakers are trying to impose a cost-driven €10/20 per tonne rise on structural sections, despite the ongoing poor demand in mainland Europe. In addition, there is oversupply.

In Germany, there is strong competition amidst subdued sales. Suppliers have, so far, failed to implement their proposed increase. Producers

are looking for an advance of €10/20 per tonne for Category 1 sections in France. This was still under negotiation at the time of our research as many distributors still have sufficient stocks. The rise will be easier to secure on the larger sizes. In Italy, effective prices for beams continue to suffer from the state of the ailing building sector. Despite more expensive scrap, suppliers have been unable to persuade customers to pay more for steel products. Recent forecasts for investment in construction are quite pessimistic.

UK building activity continues to grow in residential, commercial and civil engineering. However, severe competition between supplying mills is keeping

LONG PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES

price/metric ton		Germany (€)	France (€)	Italy (€)	UK+ (£)	UK+ (€)	Belgium (€)	Spain (€)
Wire Rod (b)	High	530	540	530	440	557	540	535
	Low	510	510	510	400	506	510	515
Medium Sections and Beams (c)	High	550	535	510	470	595	570	550
	Low	510	505	490	440	557	520	500
Rebar (d)	High	245	245	215	410	519	250	240
	Low	225	215	205	380	481	220	220
Merchant Bar (e)	High	160	130	115	470	595	120	165
	Low	120	110	95	450	570	100	115

MONTH on MONTH % CHANGE

Wire Rod	Low	0.0	0.0	0.0	1.3	2.2	0.0	0.0
Medium Sections	Low	0.0	1.0	0.0	0.0	1.1	2.0	0.0
Rebar	Low	4.7	2.4	5.1	0.0	1.1	0.0	4.8
Merchant Bar	Low	0.0	0.0	-5.0	0.0	1.1	0.0	0.0

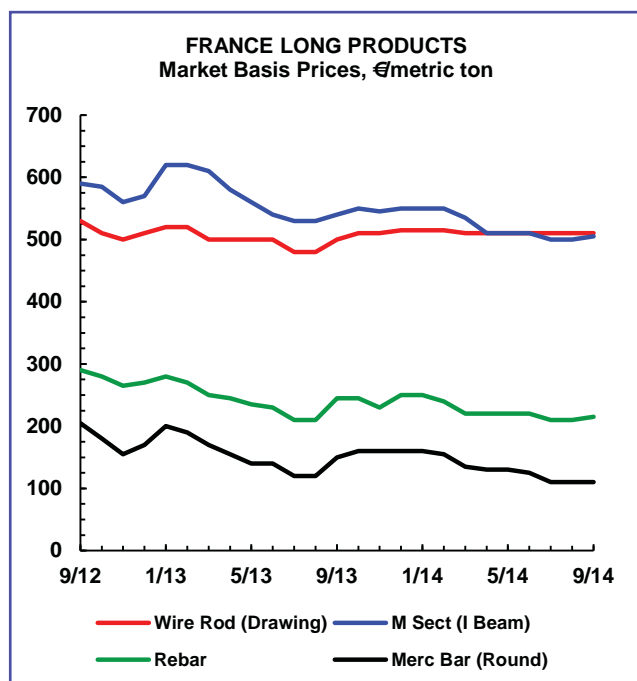
BASIS PRICE AND PRODUCT DEFINITIONS

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Extras for size, cutting, testing, transport etc. are excluded except where specified.

- Notes: + All UK prices include size extra
 (b) Drawing quality. This product incorporates a quality extra
 (c) I beam, category C1. Includes size extras
 (d) High yield - deformed
 (e) Round bar

Prices in this table may relate to deliveries in different time periods. It is important that this table is read in conjunction with the text in the newsletter.



the lid on effective values, despite price rise announcements. Buyers, reluctant to place orders at present, appear to have sufficient stock to allow them to wait. Resale prices came under renewed pressure during the summer. Competition in that sector is particularly intense between the larger providers, especially since Tata opened the new distribution centre on Teesside. Effective values reached the bottom in Belgium during June/July. Customers have accepted around €10 per tonne of the proposed rise. However, a lack of demand means that stockholders are not recouping this when selling to end-users. Service centres report a very slow start to September. In addition, bookings at the mills are quiet. The government is taking a long time to make public spending decisions, so work is on hold. Private investment is slightly better, though companies remain cautious. In Spain, we have seen no changes to July prices. The trading environment for suppliers is lacklustre, both at home and abroad.

REINFORCING BAR

Exporters would like to lift FOB prices because of higher scrap costs but business to Algeria remains tepid. Currently, southern European mills are concluding deals at €425/430 per tonne, FOB. However, more expensive scrap did lead to a number of domestic price rises in both the north and south of Europe during August. We have noted very little improvement in activity since the holidays and there is renewed negative pressure in some countries.

German inventories are low. Order intake at the mills is poor. Prices have increased by €10 per tonne on the

back of escalating raw material costs. Construction activity is weak in France. Industry participants are still waiting for the government to implement measures to boost private construction. Public infrastructure is faring better. Producers have gained a modest, cost-driven price hike. Sales are at a very low level in the Italian market. The recent increase is likely to be short-lived. The building sector is in a poor state. UK consumption has improved greatly but cheap Chinese and Turkish imports are providing negative pressure on domestic selling values as the price differential is huge. The market situation in Belgium is similar to that noted before the holidays. Resale competition is very tough. Ex-mill figures are stable for now but steelmakers are pushing hard for improvements on the back of their greater outlay on scrap. Higher raw material costs are helping to support Spanish prices. There is little import threat.

MERCHANT BAR

Major merchant bar producer, Beltrame, announced a €10/20 per tonne rise on size extras in July. The new figures have now been applied in the marketplace. However, the increase is proving difficult to secure at the distribution level, which could eventually lead to calls for lower basis values.

In Germany, the mills have, so far, resisted customers' demands for further basis price cuts. Purchasing activity remains cautious after the holidays as buyers are unsure of future price movements. There has been no improvement in business levels. French effective values are up by €10 per tonne through the application of the new size extras. There has been no revival in sales volumes. Italian basis figures continue on a downward trajectory, falling below the €100 per tonne level. The outlook remains dismal due to a lack of building activity.

MEPS INDUSTRIAL SECTOR STEEL PURCHASING PRICE INDICES - EU AVERAGE

Jan 07 = 100	Aug-14	Sep-14	% change
Construction Industry	96.1	94.7	-1.5
Household Appliances	80.4	78.5	-2.4
Machinery Sector	87.9	86.6	-1.5
Shipbuilding Industry	77.4	76.2	-1.6
Shipping Containers	85.9	83.6	-2.7
Yellow Goods	90.3	88.1	-2.4

In the UK, the negative price tendency persisted through the summer. Since then, suppliers have announced a cost-based increase which has helped to push figures back up to the early-July level. Demand is reasonable, although buyers continue to keep inventories very low and only purchase small quantities at any one time, partly because stock is available from the mill floor. In Belgium, the new size extras have been fully accepted. In general, basis values are virtually unchanged, although

large tonnage orders could command a discount of €5/10 per tonne. Producers have announced their intention to lift figures by €10/20 per tonne. However, stockholders, having bought material during July/August at the pre-increase price, now have enough steel to survive for a few weeks before re-ordering because final demand is very slow. Resale margins are tight. Sales to Spanish end-users are tepid. During recent settlements, customers agreed to roll over July figures.

MARKET AND INDUSTRY SCENE

CAPACITY/INVESTMENT

ThyssenKrupp has completed the modernisation of the second of two converters at its Duisburg-Bruckhausen site. In a move to increase flexibility and reliability, the internal volume of the converter was increased by twenty-four percent, while the capacity remains unchanged at 400 tonnes. The converter was offline for six weeks during July and August while the US\$20 million work was carried out.

Germany's Drahtwerk St. Ingbert (DWI), a subsidiary of Saarstahl AG, has completed construction of a new pickling plant. The €13.5 million investment will increase the quality of steel wire manufactured on site and allows the company to expand its product range.

ArcelorMittal plans to invest US\$8.6 million modernising its Ruhrort site in Duisburg. The company will alter its continuous casting line into a symmetrical format in order to meet requirements for its customers in the auto industry. The work will be carried out in mid-2015. In the past four years, ArcelorMittal has made a series of investments totalling US\$267 million at its two plants in Duisburg.

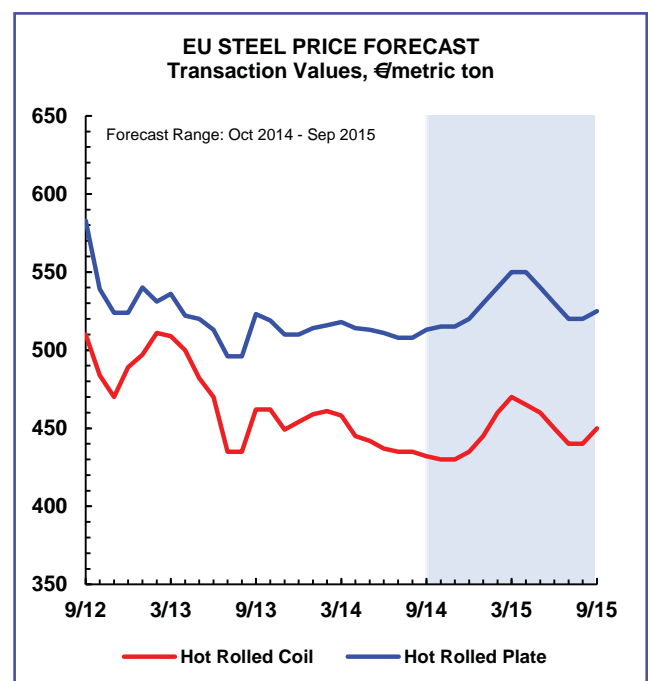
Tata Steel has completed the second phase of investment at the Teesside Service Centre in Redcar. The £8.5 million investment sees the opening of a new warehouse, installation of a high specification shot-blaster and new heavy sections sawing capacity. Tata now expects the service centre to surpass the 170,000 tonnes of steel it currently handles each year from the Scunthorpe and Teesside plants.

MEDIUM TERM PRICE FORECASTS

The MEPS - EU Average price for hot rolled coil slipped by €3 per tonne in September. Selling figures were stable in continental Europe but declined in the UK. Hot rolled plate transaction values moved up by €5 per tonne on the back of tighter slab availability.

We forecast little change in steel prices during the final quarter of this year. The mills currently have reasonable order books. However, purchasing activity is expected to slow as the winter break approaches. Furthermore, there is a lack of upward pressure from raw material costs. Consequently, sellers are expected to struggle to implement price hikes in the short term. Nevertheless, the weakening of the euro against the US dollar has made imports less attractive. This should help to prevent any further deterioration in local selling figures.

An upward price trend is envisaged in the first quarter of 2015. Restocking and increased input costs are expected at this time.

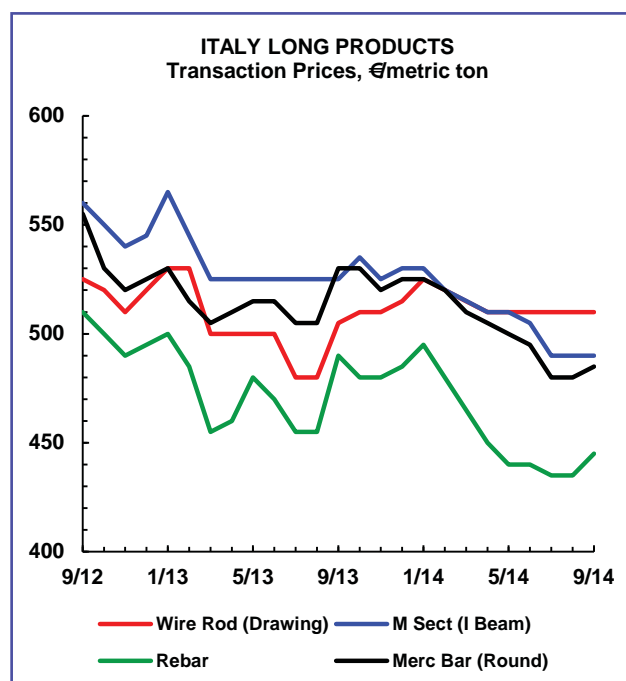
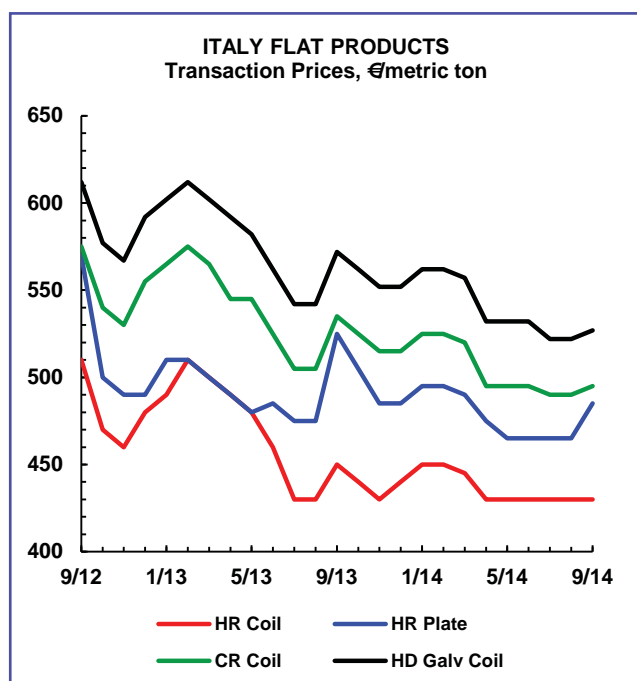


EU AVERAGE DOMESTIC TRANSACTION PRICE FORECASTS

Euro/metric ton	Actual	Forecast					
	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
Hot Rolled Coil	432	430	430	435	445	460	470
Hot Rolled Plate	513	515	515	520	530	540	550
Cold Rolled Coil	509	510	510	515	525	540	550
HD Galv Coil	560	560	560	565	575	590	600
EZ Coated Coil	566	565	565	570	580	595	605
Wire Rod (Drawing)	518	515	515	520	530	535	540
Wire Rod (Mesh)	458	455	455	460	470	480	485
M Sect (I Beam)	512	515	510	515	525	535	540
M Sect (H Beam)	567	570	565	570	580	590	595
Reinforcing Bar	456	450	445	450	460	470	475
Merc Bar (Round)	510	508	508	513	523	528	533
Merc Bar (Eq Angle)	527	525	525	530	540	545	550

PRICE DEFINITIONS

Steel prices are computed from a weighted average (based on consumption) of the low transaction values identified in Germany, France, Italy, UK and Spain, collected in national currencies and converted into euros using currency exchange rates effective at the start of each month to provide a basis for comparison.



Transaction Price Data Sheet

NEGOTIATED DOMESTIC TRANSACTION PRICES

FLAT PRODUCTS price/metric ton		EU AVG	Germany	France	Italy	UK	UK	Spain
		(€)	(€)	(€)	(€)	(£)	(€)	(€)
Hot Rolled Coil	High	468	470	480	470	361	457	460
	Low	432	430	440	430	336	425	440
Hot Rolled Plate	High	556	560	570	525	454	575	540
	Low	513	520	520	485	424	537	490
Cold Rolled Coil	High	552	555	555	545	433	548	555
	Low	509	515	515	495	398	504	515
Hot Dipped Galvanised Coil	High	603	602	612	577	488	618	612
	Low	560	562	572	527	448	567	572
Electro-Zinc Coated Coil	High	609	609	599	604	498	630	609
	Low	566	559	569	564	458	580	569
Stainless CR Coil Type 304	High	1153	1170	1150	1100	965	1222	1075
	Low	1079	1070	1100	1050	895	1133	1025
Stainless CR Coil Type 430	High	1079	1090	1070	955	995	1259	1007
	Low	1034	1040	1020	905	970	1228	977

LONG PRODUCTS price/metric ton		EU AVG	Germany	France	Italy	UK	UK	Spain
		(€)	(€)	(€)	(€)	(£)	(€)	(€)
Wire Rod (Drawing Quality)*	High	543	548	540	530	452	572	535
	Low	518	528	510	510	412	522	515
Wire Rod (Mesh Quality)	High	482	480	490	470	410	519	480
	Low	458	460	460	450	380	481	450
Medium Sections (I Beam)	High	549	550	535	510	470	595	550
	Low	512	510	505	490	440	557	500
Medium Sections (H Beam)	High	611	620	585	595	515	652	590
	Low	567	570	545	560	475	601	550
Reinforcing Bar	High	473	485	485	455	410	519	480
	Low	456	465	455	445	380	481	460
Merchant Bar (Round)	High	541	550	520	505	470	595	555
	Low	510	510	500	485	450	570	505
Merchant Bar (Equal Angle)	High	558	570	540	525	470	595	575
	Low	527	530	520	505	450	570	525

* Includes supplementary surcharge in the UK.

CURRENCY EXCHANGE RATES

	US dollars (US\$)		Euros (€)	
	1-Aug	1-Sep	1-Aug	1-Sep
Eurozone (€)	0.744	0.762	-	-
UK (£)	0.594	0.602	0.798	0.79

NEXT MONTH'S ISSUE

The October issue of the European Steel Review will be dispatched by post & PDF on 23 October, 2014.

Express Price Tables will be dispatched by e-mail in excel format on 16 October, 2014.

Copies of our main basis price tables can be supplied by email direct to your desktop. These are available within hours of completing our research. They will reach you approximately one week before the publication dispatch date.

**TRANSACTION PRICE INDEX - EU AVERAGE
JANUARY 1997 = 100**

	Aug-14	Sep-14	% change
Hot Rolled Coil	166.7	165.5	-0.7
Hot Rolled Plate	177.0	178.7	1.0
Cold Rolled Coil	139.8	139.8	0.0
HD Galv Coil	121.5	121.5	0.0
EZ Coated Coil	135.2	134.4	-0.6
SS CR Coil 304	87.2	87.9	0.8
SS CR Coil 430	92.0	91.8	-0.2
Wire Rod (Drawing)	195.1	195.5	0.2
Wire Rod (Mesh)	193.2	193.2	0.0
M Sect (I Beam)	166.4	166.8	0.2
M Sect (H Beam)	161.9	162.5	0.4
Reinforcing Bar	196.5	200.9	2.2
Merc Bar (Round)	188.7	191.7	1.6
Merc Bar (Eq Angle)	201.2	204.3	1.5

Note:- Based on low values. Stainless Steel - Excluding alloy surcharge.

**NEGOTIATED DOMESTIC TRANSACTION PRICES - MONTH ON MONTH % CHANGE
September 2014 versus August 2014**

		EU AVG (€)	Germany (€)	France (€)	Italy (€)	UK (£)	UK (€)	Spain (€)
Hot Rolled Coil	Low	-0.7	0.0	0.0	0.0	-5.6	-4.7	0.0
Hot Rolled Plate	Low	1.0	1.0	1.0	4.3	-4.5	-3.4	2.1
Cold Rolled Coil	Low	0.0	0.0	0.0	1.0	-2.5	-1.4	0.0
HD Galv Coil	Low	0.0	0.0	0.0	1.0	-2.2	-1.2	0.0
EZ Coated Coil	Low	-0.5	0.0	0.0	0.0	-5.2	-4.1	0.0
SS CR Coil 304	Low	0.7	0.9	0.9	0.0	0.0	1.0	0.0
SS CR Coil 430	Low	-0.2	0.0	0.0	0.0	-2.0	-1.0	0.0
Wire Rod (Drawing)	Low	0.2	0.0	0.0	0.0	1.2	2.4	0.0
Wire Rod (Mesh)	Low	0.0	0.0	0.0	0.0	0.0	1.1	0.0
M Sect (I Beam)	Low	0.2	0.0	1.0	0.0	0.0	1.1	0.0
M Sect (H Beam)	Low	0.4	0.0	0.9	0.0	0.0	1.0	0.0
Reinforcing Bar	Low	2.2	2.2	1.1	2.3	0.0	1.1	2.2
Merc Bar (Round)	Low	1.6	2.0	2.0	1.0	0.0	1.1	2.0
Merc Bar (Eq Angle)	Low	1.5	1.9	2.0	1.0	0.0	1.1	1.9

TRANSACTION PRICE AND PRODUCT DEFINITIONS

Transaction values relate to those agreed by steelmakers and service centres for prime material in the specified steel products. Prices are for regular business between customers and their local/regional steel mills, negotiated during the current month for delivery in the future.

Transaction prices include extras for size and coating, where applicable, for the lowest priced grade of steel - sold ex-works/ex-mill. Additional extras for processing, packaging, testing and inspection are excluded. Delivery charges and local taxes are not included in the quoted prices. Contract deals arranged in the domestic market, or deals for lots of imported steel, are specifically excluded from our price evaluation.

Hot Rolled Coil - 2-3mm thickness, width over 1.1 metres.

Hot Rolled Plate - 15-40mm thickness, width over 2.0 metres.

Cold Rolled Coil - 1mm thickness, width over 1.3 metres.

Hot Dipped Galvanised Coil - 1mm thickness, width over 1.1 metres, coating thickness 275gm/m².

Electro-Zinc Coated Coil - 1mm thickness, width over 1.1 metres, standard coating.

Stainless CR Coil Type 304 and 430 - 1.5mm thickness, width over 1.25 metres (excluding alloy surcharges).

Wire Rod (Drawing Quality) - 5.5mm diameter.

Wire Rod (Mesh Quality) - 8-12mm diameter.

Medium Sections (I Beam) - 180-240mm, category C1.

Medium Sections (H Beam) - 240 x 240mm, category D3.

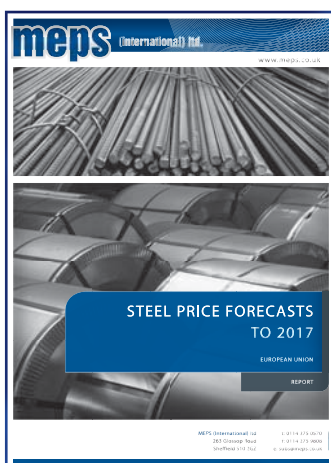
Reinforcing Bar (Deformed) - 16-20mm diameter, high yield.

Merchant Bar (Round) - 50mm diameter.

Merchant Bar (Equal Angle) - 50 x 50 x 6mm.

MEPS PUBLICATIONS

MEPS STEEL PRICE FORECASTS TO 2018 - FIVE YEAR FORECAST



The predictions in this report have been prepared using the key factors which MEPS have found to be statistically significant in affecting steel prices. They have been extensively researched and developed through rigorous formal analysis of the global market.

The research commenced with an evaluation of economic forecasts from a number of authoritative institutions. This was followed by an examination of the likely long term demand for steel. We then had discussions with a wide range of steel buyers to obtain their opinion of short and medium term market requirements. The final part of the research program involved an assessment of raw material supply, demand and costs to meet the anticipated consumption of steel products.

The data was drawn together for analysis by our experienced staff in the UK. It was incorporated in the unique model developed by MEPS for the preparation of steel price forecasts for clients over the past ten years. The final report was prepared giving the reasoning behind our predictions, together with charts and tables.