

# MEPS EUROPEAN STEEL REVIEW

KEYNOTE

MARCH 2013

## INVENTORY DEPLETION PHASE CONTINUES IN EU STEEL MARKET

Conditions in the European flat products market are exceptionally quiet at present, leading to renewed downward pressure on basis values. The optimism noted at the start of 2013 appears to have evaporated. As consumption has not improved, both end-users and distributors are reluctant to place forward orders of any significant volume. The mills are so short of business that their determination to lift prices appears to be crumbling. However third country offers are no longer attractive since the euro has started to weaken.

The German mills still have free capacity for the second quarter as order intake is slow. Buyers, who are currently in negotiations for that period, expect to pay less, once deals are concluded.

Service centres are trying to keep inventories as low as possible because they have little confidence in the performance of the market, either in terms of price or consumption. They are determined to avoid their past experience of stock devaluation. Overall sentiment is poor. The auto industry is still going relatively well but other sectors are worse than expected.

End-user activity remains subdued in France, with very short order books and completion times. As a result, steel demand from distributors is weak. The mills have not managed to implement the price increases they sought for the second trimester. Little business has been placed, so far, with more being concluded towards the end of March. Real demand is not

TABLE 1. FLAT ROLLED PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES - GERMANY

price/metric ton		2012			2013		
		OCT	NOV	DEC	JAN	FEB	MAR
Hot-Rolled Coil	High:	525	500	520	530	550	540
	Low:	475	450	470	480	500	490
Hot-Rolled Plate	High:	575	550	550	560	560	575
	Low:	535	510	510	520	520	535
Cold-Rolled Coil	High:	595	580	590	600	620	610
	Low:	555	540	550	560	580	570
Hot Dipped Galvanised Coil	High:	595	580	590	600	620	610
	Low:	555	540	550	560	580	570
Electro-Zinc Coated Coil	High:	615	600	610	620	620	620
	Low:	565	550	560	570	570	570
Stainless Steel Type 304	High:	1100	1120	1130	1130	1130	1150
	Low:	1000	1020	1030	1030	1030	1050
Stainless Steel Type 430	High:	1110	1110	1110	1110	1110	1110
	Low:	1060	1060	1060	1060	1060	1060

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MEPS (INTERNATIONAL) LTD

263 Glossop Road, Sheffield S10 2GZ, England

Tel: (0114) 275 0570 Fax: (0114) 275 9808

E-mail: subs@meps.co.uk Web Site: <http://www.meps.co.uk>

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reviving. Consumption by the auto sector is down, while activity in the remainder of industry is stable at a modest level. Meanwhile, there was a small growth in imports in January and at the beginning of February.

The Italian economy is very depressed. The results of the recent election have produced an uncertain political scenario. Steel market conditions are described as “tough”, with few buyers. Final demand is weak and, consequently, distributors are sourcing only limited quantities as they try to cope not only with a lack of sales opportunities but also payment issues with their customers. Moreover, those who have already bought material for April/May arrival will be receiving stock that is already devalued since the price trend has reversed. The main factor causing this downward pressure is the release of material, from Ilva’s Taranto works, that had previously been seized by the authorities. This will be sold off at discounted prices, adversely affecting an already dismal market.

There is little, or no, import threat in the UK at present because the exchange rate is favourable for the domestic producers. Certainly, some, if not all, of the proposed £30 per tonne rise, announced in early February, has

been secured. However, there is little appetite to buy forward as demand, in general, is fairly stagnant. The small flurry of activity in early January has dissipated. Service centres are keeping inventories at a low level as resale values are not moving up as quickly as mill figures. Today’s volumes of trader stocks are fairly low, although material ordered early in the year will arrive in May.

Basis numbers are almost stable in Belgium but there is a downward tendency, despite ongoing efforts by the producers to achieve increases. Demand is muted as buyers postpone purchasing decisions as long as possible. Resale values do not fully reflect the recent mill rises because stockists are keen to generate cash.

There has been no improvement in Spanish demand. Service centres are struggling as a result of minimal profit margins. They are fighting over every available order. End-users say they can virtually put their business out to tender if they have any to place. Distributors are purchasing only for replacement purposes. Traders report that, because of the current dollar/euro exchange rates and four month arrival dates, third country deals are not workable.

## FLAT PRODUCTS

### HOT ROLLED COIL

Some German customers have received offers below last month’s €500 per tonne. Many manufacturing companies who started 2013 expecting business to be at an acceptable level are now experiencing a lower order intake than they anticipated. This is causing them to reduce stocks, and consequently, the mills are lacking

sales for the second quarter. French ex-mill values have been maintained at the higher level established last month. Producers briefly pushed Italian basis figures above the €500 per tonne mark but this was short-lived and now prices are around €10 per tonne lower than those published in our previous report. Material from Turkey and from other third country sources is now too expensive because of the change in the euro/dollar

**TABLE 2. LONG PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES - GERMANY**

price/metric ton		2012			2013		
		OCT	NOV	DEC	JAN	FEB	MAR
Wire Rod	High:	540	530	540	550	550	530
	Low:	520	510	520	530	530	510
Medium Sections and Beams	High:	620	600	620	640	640	620
	Low:	580	560	580	600	600	580
Rebars	High:	300	295	295	310	300	280
	Low:	280	275	275	290	280	260
Merchant Bars	High:	225	200	210	240	230	210
	Low:	185	160	170	200	190	170

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

	<b>Hot Rolled Plate</b>		<b>Hot Rolled Coil</b>	
	<b>Q4/12</b>	<b>Q1/13p</b>	<b>Q4/12</b>	<b>Q1/13p</b>
<b>EU Average</b>				
<b>Non Sour</b>	115.0	115.0	129.8	126.3
<b>Sour</b>	123.4	123.4	128.3	128.3

\* Q4/06 = 100 - based on Euro values

\*\* p = Provisional e = Estimate

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

	<b>Jan-13</b>	<b>Feb-13</b>	<b>Mar-13</b>
<b>EU Average</b>	80.6	82.0	82.0
<b>Year-on-year % +/-</b>	-0.4	-4.1	-6.2

\* Jan 07 = 100 - based on transaction prices

\*\* STEELPPI - Steel Purchasing Price Index

exchange rate. Service centres continue to keep stocks to a minimum.

In the UK, steelmakers have lifted basis figures by £20 per tonne and there is probably room for further increases. Competition in the distribution sector is keen, with instances of resale values for sheet below the replacement coil costs. Although Chinese offers have come down, they are still not attractively priced. Moreover, the long delivery lead times are considered to be too much of a risk at the moment. Belgian end-users say they have no supply problems for standard material as the service centres are able to provide very quick deliveries. The mills are demanding another €15 per tonne for April shipments but there is resistance from customers who do not need to order immediately. Indian coil is on offer but there are a lot of limitations on size and quantity. Taiwanese quotations are interesting from a price point of view but deliveries in July/August are not attractive to most customers. Spanish demand remains muted, whilst prices are unchanged.

### HOT ROLLED PLATE

There are some positive signs in the quarto plate market as the heavy machinery and offshore sectors are doing well. However, the yellow goods manufacturers are reducing order intake as the market slows down. There are a few live projects for pressure vessel applications but the volumes involved are small. Also, a number of construction projects are supporting steel consumption in spite of debt crisis issues in many countries. Moreover, the import threat is reducing. The market share of overseas suppliers to Europe has fallen. Low line pipe demand continues to pose problems for those mills heavily involved in that segment.

In Germany, Dillinger announced a rise of €30 per tonne on February 12, citing escalating energy and raw material costs. The rise was effective immediately and we have already noted an upward movement of around €15 per tonne. Stocks were extremely low during the first quarter so order intake picked up well. This activity has slowed a little for period two shipments. The French

market is described as "dead". Suppliers are fighting, over small deals. However, important projects are slowly starting to materialise and the mills expect their main clients to resume significant purchases in June or July, with a revival in order books expected by the end of the second quarter. Italian rerollers are struggling to cope with the rapidly rising cost of slab. They need to lift plate prices but, as their facilities are not fully loaded, this is proving difficult to achieve.

Market conditions for the higher specifications are encouraging in the UK, with energy, offshore, boiler and pressure vessel sectors performing well. There was a flurry of activity in the yellow goods segment at the start of the year but this has slowed again. Commodity grade values show little change. There are no large volumes at the docks at present, although there is some South Korean material due to arrive in April. The Spanish plate market continues to be slow. Service centres are choosing to intertrade rather than order forward. There are not many new third country offers and inventories at the docks are reducing. Traders are selling at €530/550 per tonne, ex-stock, delivered on truck.

**TABLE 3. COMPARISON OF LOW MARKET  
DOMESTIC BASIS PRICES - COLD ROLLED COIL**

	<b>Local Currency</b>		<b>US\$/metric ton</b>	
	<b>last month</b>	<b>this month</b>	<b>last month</b>	<b>this month</b>
<b>Germany</b>	580	570	795	740
<b>France</b>	570	570	781	740
<b>Italy</b>	560	550	767	714
<b>UK</b>	470	490	740	737
<b>Belgium</b>	575	570	788	740
<b>Spain</b>	560	560	767	727

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

**TABLE 4. FLAT ROLLED PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES**

price/metric ton		Germany (€)	France (€)	Italy (€)	UK (£)	UK (€)	Belgium (€)	Spain (€)
<b>Hot Rolled Coil</b>	High:	540	550	520	445	515	530	510
	Low:	490	510	480	420	486	490	490
<b>Hot Rolled Plates</b>	High:	575	560	530	510	590	560	540
	Low:	535	510	490	480	556	520	490
<b>Cold Rolled Coil</b>	High:	610	620	600	525	608	620	600
	Low:	570	570	550	490	567	570	560
<b>Hot Dipped Galvanised Coil</b>	High:	610	610	580	540	625	610	590
	Low:	570	560	530	500	579	560	550
<b>Electro-Zinc Coated Coil</b>	High:	620	630	620	550	637	640	610
	Low:	570	590	580	510	590	590	570
<b>Stainless Cold (a) Rolled Type 304</b>	High:	1150	1120	1050	1050	1215	1090	1030
	Low:	1050	1070	1000	980	1134	1040	980
<b>Stainless Cold (a) Rolled Type 430</b>	High:	1110	1090	950	1085	1256	—	1027
	Low:	1060	1040	900	1060	1227	—	997

**MONTH on MONTH % CHANGE**

<b>Hot Rolled Coil</b>	Low:	-2.0	0.0	-2.0	5.0	5.7	0.0	0.0
<b>Hot Rolled Plates</b>	Low:	2.9	-1.9	-2.0	2.1	3.0	0.0	-2.0
<b>Cold Rolled Coil</b>	Low:	-1.7	0.0	-1.8	4.3	5.0	-0.9	0.0
<b>H.D. Galv Coil</b>	Low:	-1.7	0.0	-1.9	6.4	7.2	-0.9	0.0
<b>E.Z. Coated Coil</b>	Low:	0.0	0.0	-1.7	6.3	6.9	0.0	0.0
<b>S/S CR Type 304</b>	Low:	1.9	2.9	5.3	7.1	7.8	2.0	3.2
<b>S/S CR Type 430</b>	Low:	0.0	0.0	0.0	7.1	7.8	—	0.0

**BASIS PRICE AND PRODUCT DEFINITIONS**

Negotiated basis price ranges pertain to new purchases for mainstream business agreed 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 unless otherwise stated.

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

Notes: (a) Basis - 1.5mm thick.

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 data contained in this newsletter has been obtained from respondents who we consider provide accurate intelligence on the steel market. We make our best endeavours to be assured that the information is correct and that our analysis is reliable. MEPS (International) Ltd. cannot be made liable for any loss resulting from use of our published data, however it may arise.



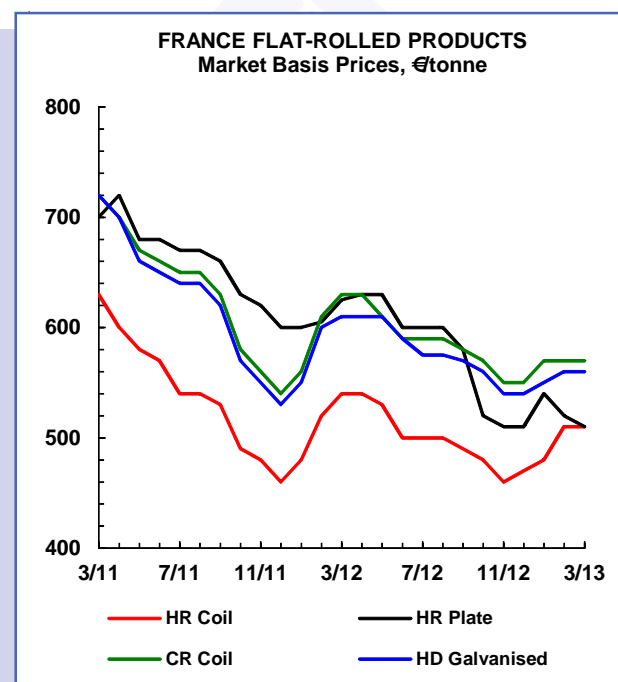
## COLD ROLLED COIL

Producers are trying to secure increases in Germany. However, any advances are difficult to apply. In fact, our figures are slightly lower than a month ago. In France, the mills have failed to implement further rises during recent negotiations but they have hung on to the February numbers. There are too many distributors fighting for the few available orders in Italy. This has led to a situation where resale values are extremely low. Activity is quiet, with European producers dominating the market. Basis values have started to weaken.

In the UK, domestic suppliers have realised a £20 per tonne advance, despite only marginal improvement in real consumption. The weak pound is creating some of the upward trend. Belgian buyers have refused to pay more during the latest round of settlements. In reality, basis numbers are slightly lower than a month ago. Local mills have managed to maintain selling values at the February level in Spain.

## COATED COIL

In Germany, sales of hot dipped galvanised coil to the construction sector continue to tick over at a subdued level. 2013 car production is unlikely to be as healthy as last year. Basis prices in the general market have moved down by €10 per tonne. Sales values have not increased in France, partly due to the continuing low level of activity in the auto industry. The Italian market for galvanised coil is more depressed than that for cold rolled material because of overcapacity in the production of this product. In addition, the domestic vehicle manufacturers are seeing their sales plummet. Consequently, demand is lacklustre. In the UK, steel buyers have agreed another £30 per tonne rise, following on from a rapid upward movement in February. The increase is driven by escalating input costs and a lack of import competition, rather than buoyant demand. Ex-mill basis figures have been trimmed slightly in Belgium, where stockholders' margins are very depressed. Spanish customers have agreed a rollover of February prices.



In Germany, the steelmakers have held on to the small advance negotiated last month for sales of electro-zinc coated coil. French figures are also the same as those quoted in our previous issue. Domestic appliances output has dropped significantly in Italy over recent times. Basis values have started to trend downwards. In the UK, selling numbers from mainland European suppliers are considerably higher than in February, even though the white goods market is under pressure. There are no attractive offers from the Far East at present. Belgian and Spanish customers have agreed a no-change situation for current business.

## COLD ROLLED STAINLESS COIL

In February, ex-mill basis figures for cold rolled austenitic stainless steel were higher in all six countries under review as the mills moved to cover their production costs. Delivery lead times from the domestic producers remained short, which was helping to fend off imports from Asia. Basis prices for grade 430 coil were generally unchanged.

## LONG PRODUCTS

### WIRE ROD

Low carbon wire rod producers in Germany have lost the small increase gained last month. Recoil consumption is dull. Customers have negotiated a €20 per tonne discount. In France, prices for both drawing rod and mesh quality material have slipped since our February

report. The market for low carbon wire rod in Italy is dull due to the poor state of the overall economy. Buyers have successfully pushed for a €30 per tonne decrease. Recoil sales are also soft and the mills have had to cut prices.

UK activity for the basic drawing qualities remains

subdued but the upward price movement reported in February has been maintained. The market for finished mesh is difficult as there is still import competition. Nevertheless, producers have held on to recoil selling values. Drawing grade prices have reduced in Belgium and Spain by €30 per tonne compared with those monitored in February. In the latter country, the mesh quality market is weak, with values slightly down. Only small tonnages are being ordered.

## MEDIUM SECTIONS AND BEAMS

The European structural sections producers have again failed to implement planned price rises due to insufficient

demand and overcapacity. Construction activity, which is already at a low ebb in most countries, has been further damaged by wintry weather conditions.

In Germany, where the market is quiet, the mills have been forced to cut their price offers by around €20 per tonne. Demand is fragile as a result of a combination of a weak economic climate and the prolonged winter season. Consequently, stock levels are sufficient, for now. French prices have lost €10 per tonne. Suppliers are trying not to let them slip below €610 per tonne, effective, for Category 1 sections. However, we have reports that Celsa is offering to the French market at just under €600 per tonne. There is further crisis in the Italian

**TABLE 5. LONG PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES**

price/metric ton		Germany (€)	France (€)	Italy (€)	UK+ (£)	UK+ (€)	Belgium (€)	Spain (€)
<b>Wire Rod (b)</b>	High:	530	530	520	475	550	530	520
	Low:	510	500	500	435	503	500	500
<b>Medium Sections &amp; Beams (c)</b>	High:	620	640	545	530	613	650	600
	Low:	580	610	525	500	579	600	550
<b>Rebar (d)</b>	High:	280	280	225	460	532	290	290
	Low:	260	250	215	430	498	260	270
<b>Merchant Bar (e)</b>	High:	210	190	165	500	579	190	195
	Low:	170	170	145	480	556	170	145
<b>MONTH on MONTH % CHANGE</b>								
<b>Wire Rod</b>	Low:	-3.8	-3.8	-5.7	0.0	0.6	-5.7	-5.7
<b>M.Sect. &amp; Beams</b>	Low:	-3.3	-1.6	-3.7	0.0	0.7	0.0	-1.8
<b>Rebar</b>	Low:	-7.1	-7.4	-12.2	0.0	0.8	-7.1	-3.6
<b>Merchant Bar</b>	Low:	-10.5	-10.5	-6.5	-1.2	-0.5	-5.6	-6.5

## BASIS PRICE AND PRODUCT DEFINITIONS

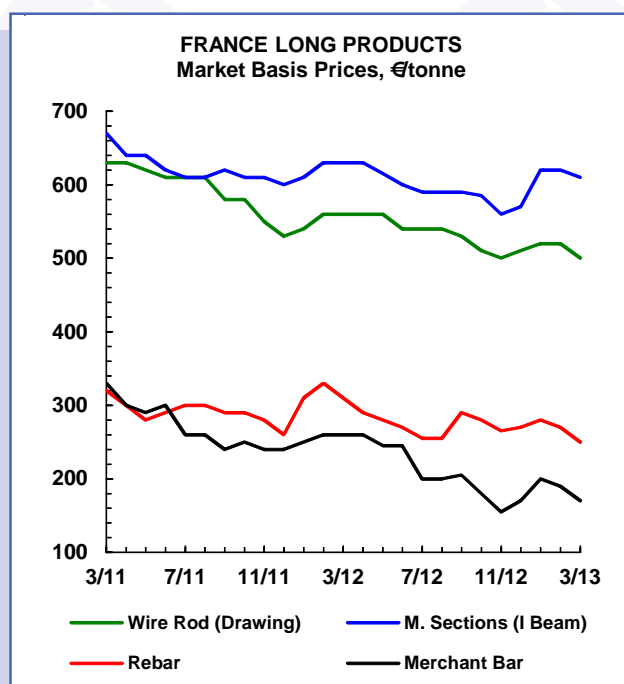
\* Due to the suspension of scrap surcharges by all major European producers from June 2010, MEPS basis prices for Medium Sections & Beams are now equivalent to transaction prices for category C1 beams.

Negotiated basis price ranges 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 unless otherwise stated.

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) 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.



construction markets because of the lack of investment. This has adversely affected both steel demand and prices. Effective values have fallen by another €20 per tonne in recent weeks.

Market confidence has dropped a little in the UK as end-user demand is now very quiet. Fabricators are not busy because several projects have stalled. The larger service centres are reportedly reducing their resale offers, which is creating negative price pressure throughout the market. Mill delivery lead times are very short and producers appear to be more flexible during negotiations. Imports from non-EU sources are not attractive because of the exchange rate, with the exception of the large category 3 sizes. In Belgium, only a small amount of business is being transacted. Last month's values have been maintained but figures look poised to decline. Spanish sales remain tepid. We have noted a small price reduction.

## REINFORCING BAR

Oversupply is still a problem in the European rebar market. This excess material continues to exert negative pressure on prices. There have been few transactions recently as the stock situation is still in favour of the customer. Moreover, the weather has dampened construction activity. However, there are no signs that scrap costs will come down significantly, so the mills continue to push for the increases they need to cover lost profit margins. Despite a weaker euro, exporters in Spain and Italy have been unable to generate more business due to poor overseas demand. Selling figures are around €465/470 per tonne, FOB, which is probably

as low as the producers can allow them to go.

Cheap Italian imports are not helping an already depressed market situation in Germany, where harsh weather has restricted construction output even further. Local mills have had to offer discounts. Large quantity orders could probably command even cheaper prices than those tabled. French values have been under pressure with lower scrap costs and weak demand. Warmer weather should help sales recover a little in the spring as stocks are quite depressed. The inconclusive election results, together with poor demand from home and abroad, have triggered a €30 per tonne reduction in Italy.

Since UK scrap costs have stabilised, there has been no threat to rebar prices from that source over the last month. Exchange rate movements have made the UK less attractive to importers but continental offers have actually remained stable. The market is very quiet and sales volumes are moderate. Steelmakers have failed to hang on to last month's basis numbers in Belgium, where demand is soft and there is strong competition between Italian and Spanish suppliers. Consumption is weak in Spain and the market is oversupplied. There are very few deals being concluded.

## MERCHANT BAR

Seasonally poor weather conditions in northern Europe continue to hit work on construction sites, creating a slowdown in mill order intake. The recent upward price tendency has definitely finished.

In Germany, prices continue to decline. Ex-mill basis numbers have lost another €20 per tonne. In France, market participants expect demand to remain tepid until the summer. Suppliers have been forced to concede another small discount. There is a lot of competition in

### MEPS INDUSTRIAL SECTOR STEEL PURCHASING PRICE INDICES - EU AVERAGE

January 2007=100	Feb-2013	Mar-2013
<b>Construction Industry</b>	106.9	99.1
<b>Household Appliances</b>	89.8	85.2
<b>Machinery Sector</b>	97.0	91.1
<b>Shipbuilding Industry</b>	83.0	79.2
<b>Shipping Containers</b>	101.3	95.1
<b>Yellow Goods</b>	104.5	98.9

the distribution sector so resale values are not very profitable. Italian basis figures are still on a downward path. The building industry is troubled. The level of mill order intake is reported to be "grim".

UK merchant bar values have come under slight negative pressure since our last report. Service centres, reluctant

to push for higher resale prices from their customers, for fear of losing sales, have found their profit margins squeezed even tighter. In Belgium, basis numbers have moved down further, due to poor market fundamentals and falling scrap costs. The mills have cut their offers by €10 per tonne in Spain, where demand from end-users is lacklustre.

## MARKET/INDUSTRY SCENE

### CAPACITY/INVESTMENT

Tata Steel plans to complete a major environmental upgrade at its IJmuiden steelworks by the end of 2013. The €100 million project was originally scheduled to be finalised in 2015. Meanwhile, the company has restarted the refurbished blast furnace No.4 at its Port Talbot plant in the UK. The rebuild cost £185 million and began in July 2012.

BGH Edelstahlwerke has recently modernised two long product rolling mills. The first is a wire rod line in Freital, in the German state of Saxony. The second is a flat bar facility at subsidiary BGH Polska in Katowice, southern Poland.

Tubacex, the Spanish seamless steel producer, has completed an investment at its Amurrio plant. Capacity of OCTG (oil country tubular goods) has been doubled.

### MERGERS/ACQUISITIONS

The Klesch Group is to acquire the main assets of Italian steel producer Leali. The deal involves manufacturing sites in Odolo and Valsugana, in the north of the country. The purchase by the Swiss-based industrial investment firm will not include Leali's reinforcing mill in Roè Volciano.

Knauf Interfer has acquired a 7.8 percent stake in fellow German independent distributor, Klöckner & Co. Interfer also has operations in Austria, Poland and the Netherlands. Its product portfolio includes strip, plate, bar, rod, pipe and tube.

Germany's KLB has taken over the business of affiliate Wuppermann Blechformtechnik. The two operations have been cooperating in the city of Herbolzheim since 2011 when KLB became part of the Wuppermann Group.

## MEDIUM TERM PRICE FORECASTS

The MEPS - EU Average Reinforcing Bar price decreased by €21 per tonne in March. Mesh quality wire rod selling figures moved lower by €8 per tonne. The producers conceded discounts due to lacklustre demand. Activity in the building industry remained quiet as a result of the prolonged wintry weather.

A recent rise in scrap costs is likely to help lift transaction values in the short term. We anticipate an improvement in the number of construction projects in the spring. This should help stimulate consumption of long products. However, we forecast only modest prices gains in the coming months due to the weak economic climate and overcapacity in the steel market.

Selling figures are likely to soften during the second half of 2013. However, we anticipate a temporary uptick in transaction values in the autumn - driven by seasonally higher raw material costs. A price revival is expected around the turn of the year as customers replenish depleted inventories.

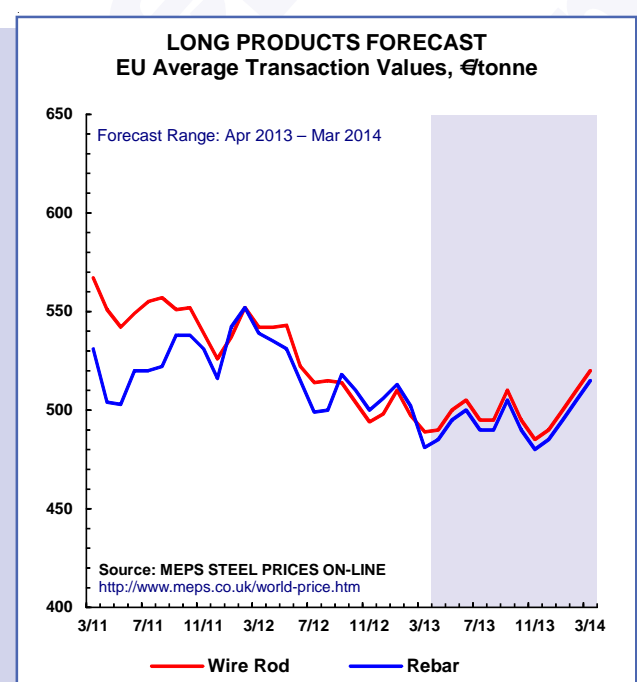




TABLE 6. EU AVERAGE DOMESTIC TRANSACTION PRICE FORECASTS

Euro/metric ton	Actual	Forecast					
	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13
Hot Rolled Coil	509	500	490	485	480	480	490
Hot Rolled Plate	536	540	550	550	545	545	545
Cold Rolled Coil	579	575	565	560	560	560	570
H.D. Galv Coil	631	625	615	610	610	610	620
E.Z. Coated Coil	637	635	625	620	620	620	630
Wire Rod	489	490	500	505	495	495	510
M. Sect. & Beams	625	630	640	650	645	645	645
Rebars	481	485	495	500	490	490	505
Merchant Bar	542	550	560	570	565	565	570

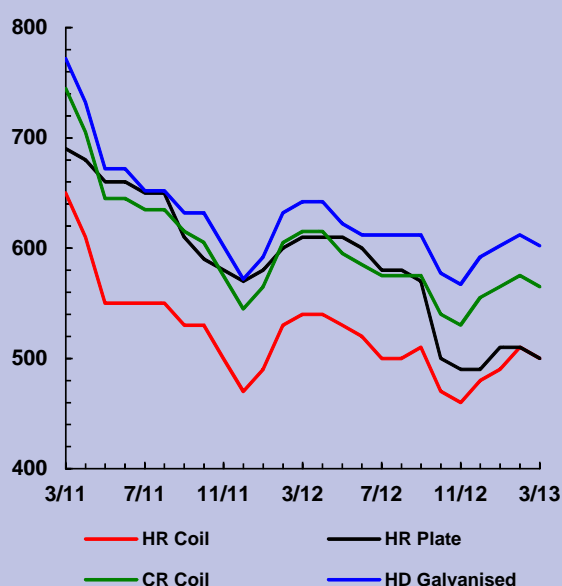
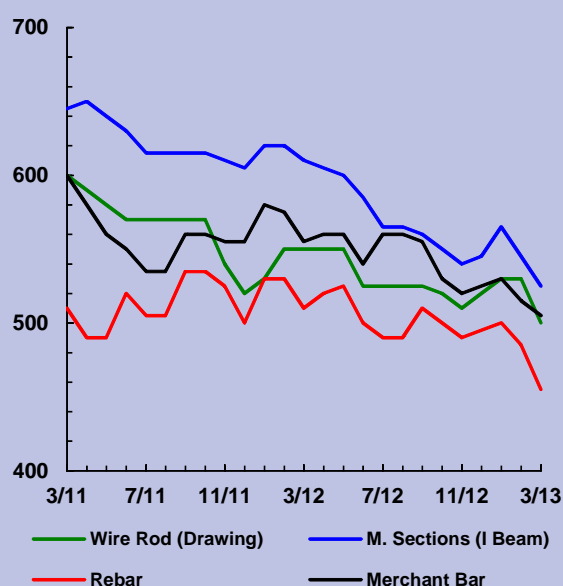
## PRICE AND PRODUCT DEFINITIONS

Wire Rod - Mesh Quality

Medium Sections and Beams - H Beam

Merchant Bar - Equal Angle

Steel prices are computed from a weighted average (based on consumption) of the low values identified in the top five consuming countries for each product in the relevant period - collected in national currencies and converted into Euros using currency exchange rates effective at the start of each month to provide a basis for comparisons.

ITALY FLAT-ROLLED PRODUCTS  
Transaction Prices, €/tonneITALY LONG PRODUCTS  
Transaction Prices, €/tonne

# Transaction Price Data Sheet

**TABLE 7. NEGOTIATED DOMESTIC TRANSACTION PRICES**

FLAT PRODUCTS price/metric ton		EU AVG. (€)	Germany (€)	France (€)	Italy (€)	UK (£)	UK (€)	Spain (€)
Hot Rolled Coil	High:	548	560	570	540	461	534	530
	Low:	509	510	530	500	436	505	510
Hot Rolled Plates	High:	578	590	575	540	524	606	554
	Low:	536	550	525	500	494	572	504
Cold Rolled Coil	High:	623	625	635	615	538	623	615
	Low:	579	585	585	565	503	582	575
Hot Dipped Galvanised Coil	High:	676	682	682	652	593	686	662
	Low:	631	642	632	602	553	640	622
Electro-Zinc Coated Coil	High:	681	679	689	679	593	686	669
	Low:	637	629	649	639	553	640	629
Stainless Cold (a) Rolled Type 304	High:	1126	1150	1120	1050	1050	1215	1030
	Low:	1052	1050	1070	1000	980	1134	980
Stainless Cold (a) Rolled Type 430	High:	1092	1110	1090	950	1085	1256	1027
	Low:	1047	1060	1040	900	1060	1227	997
LONG PRODUCTS price/metric ton		EU AVG. (€)	Germany (€)	France (€)	Italy (€)	UK (£)	UK (€)	Spain (€)
Wire Rod (Drawing quality) *	High:	536	548	530	520	487	564	520
	Low:	512	528	500	500	447	517	500
Wire Rod (Mesh quality)	High:	513	510	525	500	455	527	530
	Low:	489	490	495	480	425	492	500
Medium Sections and Beams (I beam)	High:	607	620	640	545	530	613	600
	Low:	571	580	610	525	500	579	550
Medium Sections and Beams (H beam)	High:	669	690	690	630	575	666	640
	Low:	625	640	650	595	535	619	600
Reinforcing Bars	High:	498	520	520	465	460	532	530
	Low:	481	500	490	455	430	498	510
Merchant Bars (50mm diameter)	High:	555	570	550	525	500	579	555
	Low:	525	530	530	505	480	556	505
Merchant Bars (Equal Angle)	High:	573	590	570	545	500	579	575
	Low:	542	550	550	525	480	556	525

\* Includes supplementary surcharge in the UK.

## CURRENCY EXCHANGE RATES

March 1 - 2013

		Units/ US\$	Units/ Euro
<b>Eurozone</b>	(€)	0.770	1
<b>UK</b>	(£)	0.665	0.864

## NEXT MONTH'S ISSUE

The April issue of the European Steel Review will be dispatched by post & PDF on 18 April, 2013.

Express Price Tables will be dispatched by e-mail in excel format on 11 April 2013.

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 - E.U. AVERAGE  
JANUARY 1997 = 100

Based on Euro values	Feb-2013	Mar-2013
<b>Hot Rolled Coil</b>	195.8	195.0
<b>Hot Rolled Plate</b>	185.0	186.8
<b>Cold Rolled Coil</b>	159.9	159.1
<b>H.D. Galvanised Coil</b>	136.9	136.9
<b>Electro Zinc Coated Coil</b>	150.4	151.3
<b>Stainless Steel Type 304</b>	82.7	85.7
<b>Stainless Steel Type 430</b>	91.8	93.0
<b>Wire Rod</b>	201.5	193.2
<b>M. Sections &amp; Beams</b>	190.2	186.0
<b>Reinforcing Bar</b>	221.1	211.9
<b>Merchant Bar</b>	202.6	197.4

Note:-

Wire Rod (Drawing Quality) - 5.5mm diameter.

Medium Sections and Beams - Category C1. I Beam.

Merchant Bar - 50mm diameter.

Stainless Steel - Excluding alloy surcharge.

## TRANSACTION PRICE AND PRODUCT DEFINITIONS

Transactions prices are the realised values obtained by the mills for the cheapest grade of steel in the size range specified for each product. These are determined by adding the relevant size extras to the negotiated ex-mill basis price for the selected product.

Transaction values relate to those paid by consumers and stockholders for prime material. The prices are for regular business between customers and their domestic steel mills, negotiated during the current month for delivery in the future. 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 Wide Coil** - 2-3mm thickness, width over 1.1 metres.

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

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

**Hot Dipped Galvanised Coils** - 1mm thickness, width over 1.1 metres, coating thickness 275gm/m<sup>2</sup>

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

**Stainless 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 and Beams** - Category C1. I Beam.

**Medium Sections and Beams** - 240 x 240mm H Beam.

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

**Merchant Bar** - 50mm diameter.

**Merchant Bar** - 50 x 50mm x 6mm equal angle.

## MEPS REGULAR PUBLICATIONS

### EUROPEAN STEEL REVIEW SUPPLEMENT (monthly)

A sister publication to the European Steel Review. The range of data is extended in this report. Price and market information is supplied for a further six nations, including - Denmark, Sweden, Finland, Holland, Austria and Norway. Euro comparisons are also included. Details of Nordic Average Steel Transaction Prices are incorporated together with regular forecasts.

### INTERNATIONAL STEEL REVIEW (monthly)

Each edition carries domestic steel pricing data in eleven countries across the globe, including - United States, Canada, China, Japan, South Korea, Taiwan, Poland, Czech/Slovak Republics and the main five EU member states - covering 70 percent of world consumption. Details of World and Regional Average Steel Prices are incorporated together with regular forecasts.

### STAINLESS STEEL REVIEW (monthly)

This publication provides stainless steel price and market information for hot rolled plate, hot and cold rolled strip, plus two bar products. Two austenitic and ferritic grades are assessed in thirteen countries around the world covering 65% of global consumption. Details of basis price negotiations and alloy surcharge values, where applicable, are incorporated. Transaction price forecasts are included. Estimates of alloy surcharges three months ahead are also included in each issue.

### DEVELOPING MARKETS' STEEL REVIEW (monthly)

This is a new report from MEPS outlining steel market trends in the increasingly important emerging markets around the world. Each edition carries steel prices in eight countries - India, UAE, Turkey, South Africa, Russia, Ukraine, Mexico and Brazil. Details of eight steel prices in the flat and long products sectors are available. Comprehensive commentaries are included.

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