

EUROPEAN STEEL REVIEW

KEYNOTE

JUNE 2014

EU STEEL MARKET PRICES UNDER NEGATIVE PRESSURE IN JUNE

Activity in the European flat products sector is unseasonably quiet. Although underlying demand is slowly recovering in several countries, it remains a buyers' market. Mills have reported heavier order intake lately, as consumption strengthens but supply is still in surplus and delivery lead times quite short. Third country import prices are falling as iron ore costs move down. The reduction in outlay on raw materials is also undermining domestic basis values.

Material can be delivered quite quickly in Germany. Mills are competing strongly for orders. Consequently, the proposed price rise appears to have been put on hold, although producers are not saying this officially. In fact,

we have noted some downward movements. Distributors, keen to manage their stocks, are only purchasing when they know they already have orders to fulfil. There is certainly no speculation. If demand picks up quickly, this will impact immediately on mill order intake.

News of the French economy is disappointing as manufacturing output fell in April. The steelmakers are looking for rises, offering material at higher prices. However, in reality, when a deal is made and steel is ordered, prices are at the same level as a month ago. Meanwhile, competition between distributors remains harsh.

We have noted no recent price improvements

FLAT ROLLED PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES - GERMANY

price/metric ton		2014					
		JAN	FEB	MAR	APR	MAY	JUN
Hot Rolled Coil	High	490	490	500	490	480	460
	Low	440	440	450	440	430	410
Hot Rolled Plate	High	540	540	545	545	545	545
	Low	500	500	505	505	505	505
Cold Rolled Coil	High	560	560	570	560	550	540
	Low	520	520	530	520	510	500
Hot Dipped Galvanised Coil	High	560	560	570	560	550	540
	Low	520	520	530	520	510	500
Electro-Zinc Coated Coil	High	570	570	580	570	570	560
	Low	520	520	530	520	520	510
Stainless CR Coil Type 304	High	1120	1130	1130	1130	1130	1150
	Low	1020	1030	1030	1030	1030	1050
Stainless CR Coil Type 430	High	1090	1090	1090	1090	1090	1090
	Low	1040	1040	1040	1040	1040	1040

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in the Italian market even though the producers are pushing hard for increases. Demand is static and, with the summer holidays approaching, companies are already destocking. Customers are waiting until the last possible moment if they need to buy. Many end-users are experiencing financial problems and, consequently, distributors' business is extremely difficult, with a great deal of competition leading to poor resale values. Delivery lead times are very short because supplying mills are not fully booked. If anything, the economy is likely to slow in July for seasonal reasons.

Although there is more confidence and optimism in the UK flat products market, some prices continue to drift, partly due to the strength of sterling which is encouraging cheaper imports from mainland Europe and further afield. Domestic producer, Tata Steel, is also cutting basis numbers to try to maintain market share as a number of customers have reacted badly to the implementation of new payment terms. Service

centre business is quite buoyant and there is less resale price competition.

In Belgium, end-user demand is slower than was predicted at the start of the year. Both they and the distributors are keeping stocks to a minimum. Service centre resale values have been under pressure for several months, creating financial problems for some companies. Steelmakers have stopped trying to lift basis numbers and market players can envisage no movement before the holidays in July and August.

The business climate in Spain is improving, albeit from a low point. More credit is available from the banking sector and the government has provided some tax relief for companies. Steel demand is slowly reviving. Service centres report that their sales volumes in April/May were a little better but profit margins were still poor. Distributors, requiring short delivery times, are buying locally, from other EU sources or from traders' stocks.

FLAT PRODUCTS

HOT ROLLED COIL

Prices are under a great deal of pressure in Germany. The market is described as 'difficult'. Demand is not improving to any noticeable extent. The pipemakers are reporting that fewer orders are available to them and competition from Turkish and Chinese manufacturers is fierce. Service centres will not build stocks of coil for financial reasons. Chinese steelmakers are not really competitive, either on price or delivery. Activity is subdued in the French market. Demand is expected to pick up slightly in June, as buyers will need to order for September deliveries.

Basis values have moved down marginally, despite producers' attempts to obtain an increase. Purchasing activity has slowed in Italy, where buyers feel prices are now at the bottom.

Suppliers to the UK have held basis figures steady. Distributors report that demand from end-users is better. The low resale offers of previous times have been removed from the market. Belgian basis values have succumbed to downward pressure. Our figures are €10 per tonne lower than a month ago. Buyers believe there is room for further negative movement, given that the mills are paying less for their raw

LONG PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES - GERMANY

price/metric ton		2014					
		JAN	FEB	MAR	APR	MAY	JUN
Wire Rod	High	535	535	530	530	530	530
	Low	515	515	510	510	510	510
Medium Sections and Beams	High	585	585	575	570	570	570
	Low	545	545	535	530	530	530
Reinforcing Bar	High	275	280	260	250	250	235
	Low	255	260	240	230	230	215
Merchant Bar	High	200	195	185	180	180	170
	Low	160	155	145	140	140	130

MEPS - API LINEPIPE STEEL PRICE INDEX X60/65 COMPOSITE

	Hot Rolled Plate		Hot Rolled Coil	
	Q1/14	Q2/14e	Q1/14	Q2/14e
EU Average				
Non Sour	108.2	108.2	128.1	128.1
Sour	114.1	114.1	126.8	126.8
* Q4/06 = 100 - based on euro values ** p = Provisional e = Estimate				

materials. Demand is quite low. In Spain, Chinese and Indian material is starting to look interesting to buyers, at the equivalent of €395/400 per tonne, basis. Our tabled figures are unchanged for now but we have noted a small amount of upward pressure.

HOT ROLLED PLATE

Although some North European mills are busier now with linepipe projects, those producers supplying the commodity grade market are still far from fully loaded. Prices have come under renewed pressure from very cheap Indian and Chinese imports. Attempts to instigate rises for the third quarter are being undermined by the strong euro, the dead Mediterranean market and the ongoing instability in the Black Sea area.

In Germany, stocks of commodity plate at the service centres have grown due to the arrival of cheap imported material. Sales are moderate. Basis numbers remain under pressure. With longer delivery lead times than for strip mill products, French buyers have already started ordering their plate requirements for end July to early September deliveries. However, prices are not moving up. The large integrated producers who, in the past, have supplied a lot of plate for tube making, are now diversifying to other sectors and offering material for long term delivery at today's prices. Meanwhile, Ilva is back in the plate market and reported to be sending material to France at very low prices and, thereby, hampering a recovery. There is also cheap plate on offer from Spain. Italian rerollers are suffering due to a lack of new orders. Domestic customers bought heavily in the first quarter as imports flooded in. Chinese plate, for shipment July/August, is being quoted at attractive numbers.

Although some stockholders are busy with project work, demand for the commodity grades is stagnant in the UK. There has been some price erosion in this market, partly due to the availability of cheap imports. Customers report that delivery lead times from the domestic producer, Tata Steel, are quite extended but there is too much competition to allow

MEPS - STEELPPI - AUTOMOTIVE Auto Body Parts Composite Index

	Apr-14	May-14	Jun-14
EU Average	75.7	75.3	74.8
Year-on-year % +/-	-6.5	-4.6	-3.7
* Jan 07 = 100 - based on transaction prices ** STEELPPI - Steel Purchasing Price Index			

the steelmakers to lift prices at the moment. Basis figures are unchanged in Belgium. Cheap imports are keeping the lid on Spanish prices, with material from China and Russia at €410 per tonne, CFR, for August arrival. However, some delayed overseas deliveries have resulted in supply tightness at the service centres so their customers are paying €10/15 per tonne more. Regarding demand, it is likely that some, previously postponed, government projects may restart soon.

COLD ROLLED COIL

German customers are hesitating to order, whereas the steelmakers are keen to close deals. This has resulted in negative price movements, although the decreases are not dramatic. Supply is plentiful, with some mills delivering material ahead of time. Service centres, who have enough stock, are in fierce competition. Resale values have fallen accordingly. French selling figures have been maintained at the level reported in our May issue. In Italy, there is a great deal of import competition from Chinese suppliers, although few deals have been concluded, even though prices are attractive.

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	510	500	707	680
France	510	510	707	694
Italy	480	480	666	653
UK	410	410	693	687
Belgium	510	510	707	694
Spain	510	500	707	680

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	460	470	450	375	462	470	440
	Low	410	430	410	350	431	430	420
Hot Rolled Plate	High	545	550	490	470	579	530	515
	Low	505	500	450	440	542	490	465
Cold Rolled Coil	High	540	550	530	445	548	560	540
	Low	500	510	480	410	505	510	500
Hot Dipped Galvanised Coil	High	540	540	510	450	554	560	540
	Low	500	500	460	410	505	510	500
Electro-Zinc Coated Coil	High	560	550	550	490	603	570	550
	Low	510	520	510	450	554	520	510
Stainless CR Coil Type 304 (a)	High	1150	1110	1080	965	1188	1100	1075
	Low	1050	1060	1030	895	1102	1050	1025
Stainless CR Coil Type 430 (a)	High	1090	1070	955	1015	1250	—	1007
	Low	1040	1020	905	990	1219	—	977

MONTH on MONTH % CHANGE

Hot Rolled Coil	Low	-4.7	-1.1	0.0	0.0	1.2	-2.3	0.0
Hot Rolled Plate	Low	0.0	-2.0	0.0	-2.2	-1.1	0.0	-1.1
Cold Rolled Coil	Low	-2.0	0.0	0.0	0.0	1.2	0.0	-2.0
HD Galv Coil	Low	-2.0	0.0	0.0	-2.4	-1.4	0.0	0.0
EZ Coated Coil	Low	-1.9	0.0	0.0	0.0	1.1	-1.9	0.0
SS CR Coil 304	Low	1.9	1.0	1.0	0.0	1.1	1.9	2.5
SS CR Coil 430	Low	0.0	0.0	2.3	0.0	1.1	—	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.

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 the use of our published data, however it may arise.

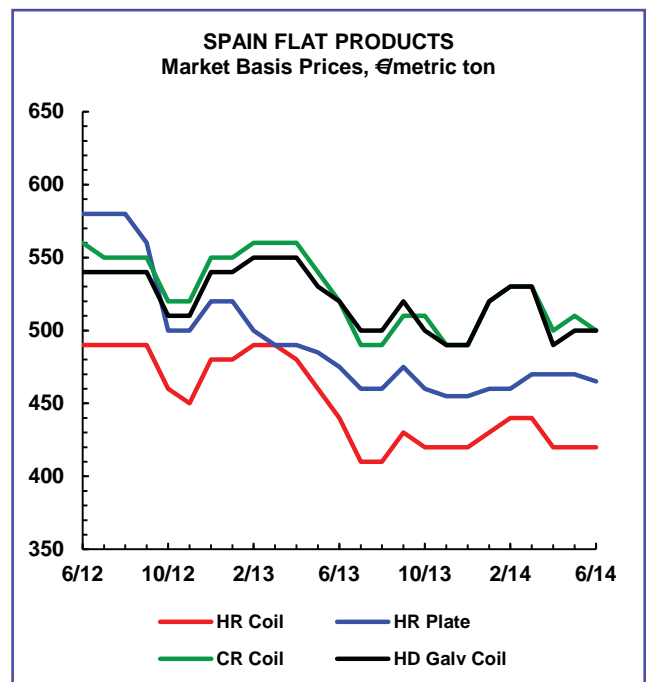
UK distributors report that order volumes are much better than they were because end-users are busier and more confident about future sales. Mill basis numbers, however, do not reflect this improved situation. Material is available from Russian suppliers at £430 per tonne, effective delivered. They have cut their prices because domestic demand has declined. Offers of cold rolled coil from China are relatively cheap but the October delivery date is less attractive. Belgian demand is weak. Many end-users have payment problems. Basis figures are stable. In Spain, the mills have maintained prices at the May level. Some deals have been settled with Chinese and Indian suppliers. Service centre stocks are correct for today's level of sales.

COATED COIL

German auto production is booming, with the carmakers benefitting from excellent overseas orders. However, distributors who serve that sector complain of poor margins. Construction related sales of hot dipped galvanised coil are only fair. In the general market, basis numbers are under a lot of pressure due to oversupply. We have noted a fall of €10 per tonne compared with last month. Activity in the French auto industry is better but remains modest. Galvanised demand, in general, is subdued. However, the mills have held on to last month's basis values. Internal competition is fierce in Italy. However, May prices were rolled over during the latest round of settlements.

In the UK, demand for hot dipped galvanised coil from construction is not as good as from other sectors. Prices for July delivery have slipped by another £10 per tonne due to import pressure, especially from Italy. However, the carmakers are busy. Customers in the Belgian market are paying the same as in May. Third country imports from India and China in the thinner gauges are looking more attractive to Spanish buyers.

In Germany, the steelmakers have offered a reduction of €10 per tonne for sales of electro-zinc coated coil. French numbers remain at the level reported in



May. Italian producers are refusing to make further concessions. In the UK, mainland European suppliers have left basis values unchanged. Material from the Far East, particularly in the lighter thicknesses, is quite competitive. Buyers in Belgium have negotiated a €10 per tonne decrease. The situation in Spain is one of 'no change'.

COLD ROLLED STAINLESS STEEL

In May, cold rolled austenitic stainless steel basis numbers increased by €10/20 per tonne in all the continental European countries under review. Demand was stable, with very little speculative purchasing because of soaring alloy surcharges. Prices for Asian material had been rising sharply in Italy, so buyers were reluctant to book shipments from the Far East. Purchasing volumes were reducing in the UK as summer approached, following a burst of activity caused by rapidly rising material costs. Basis numbers were firm. Ferritic prices were steady throughout.

LONG PRODUCTS

WIRE ROD

Low carbon wire rod producers have held on to selling figures in Germany for the third consecutive month. There is little activity in the recoil market. So far, values are unchanged but buyers are pushing for discounts. Prices for the finished mesh are described as 'disastrous'. In France, values for drawing rod are at the level reported four weeks ago. Those for the

mesh quality are also the same as in May. The €10 per tonne hike that suppliers were trying to apply was not achieved. Italian low carbon wire rod figures are no longer falling. A poorly performing construction sector has led to lacklustre demand for recoil. However, steelmakers have maintained prices for two consecutive months.

Selling values for the basic drawing qualities have

stabilised in the UK, although demand has not improved. Prices for the higher specifications are also fairly static. Recoil numbers continue to track the rebar in a negative direction as sales are slow. Drawing quality figures are unchanged in Belgium, where order intake is stable at a low level. In Spain, low carbon wire rod prices have not altered. Demand for the mesh quality material is flat.

MEDIUM SECTIONS AND BEAMS

European supply of structural sections appears to exceed demand at present. This is undermining the efforts of the steelmakers to lift prices.

After conceding discounts back in April, during recent settlements, suppliers have held on to effective values in the German market for the second consecutive month. The non-residential building sector is showing signs of recovery. The French construction industry is now expected to grow even slower than was initially predicted at the start of 2014. Although unchanged for now, effective prices remain under pressure. Italian figures are suffering from the dual effect of falling scrap prices and an ailing construction sector.

In the UK, the £20 per tonne rise, announced by ArcelorMittal at the end of April for immediate implementation, appears to have been rescinded.

LONG PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES

price/metric ton		Germany (€)	France (€)	Italy (€)	UK+ (£)	UK+ (€)	Belgium (€)	Spain (€)
Wire Rod (b)	High	530	540	530	450	554	540	535
	Low	510	510	510	410	505	510	515
Medium Sections and Beams (c)	High	570	540	525	490	603	560	560
	Low	530	510	505	460	567	510	510
Rebar (d)	High	235	250	210	420	517	250	230
	Low	215	220	200	390	480	220	210
Merchant Bar (e)	High	170	145	135	480	591	130	175
	Low	130	125	115	460	567	110	125

MONTH on MONTH % CHANGE

Wire Rod	Low	0.0	0.0	0.0	0.0	1.2	0.0	0.0
Medium Sections	Low	0.0	0.0	-1.0	0.0	1.3	0.0	0.0
Rebar	Low	-6.5	0.0	0.0	-2.5	-1.4	0.0	-4.5
Merchant Bar	Low	-7.1	-3.8	-4.2	-1.1	0.2	-8.3	0.0

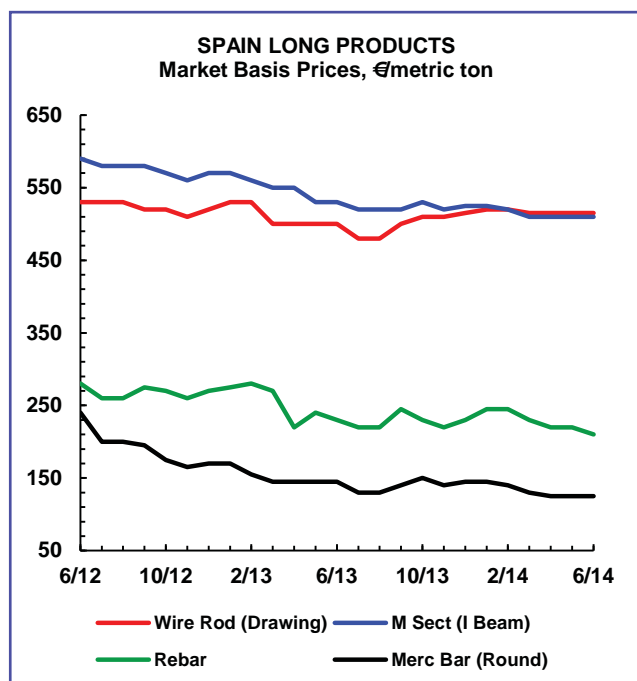
BASIS PRICE AND PRODUCT DEFINITIONS

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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.



Buyers are not paying more. In fact, although our current figures are unchanged, we have detected some negative pressure, particularly from Spanish sources. There is now less stock in the system, which has produced a little more ordering activity, but oversupply is preventing any increases from taking hold. Distributors report calls from end-users for price reductions. These are leading to soft resale values. Proposed projects are not yet in, what market players like to call, 'the shovel stage'. Consequently, there are more enquiries but few firm orders. The Belgian effective price for Category 1 beams remains at €520 per tonne but larger quantities could well command a discount of €10 on that figure. The mills are short of orders and delivery lead times have shrunk. Distributors continue to fight for business, resulting in poor resale margins. In Spain, the trading environment for suppliers is still lacklustre, both at home and abroad. Effective numbers are stable.

REINFORCING BAR

We have noted negative pressure in the European rebar market, mainly due to lower scrap prices. Further, small downward movements cannot be ruled out. Customers are purchasing only small quantities - just keeping sufficient stock. The outlook for producers is poor as a result of the ongoing lack of demand. Massive capacity reduction is needed if the mills are to lift prices significantly. Sales to North Africa are slow. This is the only overseas outlet available now to the Southern European steelmakers as Chinese suppliers are rapidly infiltrating other traditional markets.

German prices have softened, despite reasonable

demand. Construction output is forecast to grow by 5/6 percent this year. Producers have managed to hold on to French basis numbers for now, but some distributors are fairly pessimistic regarding future developments. The spring has brought no relief for the poor state of the Italian construction industry, which is in crisis. Domestic steelmakers are quoting €430 per tonne, FOB, to overseas clients. Very little interest is apparent.

Import disruption continues in the UK rebar market. The main suppliers are from China and Turkey, who have taken forward orders at cheap prices for at least the next three to four months. The negative pressure on domestic selling values is relentless. Customers have healthy order books and are buying, for now. However, they are finding new business more difficult to acquire. Construction activity has not picked up at all in Belgium. Contractors from neighbouring countries are taking on a number of projects and sourcing their steel in their home markets. Basis figures are static. Producers keep announcing increases but do not apply them. Independent service centres complain that mill-owned distributors are undercutting them. Despite a small increase in consumption, Spanish steelmakers have been forced to lower stock prices by €10 per tonne. They are offering to North Africa at €430 per tonne, FOB, but Algerian demand is muted.

MERCHANT BAR

In Germany, the mills have succumbed to calls for further discounts. Purchasing activity is cautious as buyers are unsure of future price movements. Market players in the construction sector are hoping for improvements in business levels in the near term. French merchant bar basis numbers went down to €120/125 per tonne during late May but have now recovered slightly. The forecast revival in demand

MEPS INDUSTRIAL SECTOR STEEL PURCHASING PRICE INDICES - EU AVERAGE

Jan 07 = 100	May-14	Jun-14	% change
Construction Industry	100.3	98.0	-2.3
Household Appliances	82.0	80.7	-1.6
Machinery Sector	92.5	90.1	-2.6
Shipbuilding Industry	80.7	78.9	-2.2
Shipping Containers	90.4	88.1	-2.5
Yellow Goods	94.7	92.1	-2.7

has not materialised. A lack of building activity in Italy, combined with cheaper scrap, is reflected in merchant bar basis figures, which continues on a downward trend. The outlook remains dismal.

There is a fairly consistent downward price tendency in the UK. Expectations of a demand pick up have yet to be fulfilled. Customers are only purchasing sufficient quantities for their immediate needs.

MARKET AND INDUSTRY SCENE

CAPACITY/INVESTMENT

German flat-product manufacturer Salzgitter Flachstahl has authorised a series of upgrades to the production line at its main facility. The modifications are designed to improve the plant's efficiency, reduce maintenance down-time and make the casting process safer. Commissioning of the various upgrades is scheduled to begin in the third quarter of 2015 and continue until the end of the year.

ThyssenKrupp will invest €200 million relining blast furnace No.2 at its Duisburg-Schwelgern site. The 4.4

million tonnes per year capacity unit, which is Europe's largest, will be offline from mid-June until the end of September. The German steelmaker also operates a 3.3 million tonnes per year blast furnace, at the site, which will remain in operation throughout.

MERGERS/ACQUISITIONS

Condesa, a manufacturer of tubular products based in Spain, has sold its Italian subsidiary company Alessio Tubi to Milanese group Amenduni Tubi. Condesa has confirmed that further restructuring of its European operations is planned and that a reduction of its workforce is to be expected.

MEDIUM TERM PRICE FORECASTS

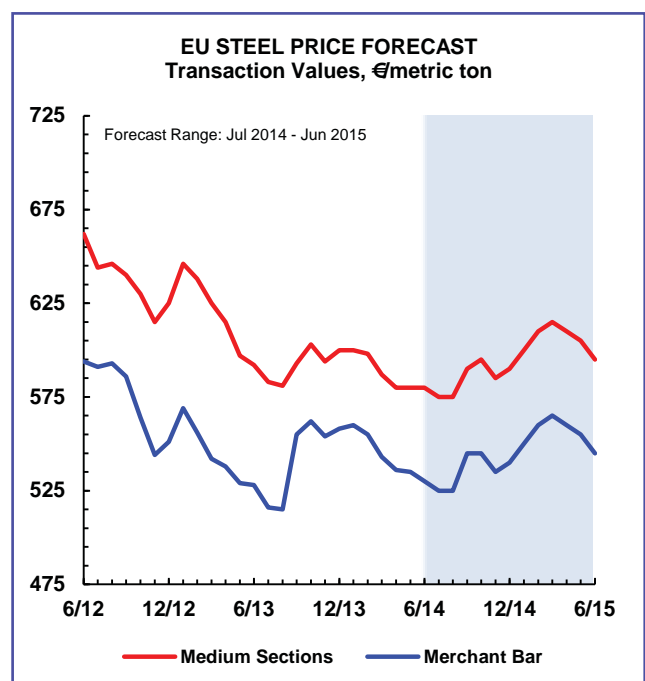
LONG PRODUCTS

The MEPS - EU Average price for structural sections (H-beams) was stable in June. Selling figures for merchant bar (equal angle) declined by €5 per tonne.

Transaction values are expected to soften in the near term. Lacklustre demand, particularly from an underperforming construction sector, overcapacity and subdued raw material costs are envisaged and may place downward pressure on steel prices. Nevertheless, any reductions are forecast to be minimal. The producers are likely to push for increases in selling figures, late in the third quarter, as they make determined efforts to improve profitability. These should be partially realised, especially if scrap costs rise.

Purchasing activity usually slows ahead of the Christmas and New Year holidays. Consequently, we forecast a negative price trend in the final quarter. Distributors are expected to refill depleted inventories at the beginning of 2015 in preparation for the traditional

spring pickup in sales activity. This should help to lift transaction values in the first trimester. A seasonal downturn is predicted in the second quarter.

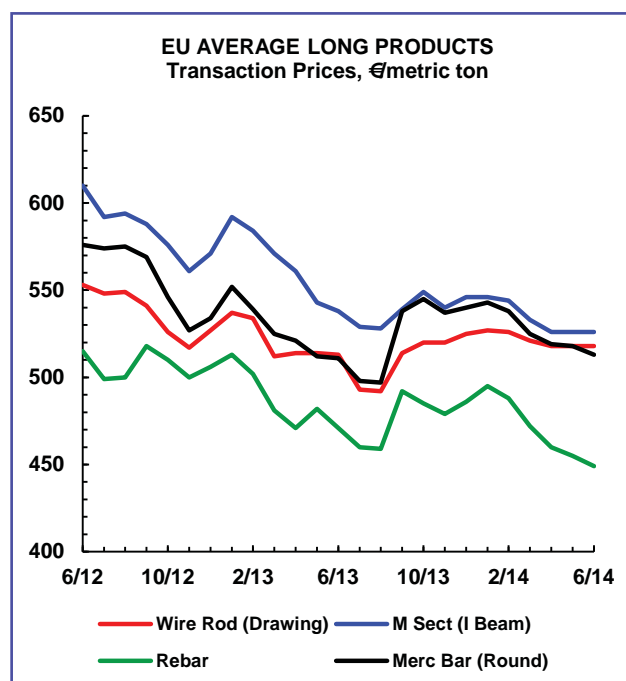
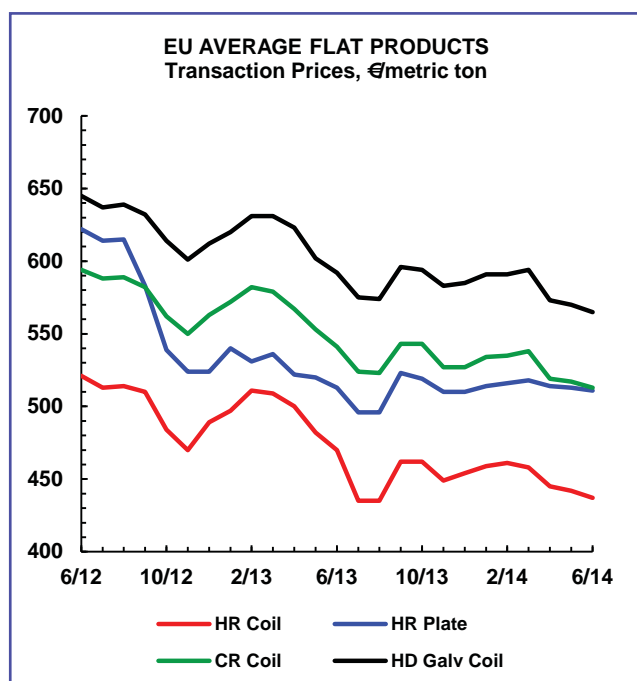


EU AVERAGE DOMESTIC TRANSACTION PRICE FORECASTS

Euro/metric ton	Actual	Forecast					
	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Hot Rolled Coil	437	435	435	455	450	445	450
Hot Rolled Plate	511	510	510	525	525	515	520
Cold Rolled Coil	513	510	510	530	525	520	525
HD Galv Coil	565	560	560	580	575	570	575
EZ Coated Coil	577	575	575	590	585	580	585
Wire Rod (Drawing)	518	510	510	525	525	520	525
Wire Rod (Mesh)	460	455	455	475	475	470	475
M Sect (I Beam)	526	520	520	535	540	530	535
M Sect (H Beam)	580	575	575	590	595	585	590
Reinforcing Bar	449	445	445	470	470	465	470
Merc Bar (Round)	513	508	508	528	528	518	523
Merc Bar (Eq Angle)	530	525	525	545	545	535	540

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	476	480	490	470	391	482	460
	Low	437	430	450	430	366	451	440
Hot Rolled Plate	High	553	560	565	505	484	596	530
	Low	511	520	515	465	454	559	480
Cold Rolled Coil	High	556	555	565	545	458	564	555
	Low	513	515	525	495	423	521	515
Hot Dipped Galvanised Coil	High	608	612	612	582	503	619	612
	Low	565	572	572	532	463	570	572
Electro-Zinc Coated Coil	High	619	619	609	609	533	656	609
	Low	577	569	579	569	493	607	569
Stainless CR Coil Type 304	High	1128	1150	1110	1080	965	1188	1075
	Low	1054	1050	1060	1030	895	1102	1025
Stainless CR Coil Type 430	High	1078	1090	1070	955	1015	1250	1007
	Low	1032	1040	1020	905	990	1219	977

LONG PRODUCTS price/metric ton		EU AVG	Germany	France	Italy	UK	UK	Spain
		(€)	(€)	(€)	(€)	(£)	(€)	(€)
Wire Rod (Drawing Quality)*	High	542	548	540	530	462	569	535
	Low	518	528	510	510	422	520	515
Wire Rod (Mesh Quality)	High	484	480	490	475	420	517	480
	Low	460	460	460	455	390	480	450
Medium Sections (I Beam)	High	562	570	540	525	490	603	560
	Low	526	530	510	505	460	567	510
Medium Sections (H Beam)	High	624	640	590	610	535	659	600
	Low	580	590	550	575	495	610	560
Reinforcing Bar	High	467	475	490	450	420	517	470
	Low	449	455	460	440	390	480	450
Merchant Bar (Round)	High	544	550	525	515	480	591	555
	Low	513	510	505	495	460	567	505
Merchant Bar (Equal Angle)	High	561	570	545	535	480	591	575
	Low	530	530	525	515	460	567	525

* Includes supplementary surcharge in the UK.

CURRENCY EXCHANGE RATES

	US dollars (US\$)		Euros (€)	
	1-May	2-Jun	1-May	2-Jun
Eurozone (€)	0.721	0.735	-	-
UK (£)	0.592	0.597	0.821	0.812

NEXT MONTH'S ISSUE

The July issue of the European Steel Review will be dispatched by post & PDF on 21 July, 2014.

Express Price Tables will be dispatched by e-mail in excel format on 14 July, 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**

	May-14	Jun-14	% change
Hot Rolled Coil	169.3	167.4	-1.1
Hot Rolled Plate	178.7	178.0	-0.4
Cold Rolled Coil	142.0	140.9	-0.8
HD Galv Coil	123.6	122.6	-0.8
EZ Coated Coil	137.5	137.1	-0.3
SS CR Coil 304	84.6	85.8	1.4
SS CR Coil 430	91.2	91.7	0.5
Wire Rod (Drawing)	195.5	195.5	0.0
Wire Rod (Mesh)	194.1	194.1	0.0
M Sect (I Beam)	171.3	171.3	0.0
M Sect (H Beam)	166.2	166.2	0.0
Reinforcing Bar	200.4	197.8	-1.3
Merc Bar (Round)	194.7	192.9	-0.9
Merc Bar (Eq Angle)	207.4	205.4	-1.0

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

NEGOTIATED DOMESTIC TRANSACTION PRICES - MONTH ON MONTH % CHANGE

June 2014 versus May 2014

		EU AVG (€)	Germany (€)	France (€)	Italy (€)	UK (£)	UK (€)	Spain (€)
Hot Rolled Coil	Low	-1.1	-4.4	-1.1	0.0	0.0	1.1	0.0
Hot Rolled Plate	Low	-0.4	0.0	-1.9	0.0	-2.2	-1.1	-1.0
Cold Rolled Coil	Low	-0.8	-1.9	0.0	0.0	0.0	1.2	-1.9
HD Galv Coil	Low	-0.9	-1.7	0.0	0.0	-2.1	-1.0	0.0
EZ Coated Coil	Low	-0.3	-1.7	0.0	0.0	0.0	1.2	0.0
SS CR Coil 304	Low	1.4	1.9	1.0	1.0	0.0	1.1	2.5
SS CR Coil 430	Low	0.5	0.0	0.0	2.3	0.0	1.1	0.0
Wire Rod (Drawing)	Low	0.0	0.0	0.0	0.0	0.0	1.2	0.0
Wire Rod (Mesh)	Low	0.0	0.0	0.0	0.0	-2.5	-1.4	0.0
M Sect (I Beam)	Low	0.0	0.0	0.0	-1.0	0.0	1.3	0.0
M Sect (H Beam)	Low	0.0	0.0	0.0	-0.9	0.0	1.2	0.0
Reinforcing Bar	Low	-1.3	-3.2	0.0	0.0	-2.5	-1.4	-2.2
Merc Bar (Round)	Low	-1.0	-1.9	-1.0	-1.0	-1.1	0.2	0.0
Merc Bar (Eq Angle)	Low	-0.9	-1.9	-0.9	-1.0	-1.1	0.2	0.0

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 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.

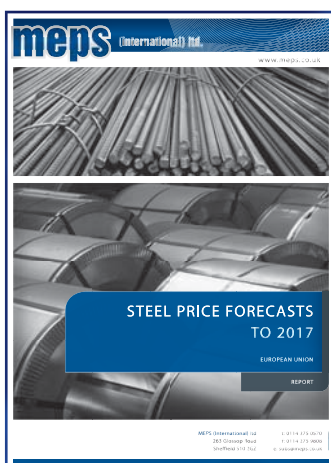
Reinforcing Bar (Deformed) - 16-20mm diameter, high yield.

Merchant Bar (Round) - 50mm diameter.

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

MEPS PUBLICATIONS

MEPS STEEL PRICE FORECASTS TO 2017 - FIVE YEAR FORECAST (Bi-annual)



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.