



EUROPEAN STEEL REVIEW

KEYNOTE

NOVEMBER 2014

FALLING RAW MATERIAL COSTS PUSH EU STEEL PRICES LOWER IN NOVEMBER

European flat products basis prices remain under negative pressure due to domestic oversupply, weakening raw material costs and flat demand caused by poor macro-economic conditions in several countries. Third country imports are, generally, unattractive as local offers are at similar prices, with shorter delivery lead times. However, there is a threat from Chinese steelmakers in the EU mills' traditional export markets. Domestic producers would like to hold European basis figures steady as contract negotiations with large end-users, for the first half of 2015, are due to commence in the coming weeks.

Basis values are largely unchanged in Germany. There is very little third country

import competition because the US dollar is strong. Moreover, there are few offers from Italy at present. Despite domestic steelmaker ThyssenKrupp's production problems, there is no obvious supply tightness. Mill order intake has shrunk from non-automotive industries. Little economic growth is envisaged in 2015. Service centre inventories are sufficient at present, with some companies trying to destock between now and the end of the year, putting further negative influence on mill order books. There is also overcapacity in the distribution sector, leading to severe competition and reduced margins.

The French market has deteriorated. Demand has slowed down, compared with last month.

FLAT ROLLED PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES - GERMANY

price/metric ton		2014					
		JUN	JUL	AUG	SEP	OCT	NOV
Hot Rolled Coil	High	460	450	450	450	450	450
	Low	410	410	410	410	410	410
Hot Rolled Plate	High	545	540	540	545	555	555
	Low	505	500	500	505	515	515
Cold Rolled Coil	High	540	540	540	540	540	530
	Low	500	500	500	500	500	490
Hot Dipped Galvanised Coil	High	540	530	530	530	530	530
	Low	500	490	490	490	490	490
Electro-Zinc Coated Coil	High	560	550	550	550	550	540
	Low	510	500	500	500	500	490
Stainless CR Coil Type 304	High	1150	1160	1160	1170	1170	1150
	Low	1050	1060	1060	1070	1070	1050
Stainless CR Coil Type 430	High	1090	1090	1090	1090	1090	1090
	Low	1040	1040	1040	1040	1040	1040

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As a result, some basis values have slipped. On the distribution side, resale prices have fallen more significantly. Service centres, integrated with steel mills, are, reportedly, quoting very low offers. Imports remain limited due to the weakness of the euro. However, production inside Europe is plentiful enough to disrupt the market.

Italian steel consumption is static at a low level, with very little sales activity. Most end-user sectors remain weak. The small improvement noted in the first half of the year has evaporated as demand decelerated in the second quarter. Some contraction is anticipated in the final trimester. Market sentiment is poor and any optimism has completely disappeared. Producers continue to offer price incentives. Resale values are relatively stable with a number of service centres being quite selective about which customers they supply, due to concerns over financial reliability.

UK distributors report healthy levels of business, although a number of independent companies complain that Tata Steel's stockholding outlets are selling quite aggressively as they try to regain market share. Service centre stocks are generally well controlled. Ex-mill basis values are stable at the level

reported a month ago. Buyers are not expecting any of the proposed first quarter 2015 increases to hold as there is no support from raw material costs. The auto, energy and white goods industries are performing quite well.

The Belgian market is quiet. Over the last two weeks, we have noted some price erosion, albeit not sizeable. No major changes are anticipated by buyers because order placement will be slow as companies destock ahead of their financial year-ends. Both German and Dutch distributors are selling across the border at low prices. Domestic resale values have not been hit, so far, but margins have been very tight for several months.

Spanish market players are less optimistic than a month ago. Any hopes of a price rise for the fourth quarter have been quashed by a lack of mill order intake. Buyers are in "wait and see" mode as they watch the effect that lower raw material costs may have on steel prices. Some producers are already accepting today's basis figures for January/February rollings. Service centre sales have been stable through the year but no real recovery is expected. Resale values are being adjusted downwards as mill prices fall.

FLAT PRODUCTS

HOT ROLLED COIL

We have noted no movement in German basis prices. In general, steelmakers still have capacity available for the fourth quarter. Pipemakers report that their business is not improving. Order quantities are reasonable but profit margins are lacking due to world-wide competition. Distributors are trying to reduce hot rolled coil stocks for the year-end. We hear that some

service centres have already finalised their January business at a rollover price from the fourth quarter. In France, basis values have been negotiated about €5 per tonne below last month's level, with some sources suggesting a reduction of €10 per tonne is attainable. Buyers anticipate that basis numbers will be slightly lower towards the end of this year and the beginning of next. Availability has declined in Italy because of a fire at the Cremona plant of Arvedi. Consequently,

LONG PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES - GERMANY

price/metric ton		2014					
		JUN	JUL	AUG	SEP	OCT	NOV
Wire Rod	High	530	530	530	530	520	520
	Low	510	510	510	510	500	500
Medium Sections and Beams	High	570	550	550	550	540	540
	Low	530	510	510	510	500	500
Reinforcing Bar	High	235	235	235	245	240	220
	Low	215	215	215	225	220	200
Merchant Bar	High	170	160	160	160	150	140
	Low	130	120	120	120	110	100

**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				

the company was temporarily absent from the market. However, demand is dull, with little consumption taking place. Suppliers have offered a modest discount on October's prices, to try to counteract the threat of Chinese imports.

No further erosion has been noted in the UK, where Russian mills are quoting hot rolled pickled and oiled material at £390 per tonne, effective delivered. Belgian demand is muted and downward price pressure persists. Russian producers are very active in the market, offering at €370/380 basis. The coil sizes are relatively small but of interest to service centres. In Spain, domestic numbers are €10 per tonne below those of a month ago.

HOT ROLLED PLATE

The European commodity plate market continues to be slow, with a few mills still having capacity for fourth quarter rollings. The outlook is dull. However, as tonnages from Ukraine and Italy have been limited, prices remain relatively unchanged in several countries.

Recent statistics show that inventories at German stockists are growing and sales volumes have fallen. The general economic outlook is less optimistic than of late, partly due to the Ukrainian problem, causing investors to hold back. Commodity plate values are unchanged from those reported in October. In the French market, there has been some slight pressure on spot prices for immediate delivery. Nevertheless, basis figures for forward orders have remained stable. Slab supply is still tight. However, there is very little plate demand as buyers remain reluctant to place business for the first quarter 2015. The situation is particularly bad in the engineering sector, which has dire prospects for next year. The shipbuilding and offshore industries are faring better, while exports to the US are still boosting sales. Italian rerollers are benefitting from lower slab prices. These have fallen due to weaker raw material costs. The mills have cut plate basis values, allowing them to start selling again

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

	Sep-14	Oct-14	Nov-14
EU Average	74.2	74.3	74.1
Year-on-year % +/-	-5.0	-4.7	-3.4
* Jan 07 = 100 - based on transaction prices ** STEELPPI - Steel Purchasing Price Index			

in northern Europe. The Mediterranean export market is still not absorbing any sizeable quantities.

UK service centres report that, day-to-day, business is a struggle across most grades as consumption is disappointing. Continental European suppliers are taking advantage of the currency exchange rate to offer very competitive prices in the UK. Their delivery lead times are relatively short. Mill price rises are impossible to implement. In fact, values have softened. Resale selling figures are dismal. Third country import competition has impacted on Belgian values this month. In Spain, domestic producers have trimmed their basis numbers back to the September level.

COLD ROLLED COIL

In Germany, domestic suppliers have cut their final quarter offers by €10 per tonne. There has been no revival in demand since the summer vacation and mill order books are lean. French basis figures are unchanged from October but a number of sources believe that they will fall below €500 per tonne soon. However, no-one could confirm buying at that level.

**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	490	631	612
France	500	500	631	624
Italy	480	475	606	593
UK	385	385	624	615
Belgium	500	490	631	612
Spain	500	490	631	612

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	455	445	345	442	450	430
	Low	410	415	405	320	410	410	410
Hot Rolled Plate	High	555	560	510	430	551	530	525
	Low	515	510	470	400	512	490	475
Cold Rolled Coil	High	530	540	525	420	538	540	530
	Low	490	500	475	385	493	490	490
Hot Dipped Galvanised Coil	High	530	540	500	435	557	540	530
	Low	490	500	450	395	506	490	490
Electro-Zinc Coated Coil	High	540	535	540	455	583	540	540
	Low	490	505	500	415	531	490	500
Stainless CR Coil Type 304 (a)	High	1150	1130	1100	925	1184	1110	1070
	Low	1050	1080	1050	855	1095	1060	1020
Stainless CR Coil Type 430 (a)	High	1090	1070	955	970	1242	—	1007
	Low	1040	1020	905	945	1210	—	977

MONTH on MONTH % CHANGE

Hot Rolled Coil	Low	0.0	-1.2	-1.2	0.0	-0.2	-2.4	-2.4
Hot Rolled Plate	Low	0.0	0.0	-2.1	-2.4	-2.8	-2.0	-1.0
Cold Rolled Coil	Low	-2.0	0.0	-1.0	0.0	-0.4	-2.0	-2.0
HD Galv Coil	Low	0.0	0.0	-1.1	0.0	-0.4	-2.0	-2.0
EZ Coated Coil	Low	-2.0	-1.0	-1.0	0.0	-0.4	-2.0	-2.0
SS CR Coil 304	Low	-1.9	-1.8	0.0	-3.4	-3.8	-1.9	-0.5
SS CR Coil 430	Low	0.0	0.0	0.0	-1.6	-1.9	—	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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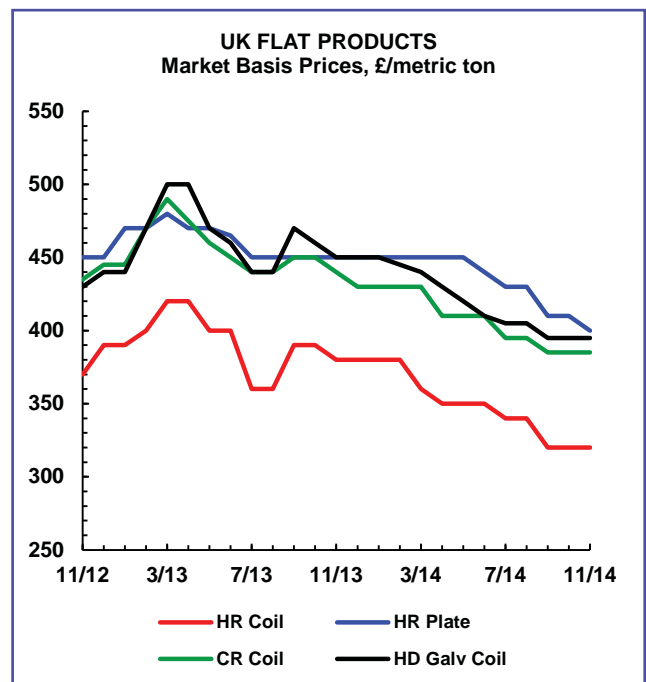
Activity remains subdued, amidst economic gloom. We have noted no progress in demand in Italy over the last four weeks. The marginal rise gained two months ago has been lost. Turkish material is still too expensive but imports from China and Russia are attractive. A number of customers are purchasing on a 'just-in-time' basis from traders.

In the UK, Russian mills have lowered their offers, which currently stand at £410 per tonne, effective delivered, for February arrival. Attractively priced material from China is available for delivery at the end of the year. Basis numbers from European sources have not changed from those reported in October. Third country imports are offered at €20/30 per tonne below EU figures, in Belgium. Domestic steelmakers have conceded a small discount during recent settlements. Spanish basis values are marginally below those of the previous month. There is competition from Chinese imports.

COATED COILS

German auto manufacturers have experienced a sharp drop in sales to Russia but premium car exports to other countries are holding up. Construction-related sales of hot dipped galvanised coil are static. Basis numbers in the general market have not recovered due to oversupply. Car output has fallen in France. Coated steel consumption, in general, remains tepid as the economic climate deteriorates. Nevertheless, producers have not conceded any discounts. Italian auto production has weakened a little. There is price pressure from Chinese coated steel, especially in the thinner gauges. Buyers have successfully negotiated a small decrease during recent settlements with domestic mills. Demand is poor and there is fierce internal competition.

UK prices for hot dipped galvanised coil for forward orders are firm. The heating sector is seasonally busy and there has been an upturn in demand from the construction industry. Automotive output is also robust. In Belgium, customers are paying €10 per tonne less than in the previous month. Spanish market prices are



also slightly below those reported in our last issue. Vehicle output continues to expand.

In Germany, the steelmakers have discounted the previous month's figures for sales of electro-zinc coated coil. The situation in France is similar. Italian buyers have demanded a modest decrease. Mainland European suppliers have held on to prices in the UK. Belgian buyers have negotiated a €10 per tonne concession. We have noted a comparable situation in Spain.

COLD ROLLED STAINLESS STEEL

In October, cold rolled austenitic stainless steel basis values slipped in Germany, France, UK, Belgium and Spain. Higher alloy surcharges in October resulted in unsustainable effective prices. Italy's substantial imports of Asian material are likely to be seriously diminished as a result of the impending antidumping charges. Ferritic basis numbers are unchanged, with the exception of the UK, where they have undergone a downward correction.

LONG PRODUCTS

Conditions in the long products market have worsened as demand from the construction industry is very weak in several countries.

WIRE ROD

German mills have maintained low carbon wire rod

prices this month, after conceding a small discount in October. There is little activity in the recoil market, where values are, again, unchanged, despite negative pressure from declining scrap costs. In France, selling values for drawing rod are the same as those reported a month ago. For the mesh quality, they are €10 per tonne lower than in October. Italian low carbon

wire rod prices are unchanged from our last report. A poorly performing construction sector continues to create lacklustre demand for recoil. Nevertheless, steelmakers have kept effective figures steady for the third consecutive month.

Basic drawing quality prices have softened in the UK, due to flat consumption and overcapacity. The push from a number of producers to impose an increase has failed. Recoil figures are static, in line with the rebar. In Belgium, the mills are not busy as demand is low. Drawing quality numbers have been rolled over from October. Spanish producers have accepted a "no change" situation during recent negotiations with

buyers, for supplies of low carbon wire rod. Demand for the mesh quality is flat and values are steady.

MEDIUM SECTIONS AND BEAMS

Sales volumes are poor in Germany, where there is strong competition for the little business that is available. Nevertheless, suppliers have held on to prices during recent negotiations, after trimming them last month. French numbers have dropped back to their previous level after gaining a modest increase a month ago. Distributors were unable to pass the rise on to their customers. Slow sales have not resulted in lower prices in Italy but there is

LONG PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES

price/metric ton		Germany (€)	France (€)	Italy (€)	UK+ (£)	UK+ (€)	Belgium (€)	Spain (€)
Wire Rod (b)	High	520	530	520	430	551	530	525
	Low	500	500	500	390	499	500	505
Medium Sections and Beams (c)	High	540	535	505	440	563	560	545
	Low	500	505	485	410	525	510	495
Rebar (d)	High	220	225	185	390	499	230	210
	Low	200	195	175	360	461	200	190
Merchant Bar (e)	High	140	115	105	450	576	115	150
	Low	100	95	85	430	551	95	90

MONTH on MONTH % CHANGE

Wire Rod	Low	0.0	0.0	0.0	-2.5	-2.9	0.0	0.0
Medium Sections	Low	0.0	-1.0	0.0	0.0	-0.4	-1.9	0.0
Rebar	Low	-9.1	-7.1	-5.4	0.0	-0.4	-4.8	-5.0
Merchant Bar	Low	-9.1	-13.6	-5.6	-2.3	-2.7	-5.0	-10.0

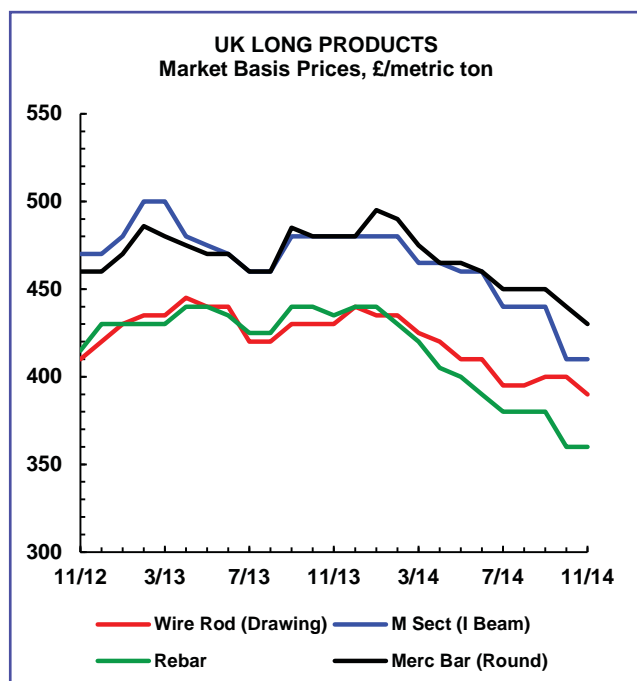
BASIS PRICE AND PRODUCT DEFINITIONS

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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.



some negative pressure due to a lack of demand and surplus supply.

Although sales volumes are quite good in the UK, this is not reflected in mill prices. Low selling values are becoming the norm, with mainland European suppliers taking a larger market share. They have widened their customer base, offering good packages and large annual rebates. US dollar denominated supplies are not competitive. Therefore, there is very little third country material available. Resale values remain under immense pressure. Stockists do not appear to be trying to restore their profit margins. In Belgium, infrastructure projects are suffering from a lack of government investment. Producers have been unable to hold effective values at the October level due to limited purchasing activity. We have noted no new price developments in Spain, following some fragility last month. Purchasing activity is lacklustre.

REINFORCING BAR

Once again, southern European mills have been forced to drop their export offers. They have declined to €410/420 per tonne, FOB, due to weakening scrap costs, slow purchasing by Algerian clients and ever-reducing domestic prices.

German buyers have successfully pushed for lower prices as scrap costs drop further. The market is subdued. French values are down, following the fall in raw material costs and reflecting distributors' inability to pass on any increases. Italian demand is fragile and future prospects poor. Exports to the German market have been hit by the economic slowdown in

that country. Domestic basis numbers continue to topple as scrap costs reduce.

The main UK domestic supplier was busy in October as construction picked up substantially compared with a year ago. However, the market has become a magnet for overseas mills and this is creating negative price pressure. Continental European producers are selling quite aggressively but none of them can meet the Chinese offers. For now, Belgian building activity is reasonable. The withdrawal of tax incentives is expected to damage the industry in 2015, especially in the residential construction sector. A large reduction in scrap outlay has pushed rebar basis figures down a little but suppliers have not given away the full amount as they try to recover their margins. Spanish domestic sales are slow. Sellers have cut prices slightly on the back of lower scrap costs and muted demand.

MERCHANT BAR

In Germany, the steelmakers have failed to resist customers' calls for basis price cuts, for the second consecutive month. Purchasing activity remains cautious as buyers fear further downward developments. There has been no recovery in business levels. French merchant bar numbers have fallen as scrap values weaken and sales volumes fail to revive. There is strong competition in the south of France from Spanish suppliers - reportedly offering very cheap material to end-users. As a result, large distributors have reduced their prices. Italian buyers report that Chinese mills are selling very aggressively. Consequently, domestic basis figures continue on a downward trajectory, losing a further €5 per tonne. The outlook remains dismal due to a lack of building activity.

Real demand is steady in the UK but some distributors

MEPS INDUSTRIAL SECTOR STEEL PURCHASING PRICE INDICES - EU AVERAGE

Jan 07 = 100	Oct-14	Nov-14	% change
Construction Industry	89.8	87.8	-2.2
Household Appliances	75.7	74.5	-1.6
Machinery Sector	83.4	81.4	-2.4
Shipbuilding Industry	74.4	73.0	-1.9
Shipping Containers	80.0	78.6	-1.8
Yellow Goods	85.2	83.4	-2.1

are destocking at present. They have become nervous about the negative price trend. There is a lot of pressure from continental European suppliers whose sales are helped by the strength of sterling against the euro. Effective values have lost at least £10 per tonne since our October report. If scrap continues to become cheaper, further discounting is probable.

We have noted a cost-related decrease in Belgium. Bookings have slowed. Service centres report disappointing profit margins. In some instances, they are struggling to cover their costs. Sales to Spanish end-users are tepid. During recent settlements, customers have successfully negotiated another €10 per tonne reduction.

MARKET AND INDUSTRY SCENE

CAPACITY/INVESTMENT

Saarstahl will invest €30 million revamping its wire rod operation in Neunkirchen, Germany. The mill, which produces high-performance material for the automotive industry, has a capacity of 600,000 tonnes per year. The work is due to begin before the end of 2014 and will be carried out while the mill remains operational. Commissioning is set for mid-2016.

SSAB is set to refit the converter shop at its steelworks in Luleå, on the coast of northern Sweden. Two converters on site will be modernised, with the internal volume of the units increased by 10 percent. This will raise energy efficiency and reduce the environmental impact of the machinery. The work will be carried out during a scheduled shutdown in summer 2015. Meanwhile, the Swedish steelmaker plans to recondition the 1.2 million tonnes per year cold rolling

mill at its facility in Borlänge. The renovations will take one week and are scheduled for August 2015.

ThyssenKrupp has contracted the Andritz Group to modernise the No.4 continuous annealing line at the Rasselstein plant in Andernach, near Koblenz. The scope of the modernisation work includes an overhaul of the plants electrical, quality control and safety equipment as well as increased automation throughout the manufacturing process.

CLOSURE

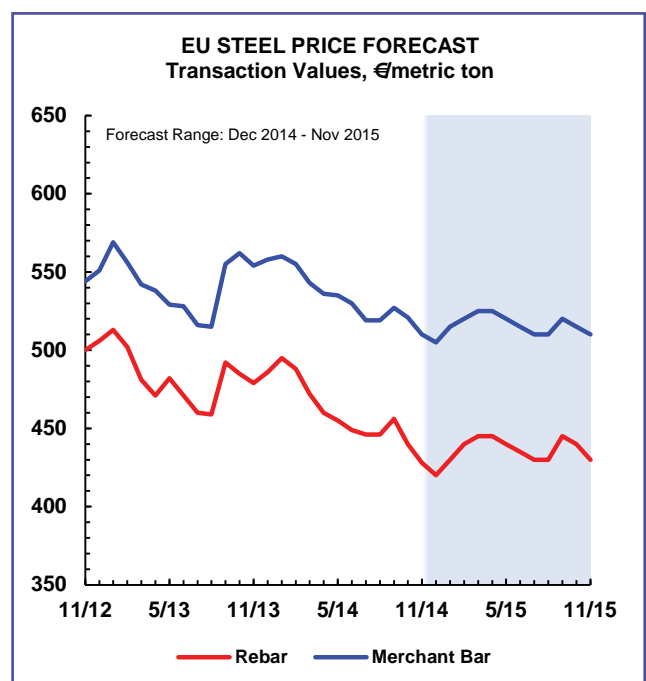
Evraz has announced that the Palini e Bertoli plate mill in Italy will remain shuttered for a further twelve months due to unfavourable market conditions. The facility has been idle since July 2013. The Russian steelmaker confirmed that it has no plans to either sell or permanently close the mill.

MEDIUM TERM PRICE FORECASTS

The MEPS - EU Average Reinforcing Bar price declined by €12 per tonne in November. Selling figures for merchant bar (equal angle) moved down by €11 per tonne.

Long product prices are expected to be under negative pressure in the near term, due to recent reductions in scrap costs. A modest recovery in raw material expenditure, at the beginning of next year, could support rises in steel selling figures. Furthermore, a mild upturn in demand is likely to help lift transaction values during that time. The uptrend should continue through the first quarter of 2015.

Transaction values are forecast to come under downward pressure in the second trimester. This is based on a traditional downturn in scrap costs, as collection rates improve. Seasonal changes in demand and input expenditure are likely to lead to fluctuations in steel prices during the second half of next year.

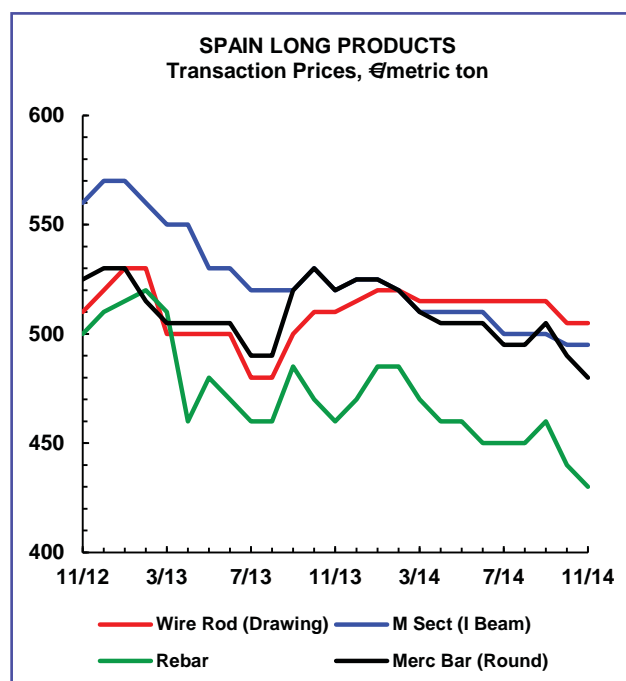
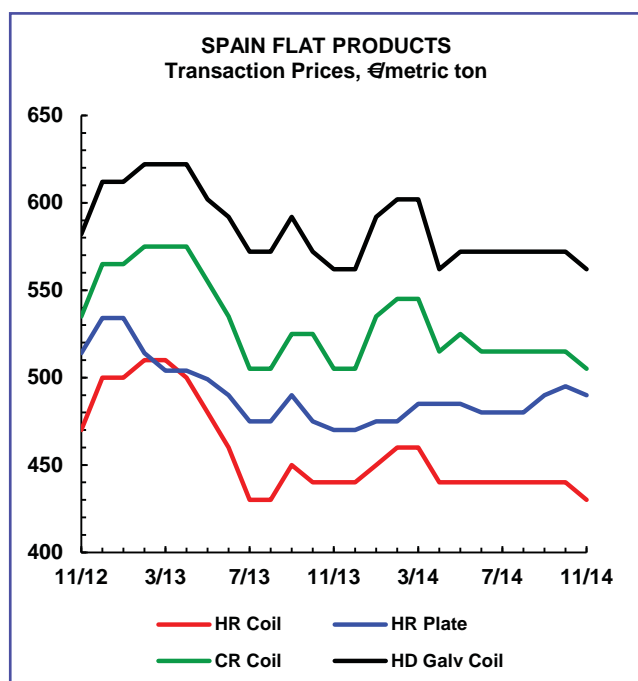


EU AVERAGE DOMESTIC TRANSACTION PRICE FORECASTS

Euro/metric ton	Actual	Forecast					
	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Hot Rolled Coil	429	425	435	445	455	455	450
Hot Rolled Plate	518	515	520	525	530	530	530
Cold Rolled Coil	504	500	510	520	530	530	525
HD Galv Coil	559	555	565	575	585	585	580
EZ Coated Coil	560	555	565	575	585	585	580
Wire Rod (Drawing)	509	500	505	510	515	515	515
Wire Rod (Mesh)	455	445	450	455	460	460	455
M Sect (I Beam)	502	495	505	510	515	515	510
M Sect (H Beam)	556	550	560	565	570	570	565
Reinforcing Bar	428	420	430	440	445	445	440
Merc Bar (Round)	493	488	498	503	508	508	503
Merc Bar (Eq Angle)	510	505	515	520	525	525	520

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	466	470	475	465	361	462	450
	Low	429	430	435	425	336	430	430
Hot Rolled Plate	High	560	570	575	525	444	569	540
	Low	518	530	525	485	414	530	490
Cold Rolled Coil	High	547	545	555	540	433	554	545
	Low	504	505	515	490	398	510	505
Hot Dipped Galvanised Coil	High	602	602	612	572	488	625	602
	Low	559	562	572	522	448	574	562
Electro-Zinc Coated Coil	High	603	599	594	599	498	638	599
	Low	560	549	564	559	458	586	559
Stainless CR Coil Type 304	High	1135	1150	1130	1100	925	1184	1070
	Low	1061	1050	1080	1050	855	1095	1020
Stainless CR Coil Type 430	High	1077	1090	1070	955	970	1242	1007
	Low	1031	1040	1020	905	945	1210	977

LONG PRODUCTS price/metric ton		EU AVG	Germany	France	Italy	UK	UK	Spain
		(€)	(€)	(€)	(€)	(£)	(€)	(€)
Wire Rod (Drawing Quality)*	High	533	538	530	520	442	566	525
	Low	509	518	500	500	402	515	505
Wire Rod (Mesh Quality)	High	479	480	480	470	390	499	480
	Low	455	460	450	450	360	461	450
Medium Sections (I Beam)	High	538	540	535	505	440	563	545
	Low	502	500	505	485	410	525	495
Medium Sections (H Beam)	High	601	610	585	590	485	621	585
	Low	556	560	545	555	445	570	545
Reinforcing Bar	High	446	460	465	425	390	499	450
	Low	428	440	435	415	360	461	430
Merchant Bar (Round)	High	525	530	505	495	450	576	540
	Low	493	490	485	475	430	551	480
Merchant Bar (Equal Angle)	High	542	550	525	515	450	576	560
	Low	510	510	505	495	430	551	500

* Includes supplementary surcharge in the UK.

CURRENCY EXCHANGE RATES

	US dollars (US\$)		Euros (€)	
	1-Oct	3-Nov	1-Oct	3-Nov
Eurozone (€)	0.792	0.801	-	-
UK (£)	0.617	0.626	0.778	0.781

NEXT MONTH'S ISSUE

The December issue of the European Steel Review will be dispatched by post & PDF on 12 December, 2014.

Express Price Tables will be dispatched by e-mail in excel format on 5 December, 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**

	Oct-14	Nov-14	% change
Hot Rolled Coil	165.9	164.4	-0.9
Hot Rolled Plate	181.9	180.5	-0.8
Cold Rolled Coil	140.1	138.5	-1.1
HD Galv Coil	121.7	121.3	-0.3
EZ Coated Coil	134.7	133.0	-1.3
SS CR Coil 304	87.9	86.4	-1.7
SS CR Coil 430	91.9	91.6	-0.3
Wire Rod (Drawing)	192.5	192.1	-0.2
Wire Rod (Mesh)	192.4	192.0	-0.2
M Sect (I Beam)	163.8	163.5	-0.2
M Sect (H Beam)	159.6	159.3	-0.2
Reinforcing Bar	193.8	188.5	-2.7
Merc Bar (Round)	189.1	185.3	-2.0
Merc Bar (Eq Angle)	201.9	197.7	-2.1

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

**NEGOTIATED DOMESTIC TRANSACTION PRICES - MONTH ON MONTH % CHANGE
November 2014 versus October 2014**

		EU AVG (€)	Germany (€)	France (€)	Italy (€)	UK (£)	UK (€)	Spain (€)
Hot Rolled Coil	Low	-0.9	0.0	-1.1	-1.2	0.0	-0.5	-2.3
Hot Rolled Plate	Low	-0.8	0.0	0.0	-2.0	-2.4	-2.8	-1.0
Cold Rolled Coil	Low	-1.2	-1.9	0.0	-1.0	0.0	-0.4	-1.9
HD Galv Coil	Low	-0.4	0.0	0.0	-0.9	0.0	-0.3	-1.7
EZ Coated Coil	Low	-1.2	-1.8	-0.9	-0.9	0.0	-0.5	-1.8
SS CR Coil 304	Low	-1.7	-1.9	-1.8	0.0	-3.4	-3.8	-0.5
SS CR Coil 430	Low	-0.4	0.0	0.0	0.0	-1.6	-1.9	0.0
Wire Rod (Drawing)	Low	-0.2	0.0	0.0	0.0	-2.4	-2.8	0.0
Wire Rod (Mesh)	Low	-0.2	0.0	-2.2	0.0	0.0	-0.4	0.0
M Sect (I Beam)	Low	-0.2	0.0	-1.0	0.0	0.0	-0.4	0.0
M Sect (H Beam)	Low	-0.2	0.0	-0.9	0.0	0.0	-0.3	0.0
Reinforcing Bar	Low	-2.7	-4.3	-3.3	-2.4	0.0	-0.4	-2.3
Merc Bar (Round)	Low	-2.0	-2.0	-3.0	-1.0	-2.3	-2.7	-2.0
Merc Bar (Eq Angle)	Low	-2.1	-1.9	-2.9	-1.0	-2.3	-2.7	-2.0

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/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.

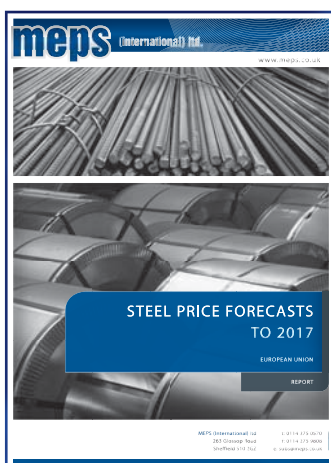
Reinforcing Bar (Deformed) - 16-20mm diameter, high yield.

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.