

EUROPEAN STEEL REVIEW

KEYNOTE

FEBRUARY 2015

EU STEEL PRICES RECOVER SLIGHTLY IN FEBRUARY FOR MOST PRODUCT FORMS

European flat product suppliers claim that they have good order books, as the weakened euro gives them an advantage when selling in US dollar denominated export markets. This should contribute to an increase in their bargaining position during negotiations with domestic customers. However, buyers have remarked that, for first quarter business, steelmakers have not been pushing very hard to implement their proposed €30/40 per tonne increase. Indeed, we have noted only small changes from the December price level. It is believed that the mills will try to enforce the hike when second trimester orders are discussed. Although material from the Far East is not so attractive at present, the massive devaluation of the rouble has led to aggressive selling by Russian suppliers.

In Germany, buyers report that they have placed most of their first quarter orders at the same price as in the final trimester of 2014. All that is left to settle is a small amount of spot business. Customers are not anticipating the successful implementation of a significant rise in April either. They see no argument to support the initiative when mills are profitable and raw material costs have become so much cheaper. There is virtually no interest in third country offers at present. Service centres are quiet and have no urgent need to purchase. Resale values are under pressure because of overcapacity in the distribution sector.

Activity remains weak in the French market. Nonetheless, producers have started to

FLAT ROLLED PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES - GERMANY

price/metric ton		2014				2015	
		SEP	OCT	NOV	DEC	JAN	FEB
Hot Rolled Coil	High	450	450	450	440	440	440
	Low	410	410	410	400	400	400
Hot Rolled Plate	High	545	555	555	545	530	530
	Low	505	515	515	505	490	490
Cold Rolled Coil	High	540	540	530	520	520	520
	Low	500	500	490	480	480	480
Hot Dipped Galvanised Coil	High	530	530	530	520	520	520
	Low	490	490	490	480	480	480
Electro-Zinc Coated Coil	High	550	550	540	530	530	530
	Low	500	500	490	480	480	480
Stainless CR Coil Type 304	High	1170	1170	1150	1130	1120	1120
	Low	1070	1070	1050	1030	1020	1020
Stainless CR Coil Type 430	High	1090	1090	1090	1070	1070	1070
	Low	1040	1040	1040	1020	1020	1020

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implement a number of small price increases. They are benefitting from the situation at Ilva Taranto, which has been declared insolvent. Deliveries of sheets have been blocked – even material already on board ships. Buyers need to find other suppliers quickly. As a result, mills have increased their offer prices and customers are accepting them. In contrast, at the end of January, a number of large automotive service centres negotiated reduced prices for the benchmark hot rolled coil in the second quarter, some slightly under €400 per tonne.

Italian steelmakers have followed ArcelorMittal's lead by proposing small increases. Output from a number of local suppliers has been curtailed and the euro's weakness against the US dollar is making import quotations more expensive. Nevertheless, the market is extremely quiet. Many customers, who bought in December for delivery in the first quarter, are now waiting to see how prices will develop. Final demand remains slow. However, basis values do appear to have moved up slightly in the marketplace. More time is necessary to verify if this will be the definitive direction.

UK buyers report that major suppliers offered similar prices to last month, for March business. Continental

mills are not pushing for an increase because the fall of the euro against the pound sterling has already given them a price advantage. Most producers have yet to discuss April selling values but many customers do not envisage a rise. Distributors enjoyed good January sales and, overall, their profits are reasonable. However, resale margins have come under a little pressure since mill prices weakened in January.

Belgian customers concluded the majority of first quarter deals at the January level. In some instances, material that was needed urgently commanded €5 per tonne more for delivery in March. Steelmakers have informed buyers that their goal for the second trimester is a hike of €10/20 per tonne. Purchasers are not sure that this is achievable but stocks are low, so companies will need to buy. Moreover, producers are more successful in export markets now and imports have become more expensive.

Suppliers continue to try to improve their prices in Spain but clients report that their efforts are less robust than expected. Although inventories are not particularly high, many distributors can afford to wait before ordering more material. Service centre sales are stable and there is a renewed confidence in the market.

FLAT PRODUCTS

HOT ROLLED COIL

Basis figures have not changed in Germany, compared with a month ago. Producers were unable to implement their announced rise. We understand that small quantities have been sold at €5 per tonne extra but the majority of contracts were settled on a roll-over basis. Second quarter negotiations will not start until early March. The weakening euro has been

beneficial for the pipemakers, who were able to obtain overseas orders. In France, basis values for coil have moved up a little, recently, as some supplies of sheet from Italy have been suspended. Although the Italian market is quiet at present, customers have agreed to pay slight increases during recent settlements. However, the more expensive buying price has not yet been reflected in distributors' sales to end-users. Turkish suppliers are no longer competitive,

LONG PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES - GERMANY

price/metric ton		2014				2015	
		SEP	OCT	NOV	DEC	JAN	FEB
Wire Rod	High	530	520	520	520	520	520
	Low	510	500	500	500	500	500
Medium Sections and Beams	High	550	540	540	540	540	550
	Low	510	500	500	500	500	510
Reinforcing Bar	High	245	240	220	210	210	210
	Low	225	220	200	190	190	190
Merchant Bar	High	160	150	140	130	130	140
	Low	120	110	100	90	90	100

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

	Hot Rolled Plate		Hot Rolled Coil	
	Q4/14	Q1/15 p	Q4/14	Q1/15 p
EU Average				
Non Sour	111.2	105.1	128.9	128.9
Sour	117.0	111.2	127.6	127.6
* Q4/06 = 100 - based on euro values ** p = Provisional				

with offers at least €40 per tonne above prevailing domestic values.

No further erosion has been noted in the UK, where Russian material is still attractively priced. Russian mills are also offering in Belgium at €380/385 per tonne, basis. Traders bought large quantities at the end of 2014. This material is now in the port of Antwerp. Service centres report that their sales volumes in the first two weeks of January were acceptable but, since then, activity has slowed. Resale margins are still tight. In Spain, Russian suppliers are selling aggressively and other third country mills are starting to reduce their quotations in order to compensate for the strong US dollar. This could prevent the domestic steelmakers from securing second quarter increases.

HOT ROLLED PLATE

Import prices into Europe have become slightly more expensive due to the euro's weakness against the US dollar. However, there is some concern that Russian supplies might start to be disruptive, given the significant devaluation of the rouble. The cancellation of the South Stream project has caused those mills involved in the pipeline market to seek replacement tonnages in the commodity grade sector. Low oil prices are also leading to the postponement of new oil drilling projects and offshore platforms.

Having conceded discounts in January, steelmakers have held on to those figures during recent negotiations in Germany. Activity has deteriorated in France as big oil companies reduce their steel purchases. Mining and construction demand is also very weak. Only shipbuilding is faring better. Basis figures for commodity grades remain low. However, prices for high-quality plate, aimed at niche markets, have started to improve as there is less competition between SSAB and Ruukki now that the merger process is coming to an end. Italian re-rollers are selling quite aggressively to try to prevent importers from gaining further market share. They continue to benefit from the lower slab prices offered by Russian and Ukrainian suppliers.

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

	Dec-14	Jan-15	Feb-15
EU Average	72.8	72.8	73.2
Year-on-year % +/-	-5.3	-6.2	-5.7
* Jan 07 = 100 - based on transaction prices ** STEELPPI - Steel Purchasing Price Index			

UK domestic commodity plate values are relatively stable. However, third country offers continue to undergo further downward movements. Continental European suppliers are also selling quite cheaply. Demand from the construction sector is healthy but mining-related sales are slow. Consumption by the oil industry has been hit by falling oil prices. Resale business is described as "cut-throat" with resale offers from some distributors at very low levels. We have no movements to report in Belgium. In Spain, domestic suppliers are focusing on project work, so are not particularly active in the commodity grade market. Consequently, demand for imports is quite high. Russian and Chinese producers are offering at €420/425 per tonne, CIF.

COLD ROLLED COIL

Domestic suppliers have not implemented a planned rise, for first quarter business, in the German market. Demand has failed to recover, with the exception of auto sheet. Distributors are struggling to make acceptable profits. French basis figures are marginally higher than in the previous month. Buyers think they may have to pay even more for second quarter

**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	480	480	576	544
France	495	500	594	567
Italy	455	460	546	522
UK	370	370	568	556
Belgium	480	485	576	550
Spain	470	470	564	533

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	440	455	435	335	444	440	420
	Low	400	415	395	310	411	400	400
Hot Rolled Plate	High	530	525	500	420	557	520	510
	Low	490	475	460	390	517	480	460
Cold Rolled Coil	High	520	540	510	405	537	535	510
	Low	480	500	460	370	491	485	470
Hot Dipped Galvanised Coil	High	520	540	500	415	550	540	500
	Low	480	500	450	375	497	490	460
Electro-Zinc Coated Coil	High	530	535	535	425	564	535	520
	Low	480	505	495	385	511	485	480
Stainless CR Coil Type 304 (a)	High	1120	1080	1000	915	1214	1070	1020
	Low	1020	1030	950	845	1121	1020	970
Stainless CR Coil Type 430 (a)	High	1070	1050	955	955	1267	—	987
	Low	1020	1000	905	930	1233	—	957

MONTH on MONTH % CHANGE

Hot Rolled Coil	Low	0.0	1.2	1.3	0.0	3.8	0.0	0.0
Hot Rolled Plate	Low	0.0	0.0	-2.1	0.0	3.6	0.0	-2.1
Cold Rolled Coil	Low	0.0	1.0	1.1	0.0	3.8	1.0	0.0
HD Galv Coil	Low	0.0	1.0	2.3	-1.3	2.3	0.0	0.0
EZ Coated Coil	Low	0.0	0.0	2.1	-2.5	1.2	1.0	0.0
SS CR Coil 304	Low	0.0	0.0	0.0	-1.2	2.6	0.0	0.0
SS CR Coil 430	Low	0.0	0.0	0.0	-1.6	2.1	—	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.

material. Sales activity remains slow in Italy but local producers have secured a small advance during recent settlements.

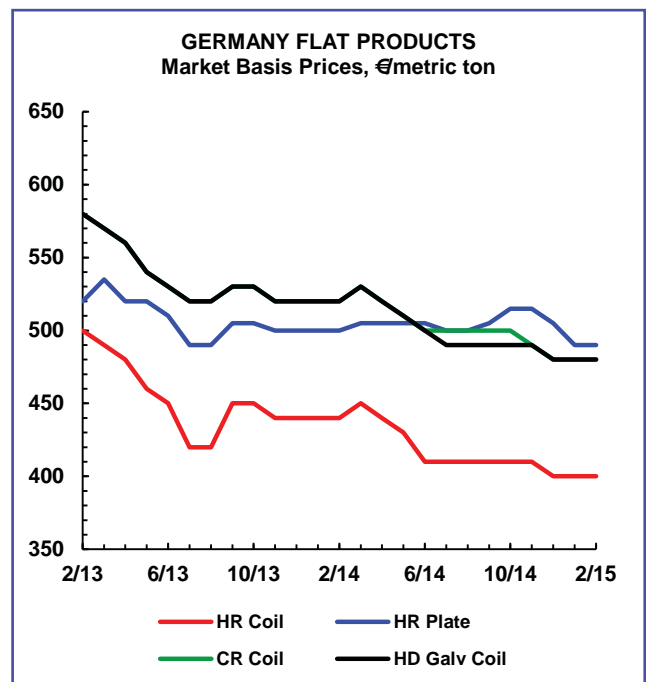
UK buyers claim that Chinese offers are falling virtually on a daily basis, despite the strong US dollar. The differential with European material is now £30 per tonne, for arrivals at the end of July/early August. Russian suppliers have also lowered their quotations by £10 per tonne since last month – down to £385 per tonne, effective delivered, for April/May delivery. Domestic prices have held up, so far. There are indications that a small rise may prove possible in Belgium, in April. Local basis figures have not changed in Spain, in spite of fierce competition from Russian mills.

COATED COIL

The German auto sector continues to perform very well and overseas sales of cars will be aided by the weakness of the euro. Construction-related demand for hot dipped galvanised coil is stagnant at present. Basis numbers have not recovered due to oversupply. Producers have secured a €5 per tonne increase in France. Car output is subdued and coated steel consumption, in general, remains tepid. The release of new models at Fiat has significantly boosted January car registrations in Italy. Expectations for future sales are high. No real improvement is envisaged in construction investment in the near term. Despite severe internal competition, a small basis rise has been posted for coated steel.

Hot dipped basis figures from domestic and mainland European sources have weakened slightly for March deliveries in the UK. Traders are offering Chinese material at attractive prices, albeit not due for arrival until July/August. The car industry continues to be robust and demand from the building sector is healthy. Sales are slowing in the Belgian market, where customers are paying the same as in the previous month. Orders for Spanish vehicles are brisk. In the rest of the market, coated sheet prices have stabilised.

In Germany, the steelmakers have, once again, rolled



over last month's figures for recent sales of electro-zinc coated coil. The situation in France is also one of 'no-change'. Italian buyers are paying slightly more than in January. Mainland European integrated suppliers have conceded another £10 per tonne reduction in the UK. Zinc coaters, taking advantage of the weak euro, are offering around £10 per tonne below our tabled figures. Belgian buyers have agreed to a small rise. Spanish numbers are flat.

COLD ROLLED STAINLESS STEEL

In January, cold rolled austenitic stainless steel basis figures in the UK recorded a downward adjustment as buyers held off, anticipating lower alloy surcharges in February. In the remaining countries under review, no changes were reported. Sales volumes were slow to pick up after the Christmas and New Year break. Nevertheless, local mills were hopeful of increased basis prices by the end of the first trimester, 2015. The proposed anti-dumping measures against coils from China and Taiwan were expected to reduce supply.

LONG PRODUCTS

WIRE ROD

German mills have maintained low carbon wire rod prices again this month. Recoil values have succumbed to further negative pressure since our last report as scrap prices have not firmed. In France, selling values for drawing rod are the same as those

reported in our last issue. For the mesh quality, the downward pressure detected in January has now resulted in lower effective figures. Italian low carbon wire rod figures are unchanged. After agreeing a €10 per tonne discount in January, recoil suppliers have held selling values steady during recent settlements. A poorly performing construction sector

continues to create lacklustre demand.

Selling figures for the basic drawing qualities are stable in the UK, following some weakness in January. Wire drawers are quite negative about demand in 2015. Prices for the higher carbon specifications are stronger. Recoil transaction numbers are static. In Belgium, drawing quality values have been rolled over for February. Steelmakers are short of orders as demand is slow. Spanish producers have agreed a 'no change' situation, during recent negotiations, for supplies of low carbon material. Sales of the mesh quality are flat but selling figures have stabilised. There is some export business at €425/430 per tonne, FOB.

MEDIUM SECTIONS AND BEAMS

Beam producers have been able to achieve their planned increases. The devaluation of the euro has allowed them to sell good quantities outside Europe. Their production levels have risen accordingly, so they do not need to discount in their home markets. Delivery lead times have extended a little.

Steelmakers have now lifted effective values in Germany, despite strong competition for the little business available. The construction outlook is better for later in the year. In France, the mills have implemented a €15 per tonne rise. Demand is modest.

LONG PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES

price/metric ton		Germany (€)	France (€)	Italy (€)	UK+ (£)	UK+ (€)	Belgium (€)	Spain (€)
Wire Rod (b)	High	520	530	520	420	557	530	520
	Low	500	500	500	380	504	500	500
Medium Sections and Beams (c)	High	550	545	510	435	577	570	550
	Low	510	515	490	405	537	520	500
Rebar (d)	High	210	210	190	380	504	220	220
	Low	190	180	180	350	464	190	200
Merchant Bar (e)	High	140	110	125	425	564	110	155
	Low	100	90	105	405	537	90	95

MONTH on MONTH % CHANGE

Wire Rod	Low	0.0	0.0	0.0	0.0	3.7	0.0	0.0
Medium Sections	Low	2.0	3.0	1.0	0.0	3.7	4.0	2.0
Rebar	Low	0.0	-5.3	-5.3	0.0	3.6	0.0	5.3
Merchant Bar	Low	11.1	0.0	10.5	0.0	3.7	12.5	11.8

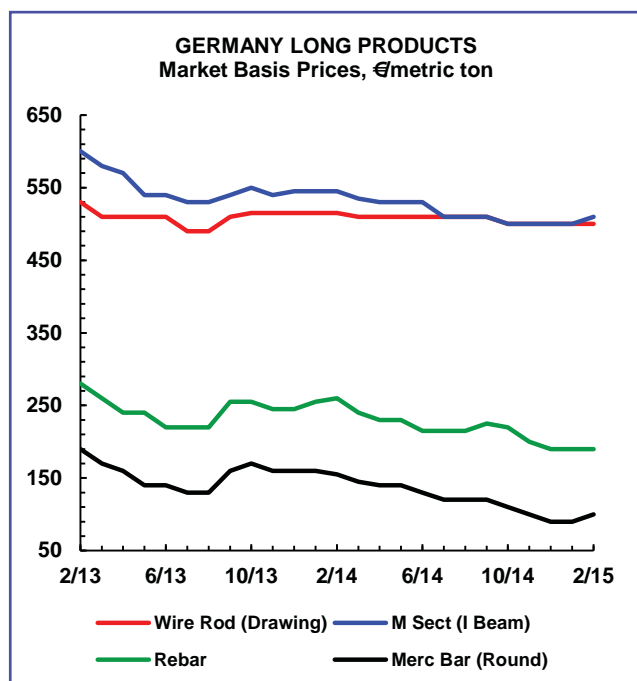
BASIS PRICE AND PRODUCT DEFINITIONS

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

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



The supply of some sizes of structural sections has tightened in Italy due to the exit of domestic producer, Stefana, from the market. In spite of sluggish sales, customers have agreed a small increase.

In the UK, 2015 consumption is expected to be similar to last year but, at present, the market is slow. There is severe competition between distributors, leading to wafer-thin margins. ArcelorMittal, Celsa and Tata have all announced a £20 per tonne hike, citing good order intake from overseas customers. For now, market prices are unchanged. There is very little third country penetration but a great deal of material is being purchased from mainland Europe. Belgian buyers report that the mills are strictly enforcing their proposed rise. Customers need to purchase because they were holding very little stock at the start of the year. Some are even buying ahead of anticipated further hikes. So far, resale values have not kept up with the mill advances. Effective numbers have gained €10 per tonne in Spain, despite tepid purchasing activity. The export market is quiet, with offers from Spanish mills at €460/470 per tonne, FOB.

REINFORCING BAR

European domestic demand is slow, making it difficult for suppliers to lift prices. The appetite for rebar in the Algerian market is tepid at most. There is keen competition from third country sources. European mills are hoping that the devaluation of the euro will make their offers more interesting.

In Germany, 2015 construction forecasts are better than in the previous year, with more private

investment predicted as well as greater government funding for infrastructure projects. Domestic rebar makers are trying to boost prices, based on a lack of import availability. However, resistance from customers is high because they are unable to pass on any increases. Negotiations are fierce. There are rumours that some buyers in the south of the country have already agreed to pay a little more. French demand remains weak and mills are still registering reduced sales volumes. Basis numbers went down in late January and have not recovered since then. The insolvency of local supplier, Stefana, has helped to stem the oversupply situation in Italy but other producers have, so far, been unable to secure a rise. The market is extremely weak, with low consumption due to a lack of investment in the building sector.

UK suppliers report that volumes are reasonable and are expected to remain so throughout the year as some large projects are planned. However, cheap Chinese imports continue to keep the lid on domestic values. Currently, there are relatively small tonnages from continental Europe. In Belgium, there is some upward price pressure from the mills but contractors in the building sector report that their order books are poor. Some end-users have financial problems. Spanish producers have successfully implemented a small advance, although it is not clear how long the situation will last. However, the weakening euro has left them with more opportunities overseas. They are well placed for sales to North Africa, Canada and USA at €415/420 per tonne, FOB.

MERCHANT BAR

In continental Europe, steelmakers are pushing through increases to try to improve their profit margins, which have been very low in recent times. There is no import threat at present. Moreover, Italian long product

MEPS INDUSTRIAL SECTOR STEEL PURCHASING PRICE INDICES - EU AVERAGE

Jan 07 = 100	Jan-15	Feb-15	% change
Construction Industry	83.2	79.0	-5.0
Household Appliances	68.9	65.9	-4.4
Machinery Sector	76.5	72.8	-4.8
Shipbuilding Industry	67.9	64.1	-5.6
Shipping Containers	74.3	71.1	-4.3
Yellow Goods	78.0	74.3	-4.7

producer, Stefana, has currently put production on hold for financial reasons. This has helped to reduce availability.

After finally stabilising prices last month, mills have secured a small increase in Germany. However, purchasing activity remains cautious as some buyers fear the negative trend may return. French prices went down by €10 per tonne in late January but have now recovered. Despite a lack of building activity in Italy, domestic suppliers have lifted local values by €10 per tonne. The devaluation of the local currency against the US dollar has helped to curtail some of the

aggressive selling by Chinese mills.

UK steelmakers announced a £10 per tonne rise from the beginning of February. Demand is reasonable. Regular continental European suppliers continue to offer quite cheaply and, as sterling has strengthened against the euro, this could pose further problems. Belgian demand is sluggish. However, customers have accepted a small hike, for now, but the situation remains fragile. Distributors are finding it difficult to recoup the higher prices. During recent discussions in Spain, buyers have conceded a €10 per tonne rise, even though sales to end-users are muted.

MARKET AND INDUSTRY SCENE

CAPACITY/INVESTMENT

Tata Steel has invested £11 million installing a heavy-gauge decoiler at its plant in Llanwern, South Wales. The new unit has capacity to process 270,000 tonnes of hot rolled coil per year. It will be used to produce ultra-flat sheets for the manufacture of construction and earth moving equipment.

DIVESTMENT

SSAB has received approval to conclude the sale of its 50 percent share in Norway's Norsk Stål AS to Leif

Hübert AS. This quickly follows the sale of Plannja Oy, a sheet processing unit in Finland, to Metehe Oy which was finalised earlier this month. Divestment of these subsidiaries and other assets was a condition set by the European Commission when allowing the 2014 merger of SSAB and Rautaruukki.

CLOSURE

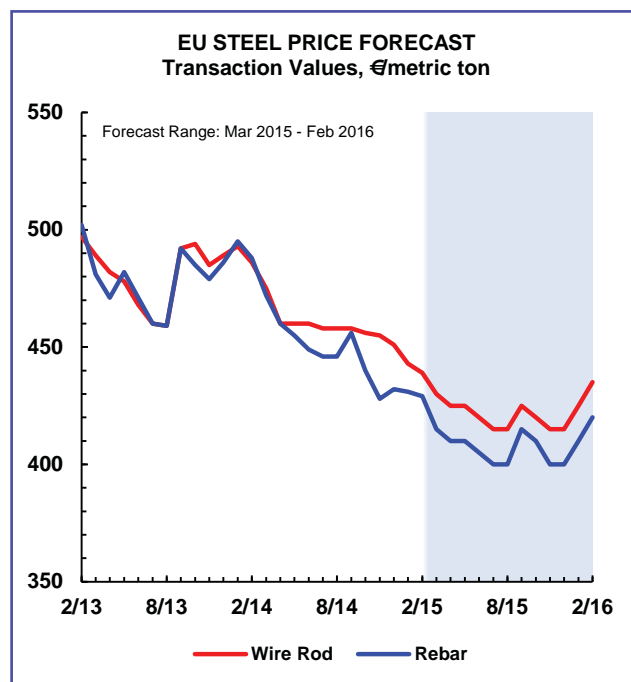
SSAB is set to close a galvanising and a colour coating line at its Borlänge steelworks, near Stockholm. The site will now focus on producing high-strength hot and cold rolled coil for the automotive sector.

MEDIUM TERM PRICE FORECASTS

LONG PRODUCTS

The MEPS - EU Average transaction value for mesh quality wire rod declined by €4 per tonne in February. Selling figures for reinforcing bar moved down by €2 per tonne in the same period. The two products now stand at €439 per tonne and €429 per tonne, respectively.

Scrap costs have recently tumbled, as they develop parity with the low price of iron ore. This is likely to exert negative pressure on selling figures for long products in the short term. The mills, several of which had tried to implement rises, will now be in a position where they attempt to hold on to as much of the cost savings as possible. However, some discounts will, almost certainly, be conceded over the coming months. The depreciation of the euro against the US dollar should help to keep the import threat low. Additionally, it could make European steel more attractive in export markets.

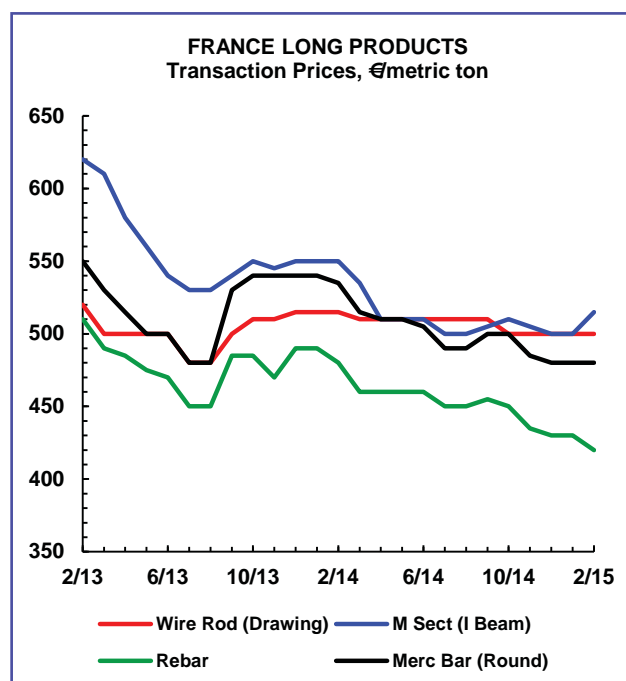
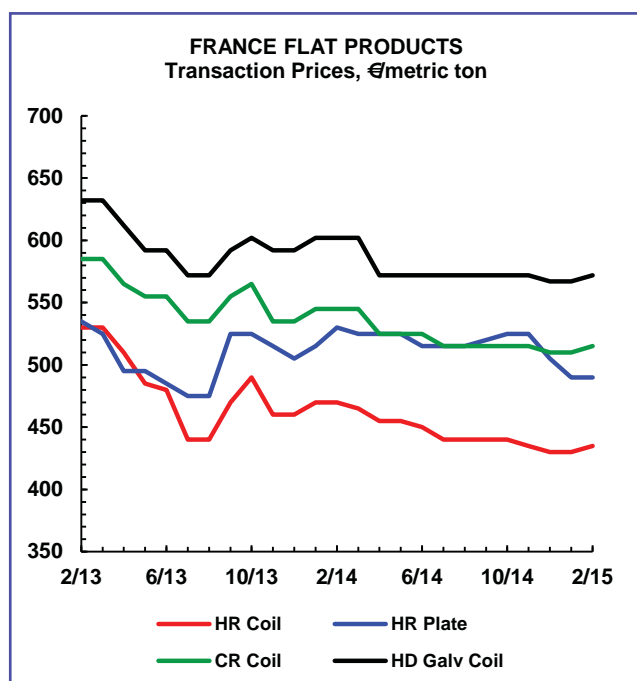


EU AVERAGE DOMESTIC TRANSACTION PRICE FORECASTS

Euro/metric ton	Actual	Forecast					
	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15
Hot Rolled Coil	422	425	430	425	415	410	410
Hot Rolled Plate	498	495	495	490	485	485	485
Cold Rolled Coil	495	500	505	500	490	485	485
HD Galv Coil	552	555	560	555	545	540	540
EZ Coated Coil	551	555	560	555	550	545	545
Wire Rod (Drawing)	509	505	495	490	485	480	480
Wire Rod (Mesh)	439	430	425	425	420	415	415
M Sect (I Beam)	511	510	500	495	490	485	485
M Sect (H Beam)	565	565	555	550	545	540	540
Reinforcing Bar	429	415	410	410	405	400	400
Merc Bar (Round)	496	498	488	483	478	473	473
Merc Bar (Eq Angle)	513	515	505	500	495	490	490

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	459	460	475	455	351	466	440
	Low	422	420	435	415	326	432	420
Hot Rolled Plate	High	541	545	540	515	434	576	525
	Low	498	505	490	475	404	536	475
Cold Rolled Coil	High	538	535	555	525	418	554	525
	Low	495	495	515	475	383	508	485
Hot Dipped Galvanised Coil	High	596	592	612	572	468	621	572
	Low	552	552	572	522	428	568	532
Electro-Zinc Coated Coil	High	595	589	594	594	468	621	579
	Low	551	539	564	554	428	568	539
Stainless CR Coil Type 304	High	1096	1120	1080	1000	915	1214	1020
	Low	1021	1020	1030	950	845	1121	970
Stainless CR Coil Type 430	High	1067	1070	1050	955	955	1267	987
	Low	1021	1020	1000	905	930	1233	957

LONG PRODUCTS price/metric ton		EU AVG	Germany	France	Italy	UK	UK	Spain
		(€)	(€)	(€)	(€)	(£)	(€)	(€)
Wire Rod (Drawing Quality)*	High	533	538	530	520	432	573	520
	Low	509	518	500	500	392	520	500
Wire Rod (Mesh Quality)	High	464	450	465	460	390	517	470
	Low	439	430	435	440	360	477	440
Medium Sections (I Beam)	High	547	550	545	510	435	577	550
	Low	511	510	515	490	405	537	500
Medium Sections (H Beam)	High	610	620	595	595	480	637	590
	Low	565	570	555	560	440	584	550
Reinforcing Bar	High	447	450	450	430	380	504	460
	Low	429	430	420	420	350	464	440
Merchant Bar (Round)	High	528	530	500	515	425	564	545
	Low	496	490	480	495	405	537	485
Merchant Bar (Equal Angle)	High	545	550	520	535	425	564	565
	Low	513	510	500	515	405	537	505

* Includes supplementary surcharge in the UK.

CURRENCY EXCHANGE RATES

	US dollars (US\$)		Euros (€)	
	2-Jan	2-Feb	2-Jan	2-Feb
Eurozone (€)	0.833	0.882	-	-
UK (£)	0.651	0.665	0.782	0.754

NEXT MONTH'S ISSUE

The March issue of the European Steel Review will be dispatched by post & PDF on 19 March, 2015.

Express Price Tables will be dispatched by e-mail in excel format on 12 March, 2015.

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**

	Jan-15	Feb-15	% change
Hot Rolled Coil	160.2	161.7	0.9
Hot Rolled Plate	173.9	173.5	-0.2
Cold Rolled Coil	134.6	136.0	1.0
HD Galv Coil	118.7	119.7	0.8
EZ Coated Coil	130.4	130.9	0.4
SS CR Coil 304	82.8	83.1	0.4
SS CR Coil 430	90.3	90.7	0.4
Wire Rod (Drawing)	191.3	192.1	0.4
Wire Rod (Mesh)	186.9	185.2	-0.9
M Sect (I Beam)	162.5	166.4	2.4
M Sect (H Beam)	158.7	161.9	2.0
Reinforcing Bar	189.9	189.0	-0.5
Merc Bar (Round)	182.7	186.5	2.1
Merc Bar (Eq Angle)	195.0	198.8	1.9

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

NEGOTIATED DOMESTIC TRANSACTION PRICES - MONTH ON MONTH % CHANGE

February 2015 versus January 2015

		EU AVG (€)	Germany (€)	France (€)	Italy (€)	UK (£)	UK (€)	Spain (€)
Hot Rolled Coil	Low	1.0	0.0	1.2	1.2	0.0	3.6	0.0
Hot Rolled Plate	Low	-0.2	0.0	0.0	-2.1	0.0	3.7	-2.1
Cold Rolled Coil	Low	1.0	0.0	1.0	1.1	0.0	3.7	0.0
HD Galv Coil	Low	0.9	0.0	0.9	2.0	-1.2	2.5	0.0
EZ Coated Coil	Low	0.4	0.0	0.0	1.8	-2.3	1.4	0.0
SS CR Coil 304	Low	0.4	0.0	0.0	0.0	-1.2	2.6	0.0
SS CR Coil 430	Low	0.4	0.0	0.0	0.0	-1.6	2.1	0.0
Wire Rod (Drawing)	Low	0.4	0.0	0.0	0.0	0.0	3.8	0.0
Wire Rod (Mesh)	Low	-0.9	-2.3	-2.2	0.0	0.0	3.7	0.0
M Sect (I Beam)	Low	2.4	2.0	3.0	1.0	0.0	3.7	2.0
M Sect (H Beam)	Low	2.0	1.8	2.8	0.9	0.0	3.7	1.9
Reinforcing Bar	Low	-0.5	0.0	-2.3	-2.3	0.0	3.6	2.3
Merc Bar (Round)	Low	2.1	2.1	0.0	2.1	0.0	3.7	2.1
Merc Bar (Eq Angle)	Low	2.0	2.0	0.0	2.0	0.0	3.7	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.

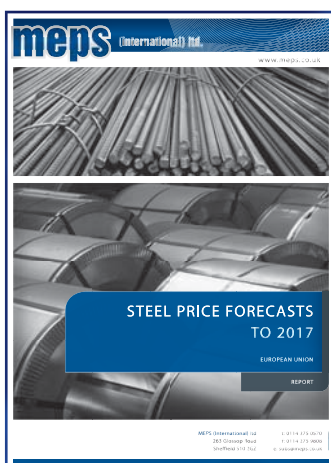
Reinforcing Bar (Deformed) - 16-20mm diameter, high yield.

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.