

MEPS EUROPEAN STEEL REVIEW

KEYNOTE

JANUARY 2013

EU STEEL SECTOR HAS RESPONDED WELL TO LOWER CONSTRUCTION DEMAND

MEPS International Ltd. estimates that demand for steel from the EU construction industry has declined by between 45 and 50 percent over the last five years. The market remains tough but the steelmakers have made significant progress in minimising the impact of the reduction.

The mills have been able to limit the price decreases over the period to 5.3 percent. The MEPS Steel Purchasing Price Index for the EU construction industry averaged 111.2 in the boom year of 2007. The figure in 2012 was 105.3.

The percentage reduction conceded by the producers supplying construction is slightly less than the amount relinquished to customers across the whole of the EU steel sector's customer base.

Unfortunately, for the producers, the price prospects for sales of steel to the construction industry are likely to show only a marginal improvement in 2013 and beyond. The EU economy is expected to remain sluggish over the next few years. Bank lending will, almost certainly, continue to be tight. This will restrict investments in construction projects.

Domestic demand for rebar across the EU 27 has fallen by more than 50 percent, over the past five years. That figure will have been even greater in the southern member states, where house building has been reduced dramatically.

Consumption of structural shapes has been severely hit. This product has been, in part,

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

price/metric ton		2012					2013
		AUG	SEP	OCT	NOV	DEC	JAN
Hot-Rolled Coil	High:	540	540	525	500	520	530
	Low:	490	490	475	450	470	480
Hot-Rolled Plate	High:	630	600	575	550	550	560
	Low:	600	560	535	510	510	520
Cold-Rolled Coil	High:	610	610	595	580	590	600
	Low:	570	570	555	540	550	560
Hot Dipped Galvanised Coil	High:	610	610	595	580	590	600
	Low:	570	570	555	540	550	560
Electro-Zinc Coated Coil	High:	630	630	615	600	610	620
	Low:	580	580	565	550	560	570
Stainless Steel Type 304	High:	1130	1120	1100	1120	1130	1130
	Low:	1030	1020	1000	1020	1030	1030
Stainless Steel Type 430	High:	1110	1110	1110	1110	1110	1110
	Low:	1060	1060	1060	1060	1060	1060

ISSN 1369-8583

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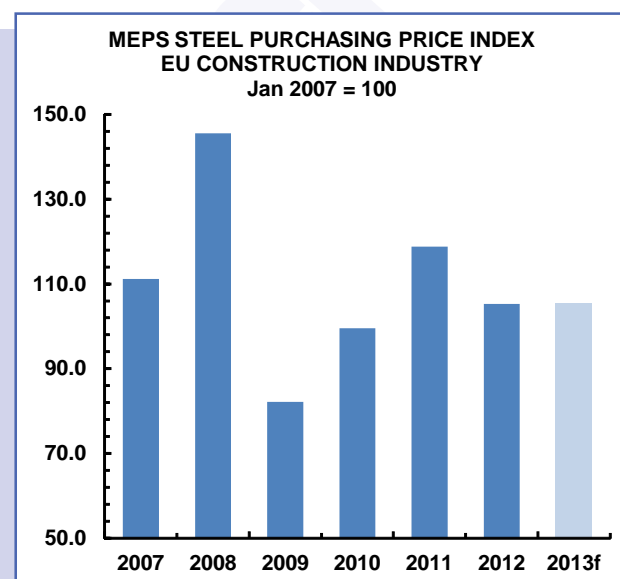
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supported by better economic conditions in the north of the region. Steel framed building construction is more popular in this part of the European Union.

The reason that most steelmakers have continued to stay in business is their strong selling activity in foreign markets. Solid demand from the MENA region has helped to offset some of the collapse in domestic consumption. Significant rationalisation across the industry has also been a major factor.

Rebar production has decreased by 30 percent and structural sections by 20 percent over the past five years. A much greater reduction in apparent consumption has occurred over the same period. Moreover, the mills have lowered their costs to enable them to be competitive against third country suppliers – particularly, in recent years.



FLAT PRODUCTS

The European flat products market was slow to resume after the extended Christmas/New Year celebrations. Prior to the holiday, on December 14, ArcelorMittal announced a further rise of €20 per tonne, following the limited success of its November, €40 per tonne, initiative. Although the mills continue to push for increases, customers remain sceptical that any significant advance will prove possible, given the current, poor state of demand. The hikes are being driven by the steelmakers' needs to restore profitability in a climate of high raw material costs. Most import offers remain uncompetitive.

Inventories are relatively low at German service centres and some stock replenishment is expected during the first quarter, which should help the mills to realise some of their price hike proposals. Many companies had still

not completely finalised their period one price negotiations in early January. The demand outlook for this year is not very optimistic.

In France, end-user activity continues to be weak, despite the economy avoiding going in to recession in 2012. It is too early to confirm any improvement in apparent demand from distributors. Meanwhile, producers continue to apply the price rises they had started to implement at the end of last year. Import volumes remain low as buyers refuse to commit to long delivery lead times. Negotiations with the auto industry have been finalised, with first half figures agreed at around €50/60 per tonne lower than in the second half of 2012.

In Italy, the Ilva plant at Taranto has been given

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

price/metric ton		2012					2013
		AUG	SEP	OCT	NOV	DEC	JAN
Wire Rod	High:	570	560	540	530	540	550
	Low:	550	540	520	510	520	530
Medium Sections and Beams	High:	630	630	620	600	620	640
	Low:	590	590	580	560	580	600
Rebars	High:	280	300	300	295	295	310
	Low:	260	280	280	275	275	290
Merchant Bars	High:	260	250	225	200	210	240
	Low:	220	210	185	160	170	200

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

	Hot Rolled Plate		Hot Rolled Coil	
	Q4/12	Q1/13e	Q4/12	Q1/13e
EU Average				
Non Sour	115.0	118.7	129.8	135.9
Sour	123.4	126.9	128.3	133.0

* Q4/06 = 100 - based on Euro values

** p = Provisional e = Estimate

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

	Nov-12	Dec-12	Jan-13
EU Average	78.6	79.9	80.6
Year-on-year % +/-	-3.8	0.5	-0.4

* Jan 07 = 100 - based on transaction prices

** STEELPPI - Steel Purchasing Price Index

permission to ship coil, following several weeks of disruption and the situation is slowly getting back to normal. Economic conditions are dire and service centres report that steel demand is shrinking on a weekly basis. The domestic mills have pushed through small increases during recent settlements but these are driven purely by higher input costs. There has been some import activity, mainly before Christmas, because of fears of shortages caused by the Ilva situation but, overall, overseas offers are not particularly attractive.

Suppliers to the UK market are outwardly sticking to their price hike proposals but are still hungry for orders. Business conducted in late December was at previous levels. Activity was slow at the start of the New Year. Any price increases would kick in later in to the first quarter.

Belgian basis values are slowly strengthening. The integrated service centres have low stocks as they were obliged to reduce their inventories at the year end but independent wholesalers, in general, have plenty of material. Resale margins are suffering even more as mill prices climb because end-users are unwilling to pay the extra demanded.

Many Spanish buyers are staying out of the market in early January in order to see whether the steelmakers can maintain their price levels. Demand has not improved to support higher basis numbers. However, third country importers have significantly inflated their quotations, on shipments for arrival April onwards, due to soaring raw material costs.

HOT ROLLED COIL

In late December, German basis values slipped to a figure as low as €460 per tonne for large quantity orders. The mills are now more disciplined in their efforts to initiate rises and our tabled figures are higher than those last reported. Service centres are refilling their inventories, which have been allowed to become very low. However, once this is achieved, they are likely to postpone any further ordering for a while unless there is a significant upturn in demand. This could create

renewed downward pressure on basis numbers. Chinese imports are not competitive. However, Russian and Turkish offers are becoming more realistic as EU domestic prices move up. In France, decoilers have boosted their offers by €20 per tonne. Nevertheless, ex-mill coil values have moved up only slightly. A number of large Italian traders took positions with Turkish mills before Christmas. They bought at higher than market levels in the hope that domestic prices would continue to rise. UK customers are slow to book material for the first quarter, despite relatively low stocks. They are reacting cautiously to the producers' plans to lift basis figures. Belgian buyers are questioning whether the market can absorb the proposed increases for any length of time. Spanish demand remains muted.

HOT ROLLED PLATE

European producers continue to attempt to hike prices of commodity plate as their input costs escalate. Clearly, the downward trend has halted and gains of €10/20 per tonne have already been noted in most countries and the mills are hoping for further advances in the second

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

	Local Currency		US\$/metric ton	
	last month	this month	last month	this month
Germany	550	560	719	739
France	550	570	719	752
Italy	540	550	706	726
UK	445	445	717	724
Belgium	550	565	719	745
Spain	550	550	719	726

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

TABLE 4. FLAT ROLLED PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES

price/metric ton		Germany (€)	France (€)	Italy (€)	UK (£)	UK (€)	Belgium (€)	Spain (€)
Hot Rolled Coil	High:	530	520	510	415	511	520	500
	Low:	480	480	470	390	480	480	480
Hot Rolled Plates	High:	560	590	540	500	616	580	570
	Low:	520	540	500	470	579	540	520
Cold Rolled Coil	High:	600	620	600	480	591	615	590
	Low:	560	570	550	445	548	565	550
Hot Dipped Galvanised Coil	High:	600	600	580	480	591	605	580
	Low:	560	550	530	440	542	555	540
Electro-Zinc Coated Coil	High:	620	620	620	515	634	630	600
	Low:	570	580	580	475	585	580	560
Stainless Cold (a) Rolled Type 304	High:	1130	1090	1000	985	1213	1070	1000
	Low:	1030	1040	950	915	1127	1020	950
Stainless Cold (a) Rolled Type 430	High:	1110	1060	950	1015	1250	—	1027
	Low:	1060	1010	900	990	1219	—	997

MONTH on MONTH % CHANGE

Hot Rolled Coil	Low:	2.1	2.1	2.2	0.0	0.0	0.0	0.0
Hot Rolled Plates	Low:	2.0	5.9	4.2	4.4	4.5	1.9	0.0
Cold Rolled Coil	Low:	1.8	3.6	1.9	0.0	0.0	2.7	0.0
H.D. Galv Coil	Low:	1.8	1.9	1.9	0.0	0.0	2.8	0.0
E.Z. Coated Coil	Low:	1.8	3.6	1.8	0.0	0.0	3.6	0.0
S/S CR Type 304	Low:	0.0	0.0	0.0	0.0	0.0	0.0	0.0
S/S CR Type 430	Low:	0.0	0.0	0.0	0.0	0.0	—	0.0

BASIS PRICE AND PRODUCT DEFINITIONS

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

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

Notes: (a) Basis - 1.5mm thick.

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

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

quarter. Order intake has picked up since the initial announcements were made in December, with some suppliers now booking for period two. Import volumes are low and new licence applications are down. In Germany, the distributors are restocking ahead of further perceived price increases. The outlook is more positive now, with realistic hopes of line-pipe business improving in the second half of 2013. There has been a slight upturn in French demand as some stockholders have placed strategic orders ahead of expected price escalation. A shipyard in Saint Nazaire has taken an order for a new vessel. The market is likely to become less active in the second quarter but a further recovery is anticipated in the latter half of the year. Italian rerollers were selling aggressively into other parts of Europe before the holidays. Their delivery lead times were short. Now, however, they have decent order books for the immediate future and, consequently, they are trying to lift prices as their slab costs rise. Import offers are at €480 per tonne.

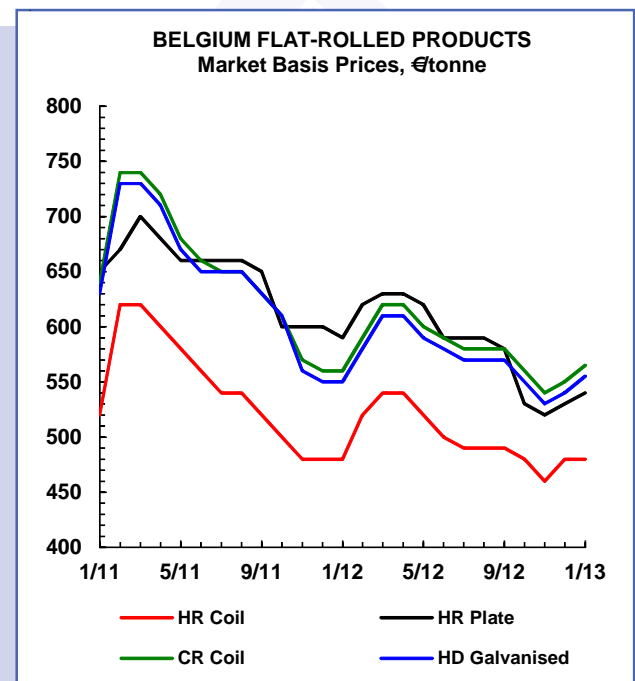
In the UK, suppliers have successfully implemented a £20 per tonne advance, despite poor market conditions. There is still a fair amount of dockside stock available. Distributors report that sales of the higher specifications are more encouraging now. We have noted a small positive price development in Belgium. However, there are few enquiries in the Spanish market, where basis figures are unchanged since December.

COLD ROLLED COIL

German basis values have gained €10 per tonne over the last four weeks, as customers start to accept the mills' price hike plans, which are deemed necessary to cover their manufacturing costs. In France, we have noted a €20 per tonne increase. Producers are pushing for further rises in ongoing negotiations. The Italian market is very quiet. Price rise announcements by steelmakers did not significantly stimulate buying activity. There was some sign of restocking in December but this has waned. We understand that South Korean suppliers have made some interesting offers recently. Very little business, so far, has been transacted in the UK. The competitive Russian offers, which were around in December, have now dried up and Chinese mills' quotations are more expensive. Domestic producers could get price increases later in the quarter. Belgian buyers have been forced to accept only a small advance for first quarter business. Many Spanish service centres do not need to re-order at present. Basis figures are unchanged.

COATED COILS

The outlook for the German auto sector in 2013 is not



as healthy as it was last year, with car production predicted to be down substantially. Sales of hot dipped galvanised coil to the construction sector are ticking over at a subdued level. Basis prices in the general market have moved up by around €10 per tonne. There is an expectation of an improvement in demand from the French vehicle industry in the second half of this year. In the rest of the market, selling values for the first quarter have been settled at €20 per tonne above the figures reported in December.

Significant declines in the Italian auto and construction sectors have hit demand for galvanised steel. Although the mills have marked up prices a little, service centres are unable to pass on the increases to their customers. In the UK, traders are quoting more for their stocks, since Chinese suppliers ramped up their prices. There are competitive offers from India in the lighter gauges. The car makers' schedules for the first part of 2013 are lower than in the second half of last year. Ex-mill basis figures have gained €15 per tonne in Belgium, where stockholders' margins are still under threat from German and Dutch distributors selling across the border. Spanish numbers are the same as in December.

In Germany, the steelmakers have won a small increase during first quarter settlements for sales of electro-zinc coated coil. French figures are €20 per tonne above those quoted in our December issue. Basis values have continued to trend upwards in Italy, albeit by only a small amount. In the UK, selling figures from mainland European sources are the same as in December. Belgian customers have conceded a €20 per tonne advance, whilst Spanish buyers and suppliers have

agreed a no change situation.

COLD ROLLED STAINLESS STEEL

In December, ex-mill basis figures for cold rolled austenitic stainless steel were rolled over from the

previous month. End-user activity was at a low level, as buyers monitored their year-end inventories. Offers from Asia were cheaper than local ones in Italy but most customers preferred to pay a little more to secure short delivery lead times. Ferritic basis numbers were unchanged.

LONG PRODUCTS

Most European long products mills halted production for, up to, four weeks over the Christmas holidays, during which time maintenance work was carried out. This length of closure reflected the subdued nature of demand.

WIRE ROD

Low carbon wire rod producers have gained a €10 per tonne rise in Germany. Recoil demand is at a low ebb.

TABLE 5. LONG PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES

price/metric ton		Germany (€)	France (€)	Italy (€)	UK+ (£)	UK+ (€)	Belgium (€)	Spain (€)
Wire Rod (b)	High:	550	550	550	470	579	560	550
	Low:	530	520	530	430	530	530	530
Medium Sections & Beams (c)	High:	640	650	585	510	628	650	620
	Low:	600	620	565	480	591	600	570
Rebar (d)	High:	310	310	270	460	567	310	295
	Low:	290	280	260	430	530	280	275
Merchant Bar (e)	High:	240	220	190	490	603	230	220
	Low:	200	200	170	470	579	210	170
MONTH on MONTH % CHANGE								
Wire Rod	Low:	1.9	2.0	1.9	2.4	2.5	1.9	1.9
M.Sect. & Beams	Low:	3.4	8.8	3.7	2.1	2.1	3.4	0.0
Rebar	Low:	5.5	3.7	2.0	0.0	0.0	0.0	1.9
Merchant Bar	Low:	17.6	17.6	3.0	2.2	2.1	10.5	0.0

BASIS PRICE AND PRODUCT DEFINITIONS

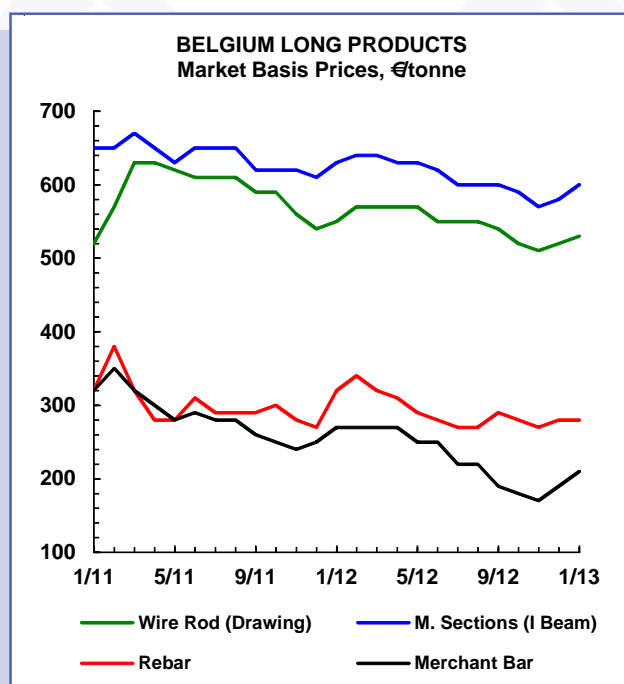
* Due to the suspension of scrap surcharges by all major European producers from June 2010, MEPS basis prices for Medium Sections & Beams are now equivalent to transaction prices for category C1 beams.

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

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

- Notes:
- + All UK prices include size extra
 - (b) Drawing quality. This product incorporates a quality extra.
 - (c) Category C1. Includes size extras.
 - (d) High Yield - deformed.
 - (e) Round Bar.

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



The large companies, buying for mesh making applications, have accepted an increase of around €20 per tonne. In France, drawing rod prices have firmed. Producers of mesh quality material have imposed an advance of €10 per tonne. The market for low carbon wire rod in Italy remains dull due to the poor state of the overall economy. However, buyers have agreed to pay slightly more. Recoil demand is also soft but cuts in output have helped to support a small increase.

UK sales of the basic drawing qualities are described as dire. Nevertheless, customers have conceded a small upward movement. In contrast, prices for the premium specifications are falling. The market for finished mesh is difficult as some cheap imports are available. Drawing grade selling values have climbed a little in Belgium and Spain compared with those monitored in December. In the latter country, the recoil market is weak.

MEDIUM SECTIONS AND BEAMS

European mills are asking €650 per tonne, delivered, for January rollings of category 1 structural sections. However, most buyers are unwilling to pay that figure since demand is poor, due to a combination of the weak economic situation and the winter season. Consequently, stock levels are sufficient for now. Steelmakers hope that the extended mill shutdowns over the Christmas period will have helped to tighten the supply/demand balance.

In Germany, effective values have moved up by around €20 per tonne. The steelmakers are pushing for more, due to scrap hikes in December and January. However,

since demand remains fragile, it is not clear whether this can be achieved or even if any rise could be sustained. Beam values have already gone up by €50 per tonne in France, despite continuing weak demand. Stocks were low and distributors needed to re-order. Buyers are not convinced that the mills' target is achievable. Inventories are especially depleted in Italy, where consumption has failed to recover. However, effective prices continue to harden, following the producers' December announcements.

UK end-user demand is subdued and unlikely to improve to any great degree for some time. There was a spurt of buying activity towards the end of December, before the higher prices being demanded by the steelmakers clicked in. Many companies are now covered for their January/February supply requirements, although stocks are still below the norm. Ex-mill values have moved up a little but the increase is cost driven and not really supported by market forces. However, resale values are climbing as distributors look to recoup their margins. Many Belgian service centres do not need to order at present. The small amount of business that has been transacted was at a €20 per tonne premium to a month ago. There are no competitive import offers at present. Spanish sales remain muted. We have noted no change to prices so far.

REINFORCING BAR

Following the scrap price developments that took place in December, the rebar makers decided to lift their selling figures. Some customers booked tonnage just ahead of the increases. The market remained relatively quiet immediately after the holidays and, therefore, the initiative still requires a little time to gain complete acceptance. We are seeing some small positive movements already. The stronger euro is not favourable to European exporters. Current offers from Spain and Italy are at

MEPS INDUSTRIAL SECTOR STEEL PURCHASING PRICE INDICES - EU AVERAGE

January 2007=100	Dec-2012	Jan-2013
Construction Industry	101.9	105.3
Household Appliances	85.6	87.7
Machinery Sector	91.1	94.6
Shipbuilding Industry	78.1	81.2
Shipping Containers	93.4	96.4
Yellow Goods	96.2	98.9

€475/480 per tonne FOB but steelmakers have made it clear that they require more.

After a Christmas/New Year maintenance shutdown of three to four weeks, most German producers are now back at work. They would like to pass on the higher scrap costs they incurred in December plus further rises this month. Much will depend on the level of demand. For the moment, construction work is able to continue because of reasonable winter temperatures. This is putting some pressure on customers to restock as they have been carrying very little material. In France, the €20 per tonne hike attempted last month was not immediately successful, despite growing outlay on scrap. Buyers refrained from placing pre-Christmas orders. Since the return from the holidays, the mills have implemented a small advance. The Italian construction sector continues to struggle and investment is forecast to fall further in 2013. Nevertheless, there has been a marginal price improvement due to higher mill input costs. Export demand has failed to pick up, so far.

Last month's £15 per tonne hike has been rolled over into January in the UK. The start to the New Year has been relatively slow. Scrap has continued to move up, so producers could be looking for higher prices quite soon. Steelmakers have maintained December's small price improvement in Belgium, despite soft demand. Trading has been slow to resume in Spain, following the extended Christmas break. So far, basis figures are

similar to the levels in the previous month.

MERCHANT BAR

Major European merchant bar producer, Beltrame, has announced another basis price rise of €30 per tonne, as from December 21, 2012. The move was imposed in order to offset the company's higher costs.

In Germany, these efforts have proved successful, with ex-mill basis numbers now at €200 per tonne. The mills have secured a €30 per tonne increase in France, as they fight to restore their profit margins. End-users, realising that the trend is positive, have started to order again. In Italy, Beltrame continues to struggle to implement its proposed advances because the building sector is so lacklustre. Buyers have accepted a marginal rise but the level of order intake is abysmal.

The mills were able to realise a £10 per tonne December increase in the UK but, so far, distributors have not passed this on to their customers because demand is weak. Producers have instigated another £15 per tonne hike this month, citing growing energy, transport and raw material costs. Belgian distributors continue to keep stocks at a minimum due to poor sales volumes. Ex-mill basis figures have moved up by €20 per tonne. In Spain, selling figures are above those reported in our December issue, despite tepid demand from end-users. Service centres are keeping inventories as low as possible.

MEDIUM TERM PRICE FORECASTS

The MEPS - EU Average Hot Rolled Coil price increased by €8 per tonne in January. Plate selling figures climbed by double that amount.

Mill profit margins are likely to be squeezed, in the short term, due to rising iron ore costs. Consequently, we anticipate that steelmakers will attempt to implement further hikes in transaction values. Restocking activity throughout the supply chain should help the mills to achieve, at least part of, their proposed rises. Nevertheless, customers are still reluctant to commit to purchasing large quantities of material. This is expected to limit the size of any price advances during the coming months.

Purchasing activity is likely to weaken in the second half of 2013 as restocking programmes come to an end. Oversupply is predicted to become a feature of the market, in the medium term, as production outstrips demand. As a result, we expect a negative price trend to prevail during this period.

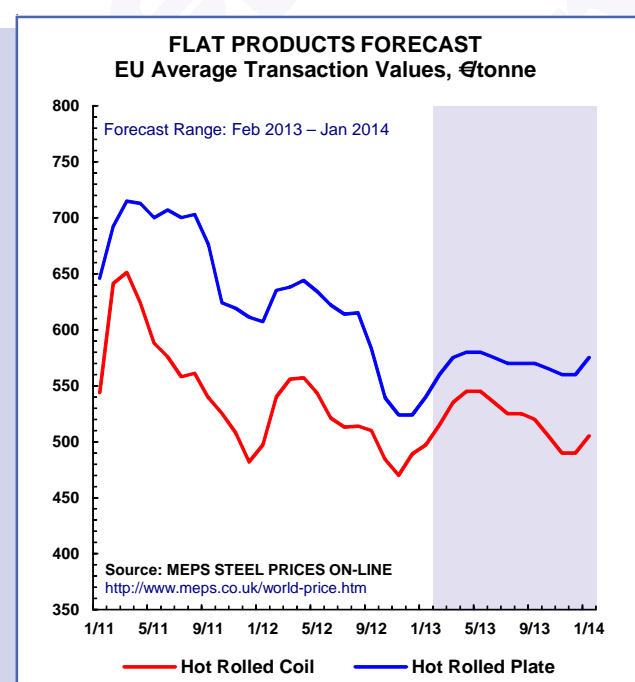


TABLE 6. EU AVERAGE DOMESTIC TRANSACTION PRICE FORECASTS

Euro/metric ton	Actual	Forecast					
	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13
Hot Rolled Coil	497	515	535	545	545	535	525
Hot Rolled Plate	540	560	575	580	580	575	570
Cold Rolled Coil	572	590	610	620	620	610	600
H.D. Galv Coil	620	640	660	675	675	665	655
E.Z. Coated Coil	633	650	670	685	685	675	665
Wire Rod	510	525	535	540	535	530	525
M. Sect. & Beams	646	655	660	665	665	660	655
Rebars	513	530	535	540	535	525	515
Merchant Bar	569	580	590	595	595	590	585

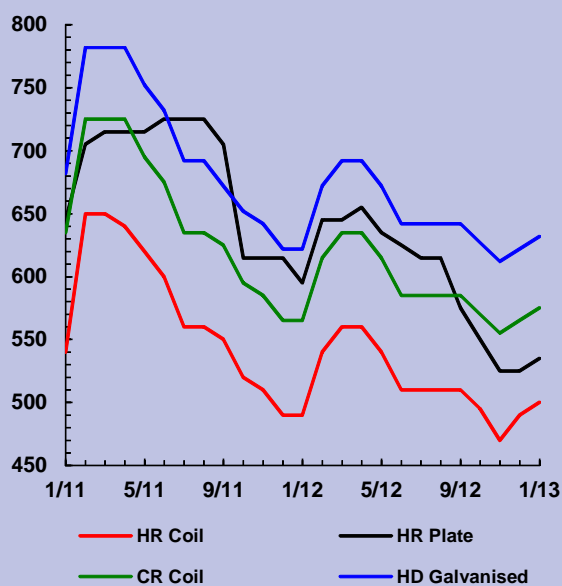
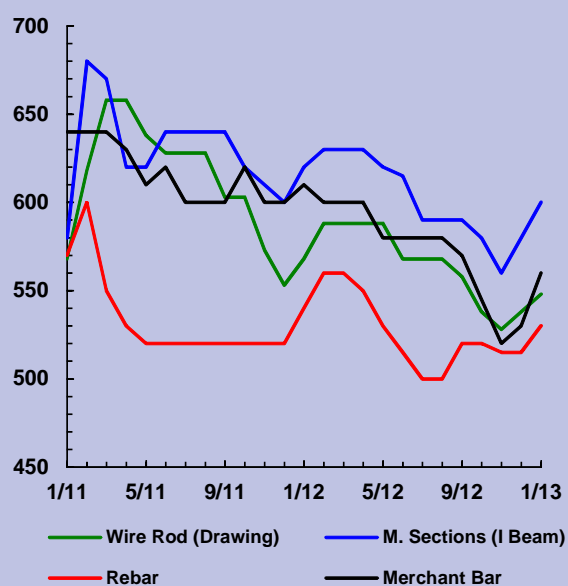
PRICE AND PRODUCT DEFINITIONS

Wire Rod - Mesh Quality

Medium Sections and Beams - H Beam

Merchant Bar - Equal Angle

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

GERMANY FLAT-ROLLED PRODUCTS
Transaction Prices, €/tonneGERMANY LONG PRODUCTS
Transaction Prices, €/tonne

Transaction Price Data Sheet

TABLE 7. NEGOTIATED DOMESTIC TRANSACTION PRICES

FLAT PRODUCTS price/metric ton		EU AVG. (€)	Germany (€)	France (€)	Italy (€)	UK (£)	UK (€)	Spain (€)
Hot Rolled Coil	High:	536	550	540	530	431	531	520
	Low:	497	500	500	490	406	500	500
Hot Rolled Plates	High:	582	575	605	550	514	633	584
	Low:	540	535	555	510	484	596	534
Cold Rolled Coil	High:	617	615	635	615	493	607	605
	Low:	572	575	585	565	458	564	565
Hot Dipped Galvanised Coil	High:	665	672	672	652	533	656	652
	Low:	620	632	622	602	493	607	612
Electro-Zinc Coated Coil	High:	679	679	679	679	558	687	659
	Low:	633	629	639	639	518	638	619
Stainless Cold (a) Rolled Type 304	High:	1100	1130	1090	1000	985	1213	1000
	Low:	1026	1030	1040	950	915	1127	950
Stainless Cold (a) Rolled Type 430	High:	1084	1110	1060	950	1015	1250	1027
	Low:	1039	1060	1010	900	990	1219	997
LONG PRODUCTS price/metric ton		EU AVG. (€)	Germany (€)	France (€)	Italy (€)	UK (£)	UK (€)	Spain (€)
Wire Rod (Drawing quality) *	High:	561	568	550	550	482	594	550
	Low:	537	548	520	530	442	544	530
Wire Rod (Mesh quality)	High:	534	540	530	520	455	560	535
	Low:	510	520	500	500	425	523	505
Medium Sections and Beams (I beam)	High:	628	640	650	585	510	628	620
	Low:	592	600	620	565	480	591	570
Medium Sections and Beams (H beam)	High:	690	710	700	670	555	683	660
	Low:	646	660	660	635	515	634	620
Reinforcing Bars	High:	530	550	550	510	460	567	535
	Low:	513	530	520	500	430	530	515
Merchant Bars (50mm diameter)	High:	583	600	580	550	490	603	580
	Low:	552	560	560	530	470	579	530
Merchant Bars (Equal Angle)	High:	600	620	600	570	490	603	600
	Low:	569	580	580	550	470	579	550

* Includes supplementary surcharge in the UK.

CURRENCY EXCHANGE RATES

January 2 - 2013

		Units/ US\$	Units/ Euro
Eurozone	(€)	0.758	1
UK	(£)	0.615	0.812

NEXT MONTH'S ISSUE

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

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

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

**TRANSACTION PRICE INDEX - E.U. AVERAGE
JANUARY 1997 = 100**

<i>Based on Euro values</i>	<i>Dec-2012</i>	<i>Jan-2013</i>
Hot Rolled Coil	187.4	190.4
Hot Rolled Plate	182.6	188.2
Cold Rolled Coil	154.7	157.1
H.D. Galvanised Coil	132.8	134.5
Electro Zinc Coated Coil	148.0	150.4
Stainless Steel Type 304	83.6	83.6
Stainless Steel Type 430	92.3	92.3
Wire Rod	198.9	202.6
M. Sections & Beams	186.0	192.8
Reinforcing Bar	222.9	226.0
Merchant Bar	200.8	207.5

Note:-

Wire Rod (Drawing Quality) - 5.5mm diameter.

Medium Sections and Beams - Category C1. I Beam.

Merchant Bar - 50mm diameter.

Stainless Steel - Excluding alloy surcharge.

TRANSACTION PRICE AND PRODUCT DEFINITIONS

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

Transaction values relate to those paid by consumers and stockholders for prime material. The prices are for regular business between customers and their domestic steel mills, negotiated during the current month for delivery in the future. Delivery charges and local taxes are not included in the quoted prices. Contract deals arranged in the domestic market, or deals for lots of imported steel, are specifically excluded from our price evaluation.

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

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

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

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

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

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

Wire Rod (Drawing Quality) - 5.5mm diameter.

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

Medium Sections and Beams - Category C1. I Beam.

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

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

Merchant Bar - 50mm diameter.

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

MEPS REGULAR PUBLICATIONS

EUROPEAN STEEL REVIEW SUPPLEMENT (monthly)

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

INTERNATIONAL STEEL REVIEW (monthly)

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

STAINLESS STEEL REVIEW (monthly)

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

DEVELOPING MARKETS' STEEL REVIEW (monthly)

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

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