

EUROPEAN STEEL REVIEW

KEYNOTE

JANUARY 2015

EU STEEL BUYERS HOLD OFF MILLS' ATTEMPTS TO LIFT PRICES IN JANUARY

In early January, ArcelorMittal announced an increase of €30/40 per tonne on new first quarter sales of flat products in the domestic market. To date, prices remain unchanged. Producers are still facing the same difficult conditions of weak demand and oversupply as in 2014. No major restocking is anticipated in the first trimester. Meanwhile, macroeconomic factors, such as the strengthening US dollar, together with cheaper fuel and raw material costs, are also influencing the steel market. The Chinese government's decision to cancel the export tax rebate on boron-containing steel is not deemed to be significant in the longer term by most market players. Alternative sales strategies are likely to be sought.

Many German buyers feel that there are no

supporting arguments to justify the proposed flat product basis rise, given the mills' lower raw material and energy expenditure. Moreover, despite the fact that there are few attractive third country import offers, due to developments in the euro/dollar exchange rate, supply is still in excess of demand. The majority of first quarter business has already been finalised at the old levels. The auto sector is reasonably busy and mechanical engineering and construction are forecast to improve marginally in 2015, compared with last year. Nevertheless, service centres are struggling to be profitable as there is oversupply in the distribution sector.

The French market remained quiet in early January, following the long Christmas/New

FLAT ROLLED PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES - GERMANY

price/metric ton		2014					2015
		AUG	SEP	OCT	NOV	DEC	JAN
Hot Rolled Coil	High	450	450	450	450	440	440
	Low	410	410	410	410	400	400
Hot Rolled Plate	High	540	545	555	555	545	530
	Low	500	505	515	515	505	490
Cold Rolled Coil	High	540	540	540	530	520	520
	Low	500	500	500	490	480	480
Hot Dipped Galvanised Coil	High	530	530	530	530	520	520
	Low	490	490	490	490	480	480
Electro-Zinc Coated Coil	High	550	550	550	540	530	530
	Low	500	500	500	490	480	480
Stainless CR Coil Type 304	High	1160	1170	1170	1150	1130	1120
	Low	1060	1070	1070	1050	1030	1020
Stainless CR Coil Type 430	High	1090	1090	1090	1090	1070	1070
	Low	1040	1040	1040	1040	1020	1020

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MEPS (INTERNATIONAL) LTD
263 Glossop Road, Sheffield, S10 2GZ, UK
Tel: (0114) 275 0570 Fax: (0114) 275 9808
E-mail: subs@meps.co.uk Web Site: <http://www.meps.co.uk>

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Year break. It was still too early to measure the true level of activity. Some end-users partially filled their order requirements before the holiday, while others did not. Negotiations with the auto industry have resulted in a €15 per tonne decrease compared with last year, according to local suppliers. For the rest of the industry, first trimester prices remain at the same level as at the end of last year. Buyers are sceptical that the proposed rises can be achieved.

We have noted no significant changes in flat product basis values in the Italian market, where most companies did not return from the holidays until January 7, at the earliest. At this stage, it is difficult for the steel producers to judge the true level of demand, particularly with the uncertainty surrounding the oil price and the continually dropping value of the euro. Before Christmas, buyers received some extremely low third country offers as overseas mills were keen to close business.

UK buyers are dubious about the successful implementation of the first quarter increase proposed by ArcelorMittal, since they have received much cheaper offers from Nordic suppliers. The exchange rate is making Chinese quotations unworkable at

present. Service centres had good sales in December and January has also started well. Overall, both mill and resale values are holding up.

The situation in Belgium is virtually unchanged from December 2014. The market is described as "sleeping". With raw material costs low, as well as demand, buyers question why steel prices should go up. A number of service centres placed orders just before Christmas and, therefore, are not in any particular hurry to conclude new deals. Resale business is very competitive. Third country imports are virtually non-existent as the euro is weak against the US dollar.

Basis figures have hardly changed in Spain. Buyers explain that, although they are aware of ArcelorMittal's desire to lift prices, other suppliers have not yet made their intentions known. The general opinion is that the announcement will, at least, halt the downwards tendency that was prevalent in December 2014. Real consumption is stable. However, distributors report that resale values are under renewed pressure. Third country import volumes are less than in recent times but price offers from overseas were particularly low in December.

FLAT PRODUCTS

HOT ROLLED COIL

Basis figures have not changed in Germany, compared with a month ago. Producers, keen to fill their first trimester rolling schedules, did not push for a rise. There is no significant confidence in the marketplace. The larger pipemakers have reasonable order books for early 2015 but smaller companies are suffering financially. There is a great deal of international

competition, particularly from China and Turkey. In France, basis values for coil remain at the December level, with some sources suggesting that an increase will not prove possible. The Italian market is quiet at present. The only activity is from companies which radically reduced stocks ahead of the year-end and now need to fill gaps in their inventories.

No further price erosion has been noted in the UK,

LONG PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES - GERMANY

price/metric ton		2014					2015
		AUG	SEP	OCT	NOV	DEC	JAN
Wire Rod	High	530	530	520	520	520	520
	Low	510	510	500	500	500	500
Medium Sections and Beams	High	550	550	540	540	540	540
	Low	510	510	500	500	500	500
Reinforcing Bar	High	235	245	240	220	210	210
	Low	215	225	220	200	190	190
Merchant Bar	High	160	160	150	140	130	130
	Low	120	120	110	100	90	90

MEPS - API LINEPIPE STEEL PRICE INDEX X60/65 COMPOSITE

	Hot Rolled Plate		Hot Rolled Coil	
	Q3/14	Q4/14	Q3/14	Q4/14
EU Average				
Non Sour	108.8	111.2	128.1	128.9
Sour	114.7	117.0	126.8	127.6
* Q4/06 = 100 - based on euro values ** p = Provisional				

where there are some Russian offers at £345 per tonne, effective delivered. Belgian buyers insist that ArcelorMittal's proposed increase is not supported by demand. So far, other producers have not made known their thoughts for February/March business. There are no attractive third country offers. Spanish domestic numbers are static. Buyers report that Russian mills have been selling quite aggressively.

HOT ROLLED PLATE

Although plate makers have announced first quarter 2015 increases, ranging from €10 to €30 per tonne, buyers, in general, are not convinced the initiative will succeed. Downward pressure persists from declining raw material costs, cheap imports and uncertainty over the line-pipe market now that Russia has terminated the South Stream project. Steelmakers involved in the latter situation are now likely to target sales of commodity material, producing further competition in that sector.

In Germany, the decrease in raw material and fuel prices has led to a significant fall in machine building and the construction of offshore platforms, pipelines and supertankers. Moreover, the cancellation of the South Stream project means that certain German platemakers are offering commodity grade plate again. Steelmakers have now lost even more of the price gains they made at the end of the third quarter. Values have gone down further in France. ArcelorMittal is rumoured to have taken the bulk of the orders for medium-term contracts at discounted prices, before announcing rises. On the spot market, traders are selling Chinese, Indian and Indonesian material very cheaply. Activity in niche markets is picking up a little and basis numbers in those sectors are more stable. There is some negative pressure on Italian basis figures due to the availability of low priced slabs from Russia and Ukraine but, in general, numbers are unchanged from December. Export opportunities in the Mediterranean region are poor.

UK domestic commodity plate values are relatively

MEPS - STEELPPI - AUTOMOTIVE Auto Body Parts Composite Index

	Nov-14	Dec-14	Jan-15
EU Average	74.1	72.8	72.8
Year-on-year % +/-	-3.4	-5.3	-6.2
* Jan 07 = 100 - based on transaction prices ** STEELPPI - Steel Purchasing Price Index			

stable. However, third country offers have undergone further downward movement, even on the higher specifications. Resale prices remain under pressure and there is overcapacity in that sector. Construction demand is good in the south of the country but oil-related business is rapidly declining. Belgian values are unchanged, after falling last month due to import competition. In Spain, domestic producers have agreed a marginal discount for January business.

COLD ROLLED COIL

There has been no immediate revival in German demand, following the holiday period. Domestic suppliers have not yet recouped the €10 per tonne reduction they offered in early December. Distributors are struggling to make acceptable profit margins. French basis figures are the same as in the previous month. Buyers expect no significant change when first quarter negotiations are fully concluded. Activity is subdued amidst economic gloom. Extremely slow sales activity and aggressive offers from Russian mills forced local producers to slash their offers to Italian customers, pre-Christmas. Basis values remain at that depressed level. The market is very quiet.

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	599	576
France	495	495	618	594
Italy	455	455	568	546
UK	375	370	591	568
Belgium	480	480	599	576
Spain	470	470	587	564

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	450	430	335	428	440	420
	Low	400	410	390	310	396	400	400
Hot Rolled Plate	High	530	525	510	420	537	520	520
	Low	490	475	470	390	499	480	470
Cold Rolled Coil	High	520	535	505	405	518	530	510
	Low	480	495	455	370	473	480	470
Hot Dipped Galvanised Coil	High	520	535	490	420	537	540	500
	Low	480	495	440	380	486	490	460
Electro-Zinc Coated Coil	High	530	535	525	435	556	530	520
	Low	480	505	485	395	505	480	480
Stainless CR Coil Type 304 (a)	High	1120	1080	1000	925	1183	1070	1020
	Low	1020	1030	950	855	1093	1020	970
Stainless CR Coil Type 430 (a)	High	1070	1050	955	970	1240	—	987
	Low	1020	1000	905	945	1208	—	957

MONTH on MONTH % CHANGE

Hot Rolled Coil	Low	0.0	0.0	0.0	0.0	1.3	0.0	0.0
Hot Rolled Plate	Low	-3.0	-3.1	0.0	0.0	1.4	0.0	-1.1
Cold Rolled Coil	Low	0.0	0.0	0.0	-1.3	0.0	0.0	0.0
HD Galv Coil	Low	0.0	0.0	0.0	0.0	1.5	0.0	-2.1
EZ Coated Coil	Low	0.0	0.0	0.0	-2.5	-1.2	0.0	0.0
SS CR Coil 304	Low	-1.0	0.0	-5.0	0.0	1.4	-1.0	0.0
SS CR Coil 430	Low	0.0	0.0	0.0	0.0	1.3	—	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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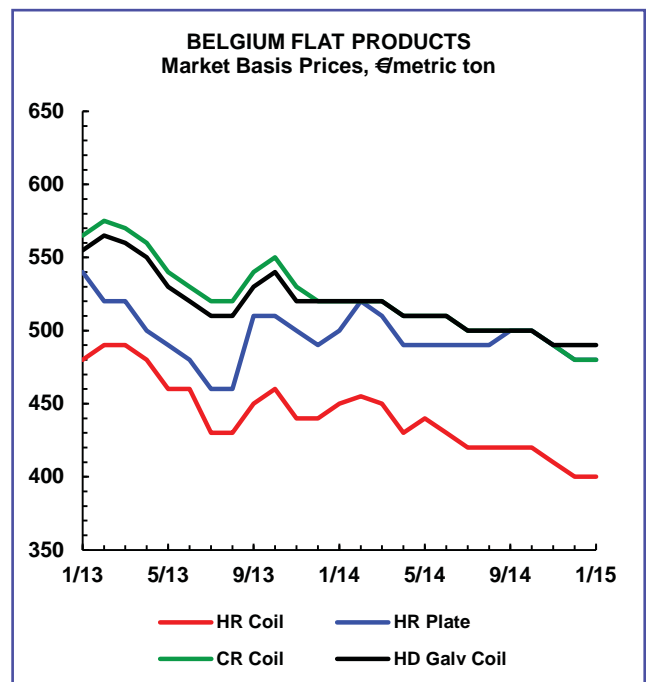
UK buyers report some competitive quotations from Germany. Russian suppliers' offers have fallen to £395/400 per tonne, effective delivered, with these figures available until April. Domestic basis values have softened and some weakness has developed in resale pricing. The Belgian situation is still as uncertain as in December. There are no indicators for price hikes. Spanish values are firm, having fallen last month. There is severe competition from Russian mills.

COATED COIL

German auto producers are expecting their 2015 turnover to be similar to last year. Construction-related demand for hot dipped galvanised coil is stagnant. Basis numbers have not recovered from December's downward pressure due to oversupply. Producers, so far, have not secured any increases in France. Car output is subdued and coated steel consumption, in general, remains tepid as the economic climate deteriorates. In Italy, demand is lacking and there is severe internal competition. A poor economic situation has resulted in depressed auto sales. Moreover, there are no new large building projects or infrastructure plans in the pipeline.

The car industry is still performing well in the UK and demand from the building sector is robust. Hot dipped galvanised basis figures from domestic and mainland European sources remain at the lower figures established in December. Light gauge material from third country suppliers is still being offered at very competitive prices. There is little activity in the Belgian market, where customers are paying the same as in the previous month. The Spanish vehicle industry continues to be healthy – a situation that is forecast to continue throughout 2015. However, in the rest of the market, coated sheet prices have taken another fall.

In Germany, the steelmakers have rolled over



December's discounted figures for recent sales of electro-zinc coated coil. The situation in France is also one of 'no-change'. Italian buyers are paying the same as in December. Mainland European suppliers have conceded another £10 per tonne reduction in the UK. Belgian buyers have agreed a rollover of last month's prices. We have noted a comparable situation in Spain.

COLD ROLLED STAINLESS STEEL

In December, cold rolled austenitic stainless steel basis figures recorded a small downward adjustment in Germany and Belgium. Italian numbers were under greater pressure due to import competition from the Far East. In the remaining countries under review, no changes were reported. The recent upturn in nickel costs was forecast to result in higher alloy surcharges in January 2015. Ferritic basis values were stable.

LONG PRODUCTS

WIRE ROD

German mills have maintained their low carbon wire rod prices again this month but customers continue to call for decreases. Recoil values have succumbed to further negative pressure since early December. As scrap prices firm, suppliers will, no doubt, try to lift them. In France, selling values for drawing rod are the same as those reported in our last issue. For the mesh quality, although we can detect some downward pressure, producers have hung on to the December figures. Italian low carbon wire rod prices are

unchanged. A poorly performing construction sector continues to create lacklustre demand for recoil. Steelmakers have capitulated to customers' demands for discounts. We have noted a fall of €10 per tonne, compared with the previous month.

Selling values for basic drawing qualities have weakened slightly in the UK, where wire drawers are less than positive about demand in 2015. There are plenty of offers from continental European suppliers, some of whom are selling quite aggressively in order to bolster their plant loading. Prices for the higher

carbon qualities have held up much better. Most of this business is on six month contracts, which helps to create more stability. Recoil transaction figures are static. In Belgium, drawing quality prices have been rolled over from December. Steelmakers are not busy as demand is slow. Spanish producers have agreed a 'no change' situation, during recent negotiations with buyers, for supplies of low carbon material. Sales of the mesh quality are flat and selling values have been cut, once again.

MEDIUM SECTIONS AND BEAMS

Despite weak domestic demand, structural section

mills have announced a €15/20 per tonne rise as favourable exchange rates have opened up export opportunities, helping to fill rolling schedules.

Producers have, so far, failed to lift basis values in Germany, where there is strong competition for the little business that is available. The outlook is not particularly optimistic. The French market has been slow to restart after the Christmas holidays. As the construction industry is not faring too well, it is hard to envisage a price recovery. Rising scrap costs have not yet resulted in higher effective prices in the Italian market, where sales are sluggish and supply is in surplus.

LONG PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES

price/metric ton		Germany (€)	France (€)	Italy (€)	UK+ (£)	UK+ (€)	Belgium (€)	Spain (€)
Wire Rod (b)	High	520	530	520	420	537	530	520
	Low	500	500	500	380	486	500	500
Medium Sections and Beams (c)	High	540	530	505	435	556	550	540
	Low	500	500	485	405	518	500	490
Rebar (d)	High	210	220	200	380	486	220	210
	Low	190	190	190	350	448	190	190
Merchant Bar (e)	High	130	110	115	425	543	100	145
	Low	90	90	95	405	518	80	85

MONTH on MONTH % CHANGE

Wire Rod	Low	0.0	0.0	0.0	-2.6	-1.2	0.0	0.0
Medium Sections	Low	0.0	0.0	0.0	0.0	1.4	-2.0	0.0
Rebar	Low	0.0	0.0	0.0	-2.8	-1.3	0.0	0.0
Merchant Bar	Low	0.0	0.0	5.6	-2.4	-1.0	-5.9	0.0

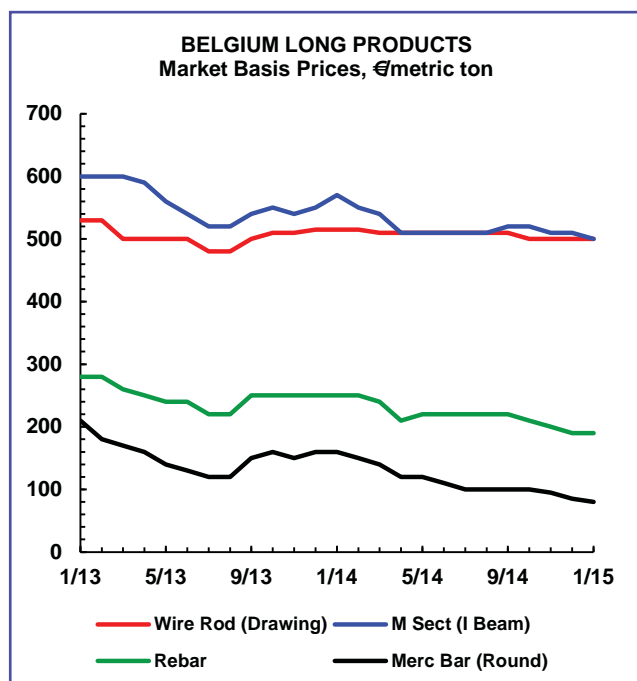
BASIS PRICE AND PRODUCT DEFINITIONS

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

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

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



There has been a slow start to the new year in the UK but underlying demand is reasonable. However, there are no expectations of immediate price improvements. Customers actually anticipate further downward movements as mills' overall costs reduce. Stocks at the service centres are good-to-high and resale values are still under immense pressure. Consequently, distributors' profitability is poor. A great deal of material is being purchased from mainland Europe but there are few offers from non-traditional sources. Oversupply continues to get in the way of producers' strategies to lift effective values in Belgium. In fact, buyers won further discounts in late December. Distributors' resale margins are under substantial pressure. Effective numbers have stopped falling in Spain, despite tepid purchasing activity.

REINFORCING BAR

Demand in Europe is poor at present. Few purchases were made before the holidays because buyers were of the opinion that prices would not move up in the new year. Potential supplies from Turkey and other third country origins have been at a disadvantage due to the euro/US dollar exchange rate. Southern European rebar makers are hoping to lift export prices by around €10 per tonne, citing more expensive scrap. For now, few deals have been concluded with clients in the main destination of Algeria, where competition from Chinese mills is severe.

German producers have announced a domestic hike of €15/20 per tonne. Customers, who have sufficient stock at present, prefer to wait before ordering more material as they feel that the mills' price initiative

is unlikely to succeed. French values are stable. The construction industry is faring badly. In Italy, steelmakers are pushing for a rise due to costlier scrap. However, the market is extremely weak, with low consumption due to a lack of investment in the building sector. This situation is unlikely to be rectified in the near term. Mills have some business with Algeria at around €425 per tonne, FOB.

UK customers are positive about volumes in 2015 as there are some large projects planned. The "cut and bend" market is very busy. However, domestic prices remain under threat from Chinese imports, lower raw material costs and declining oil prices. There are, currently, relatively small tonnages from continental Europe but Spanish offers are as low as £340 per tonne. A scrap-based increase has been suggested to Belgian customers. For the moment, this has not been accepted. Resale margins are subdued. The Spanish outlook is fairly negative, with slow domestic activity. However, sellers have held on to prices during recent settlements. Local mills are trying to conclude deals with North African clients at €410/415 per tonne, FOB. They are also focusing on sales to Germany and Scandinavia.

MERCHANT BAR

After offering discounts for the last three months, steelmakers have finally stabilised merchant bar prices in Germany. However, purchasing activity remains cautious as some buyers fear that the negative trend will return. French values were under pressure at the end of last year but have now recovered to the early December level. Sales volumes have failed to revive. An uptick in scrap costs has allowed Italian producers to lift local prices slightly. Nevertheless, the outlook remains dismal due to a lack of building activity and aggressive selling by Chinese suppliers.

MEPS INDUSTRIAL SECTOR STEEL PURCHASING PRICE INDICES - EU AVERAGE

Jan 07 = 100	Dec-14	Jan-15	% change
Construction Industry	87.1	83.2	-4.5
Household Appliances	72.1	68.9	-4.4
Machinery Sector	80.1	76.5	-4.5
Shipbuilding Industry	71.7	67.9	-5.3
Shipping Containers	77.1	74.3	-3.6
Yellow Goods	81.3	78.0	-4.1

UK demand is reasonable at the start of 2015, following some pre-Christmas destocking. However, continental European producers are offering quite cheaply. Effective figures have lost £10 per tonne since our December report. Producers would like to lift basis figures in Belgium in the coming days/weeks because scrap prices have increased slightly. However, merchant bar prices fell in late December and have not recovered, as yet. The level of demand

will define the success, or not, of the initiative. Consumption is not forecast to improve at all this year. Currently, there is substantially more supply than demand so any hikes will not prove easy to implement. Service centres would find a rise difficult to pass on to their customers. Sales to Spanish end-users are tepid. During recent discussions, customers and suppliers have agreed a 'no change' situation.

MARKET AND INDUSTRY SCENE

MERGERS/ACQUISITIONS

The Italian government will take control of the troubled Ilva steelmaker, after taking the decision to re-nationalise the company in southern Italy. Ilva, which entered administration in 2013, is expected to remain in government hands for up to three years while a buyer is sought.

Austrian steelmaker Voestalpine has completed the purchase of Italian wire maker Trafileries. The plant, located in the city of Treviso, will trade under its new name of Voestalpine Trafileries Industriali. It has an annual production capacity of 50,000 tonnes and reported revenues of €43.8 million in 2013.

Italian steelmaker Lucchini has agreed the sale of its

Caletto wire rod mill to a joint venture subsidiary of Duferco and Feralpi. The plant in Lecco, northern Italy, has an annual production capacity of 360,000 tonnes. The acquisition is awaiting formal approval from the Ministry of Economic Development.

AUTOMOTIVE

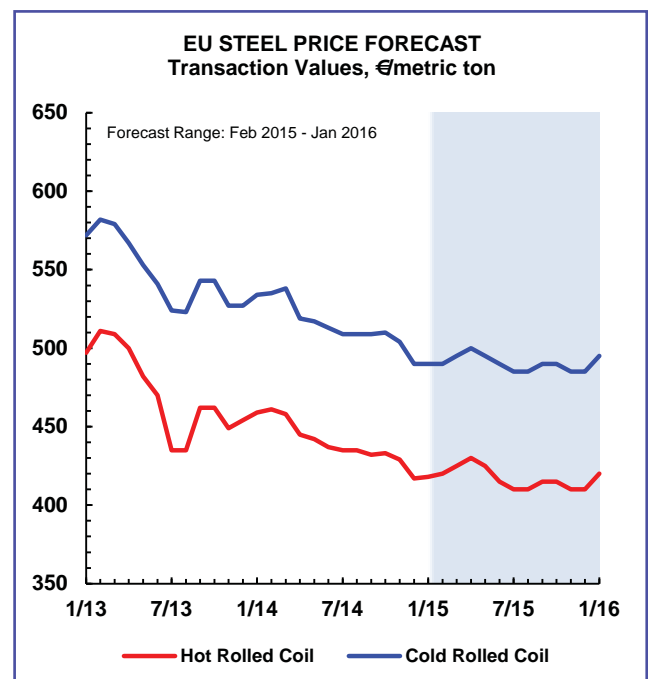
In 2014, total new passenger vehicle registrations within the EU-28 rose by 5.7 percent, year-on-year, according to figures released by ACEA. This follows six consecutive years of falling registration figures. The best performing country in 2014 was Spain with an increase of 18.1 percent, followed by the UK with a rise of 9.3 percent. The total number of new passenger vehicle registrations in this period was 12,550,771.

MEDIUM TERM PRICE FORECASTS

As predicted last month, MEPS - EU Average Hot and Cold Rolled Coil prices were relatively unchanged in January. They now stand at €418 per tonne and €490 per tonne, respectively. Market conditions have been quiet since the return from the Christmas/New Year break.

Transaction values are expected to be stable in the immediate future. Steelmakers could achieve small advances later in the first quarter of 2015. However, any increases are likely to be less than the announced figures. Furthermore, the gains are predicted to be short-lived as selling figures are forecast to decline in the second trimester. Only minimal fluctuations are foreseen in the latter six months of the year.

Annual average steel prices are predicted to decline in 2015, compared with 2014. Raw material costs will be lower in this period. A modest rise in demand is envisaged but is not expected to have a significant impact on transaction values.

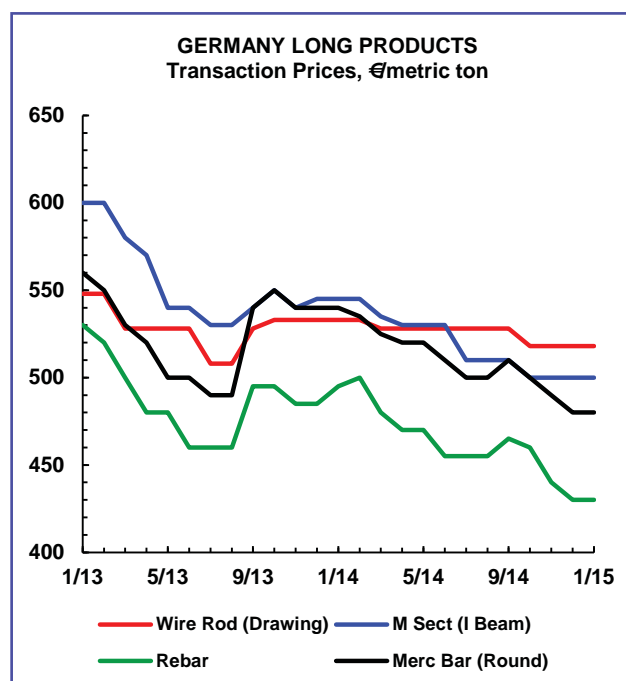
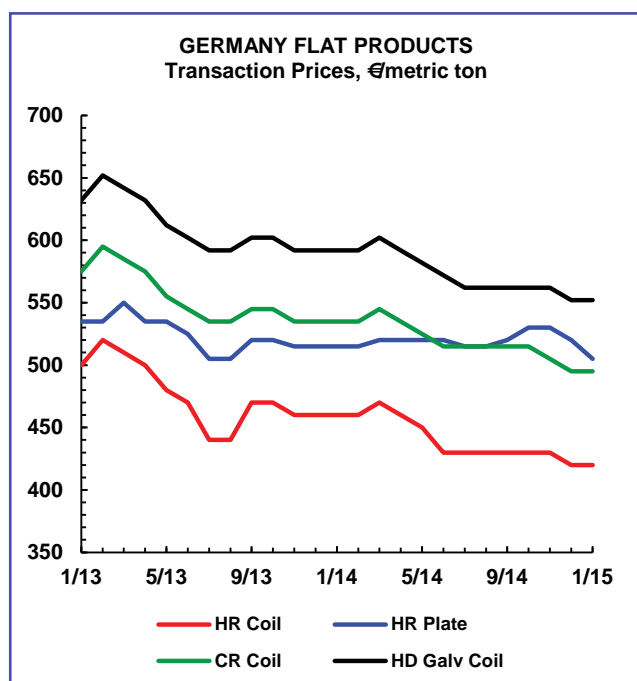


EU AVERAGE DOMESTIC TRANSACTION PRICE FORECASTS

Euro/metric ton	Actual	Forecast					
	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Hot Rolled Coil	418	420	425	430	425	415	410
Hot Rolled Plate	499	500	505	505	500	495	490
Cold Rolled Coil	490	490	495	500	495	490	485
HD Galv Coil	547	550	555	560	555	545	540
EZ Coated Coil	549	550	555	560	555	550	545
Wire Rod (Drawing)	507	505	505	505	500	495	490
Wire Rod (Mesh)	443	445	450	450	445	435	430
M Sect (I Beam)	499	505	510	510	505	495	490
M Sect (H Beam)	554	560	565	565	560	550	545
Reinforcing Bar	431	435	440	440	435	425	420
Merc Bar (Round)	486	488	488	488	483	478	478
Merc Bar (Eq Angle)	503	505	505	505	500	495	495

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	454	460	470	450	351	449	440
	Low	418	420	430	410	326	417	420
Hot Rolled Plate	High	541	545	540	525	434	555	535
	Low	499	505	490	485	404	517	485
Cold Rolled Coil	High	533	535	550	520	418	535	525
	Low	490	495	510	470	383	490	485
Hot Dipped Galvanised Coil	High	591	592	607	562	473	605	572
	Low	547	552	567	512	433	554	532
Electro-Zinc Coated Coil	High	592	589	594	584	478	611	579
	Low	549	539	564	544	438	560	539
Stainless CR Coil Type 304	High	1091	1120	1080	1000	925	1183	1020
	Low	1017	1020	1030	950	855	1093	970
Stainless CR Coil Type 430	High	1063	1070	1050	955	970	1240	987
	Low	1017	1020	1000	905	945	1208	957

LONG PRODUCTS price/metric ton		EU AVG	Germany	France	Italy	UK	UK	Spain
		(€)	(€)	(€)	(€)	(£)	(€)	(€)
Wire Rod (Drawing Quality)*	High	531	538	530	520	432	552	520
	Low	507	518	500	500	392	501	500
Wire Rod (Mesh Quality)	High	467	460	475	460	390	499	470
	Low	443	440	445	440	360	460	440
Medium Sections (I Beam)	High	536	540	530	505	435	556	540
	Low	499	500	500	485	405	518	490
Medium Sections (H Beam)	High	598	610	580	590	480	614	580
	Low	554	560	540	555	440	563	540
Reinforcing Bar	High	449	450	460	440	380	486	450
	Low	431	430	430	430	350	448	430
Merchant Bar (Round)	High	518	520	500	505	425	543	535
	Low	486	480	480	485	405	518	475
Merchant Bar (Equal Angle)	High	535	540	520	525	425	543	555
	Low	503	500	500	505	405	518	495

* Includes supplementary surcharge in the UK.

CURRENCY EXCHANGE RATES

	US dollars (US\$)		Euros (€)	
	1-Dec	2-Jan	1-Dec	2-Jan
Eurozone (€)	0.801	0.833	-	-
UK (£)	0.635	0.651	0.793	0.782

NEXT MONTH'S ISSUE

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

Express Price Tables will be dispatched by e-mail in excel format on 12 February, 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**

	Dec-14	Jan-15	% change
Hot Rolled Coil	159.8	160.2	0.3
Hot Rolled Plate	177.0	173.9	-1.8
Cold Rolled Coil	134.6	134.6	0.0
HD Galv Coil	118.7	118.7	0.0
EZ Coated Coil	130.4	130.4	0.0
SS CR Coil 304	83.6	82.8	-1.0
SS CR Coil 430	90.1	90.3	0.2
Wire Rod (Drawing)	191.3	191.3	0.0
Wire Rod (Mesh)	190.3	186.9	-1.8
M Sect (I Beam)	162.2	162.5	0.2
M Sect (H Beam)	158.2	158.7	0.3
Reinforcing Bar	190.3	189.9	-0.2
Merc Bar (Round)	182.3	182.7	0.2
Merc Bar (Eq Angle)	195.0	195.0	0.0

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

NEGOTIATED DOMESTIC TRANSACTION PRICES - MONTH ON MONTH % CHANGE

January 2015 versus December 2014

		EU AVG (€)	Germany (€)	France (€)	Italy (€)	UK (£)	UK (€)	Spain (€)
Hot Rolled Coil	Low	0.2	0.0	0.0	0.0	0.0	1.5	0.0
Hot Rolled Plate	Low	-1.8	-2.9	-3.0	0.0	0.0	1.6	-1.0
Cold Rolled Coil	Low	0.0	0.0	0.0	0.0	-1.3	0.2	0.0
HD Galv Coil	Low	0.0	0.0	0.0	0.0	0.0	1.5	-1.8
EZ Coated Coil	Low	0.0	0.0	0.0	0.0	-2.2	-0.9	0.0
SS CR Coil 304	Low	-1.0	-1.0	0.0	-5.0	0.0	1.4	0.0
SS CR Coil 430	Low	0.2	0.0	0.0	0.0	0.0	1.3	0.0
Wire Rod (Drawing)	Low	0.0	0.0	0.0	0.0	-2.5	-1.2	0.0
Wire Rod (Mesh)	Low	-1.8	-3.3	0.0	-2.2	0.0	1.3	-1.1
M Sect (I Beam)	Low	0.2	0.0	0.0	0.0	0.0	1.4	0.0
M Sect (H Beam)	Low	0.4	0.0	0.0	0.0	0.0	1.4	0.0
Reinforcing Bar	Low	-0.2	0.0	0.0	0.0	-2.8	-1.3	0.0
Merc Bar (Round)	Low	0.2	0.0	0.0	1.0	-2.4	-1.0	0.0
Merc Bar (Eq Angle)	Low	0.0	0.0	0.0	1.0	-2.4	-1.0	0.0

TRANSACTION PRICE AND PRODUCT DEFINITIONS

Transaction values relate to those agreed by steelmakers and service centres for prime material in the specified steel products. Prices are for regular business between customers and their local/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.

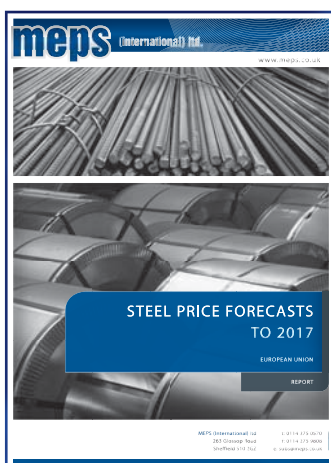
Reinforcing Bar (Deformed) - 16-20mm diameter, high yield.

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.