

EUROPEAN STEEL REVIEW

KEYNOTE

MAY 2014

PLENTIFUL SUPPLY KEEPS EU STEEL PRICES IN CHECK

Trading volumes of flat products have been slow since our April report due to a number of Easter and Labour Day holidays in Western Europe. Only minor price changes have been noted. However, overcapacity, negative sentiment and increasing third country competition persist, enabling buyers to resist mill efforts to impose increases and, in some instances, to win small discounts. Nevertheless, macroeconomic forecasts are optimistic in several countries, encouraging producers to slightly raise some of their offers.

Strip mill product prices have weakened slightly in Germany, despite a relatively healthy business climate and improved consumer confidence. Supply and demand are out of balance. The

market is being targeted by producers in other EU countries, where demand is less robust. Customers feel that steelmakers' talk of price rises is just wishful thinking. Service centres, uncertain of market developments, continue to keep stocks low. Resale values are poor.

Activity has remained subdued in France, partly due to the Easter break and two public holiday weekends at the beginning of May. Producers have stabilised market prices and even raised some of their offers by €5/10 per tonne but buyers believe the outlook remains uncertain. End-user demand on distributors is muted and resale values are dismal.

The Italian market has been particularly

FLAT ROLLED PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES - GERMANY

price/metric ton		2013			2014		
		DEC	JAN	FEB	MAR	APR	MAY
Hot Rolled Coil	High	490	490	490	500	490	480
	Low	440	440	440	450	440	430
Hot Rolled Plate	High	540	540	540	545	545	545
	Low	500	500	500	505	505	505
Cold Rolled Coil	High	560	560	560	570	560	550
	Low	520	520	520	530	520	510
Hot Dipped Galvanised Coil	High	560	560	560	570	560	550
	Low	520	520	520	530	520	510
Electro-Zinc Coated Coil	High	570	570	570	580	570	570
	Low	520	520	520	530	520	520
Stainless CR Coil Type 304	High	1120	1120	1130	1130	1130	1130
	Low	1020	1020	1030	1030	1030	1030
Stainless CR Coil Type 430	High	1090	1090	1090	1090	1090	1090
	Low	1040	1040	1040	1040	1040	1040

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quiet because of a large number of holidays over the last month. Despite several announcements by steelmakers, who are still officially proposing increases, basis figures have not picked up. However, generally, they have stabilised, although the mills are ready to negotiate if presented with a large, firm order. There is a great deal of uncertainty regarding the government's claims of an economic upturn. Service centres report a fairly stable sales situation. End-users' reluctance to carry stocks has led to a great deal of last minute purchasing. Asian suppliers are concluding few deals, despite making competitive offers, as buyers are wary of the risks involved.

UK basis figures appear to have bottomed out over the last month. However, the mills' attempts to instigate a rise were totally unsuccessful. Service centres report that demand is holding up and that prices do not reflect the reasonably healthy market. Clearly,

there is an issue regarding the exchange rate which is creating a favourable situation for overseas suppliers from mainland Europe and further afield. Moreover, Tata Steel's recent change to its payment terms has alienated a number of customers. Mill delivery lead times remain quite short so there is no need for speculative purchasing.

We have noted very little price movement in Belgium, where activity levels are flat. Business, overall, is quiet with several end-users experiencing payment difficulties. Market participants foresee no change until the autumn. In Spain, steelmakers have stopped demanding their proposed €20 per tonne hike. There has been some recovery in demand, albeit only small. Inventories at the distributors are slightly higher than necessary, so buyers are in no hurry to purchase more material, especially as the summer holidays are approaching.

FLAT PRODUCTS

HOT ROLLED COIL

Producers have been flexible during recent negotiations in Germany because order intake has been slow. We understand that, for large projects, prices lower than those tabled could be available. The market has been unseasonably quiet over the last month. Chinese mills are making attractive offers, albeit with long delivery lead times. Russian material is available via Antwerp at similar prices to domestic figures. Pipe makers are reasonably busy but still have spare capacity for June. French basis values are steady, despite producers' attempts to obtain second quarter increases. We detect some negative pressure in the south of the country. There is little imported

material as the price differential is minimal. The poor economic situation is reflected in subdued demand. In Italy, producers' intentions to lift basis numbers are unlikely to succeed in the short term. Buyers, who placed orders a few weeks ago, when they believed prices were at the bottom, now have sufficient coil for today's weak business climate. Imported material is slightly more expensive than the domestic product at present.

Suppliers to the UK have held basis figures steady, following last month's discounting. Activity levels are fairly low. The Belgian market is quiet. All EU mills are trying to lift prices so there are no aggressive quotations from those sources. Russian coil is available

LONG PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES - GERMANY

price/metric ton		2013		2014			
		DEC	JAN	FEB	MAR	APR	MAY
Wire Rod	High	535	535	535	530	530	530
	Low	515	515	515	510	510	510
Medium Sections and Beams	High	585	585	585	575	570	570
	Low	545	545	545	535	530	530
Reinforcing Bar	High	265	275	280	260	250	250
	Low	245	255	260	240	230	230
Merchant Bar	High	200	200	195	185	180	180
	Low	160	160	155	145	140	140

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

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

at €10/15 per tonne below domestic numbers. Buyers are unwilling to take a risk with material from the Far East. Demand has slowed a little compared to the first quarter, with several large projects on hold at present. Some customers have paid a little more during recent settlements but the volumes transacted are small. Chinese coil is on offer in Spain at €410/415 per tonne, CFR.

HOT ROLLED PLATE

European quarto plate producers will try to impose an increase of €20/30 per tonne in the third quarter. However, factors such as the strong euro, the poor state of the Mediterranean market and the instability in the Black Sea area continue to weigh heavily on commodity grade prices. Significant tonnages of cheap imported material are being offered through Antwerp from Ukraine and Indonesia. There are worries linked to the Ukrainian political situation. Should the Russian South Stream project be suspended, those prime integrated mills involved in the linepipe market would, once more, have spare capacity.

German basis values are unchanged. The domestic mills are, for now, benefitting from the upturn in the linepipe sector and have good order loads. Stocks of commodity plate at the service centres are rising due to the arrival of cheap imported material. However, distributors' sales are also improving. Activity is reasonable in France, where volumes, so far this year, are better than in 2013. However, those distributors selling the lower grades of plate to the construction sector are suffering. Material is available from EU sources at similar figures to a month ago. In Italy, rerollers are struggling to fill their order books. Delivery lead times are short. Import volumes grew substantially during the first quarter, with China and Ukraine being the main sources. Basis numbers have softened further.

There is no indication that either mill or resale prices are climbing in the UK. Service centre business is cutthroat as far as the lower qualities are concerned.

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

	Mar-14	Apr-14	May-14
EU Average	77.9	75.7	75.3
Year-on-year % +/-	-5.0	-6.5	-4.6
* Jan 07 = 100 - based on transaction prices ** STEELPPI - Steel Purchasing Price Index			

A number of mainland European stockists are selling aggressively. Italian material, which was due for delivery in January, has only just arrived but buyers are showing little interest. Basis numbers are unchanged in Belgium. The Spanish market is dismal. Large volumes of Chinese imports are arriving at €415/420 per tonne. The quantities are surplus to requirements.

COLD ROLLED COIL

Russian suppliers continue to create downward pressure on German prices. Basis values agreed between customers and the domestic mills are €10 per tonne lower than a month ago. After losing €20 per tonne in April, French prices have been maintained at the lower level. Buyers are only purchasing for their immediate requirements as consumption is muted. Very few tonnes are being traded in Italy, where demand has failed to recover. Distributors complain that resale values are extremely low and that general economic difficulties have caused financial problems at many end-users.

Domestic quotations in the UK are the same as in the

**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	520	510	718	707
France	510	510	704	707
Italy	480	480	663	666
UK	410	410	682	693
Belgium	510	510	704	707
Spain	500	510	691	707

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	480	475	450	375	457	480	440
	Low	430	435	410	350	426	440	420
Hot Rolled Plate	High	545	560	490	480	585	530	520
	Low	505	510	450	450	548	490	470
Cold Rolled Coil	High	550	550	530	445	542	560	550
	Low	510	510	480	410	499	510	510
Hot Dipped Galvanised Coil	High	550	540	510	460	560	560	540
	Low	510	500	460	420	512	510	500
Electro-Zinc Coated Coil	High	570	550	550	490	597	580	550
	Low	520	520	510	450	548	530	510
Stainless CR Coil Type 304 (a)	High	1130	1100	1070	965	1175	1080	1050
	Low	1030	1050	1020	895	1090	1030	1000
Stainless CR Coil Type 430 (a)	High	1090	1070	935	1015	1236	—	1007
	Low	1040	1020	885	990	1206	—	977

MONTH on MONTH % CHANGE

Hot Rolled Coil	Low	-2.3	0.0	0.0	0.0	0.9	2.3	0.0
Hot Rolled Plate	Low	0.0	0.0	-2.2	0.0	1.1	0.0	0.0
Cold Rolled Coil	Low	-1.9	0.0	0.0	0.0	1.0	0.0	2.0
HD Galv Coil	Low	-1.9	0.0	0.0	-2.3	-1.2	0.0	2.0
EZ Coated Coil	Low	0.0	0.0	0.0	0.0	1.1	0.0	0.0
SS CR Coil 304	Low	0.0	1.0	0.0	0.0	1.1	1.0	0.0
SS CR Coil 430	Low	0.0	0.0	0.0	0.0	1.1	—	0.0

BASIS PRICE AND PRODUCT DEFINITIONS

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

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

Notes: (a) Basis - 1.5mm thickness.

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

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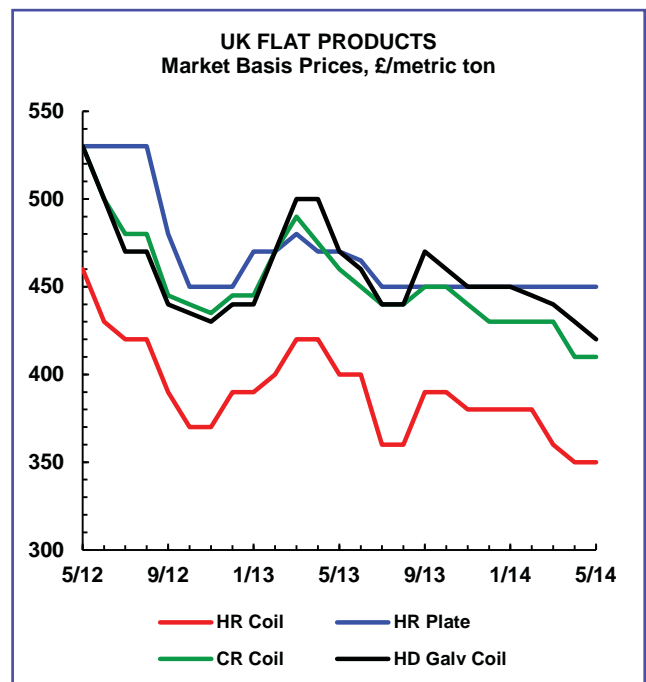
previous month. There is less pressure from Russian suppliers, at present. Italian producers, however, are selling quite aggressively. Resale values have slipped a little. Service centres report that Belgian demand is worse than in the comparable period last year. There is enormous competition between stockists. In Spain, the mills have secured a small increase as a result of reducing pressure from Turkish and Russian imports.

COATED COIL

Basis numbers for hot dipped galvanised coil are under renewed negative pressure in Germany. They have lost another €10 per tonne compared with last month. The main issue is one of oversupply. The auto sector is healthy. Construction related sales could be much better. In France, both mills and distributors are looking to maintain volumes in a climate of reduced demand. However, they have held on to last month's basis numbers after conceding decreases in April. Vehicle output is muted. Galvanised steel is the most depressed of the strip mill products in Italy. Internal competition is fierce. However, April prices were rolled over during the latest round of settlements. Auto output is improving slightly, albeit from a very low level.

General demand for hot dipped galvanised coil is relatively good in the UK but prices for June delivery have slipped by around £10 per tonne, due to import pressure. The carmakers are busy. In Belgium, vehicle manufacturers' order books are better now. Customers in the general market are paying the same as in April. Spanish auto production forecasts are very firm for the remainder of 2014. In the rest of the market, buyers have agreed a small advance.

In Germany, the steelmakers have rolled over last month's figures for sales of electro-zinc coated coil.



French figures remain at the lower level established in April. Italian producers, having offered a hefty discount in the previous month, have refused to make further concessions. In the UK, mainland European suppliers have left basis values unchanged. Buyers in Belgium have agreed to pay the same as last month. The situation in Spain is similar.

COLD ROLLED STAINLESS STEEL

In April, cold rolled austenitic stainless steel basis numbers moved up a little in France and Belgium. Producers were trying to hold out for even higher prices on the back of slightly better demand. However, plenty of cheap material had recently arrived from the Far East. In Germany, Italy, UK and Spain, basis numbers were unchanged. May alloy surcharges were forecast to rise significantly. Ferritic prices were steady.

LONG PRODUCTS

There is too much capacity in the European long products sector for the actual level of demand. Although the mills are struggling to lift prices, at least some stabilisation has been achieved.

WIRE ROD

Low carbon wire rod producers have held on to prices in Germany for the second consecutive month. There is little activity in the recoil market, which remains oversupplied. Nevertheless, April figures have been maintained for May business. In France, values for

drawing rod are at the level reported four weeks ago. Those for the mesh quality are also unchanged but suppliers are pushing for an increase of €10 per tonne. The recent decline in Italian low carbon wire rod figures has been halted, although order intake remains dull in a weak economic climate. A poorly performing construction sector has led to lacklustre demand for recoil. However, after making concessions in April, steelmakers have maintained prices this month.

Selling values of the basic drawing qualities have continued to ease down in the UK. Demand through

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

MEDIUM SECTIONS AND BEAMS

After conceding discounts in April, suppliers have held on to effective values in the German market during recent settlements. The non-residential building sector is showing signs of recovery. Although

unchanged for now, French effective numbers remain under pressure. Mills are trying to implement rises but buyers are cautious. Competition on the distribution side is strong. Effective prices are stable in Italy. The construction sector is performing badly and forecasts are for a further small reduction in activity during 2014.

At the end of April, ArcelorMittal advised UK customers that a rise of £20 per tonne would be applied with immediate effect. So far, we have seen no indication that buyers are paying more. In fact, our current figures are marginally lower than a month ago. Distributors have reasonable sales volumes but resale

LONG PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES

price/metric ton		Germany (€)	France (€)	Italy (€)	UK+ (£)	UK+ (€)	Belgium (€)	Spain (€)
Wire Rod (b)	High	530	540	530	450	548	540	535
	Low	510	510	510	410	499	510	515
Medium Sections and Beams (c)	High	570	540	530	490	597	560	560
	Low	530	510	510	460	560	510	510
Rebar (d)	High	250	250	210	430	524	250	240
	Low	230	220	200	400	487	220	220
Merchant Bar (e)	High	180	150	140	485	591	140	175
	Low	140	130	120	465	566	120	125

MONTH on MONTH % CHANGE

Wire Rod	Low	0.0	0.0	0.0	-2.4	-1.4	0.0	0.0
Medium Sections	Low	0.0	0.0	0.0	-1.1	0.0	0.0	0.0
Rebar	Low	0.0	0.0	-4.8	-1.2	-0.2	4.8	0.0
Merchant Bar	Low	0.0	0.0	-4.0	0.0	1.1	0.0	0.0

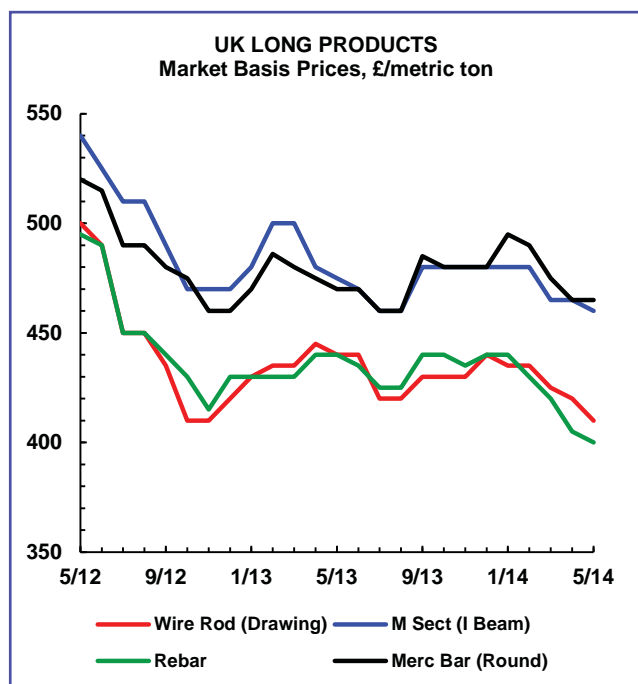
BASIS PRICE AND PRODUCT DEFINITIONS

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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.



values remain under pressure. There is a degree of overstocking. Customers expected better demand at the start of the year and ordered accordingly. The improved situation did not materialise. Following our April research, Belgian prices for large orders dropped as low as €505 per tonne for category 1 beams. They have now returned to the previous level, although mills are quoting above this. Distributors, who have enough supply to satisfy current subdued demand, are fighting for every order. There are some imports from Turkey in the smaller sizes. In Spain, the trading environment for suppliers is still lacklustre, both at home and abroad. Effective numbers are stable.

REINFORCING BAR

Relatively steady scrap costs have enabled producers, in most countries, to maintain the small increases they won in April. However, consumption has not improved to any great extent and market players do not envisage further significant movements in either direction. Southern European exporters have tried, but failed, to lift prices. Overseas demand is dismal.

German basis values have been held at last month's level. As demand is better than in many other parts of the eurozone, this has attracted interest from mills in neighbouring countries. Supplies are overplentiful. For now, our French figures are unchanged but the domestic mill is quoting at €10 per tonne higher. Buyers are sceptical that this rise can be achieved. There is a lot of competition from steelmakers in Italy and Spain. The spring has brought no relief for the poor state of construction in Italy. Rebar prices are suffering accordingly. Suppliers have failed to

lift selling values, which are currently €10 per tonne lower than in the previous month. Export opportunities are far fewer than in the recent past. Producers are offering at €435 per tonne, FOB.

The UK market is depressed, with slow mill order intake that in no way reflects the overall improvement in the economy. The only construction segment that is showing signs of recovery is house building, which is not steel intensive. Prices have come under renewed pressure, despite higher scrap costs. Competition from Chinese and Turkish sources is intense. Belgian customers are waiting until the last moment to conclude deals and then they are only placing small orders. The positive economic outlook and favourable weather conditions for construction are not reflected in rebar demand. Resale values are soft. Domestic sales remain flat in Spain, where prices are unchanged from those reported in our last issue. Producers are trying to focus on exports, offering at €440 per tonne, FOB, but Algerian demand is subdued.

MERCHANT BAR

In mainland Europe, the really low offers of April have been withdrawn. Steelmakers hoped that higher scrap costs would provide some upward momentum but their efforts to secure basis price advances appear to be running out of steam.

In Germany, the mills have refused calls for further discounts, despite cautious purchasing activity. Although construction output is higher than in many eurozone countries, market players are hoping for even further improvements. In France, suppliers are no longer accepting basis prices below €130 per tonne and are looking to lift them by €10 per tonne. The forecast recovery in demand has not materialised. A lack of building activity in Italy is reflected in merchant

MEPS INDUSTRIAL SECTOR STEEL PURCHASING PRICE INDICES - EU AVERAGE

Jan 07 = 100	Apr-14	May-14	% change
Construction Industry	100.3	100.3	0.0
Household Appliances	81.7	82.0	0.4
Machinery Sector	92.3	92.5	0.2
Shipbuilding Industry	80.5	80.7	0.2
Shipping Containers	90.4	90.4	0.0
Yellow Goods	94.8	94.7	-0.1

bar basis figures, which continue on a downward trend. The outlook is dismal.

UK steelmakers report that sales are more reasonable now. Stocks had become so low that some replenishment was necessary. Nevertheless, customers are only purchasing sufficient quantities for their immediate needs. Selling values have stabilised, following recent weakness. Import pressure is mainly

from EU sources, although volumes from Turkey have grown in the last few months. The mills are attempting to lift basis numbers in Belgium but a lot of purchasing was done late last month when basis prices fell briefly as low as €100 per tonne. Activity at the service centres is slow, making it impossible to raise resale values. Sales to Spanish end-users are lacklustre. Recent mill settlements have resulted in a “no change” price situation.

MARKET AND INDUSTRY SCENE

CAPACITY/INVESTMENT

ArcelorMittal has approved a €18 million modernisation plan at its Industeel Belgium plant in Charleroi. The upgrade to the continuous casting line allows for the production of slabs up to 355mm thick and 2.2m wide. The improvements will be carried out during the annual shutdown in summer 2015.

Deutsche Edelstahlwerke is upgrading the wire coil production line at its plant in Hagen. The improvements will enable the company to produce steel wire coils up to 2.3 tonnes, with diameters between 8mm and 25mm, for applications requiring high-quality weld

seams. The line will be operational in summer 2014.

Ziehwert Plettenberg has installed a bright steel centre at its drawing plant in Germany. The new equipment will give the company the capability to produce bars ranging between 11mm and 55mm in diameter and up to 8.5 metres in length.

Tata Steel will commission a large heavy gauge unit at its service centre in Maastricht before the end of 2014. The decoiler will be able to operate with premium grade steels up to 25mm thick. The investment was undertaken due to increasing demand from its customers for premium high-strength sheet steel.

MEDIUM TERM PRICE FORECASTS

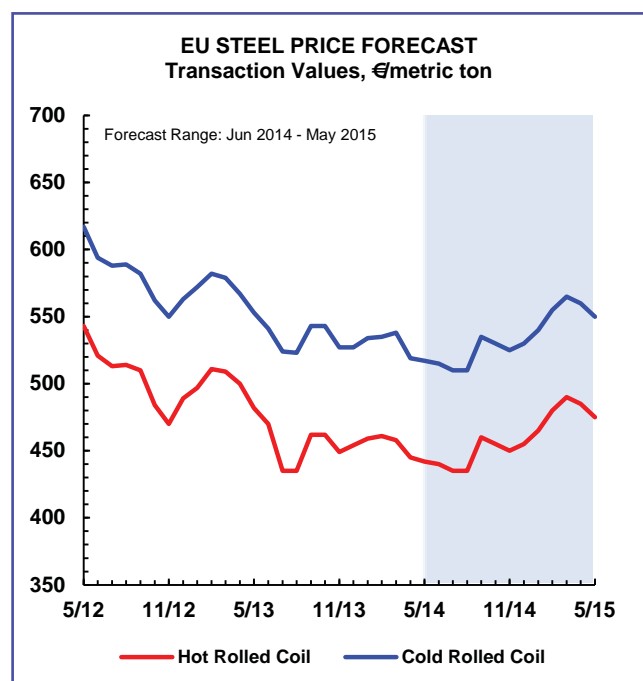
FLAT PRODUCTS

MEPS - EU Average strip mill product prices slipped in May, compared with the previous month. Hot and cold rolled coil transaction values stand at €442 per tonne and €517 per tonne, respectively.

We foresee little change in selling figures in the coming months. Oversupply, subdued market sentiment and third country import threats are expected to continue. These factors could result in some downward pressure on transaction values. Nevertheless, any decreases are forecast to be modest because profit margins are already squeezed.

An increase in steel prices is foreseen in the third quarter. We believe that the steelmakers are likely to become more disciplined in their negotiations as they look to improve profit margins. Selling figures are forecast to soften in the final trimester. This is because mill order intake usually slows ahead of the winter break. An anticipated seasonal pickup in purchasing activity should result in a rise in transaction

values during the first quarter of 2015. The uptrend is expected to reverse, during the second quarter, as buyers re-evaluate inventory levels.

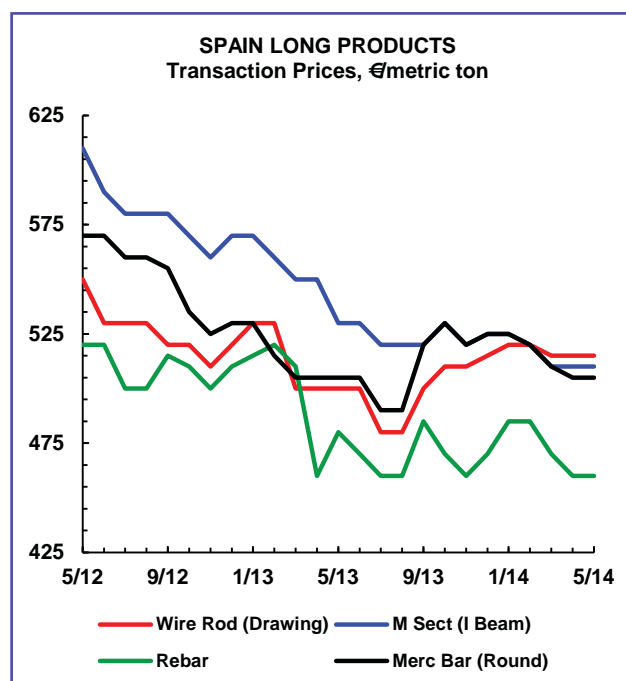
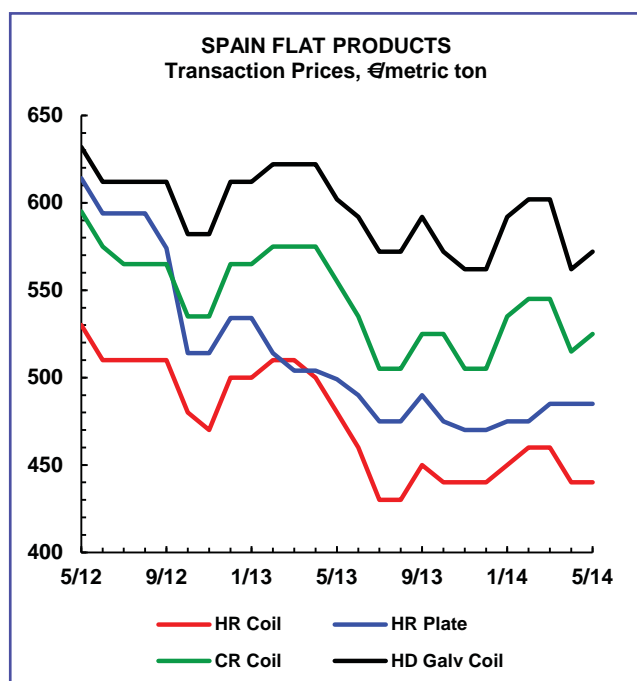


EU AVERAGE DOMESTIC TRANSACTION PRICE FORECASTS

Euro/metric ton	Actual	Forecast					
	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14
Hot Rolled Coil	442	440	435	435	460	455	450
Hot Rolled Plate	513	510	505	505	525	525	515
Cold Rolled Coil	517	515	510	510	535	530	525
HD Galv Coil	570	570	565	565	590	585	580
EZ Coated Coil	579	575	570	570	595	590	585
Wire Rod (Drawing)	518	515	505	505	520	520	515
Wire Rod (Mesh)	460	460	455	455	485	480	475
M Sect (I Beam)	526	525	520	520	540	545	535
M Sect (H Beam)	580	580	575	575	595	600	590
Reinforcing Bar	455	455	455	455	485	480	475
Merc Bar (Round)	518	518	513	513	533	533	523
Merc Bar (Eq Angle)	535	535	530	530	550	550	540

PRICE DEFINITIONS

Steel prices are computed from a weighted average (based on consumption) of the low transaction values identified in Germany, France, Italy, UK and Spain, collected in national currencies and converted into euros using currency exchange rates effective at the start of each month to provide a basis for comparison.



Transaction Price Data Sheet

NEGOTIATED DOMESTIC TRANSACTION PRICES

FLAT PRODUCTS price/metric ton		EU AVG	Germany	France	Italy	UK	UK	Spain
		(€)	(€)	(€)	(€)	(£)	(€)	(€)
Hot Rolled Coil	High	482	500	495	470	391	476	460
	Low	442	450	455	430	366	446	440
Hot Rolled Plate	High	555	560	575	505	494	602	535
	Low	513	520	525	465	464	565	485
Cold Rolled Coil	High	560	565	565	545	458	558	565
	Low	517	525	525	495	423	515	525
Hot Dipped Galvanised Coil	High	613	622	612	582	513	625	612
	Low	570	582	572	532	473	576	572
Electro-Zinc Coated Coil	High	622	629	609	609	533	649	609
	Low	579	579	579	569	493	600	569
Stainless CR Coil Type 304	High	1113	1130	1100	1070	965	1175	1050
	Low	1039	1030	1050	1020	895	1090	1000
Stainless CR Coil Type 430	High	1073	1090	1070	935	1015	1236	1007
	Low	1027	1040	1020	885	990	1206	977

LONG PRODUCTS price/metric ton		EU AVG	Germany	France	Italy	UK	UK	Spain
		(€)	(€)	(€)	(€)	(£)	(€)	(€)
Wire Rod (Drawing Quality)*	High	542	548	540	530	462	563	535
	Low	518	528	510	510	422	514	515
Wire Rod (Mesh Quality)	High	484	480	490	475	430	524	480
	Low	460	460	460	455	400	487	450
Medium Sections (I Beam)	High	562	570	540	530	490	597	560
	Low	526	530	510	510	460	560	510
Medium Sections (H Beam)	High	624	640	590	615	535	652	600
	Low	580	590	550	580	495	603	560
Reinforcing Bar	High	473	490	490	450	430	524	480
	Low	455	470	460	440	400	487	460
Merchant Bar (Round)	High	549	560	530	520	485	591	555
	Low	518	520	510	500	465	566	505
Merchant Bar (Equal Angle)	High	566	580	550	540	485	591	575
	Low	535	540	530	520	465	566	525

* Includes supplementary surcharge in the UK.

CURRENCY EXCHANGE RATES

	US dollars (US\$)		Euros (€)	
	1-Apr	1-May	1-Apr	1-May
Eurozone (€)	0.724	0.721	-	-
UK (£)	0.601	0.592	0.83	0.821

NEXT MONTH'S ISSUE

The June issue of the European Steel Review will be dispatched by post & PDF on 18 June, 2014.

Express Price Tables will be dispatched by e-mail in excel format on 11 June, 2014.

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

**TRANSACTION PRICE INDEX - EU AVERAGE
JANUARY 1997 = 100**

	Apr-14	May-14	% change
Hot Rolled Coil	170.5	169.3	-0.7
Hot Rolled Plate	179.1	178.7	-0.2
Cold Rolled Coil	142.6	142.0	-0.4
HD Galv Coil	124.3	123.6	-0.6
EZ Coated Coil	137.5	137.5	0.0
SS CR Coil 304	84.3	84.6	0.4
SS CR Coil 430	91.0	91.2	0.2
Wire Rod (Drawing)	195.5	195.5	0.0
Wire Rod (Mesh)	194.1	194.1	0.0
M Sect (I Beam)	171.3	171.3	0.0
M Sect (H Beam)	166.2	166.2	0.0
Reinforcing Bar	202.6	200.4	-1.1
Merc Bar (Round)	195.1	194.7	-0.2
Merc Bar (Eq Angle)	207.8	207.4	-0.2

Note:- Stainless Steel - Excluding alloy surcharge.

**NEGOTIATED DOMESTIC TRANSACTION PRICES - MONTH ON MONTH % CHANGE
May 2014 versus April 2014**

		EU AVG (€)	Germany (€)	France (€)	Italy (€)	UK (£)	UK (€)	Spain (€)
Hot Rolled Coil	Low	-0.7	-2.2	0.0	0.0	0.0	1.1	0.0
Hot Rolled Plate	Low	-0.2	0.0	0.0	-2.1	0.0	1.1	0.0
Cold Rolled Coil	Low	-0.4	-1.9	0.0	0.0	0.0	1.0	1.9
HD Galv Coil	Low	-0.5	-1.7	0.0	0.0	-2.1	-1.0	1.8
EZ Coated Coil	Low	0.0	0.0	0.0	0.0	0.0	1.0	0.0
SS CR Coil 304	Low	0.4	0.0	1.0	0.0	0.0	1.1	0.0
SS CR Coil 430	Low	0.2	0.0	0.0	0.0	0.0	1.1	0.0
Wire Rod (Drawing)	Low	0.0	0.0	0.0	0.0	-2.3	-1.2	0.0
Wire Rod (Mesh)	Low	0.0	0.0	0.0	0.0	-1.2	-0.2	0.0
M Sect (I Beam)	Low	0.0	0.0	0.0	0.0	-1.1	0.0	0.0
M Sect (H Beam)	Low	0.0	0.0	0.0	0.0	-1.0	0.2	0.0
Reinforcing Bar	Low	-1.1	0.0	0.0	-2.2	-1.2	-0.2	0.0
Merc Bar (Round)	Low	-0.2	0.0	0.0	-1.0	0.0	1.1	0.0
Merc Bar (Eq Angle)	Low	-0.2	0.0	0.0	-1.0	0.0	1.1	0.0

TRANSACTION PRICE AND PRODUCT DEFINITIONS

Transaction values relate to those agreed by steelmakers and service centres for prime material in the specified steel products. Prices are for regular business between customers and their local steel mills, negotiated during the current month for delivery in the future.

Transaction prices include extras for size and coating, where applicable, for the lowest priced grade of steel - sold ex-works/ex-mill. Additional extras for processing, packaging, testing and inspection are excluded. Delivery charges and local taxes are not included in the quoted prices. Contract deals arranged in the domestic market, or deals for lots of imported steel, are specifically excluded from our price evaluation.

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

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

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

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

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

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

Wire Rod (Drawing Quality) - 5.5mm diameter.

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

Medium Sections (I Beam) - 180-240mm, category C1.

Medium Sections (H Beam) - 240 x 240mm, category D3.

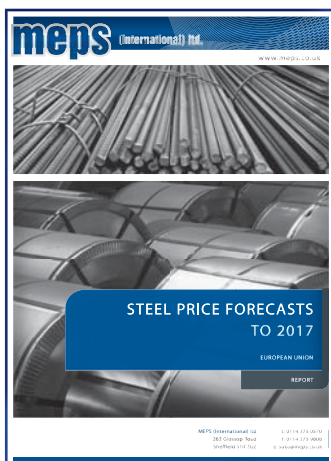
Reinforcing Bar (Deformed) - 16-20mm diameter, high yield.

Merchant Bar (Round) - 50mm diameter.

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

MEPS PUBLICATIONS

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



The predictions in this report have been prepared using the key factors which MEPS have found to be statistically significant in affecting steel prices. They have been extensively researched and developed through rigorous formal analysis of the global market.

The research commenced with an evaluation of economic forecasts from a number of authoritative institutions. This was followed by an examination of the likely long term demand for steel. We then had discussions with a wide range of steel buyers to obtain their opinion of short and medium term market requirements. The final part of the research program involved an assessment of raw material supply, demand and costs to meet the anticipated consumption of steel products.

The data was drawn together for analysis by our experienced staff in the UK. It was incorporated in the unique model developed by MEPS for the preparation of steel price forecasts for clients over the past ten years. The final report was prepared giving the reasoning behind our predictions, together with charts and tables.