

# EUROPEAN STEEL REVIEW

KEYNOTE

MAY 2015

## EU STEEL PRICES HOLD UP IN DIFFICULT MARKET CONDITIONS

Flat product basis numbers are generally unchanged in western Europe, although we can detect a little negative pressure in certain countries. Activity is picking up, albeit slowly, as the economic climate improves. Some steelmakers have decent order books. However, their raw material costs remain low, providing them with limited backing to lift selling prices. Many third country producers continue to reduce flat product prices. Buyers, in general, are beginning to show more interest, although, because of the long delivery lead times involved, much of this material would be arriving in the holiday period.

Prices continue to be unchanged in the German market, with buyers anticipating flat, or slightly

lower, values in the third trimester. The direction will depend on demand, which, currently, is slightly better than in 2014. Service centres are busy supplying the booming auto industry and sales to construction are also satisfactory. However, distributors' margins remain low because of overcapacity in that sector.

In France, market participants remain sceptical about reports of an economic recovery as they have seen no signs of it, so far. Activity in the steel market continues to be generally lacklustre, with some sectors, such as construction and energy, suffering more than others. For now, steelmakers are unable to raise prices. Third country import volumes have increased because the Chinese and Indian

### FLAT ROLLED PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES - GERMANY

price/metric ton		2014			2015		
		DEC	JAN	FEB	MAR	APR	MAY
Hot Rolled Coil	High	440	440	440	440	440	440
	Low	400	400	400	400	400	400
Hot Rolled Plate	High	545	530	530	530	520	520
	Low	505	490	490	490	480	480
Cold Rolled Coil	High	520	520	520	520	520	520
	Low	480	480	480	480	480	480
Hot Dipped Galvanised Coil	High	520	520	520	520	520	520
	Low	480	480	480	480	480	480
Electro-Zinc Coated Coil	High	530	530	530	530	530	530
	Low	480	480	480	480	480	480
Stainless CR Coil Type 304	High	1130	1120	1120	1120	1120	1120
	Low	1030	1020	1020	1020	1020	1020
Stainless CR Coil Type 430	High	1070	1070	1070	1070	1070	1070
	Low	1020	1020	1020	1020	1020	1020

ISSN 1369-8583

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suppliers have aligned their prices to local values. As a result, domestic producers have failed to hold figures at the April level.

Italian flat product basis numbers are also below those reported last month, mainly due to import pressure. The number of Chinese offers, in particular, is growing. Industrial production activity in the first quarter 2015 was slow to start, although it accelerated a little in March. The only sector to record any real improvement was automotive. The recovery in carmaking is now the main driver of steel consumption in Italy. Ongoing attempts by steelmakers to lift prices should, at least, produce some stability. Resale values, however, are still poor due to severe competition in the distribution sector.

UK service centres report that April business was still at a good level, although perhaps slightly down on March, in some instances. Resale margins are reasonable. Ex-mill basis values have stopped falling. Buyers feel that prices have now reached the bottom and, subject to exchange rate movements, will be similar in the third quarter. Traders are no longer pushing Chinese material, which is, currently, only

slightly cheaper than European. Service centre stocks are fairly low as domestic material is on short delivery lead times.

Basis values remain relatively unchanged in Belgium. A number of customers can detect some downward pressure because of a lack of demand but they report that the mills are holding on to current values. Stockholders have plenty of material. There is a great deal of competition between them to gain orders. Consequently, their profit margins are thin. Market players expect the present situation to persist until September.

In Spain, steel buyers are waiting to see how the European mills will react to very attractively priced third country quotations. Decisions will have to be made quite soon if customers are to take advantage of these cheap offers. Already, some companies have booked overseas business as the price differential is quite large. However, domestic producers are reluctant to offer discounts as, at present, their order books are satisfactory because local consumption is improving and export sales are reasonably good. The situation is finely balanced.

## FLAT PRODUCTS

### HOT ROLLED COIL

In Germany, prices are stable, although we can detect a little downward pressure, which buyers believe could become more pronounced over the next four/six weeks. Service centres, reluctant to build stocks, are buying little at present. Demand from other sectors is modest. Pipemakers' order books are still subject to cancellations brought on by the low oil price. In France, cheap imported material from Russia and China

continues to create negative pressure on local basis values, leading to another €10 per tonne reduction, this month. Even though Ilva has not yet resumed sales of coil in Italy, basis numbers have declined, in May.

There has been no further price erosion in the UK since our last report. Belgian figures have softened. Buyers report that European steelmakers have given up any hope of an increase. Chinese material is attractively priced at €380 per tonne, CFR Antwerp,

### LONG PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES - GERMANY

price/metric ton		2014		2015			
		DEC	JAN	FEB	MAR	APR	MAY
Wire Rod	High	520	520	520	510	505	515
	Low	500	500	500	490	485	495
Medium Sections and Beams	High	540	540	550	550	550	550
	Low	500	500	510	510	510	510
Reinforcing Bar	High	210	210	210	200	200	210
	Low	190	190	190	180	180	190
Merchant Bar	High	130	130	140	140	140	140
	Low	90	90	100	100	100	100

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

	<b>Hot Rolled Plate</b>		<b>Hot Rolled Coil</b>	
	<b>Q1/15</b>	<b>Q2/15p</b>	<b>Q1/15</b>	<b>Q2/15p</b>
<b>EU Average</b>				
<b>Non Sour</b>	105.1	98.3	128.9	118.4
<b>Sour</b>	111.2	104.8	127.6	118.1
* Q4/06 = 100 - based on euro values				
** p = Provisional				

arriving June. New quotations from that source are at similar levels. Russian mills are trying for an increase of €410/420 per tonne. Distributors' resale prices for large quantities have undergone some downward movement in recent weeks, so margins are being squeezed. For now, Spanish suppliers have rolled over last month's figures during recent negotiations. However, the differential between third country offers, for July/August arrival, and domestic figures is around €30 per tonne.

**HOT ROLLED PLATE**

There continues to be negative pressure on western European commodity grade plate prices from cheap imports now arriving at the docks. Chinese material is at Antwerp at €395 per tonne. Buyers are cautious about placing new business which would be delivered at the peak of the summer vacation. Moreover, there are concerns about the quality of Chinese-origin plate.

In Germany, inventory levels have fallen a little as small and medium-sized service centres have adapted their stocks to meet actual demand. However, a number of larger distributors still have too much material, a great deal of which is from overseas. Resale prices are under permanent pressure, resulting in poor profit margins. Most ex-mill values have been rolled over from the previous month. Demand remains low in France. Producers are working at very low capacity and competing against each other, forcing prices down. The continuous decline in slab costs and the significant level of imports have not helped the situation. A lack of investment in the oil industry and new railway infrastructure is impacting the market negatively. Shipbuilding continues to fare well. Italian rerollers are benefiting from low slab prices ex-Russia and Ukraine. Their delivery lead times are very short, at two weeks. Trading activity is slow, allowing customers to negotiate small discounts. Imports are available at €390 per tonne.

UK prices are still higher than those in most of mainland Europe. This is attracting imports, aided by the

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

	<b>Mar-15</b>	<b>Apr-15</b>	<b>May-15</b>
<b>EU Average</b>	73.2	72.8	72.5
<b>Year-on-year % +/-</b>	-6.0	-3.8	-3.7
* Jan 07 = 100 - based on transaction prices			
** STEELPPI - Steel Purchasing Price Index			

strength of sterling. Nevertheless, basis figures have not changed since our last report. Resale prices are still under pressure. The lack of investment in the oil industry means sales to that sector have plummeted. Construction demand has held up but prices have been damaged by the availability of cheap Chinese material. We have noted no price movements in Belgium. The Spanish market is relatively active but the local supplier continues to focus on the higher qualities. Most commodity grade material purchased is of Chinese or Russian origin. Our tabled figures are unchanged.

**COLD ROLLED COIL**

In Germany, basis numbers are steady. Demand for auto sheet is good and sales in the general market are satisfactory. There are some offers from China at below domestic mill prices. In France, the local mills have failed to hold on to the previous month's figures. Supplies of cold rolled material are not as plentiful in Italy as those for some other flat products. This has enabled domestic suppliers to maintain basis values at the April level.

UK buyers report that Russian cold rolled coil is

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

price/ metric ton	<b>Local currency</b>		<b>US dollars</b>	
	<b>Last Month</b>	<b>This Month</b>	<b>Last Month</b>	<b>This Month</b>
<b>Germany</b>	480	480	517	538
<b>France</b>	495	490	533	549
<b>Italy</b>	460	460	495	515
<b>UK</b>	345	340	512	515
<b>Belgium</b>	485	485	522	543
<b>Spain</b>	470	470	506	526

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	430	425	315	426	440	425
	Low	400	390	385	290	392	400	405
Hot Rolled Plate	High	520	490	480	395	534	510	490
	Low	480	440	440	365	493	470	440
Cold Rolled Coil	High	520	530	510	375	507	535	510
	Low	480	490	460	340	459	485	470
Hot Dipped Galvanised Coil	High	520	525	490	390	527	540	515
	Low	480	485	440	350	473	490	475
Electro-Zinc Coated Coil	High	530	520	525	415	561	530	515
	Low	480	490	485	375	507	480	475
Stainless CR Coil Type 304 (a)	High	1120	1090	1020	860	1162	1070	1030
	Low	1020	1040	970	790	1068	1020	980
Stainless CR Coil Type 430 (a)	High	1070	1050	955	845	1142	—	987
	Low	1020	1000	905	820	1108	—	957

## MONTH on MONTH % CHANGE

Hot Rolled Coil	Low	0.0	-2.5	-1.3	0.0	-1.8	-1.2	0.0
Hot Rolled Plate	Low	0.0	-2.2	-2.2	0.0	-2.0	0.0	0.0
Cold Rolled Coil	Low	0.0	-1.0	0.0	-1.4	-3.4	0.0	0.0
HD Galv Coil	Low	0.0	-1.0	-1.1	0.0	-1.9	0.0	0.0
EZ Coated Coil	Low	0.0	-2.0	-1.0	0.0	-1.9	0.0	0.0
SS CR Coil 304	Low	0.0	0.0	2.1	0.0	-1.8	0.0	1.0
SS CR Coil 430	Low	0.0	0.0	0.0	-3.0	-4.8	—	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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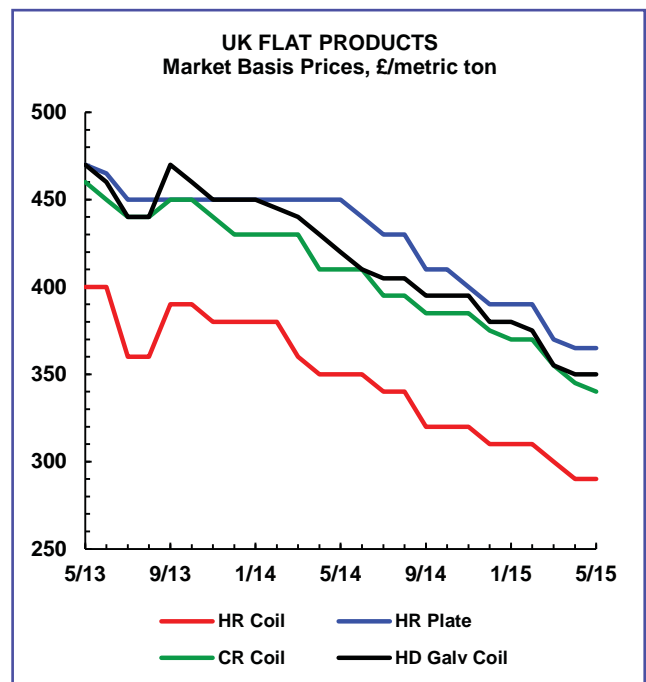


available at £360 per tonne, effective delivered, for July arrival. This is around £5 per tonne cheaper than offers for June. Domestic basis numbers have weakened slightly from the reduced level established last month. The Belgian market is quiet. Although current prices are unchanged, a number of buyers believe that values could soften a little in the third quarter. Sales of auto sheet are reasonably brisk in Spain. In the general market, local basis numbers are steady for now, despite offers from third country sources at €40 per tonne below domestic levels.

## COATED COILS

In Germany, competitively-priced hot dipped galvanised coil in thin gauges is available from third country suppliers. Domestic figures have not revived. The auto sector continues to perform well but carmakers will still try to negotiate price cuts for second half 2015 contracts, citing the mills' lower outlay on raw materials. Construction-related demand is expected to recover in the spring. An improvement in the French auto industry has led to a slight pickup in coated steel demand. Nevertheless, during recent settlements, producers have been forced to concede a small discount as consumption remains tepid in the general market. The performance of the Italian vehicle manufacturers has progressed well. No recovery is envisaged in construction investment in the near term. Basis prices have weakened slightly.

In the UK, selling figures have been maintained. Buyers consider the bottom has been reached. There are fewer, cheap Chinese offers. The vehicle sector is healthy and distributors are busy with sales to the building industry. In contrast, the construction segment in Belgium is not very positive at present. Buyers report that considerable quantities of imported material are expected to arrive in Antwerp during the summer holiday period. For now, domestic numbers are steady. Overseas quotations are very attractive in Spain, at €50 per tonne under European mill prices. Demand from the carmakers is recovering. At present,



domestic basis figures are not affected.

In Germany, the steelmakers have rolled over the previous month's prices for electro-zinc coated coil. French figures have fallen, following stabilisation in April. Italian buyers also negotiated a small discount. In the UK, mainland European suppliers have maintained prices, after cutting them last month. Belgian and Spanish producers left basis numbers unchanged for April.

## COLD ROLLED STAINLESS STEEL

In April, cold rolled austenitic stainless steel basis figures were stable in Germany, France, UK and Belgium, despite producers' attempts to lift them. Nevertheless, increases were foreseen for May as mills' order books were increasing. Following the introduction of antidumping duties, supply tightened in Italy, where there was an upward price movement. Steelmakers also gained small advances in Spain.

# LONG PRODUCTS

## WIRE ROD

German mills have successfully implemented a modest increase during recent negotiations for sales of low carbon wire rod. Recoil values have also moved up since our last report. In France, selling values for drawing rod are €5 per tonne higher than those displayed in our April issue. For the mesh quality, suppliers have rolled over last month's numbers.

Italian low carbon wire rod figures have gained €5 per tonne, despite subdued activity levels. Recoil producers have also secured an advance on the basis of higher scrap costs.

In the UK, selling figures for the basic drawing qualities have slipped again. Recoil transaction numbers are unchanged. Sales to the building sector are healthy. In Belgium, drawing quality prices have moved back

up to the March level. However, demand is still slow with no positive developments on the horizon. Spanish customers have agreed to pay slightly more for supplies of low carbon material. Although sales of the mesh quality are flat, selling figures registered a modest rise.

### MEDIUM SECTIONS AND BEAMS

European producers are pushing for hikes of €10/15 per tonne on the back of higher scrap costs. They are now offering for June rollings, when they expect the construction season to be in full swing. Export sales are healthy, given the favourable euro/dollar exchange rate. Nevertheless, mills are still meeting

resistance from buyers.

In Germany, steelmakers have failed to secure a rise, despite seasonally improved construction activity. There is strong competition for the business available. French effective values have remained stable, for now, in spite of producers' price increase announcements. Independent stockholders complain that the distribution arm of ArcelorMittal continues to sell at very low prices. Some service centres are still pushing the steelmakers for small discounts. There has been no seasonal growth in demand in the Italian market but customers have agreed to a rollover of April's figures.

### LONG PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES

price/metric ton		Germany (€)	France (€)	Italy (€)	UK+ (£)	UK+ (€)	Belgium (€)	Spain (€)
Wire Rod (b)	High	515	520	510	385	520	520	510
	Low	495	490	490	345	466	490	490
Medium Sections and Beams (c)	High	550	545	510	395	534	565	550
	Low	510	515	490	365	493	515	500
Rebar (d)	High	210	205	205	350	473	220	210
	Low	190	175	195	320	432	190	190
Merchant Bar (e)	High	140	120	125	405	547	105	155
	Low	100	100	105	385	520	85	95

### MONTH on MONTH % CHANGE

Wire Rod	Low	2.1	1.0	1.0	-2.8	-4.7	1.0	1.0
Medium Sections	Low	0.0	0.0	0.0	-6.4	-8.2	-1.0	0.0
Rebar	Low	5.6	2.9	8.3	0.0	-2.0	5.6	0.0
Merchant Bar	Low	0.0	0.0	0.0	-1.3	-3.2	-5.6	0.0

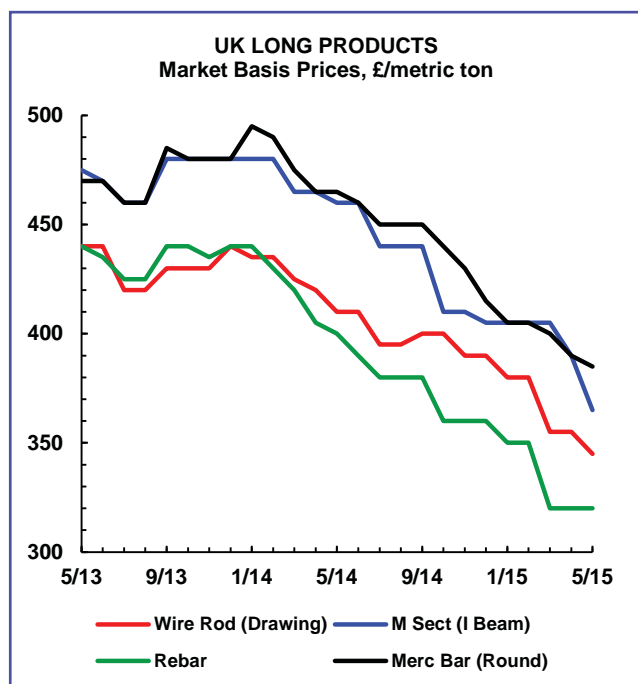
### BASIS PRICE AND PRODUCT DEFINITIONS

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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.



In the UK, ex-mill prices have tumbled as order intake has slowed. The weak euro has given mainland European suppliers significant advantages. Domestic producer, Tata Steel, is selling quite aggressively, to claw back market share. The environment for distributors is increasingly challenging as lower ex-mill values have led to stock losses. Even so, there appears to be no resolve on their part to push resale values up. The larger players are selling at particularly low numbers. April was quieter than expected but there should be plenty of activity in the future. The Belgian market is relatively flat. The recent price proposal has yet to be implemented. Distributors report that sales volumes are still problematic. Spanish domestic prices have been maintained as steelmakers continue to focus on export markets. Although local demand is subdued at present, some large public works projects are in the pipeline.

## REINFORCING BAR

Despite quiet trading conditions, rebar producers are in the process of lifting basis values, on the back of their higher scrap costs. Overseas requirements are limited, forcing producers to cut their export price offers to €410/420 per tonne, FOB.

German buyers are loath to place new business as mills push for higher prices. Consequently, demand is slow. A small advance has been implemented, although producers would like another €20 per tonne. Fabricators, who agreed projects several months ago, are suffering because of today's inflated rebar values. The construction industry is depressed, in France, where the number of medium-sized companies in

that sector has dropped significantly. Nevertheless, the government is not introducing any initiatives to help investment. As a result, the market for rebar remains at a low level. Steelmakers have tried to use the rising cost of scrap to secure price rises but basis figures have hardly moved. Although Italian activity is limited, customers have agreed to pay a scrap-related increase. There are still negative signals from the construction sector.

UK prices for forward orders are at a similar level to last month. Despite healthy underlying demand, the domestic producer has little possibility of lifting values at the moment. There is severe import pressure, mainly from Chinese sources but also from mainland European suppliers taking advantage of the current exchange rate. There is plenty of material sitting at the docks and service centre stocks are considered to be a little on the high side. Belgian distributors' sales volumes were up in the first quarter, although resale margins remained poor. Market conditions are still difficult as forecasts for a demand recovery, in May, have yet to materialise. Nevertheless, ex-mill values have gained €10 per tonne as they follow scrap costs upwards. Spanish market players report a lack of the anticipated seasonal revival in demand. Producers are offering to North Africa at €420 per tonne, FOB. Exports to other overseas sources are difficult.

## MERCHANT BAR

Purchasing strategy remains cautious in Germany, where buyers believe that the recent negative price trend could return. Steelmakers failed to implement their proposed increases. After falling below €100 per tonne, French basis values have now stabilised around that figure. The lack of building work in Italy persists. Customers have agreed to a rollover of April figures, for May.

### MEPS INDUSTRIAL SECTOR STEEL PURCHASING PRICE INDICES - EU AVERAGE

Jan 07 = 100	Apr-15	May-15	% change
<b>Construction Industry</b>	74.4	77.6	4.3
<b>Household Appliances</b>	62.3	64.4	3.4
<b>Machinery Sector</b>	68.4	70.7	3.4
<b>Shipbuilding Industry</b>	59.4	61.1	2.9
<b>Shipping Containers</b>	67.1	69.0	2.8
<b>Yellow Goods</b>	69.6	71.8	3.2

Some price erosion was noted in the UK, during the latter part of April, but, since then, things have stabilised. Service centre stocks are reasonable. There are plenty of offers from mainland Europe, due to the weak euro. In Belgium, mills have tried, unsuccessfully, to boost prices. In reality, some weakness has developed, especially if large tonnages

are booked. Inventories at a number of distributors are higher than present sales require, leading to resale price issues. Demand is unstable and some end-users have liquidity problems. In Spain, steelmakers have hung on to the April numbers, despite subdued sales to end-users. Rising scrap costs have supported merchant bar prices.

## MARKET AND INDUSTRY SCENE

### SERVICE CENTRE

ThyssenKrupp Stahl-Service-Centre has acquired 100 percent of Stuttgart-based specialist steel processor, Herzog Coilex. The new company will be known as Stuttgart Coilex. Each year it is capable of processing several hundred thousand tonnes of hot rolled, cold rolled and slit strip coated flat products for sale to automotive and white goods manufacturers.

### CAPACITY/INVESTMENT

Salzgitter Group has spent €78 million building a new coal injection system for two blast furnaces operating at its Flachstahl steel subsidiary, located near Hannover. This investment also covers new

conveyer systems at the port of Hamburg and a new coal grinding and drying plant.

Arceo Engineering, a joint venture between ArcelorMittal and Belgian state-owned operator Sogepa, is investing €60 million installing a new surface coating line at its plant in Liege. Commissioning is scheduled for summer 2016.

### CLOSURE

SSAB has announced plans to shut down the line pipe operation at its plant in Virsbo, Sweden, before the fourth quarter of 2015. The closure is expected to affect 65 of the 100 employees working at the plant, which will remain open producing expandable rock bolts.

## MEDIUM TERM PRICE FORECASTS

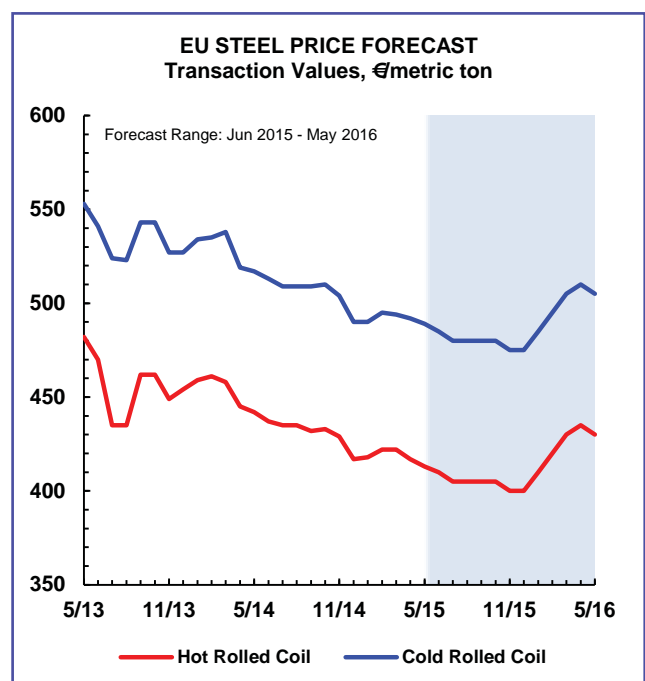
### FLAT PRODUCTS

The MEPS - EU Average Hot Rolled Coil price declined by €4 per tonne in May. Selling figures for cold rolled material moved down by €3 per tonne, in the same period.

We anticipate a moderate negative trend in prices as the summer approaches. Competitively-priced offers from overseas suppliers, particularly Chinese and Russian, are likely to apply downward pressure on selling figures. We believe that the producers' input costs will continue to be low, giving them little scope to increase transaction values. Distributors are expected to continue to purchase for immediate requirements as they remain uncertain about future movements in prices.

The mills are expected to renew their efforts to raise selling values during the third quarter. This could help to stabilise steel prices, especially if a post-summer pickup in purchasing activity occurs. We predict a seasonal lull in transaction values during the fourth trimester. A modest rise in raw material costs

is expected during the first quarter of 2016. This, coupled with restocking efforts by customers in the region, should help to lift selling figures at that time.



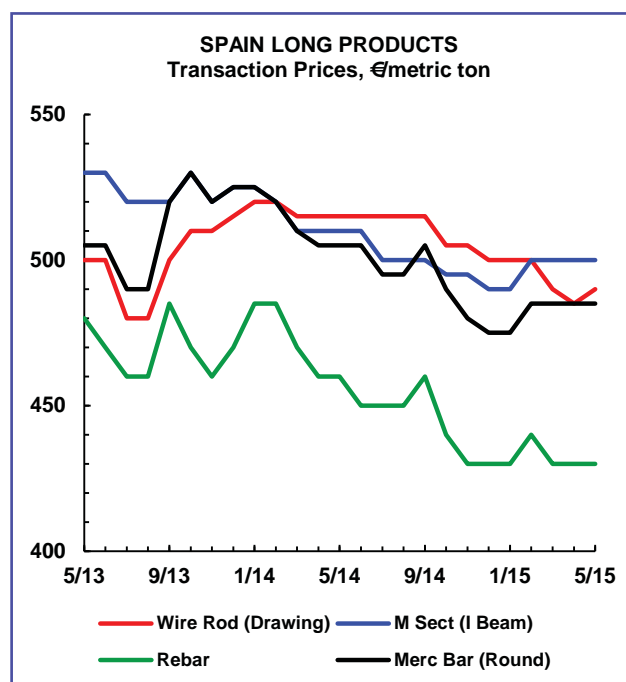
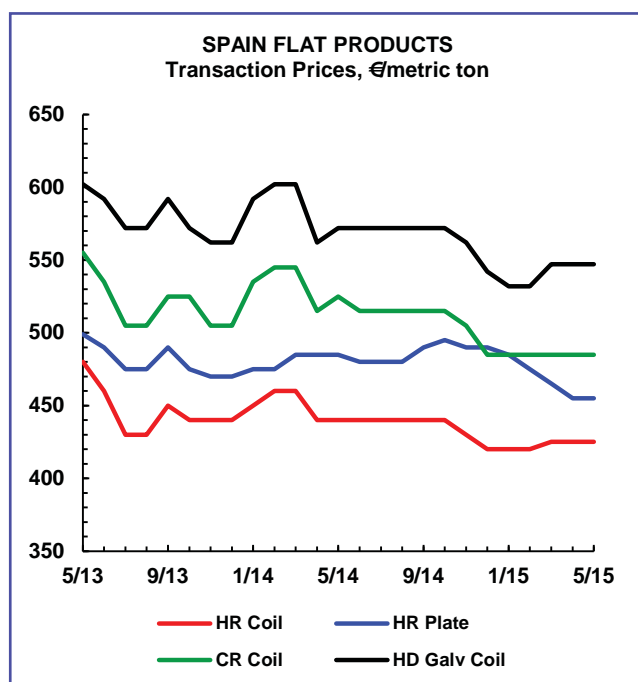


### EU AVERAGE DOMESTIC TRANSACTION PRICE FORECASTS

Euro/metric ton	Actual	Forecast					
	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15
Hot Rolled Coil	413	410	405	405	405	405	400
Hot Rolled Plate	480	475	470	470	470	470	465
Cold Rolled Coil	489	485	480	480	480	480	475
HD Galv Coil	545	540	535	535	535	535	530
EZ Coated Coil	545	540	535	535	535	535	530
Wire Rod (Drawing)	498	495	485	485	490	485	480
Wire Rod (Mesh)	441	440	430	430	435	430	425
M Sect (I Beam)	503	500	495	495	500	495	490
M Sect (H Beam)	558	555	550	550	555	555	545
Reinforcing Bar	431	430	420	420	425	420	410
Merc Bar (Round)	495	493	488	488	493	488	478
Merc Bar (Eq Angle)	512	510	505	505	510	505	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	450	460	450	445	331	447	445
	Low	413	420	410	405	306	414	425
Hot Rolled Plate	High	522	535	505	495	409	553	505
	Low	480	495	455	455	379	512	455
Cold Rolled Coil	High	532	535	545	525	388	524	525
	Low	489	495	505	475	353	477	485
Hot Dipped Galvanised Coil	High	589	592	597	562	443	599	587
	Low	545	552	557	512	403	545	547
Electro-Zinc Coated Coil	High	589	589	579	584	458	619	574
	Low	545	539	549	544	418	565	534
Stainless CR Coil Type 304	High	1095	1120	1090	1020	860	1162	1030
	Low	1020	1020	1040	970	790	1068	980
Stainless CR Coil Type 430	High	1049	1070	1050	955	845	1142	987
	Low	1003	1020	1000	905	820	1108	957

LONG PRODUCTS price/metric ton		EU AVG	Germany	France	Italy	UK	UK	Spain
		(€)	(€)	(€)	(€)	(£)	(€)	(€)
Wire Rod (Drawing Quality)*	High	522	533	520	510	397	536	510
	Low	498	513	490	490	357	482	490
Wire Rod (Mesh Quality)	High	465	455	450	465	380	514	475
	Low	441	435	420	445	350	473	445
Medium Sections (I Beam)	High	540	550	545	510	395	534	550
	Low	503	510	515	490	365	493	500
Medium Sections (H Beam)	High	603	620	595	595	440	595	590
	Low	558	570	555	560	400	541	550
Reinforcing Bar	High	449	450	445	445	350	473	450
	Low	431	430	415	435	320	432	430
Merchant Bar (Round)	High	527	530	510	515	405	547	545
	Low	495	490	490	495	385	520	485
Merchant Bar (Equal Angle)	High	544	550	530	535	405	547	565
	Low	512	510	510	515	385	520	505

\* Includes supplementary surcharge in the UK.

**CURRENCY EXCHANGE RATES**

	US dollars (US\$)		Euros (€)	
	1-Apr	1-May	1-Apr	1-May
Eurozone (€)	0.929	0.893	-	-
UK (£)	0.674	0.660	0.726	0.740

**NEXT MONTH'S ISSUE**

*The June issue of the European Steel Review will be dispatched by post & PDF on 18 June, 2015.*

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

	Apr-15	May-15	% change
Hot Rolled Coil	159.8	158.2	-1.0
Hot Rolled Plate	169.0	167.2	-1.1
Cold Rolled Coil	135.2	134.3	-0.7
HD Galv Coil	118.9	118.2	-0.6
EZ Coated Coil	130.6	129.5	-0.8
SS CR Coil 304	82.9	83.1	0.2
SS CR Coil 430	89.8	89.1	-0.8
Wire Rod (Drawing)	186.4	187.9	0.8
Wire Rod (Mesh)	183.5	186.1	1.4
M Sect (I Beam)	166.4	163.8	-1.6
M Sect (H Beam)	162.2	159.9	-1.4
Reinforcing Bar	186.3	189.9	1.9
Merc Bar (Round)	186.8	186.1	-0.4
Merc Bar (Eq Angle)	199.2	198.4	-0.4

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

**NEGOTIATED DOMESTIC TRANSACTION PRICES - MONTH ON MONTH % CHANGE  
May 2015 versus April 2015**

		EU AVG (€)	Germany (€)	France (€)	Italy (€)	UK (£)	UK (€)	Spain (€)
Hot Rolled Coil	Low	-1.0	0.0	-2.4	-1.2	0.0	-1.7	0.0
Hot Rolled Plate	Low	-1.0	0.0	-2.2	-2.2	0.0	-1.9	0.0
Cold Rolled Coil	Low	-0.6	0.0	-1.0	0.0	-1.4	-3.2	0.0
HD Galv Coil	Low	-0.5	0.0	-0.9	-1.0	0.0	-1.8	0.0
EZ Coated Coil	Low	-0.9	0.0	-1.8	-0.9	0.0	-1.9	0.0
SS CR Coil 304	Low	0.2	0.0	0.0	2.1	0.0	-1.8	1.0
SS CR Coil 430	Low	-0.8	0.0	0.0	0.0	-3.0	-4.8	0.0
Wire Rod (Drawing)	Low	0.8	2.0	1.0	1.0	-2.7	-4.7	1.0
Wire Rod (Mesh)	Low	1.4	2.4	0.0	2.3	0.0	-1.9	1.1
M Sect (I Beam)	Low	-1.6	0.0	0.0	0.0	-6.4	-8.2	0.0
M Sect (H Beam)	Low	-1.4	0.0	0.0	0.0	-5.9	-7.5	0.0
Reinforcing Bar	Low	1.9	2.4	1.2	3.6	0.0	-2.0	0.0
Merc Bar (Round)	Low	-0.4	0.0	0.0	0.0	-1.3	-3.2	0.0
Merc Bar (Eq Angle)	Low	-0.4	0.0	0.0	0.0	-1.3	-3.2	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/m<sup>2</sup>.

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.

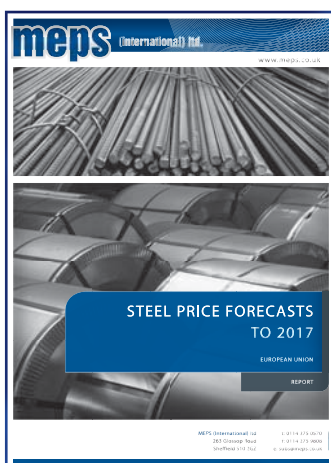
Reinforcing Bar (Deformed) - 16-20mm diameter, high yield.

Merchant Bar (Round) - 50mm diameter.

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

## MEPS PUBLICATIONS

### MEPS STEEL PRICE FORECASTS TO 2019 - 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.