



EUROPEAN STEEL REVIEW

KEYNOTE

JULY 2014

EU STEEL MARKET PRICES CONTINUE TO WEAKEN AHEAD OF THE HOLIDAYS

Activity in the European flat products market is quiet ahead of the summer holidays. Although consumption is strengthening in several countries and economic indicators are good, producers, keen to book orders, have agreed to further small price reductions. Customers have called for lower basis values, citing the mills' relatively low raw material costs and the availability of cheaper third country imports.

As the domestic auto sector is busy, German steelmakers have strong order books from those companies. However, other industrial sectors are only performing at a level comparable to last year. Moreover, parts of the construction industry remain quite fragile. Consequently, customers are loath to pay more for their steel.

Distributors are reducing resale values in order to compete for business. Buyers are of the opinion that further minor weakness could develop over the next six to eight weeks. Third country quotations are a little below domestic ones but the lengths of the delivery lead times are considered unfavourable.

Activity remains weak in the French market, where end-users have short order books and are worried about the situation in September. They are, therefore, unwilling to order material now. On the distribution side, demand is expected to be similar to last month. There will only be a slight increase in orders for September delivery because underlying consumption is poor. As a result, basis values have eroded further,

FLAT ROLLED PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES - GERMANY

price/metric ton		2014					
		FEB	MAR	APR	MAY	JUN	JUL
Hot Rolled Coil	High	490	500	490	480	460	450
	Low	440	450	440	430	410	410
Hot Rolled Plate	High	540	545	545	545	545	540
	Low	500	505	505	505	505	500
Cold Rolled Coil	High	560	570	560	550	540	540
	Low	520	530	520	510	500	500
Hot Dipped Galvanised Coil	High	560	570	560	550	540	530
	Low	520	530	520	510	500	490
Electro-Zinc Coated Coil	High	570	580	570	570	560	550
	Low	520	530	520	520	510	500
Stainless CR Coil Type 304	High	1130	1130	1130	1130	1150	1160
	Low	1030	1030	1030	1030	1050	1060
Stainless CR Coil Type 430	High	1090	1090	1090	1090	1090	1090
	Low	1040	1040	1040	1040	1040	1040

ISSN 1369-8583

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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despite mills' efforts to stabilise them. However, the auto industry is purchasing a little more than in 2013, which is helping parts manufacturers and some service centres.

Market sentiment in the Italian steel sector is very negative. We have noted a number of small price concessions. After the Italian mills decided to drop basis values to encourage orders, buyers report that their quotations are now being met by some North European producers. Third country imports are a little cheaper but delivery lead times are considered too long. In the distribution sector, there is a great deal of competition for the small amount of business available. End-users are worried about their stock levels as all hopes of demand improvement, forecast earlier in the year, have been dashed.

UK service centres report they have a wide range of busy customers. Distributors' sales volumes are well up on 2013 and, for some, the best in several years. Nevertheless, mill prices remain low. Indeed, they have continued to drift downwards, due to the strength of sterling, which is serving to attract material from mainland Europe and further afield. However, delivery lead times from China are so long

that, because of the recent negative price trend, the steel is no longer competitive on arrival. Resale values have remained reasonably firm.

There have been no major changes in the Belgian market, where demand is flat. Distributors report that end-users are endlessly shopping around to get bigger discounts. Stockholders from neighbouring countries are also competing for business. Often the quantity extras are not applied, even for very small amounts. Delivery lead times from the steelmakers are extremely short. Ex-mill prices are slightly lower than a month ago.

There are signals that the Spanish economy is slowly reviving. New projects are coming on stream and some of those that were postponed during the financial crisis are being reactivated. It could be well into the final quarter before this improvement makes itself felt in the domestic steel industry, which, currently, is quite dull. Suppliers are, therefore, looking continually to export markets. Customers are not very interested in placing forward orders with third country suppliers. They prefer to purchase from stocks at the ports or obtain quick deliveries from local mills.

FLAT PRODUCTS

HOT ROLLED COIL

We can detect some downward price pressure in the German market. A number of service centres have financial difficulties as end-users press for reductions. Consequently, they in turn, are calling for discounts from the mills. Italian suppliers, keen to gain orders, are offering below our tabled price in some instances.

French basis values have been cut in order to be competitive with imported material. The domestic producers will try to lift prices in September but market participants remain unsure that the higher figures can be implemented. In Italy, demand from consumers is stable on the low side. Resale values are under pressure.

In the UK market, material is readily available from

LONG PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES - GERMANY

price/metric ton		2014					
		FEB	MAR	APR	MAY	JUN	JUL
Wire Rod	High	535	530	530	530	530	530
	Low	515	510	510	510	510	510
Medium Sections and Beams	High	585	575	570	570	570	550
	Low	545	535	530	530	530	510
Reinforcing Bar	High	280	260	250	250	235	235
	Low	260	240	230	230	215	215
Merchant Bar	High	195	185	180	180	170	160
	Low	155	145	140	140	130	120

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

	Hot Rolled Plate		Hot Rolled Coil	
	Q2/14	Q3/14p	Q2/14	Q3/14p
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				

mainland Europe and from China. Suppliers have reduced basis figures by up to £20 per tonne. Distributors are enjoying reasonable sales to end-users. The Belgian market is quiet. Demand on the service centres is low with no signs of improvement as their customers are not ready to purchase. Resale margins are small. Local mills, keen to boost their order books before the holidays, have trimmed their price offers a little to encourage business. In Spain, inventories are stable at an operational level suited to market requirements. Material is available from Chinese and Indian sources. For now, domestic basis numbers are unchanged but we can detect some downward pressure.

HOT ROLLED PLATE

The commodity plate market continues to be fairly dull, with some negative pressure on prices. With the European holidays already starting in some countries and a slow export situation due to the Ramadan Festival in the Arabian region, this is unlikely to change in the near term. Import quotations, mainly from Chinese and Indian producers, are also falling as a result of the relatively strong euro, lower iron ore costs and cheaper freight rates.

In Germany, we have noted a small downward price correction. However, recent statistics have revealed that stocks at the service centres fell during May by over 5 percent, month-on-month, and that the quantities sold by distributors were up by around 9 percent. French plate figures remain at a low level as it would appear that some mills are always ready to offer discounts. At the moment, Tata Steel and SSAB are reportedly very competitive on the commodity grades. Demand is reasonable, with delivery lead times from some sources beginning to extend. However, there are still too many suppliers and there is too much imported material on offer. Italian rerollers continue to suffer due to a lack of orders, as their markets in Europe are saturated and the Mediterranean region is extremely quiet. Third country import quotations, for delivery in ten to

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

	May-14	Jun-14	Jul-14
EU Average	75.3	74.8	74.2
Year-on-year % +/-	-4.6	-3.7	-2.1
* Jan 07 = 100 - based on transaction prices ** STEELPPI - Steel Purchasing Price Index			

twelve weeks, are cheaper than a month ago.

UK demand for commodity plate is stagnant. We have noted some further price erosion, partly due to the availability of cheap imports. Further decreases cannot be ruled out. Buyers report Chinese and Ukrainian material can be purchased from the dockside at £415 per tonne, delivered. Resale values are also under pressure as distributors compete aggressively for business. Meanwhile, the market for the higher specifications is healthy, despite a small tail-off in sales ahead of the holidays. Basis figures are unchanged in Belgium. Chinese and Ukrainian suppliers are quoting very cheaply in Spain. This is keeping the lid on market prices. Regarding demand, some previously postponed government-funded projects are about to restart.

COLD ROLLED COIL

German demand remains satisfactory but, with the exception of the auto industry, there is no significant improvement. There is plenty of Russian material on offer but domestic suppliers have maintained basis figures at the June level. French selling values have

**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	500	500	680	684
France	510	500	694	684
Italy	480	475	653	650
UK	410	395	687	678
Belgium	510	500	694	684
Spain	500	500	680	684

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	450	460	450	365	457	460	440
	Low	410	420	410	340	426	420	420
Hot Rolled Plate	High	540	550	490	460	576	530	515
	Low	500	500	450	430	539	490	465
Cold Rolled Coil	High	540	540	525	430	539	550	540
	Low	500	500	475	395	495	500	500
Hot Dipped Galvanised Coil	High	530	540	500	445	558	550	540
	Low	490	500	450	405	508	500	500
Electro-Zinc Coated Coil	High	550	540	545	480	602	550	550
	Low	500	510	505	440	551	500	510
Stainless CR Coil Type 304 (a)	High	1160	1140	1100	965	1209	1110	1075
	Low	1060	1090	1050	895	1122	1060	1025
Stainless CR Coil Type 430 (a)	High	1090	1070	955	1015	1272	—	1007
	Low	1040	1020	905	990	1241	—	977

MONTH on MONTH % CHANGE

Hot Rolled Coil	Low	0.0	-2.3	0.0	-2.9	-1.2	-2.3	0.0
Hot Rolled Plate	Low	-1.0	0.0	0.0	-2.3	-0.6	0.0	0.0
Cold Rolled Coil	Low	0.0	-2.0	-1.0	-3.7	-2.0	-2.0	0.0
HD Galv Coil	Low	-2.0	0.0	-2.2	-1.2	0.6	-2.0	0.0
EZ Coated Coil	Low	-2.0	-1.9	-1.0	-2.2	-0.5	-3.8	0.0
SS CR Coil 304	Low	1.0	2.8	1.9	0.0	1.8	1.0	0.0
SS CR Coil 430	Low	0.0	0.0	0.0	0.0	1.8	—	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.

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

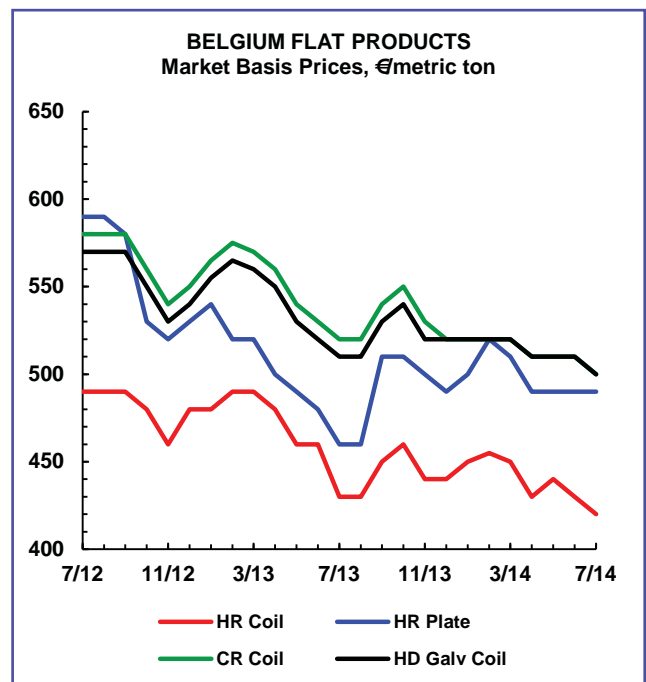
lost €10 per tonne, compared with the numbers reported in our last issue. Activity is subdued ahead of the long summer vacation. In Italy, local suppliers have offered a marginal discount during recent transactions. Russian material is competitive at €480 per tonne, CFR, but Turkish cold rolled coil is too expensive at present.

In the UK, Russian suppliers have again cut their offers to £415 per tonne, effective delivered, for October arrival. Domestic and mainland European producers have reduced their numbers accordingly. There are some attractive third country offers in the Belgian market. Domestic basis figures have softened by €10 per tonne. Demand is relatively weak ahead of the holidays. Cold rolled coil is described as “the weakest of the strip mill products,” in Spain, although domestic basis values are unchanged this month. There is import availability from China, Russia, India and Turkey. Resale prices are under pressure as end-users press for cheaper steel.

COATED COIL

German auto production is going well with good local sales and a healthy export market, especially in China and the USA. However, the carmakers are trying to reduce their steel costs wherever possible, so distributors who serve that sector complain of poor margins. Construction related sales of hot dipped galvanised coil are fair. In the general market, basis numbers have weakened slightly, due to oversupply. Activity in the French vehicle industry has improved a little but remains modest. Demand for galvanised steel in general is tepid. However, the mills have held on to last month's basis values. Automotive output is growing in Italy, albeit at a very slow pace. Hot dipped material continues to be the weakest of the flat products, due to poor demand and fierce internal competition.

In the UK, prices for forward orders have slipped by around £5 per tonne, due to import pressure. Sales to construction are not as good as expected. However, the carmakers are busy. Italian mills are offering in Belgium at quite low prices. Overall, customers are paying around €10 per tonne less than in June. Car production has picked up in Spain



and is expected to remain firm throughout 2014. Imported, thin gauge material from India and China is attractively priced.

In Germany, the steelmakers have offered another reduction of €10 per tonne for sales of electro-zinc coated coil. French numbers have lost a similar amount compared with June. Italian producers have also made further small concessions. In the UK, mainland European suppliers have cut basis values by £10 per tonne. There is no pressure from the Far East. Belgian buyers have negotiated a €20 per tonne decrease. The situation in Spain is one of “no change”.

COLD ROLLED STAINLESS STEEL

In June, cold rolled austenitic stainless steel basis numbers increased by €10/30 per tonne in Germany, France, Italy and Belgium. The mills were suggesting further advances for July, although consumption may not be strong enough to support such a move. Basis values were unchanged in the UK and Spain. UK sellers reported healthy demand from construction-related applications. Sales activity had slowed in Spain. Ferritic prices were steady throughout.

LONG PRODUCTS

Most long product prices have continued to erode since our June report, despite producers' efforts to stabilise them. The market is quiet ahead of the holidays.

WIRE ROD

Low carbon wire rod producers have held on to selling figures in Germany for the fourth consecutive month.

There is little activity in the recoil market, where values are unchanged, despite buyers' calls for discounts. In France, prices for drawing rod are at the level reported four weeks ago. Those for the mesh quality are also the same as in June, even though suppliers have made efforts to lift them. Italian low carbon wire rod figures are no longer falling. A poorly performing construction sector has led to lacklustre demand for recoil. After keeping effective figures steady for two consecutive months, steelmakers have offered a small discount to try to stimulate sales.

Selling values for the basic drawing qualities have eased downward in the UK, where demand has not

improved. Prices for the higher specifications are fairly static. Recoil numbers continue to track the rebar in a negative direction as sales of finished mesh are slow. Import pressure is almost exclusively European. Drawing quality figures are unchanged in Belgium, where order intake is stable at a low level. In Spain, low carbon wire rod prices have not altered. Demand for the mesh quality material is flat.

MEDIUM SECTIONS AND BEAMS

In the German market, suppliers have been forced to concede a €20 per tonne discount during recent settlements. Sales are subdued and supply is in

LONG PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES

price/metric ton		Germany (€)	France (€)	Italy (€)	UK+ (£)	UK+ (€)	Belgium (€)	Spain (€)
Wire Rod (b)	High	530	540	530	435	545	540	535
	Low	510	510	510	395	495	510	515
Medium Sections and Beams (c)	High	550	530	510	470	589	560	550
	Low	510	500	490	440	551	510	500
Rebar (d)	High	235	240	205	410	514	250	230
	Low	215	210	195	380	476	220	210
Merchant Bar (e)	High	160	130	120	470	589	120	165
	Low	120	110	100	450	564	100	115

MONTH on MONTH % CHANGE

Wire Rod	Low	0.0	0.0	0.0	-3.7	-2.0	0.0	0.0
Medium Sections	Low	-3.8	-2.0	-3.0	-4.3	-2.8	0.0	-2.0
Rebar	Low	0.0	-4.5	-2.5	-2.6	-0.8	0.0	0.0
Merchant Bar	Low	-7.7	-12.0	-13.0	-2.2	-0.5	-9.1	-8.0

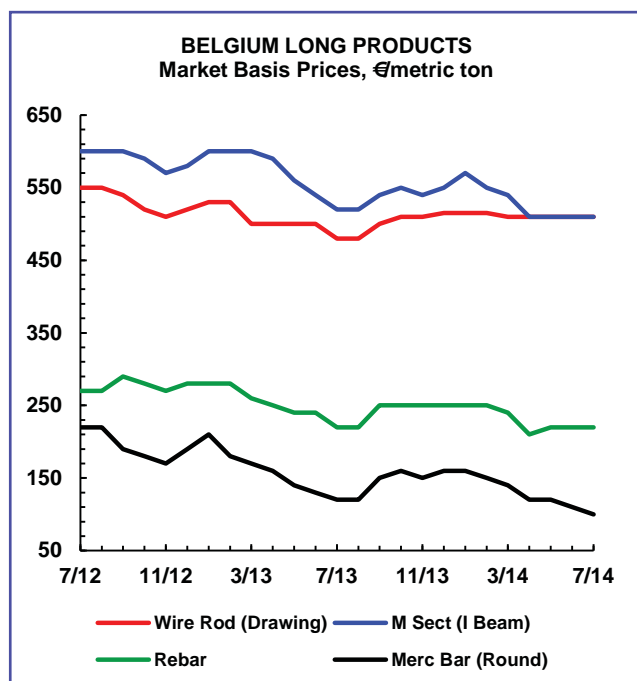
BASIS PRICE AND PRODUCT DEFINITIONS

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: + 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.



excess of demand. In France, distributors are hardly buying any beams at present because, as their sales fell significantly in June, they still have sufficient stock. Effective values have weakened as suppliers, in both the north and south of Europe, revise prices downwards. Recent forecasts for investment in Italian construction are slightly lower than earlier in the year. Effective prices for beams continue to suffer from the dual effect of weak scrap and an ailing building sector.

The UK market is oversupplied with both mill and resale prices on a downward spiral. Tata Steel and ArcelorMittal have lowered their offers in the last few weeks. The strong pound and reasonable demand has attracted imports from continental Europe, where sales have slowed. The Belgian effective figure for Category 1 beams remains at €520 per tonne. The summer period is, traditionally, one of muted activity. Producers are lacking orders and delivery lead times are short. In Spain, the trading environment for suppliers is lacklustre, both at home and abroad. Effective numbers have contracted.

REINFORCING BAR

Since our June report, we have noted only minor price developments in the European rebar market, as figures fluctuate up and down with the small changes in scrap values. Consumption is fairly flat and customers are reluctant to restock with the summer holidays so close. Producers are hoping for a demand upturn in September and a subsequent improvement in prices. Overseas business is slow. Arabian and North African countries are observing the month of Ramadan, which began on June 29. Political issues in some of these

countries are not helping the sales situation.

German prices are unchanged from a month ago. Sales volumes are running at reasonable levels, with construction output forecast to grow throughout 2014. Demand remains weak in France, where the building industry continues to revise forecasts downwards. Rebar basis figures are lower by €10 per tonne. The Italian construction sector is in a poor state, with little hope of recovery envisaged this year. Steelmakers are quoting €420 per tonne, FOB, to overseas clients and have reduced domestic figures marginally.

The upturn in the UK economy is certainly not reflected in rebar selling values at present. Chinese material is available, both at the ports and for forward orders, at a considerable discount to European steel. As prices continue to dip, customers are being very cautious. Actual consumption is a little better than a year ago, although financing is still holding back construction activity. Resale competition is very tough in Belgium but ex-mill figures are static. Spanish steelmakers have held on to domestic basis values. They are offering to North Africa at €430 per tonne, FOB, but Algerian demand is muted.

MERCHANT BAR

Major merchant bar producer, Beltrame, has announced a €10/20 per tonne rise in size extras. At present, the application of the new figures is in the transitional stage. The increase will probably be implemented after the holiday. It could prove difficult to secure at the distribution level.

In Germany, the mills have again succumbed to calls for further discounts. Purchasing activity is cautious as buyers are unsure of future price movements. The hope for improvement in business levels has

MEPS INDUSTRIAL SECTOR STEEL PURCHASING PRICE INDICES - EU AVERAGE

Jan 07 = 100	Jun-14	Jul-14	% change
Construction Industry	98.0	97.7	-0.3
Household Appliances	80.7	81.7	1.2
Machinery Sector	90.1	89.5	-0.7
Shipbuilding Industry	78.9	78.7	-0.3
Shipping Containers	88.1	87.4	-0.8
Yellow Goods	92.1	92.0	-0.1

not materialised, so far. French basis numbers have gone down as low as €110 per tonne, after recovering slightly in June. The forecast revival in demand is yet to be seen. A lack of building activity in Italy, combined with stationary scrap prices, is reflected in merchant bar basis figures, which continue on a downward trajectory, losing €15 per tonne since our last report. The outlook remains dismal.

In the UK, the negative price tendency has persisted

but market players believe the bottom has been reached. However, customers continue to only purchase sufficient quantities for their immediate needs as stock is available from the producers. Demand is flat. As Belgian buyers anticipated, basis numbers have dropped to €100 per tonne. There is overcapacity at both the production and distribution levels. Sales to Spanish end-users are lacklustre. During recent negotiations, customers have won a €10 per tonne decrease.

MARKET AND INDUSTRY SCENE

CAPACITY/INVESTMENT

ArcelorMittal is set to invest €13.5 million in a series of improvements to its plants in northern Spain. The company has allocated €10 million to increase the capacity of the pickling line at the Avilés plant from 1.47 million tonnes to 1.7 million tonnes. A further €3.5 million will be used to automate the inspection process at the heavy plate works at ArcelorMittal Gijón. The upgrades will be carried out during planned maintenance shutdowns with commissioning scheduled for 2015.

Following an investment of €9.5 million, Tata Steel has

installed a new slitting line at its steel service centre in Gelsenkirchen, Germany. The line is capable of handling up to 140,000 tonnes of advanced and ultra-high-strength steel per annum. This brings the annual throughput capacity at the service centre to 365,000 tonnes.

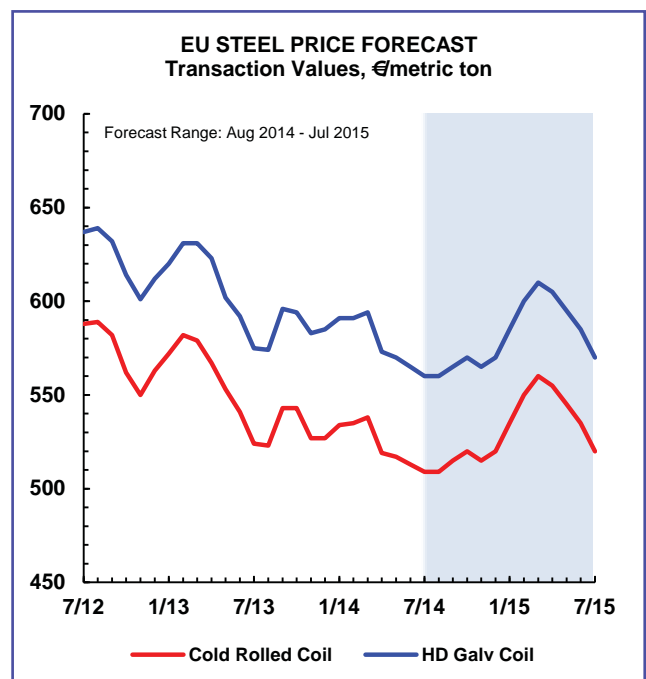
Voestalpine has completed the installation of a continuous annealing line at its plant in Linz, Austria. The new equipment, which has a unique horizontal construction, is able to process strip with widths up to 1,650mm. This will give the Linz plant the capacity to produce 250,000 tonnes of coated electrical steel each year.

MEDIUM TERM PRICE FORECASTS

The MEPS - EU Average price for cold rolled coil decreased by €4 per tonne in July. Selling figures for hot dipped galvanised material moved down by €5 per tonne. The declines were in line with our previous forecasts.

Steelmakers are likely to attempt price rises, in the coming months, as they look to improve their profit margins. However, any increases that are achieved are likely to be only modest. We anticipate little change in selling figures, in the final quarter. Market activity is usually flat ahead of the winter holidays. Many customers are expected to maintain low stock levels, at this time, due to financial year-ends.

We predict a seasonal uptick in mill order intake early in 2015. This, combined with a possible increase in input costs, could support the mills' ambitions to lift transaction values. There is potential for steel prices to come under negative pressure in the second quarter.

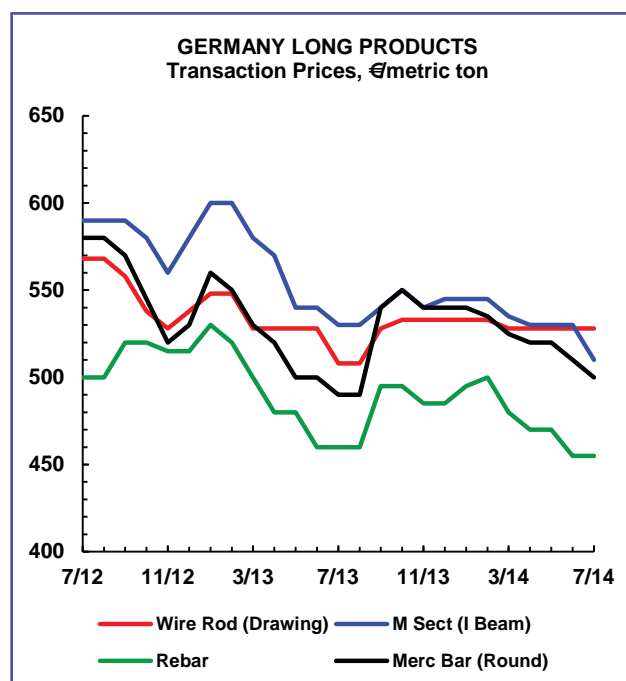
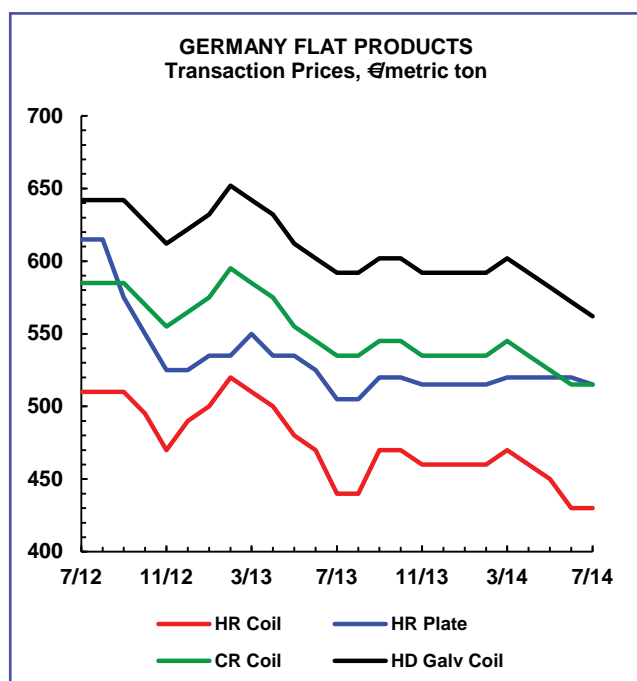


EU AVERAGE DOMESTIC TRANSACTION PRICE FORECASTS

Euro/metric ton	Actual	Forecast					
	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
Hot Rolled Coil	435	435	440	445	440	445	460
Hot Rolled Plate	508	508	510	515	515	520	530
Cold Rolled Coil	509	509	515	520	515	520	535
HD Galv Coil	560	560	565	570	565	570	585
EZ Coated Coil	569	569	575	580	575	580	595
Wire Rod (Drawing)	517	517	525	525	520	525	530
Wire Rod (Mesh)	458	458	470	470	465	470	480
M Sect (I Beam)	511	510	515	520	515	520	530
M Sect (H Beam)	565	565	570	575	570	575	585
Reinforcing Bar	446	446	460	460	455	460	470
Merc Bar (Round)	502	502	508	513	508	513	523
Merc Bar (Eq Angle)	519	519	525	530	525	530	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	471	470	480	470	381	477	460
	Low	435	430	440	430	356	446	440
Hot Rolled Plate	High	550	555	565	505	474	594	530
	Low	508	515	515	465	444	556	480
Cold Rolled Coil	High	552	555	555	540	443	555	555
	Low	509	515	515	490	408	511	515
Hot Dipped Galvanised Coil	High	603	602	612	572	498	624	612
	Low	560	562	572	522	458	574	572
Electro-Zinc Coated Coil	High	612	609	599	604	523	655	609
	Low	569	559	569	564	483	605	569
Stainless CR Coil Type 304	High	1145	1160	1140	1100	965	1209	1075
	Low	1071	1060	1090	1050	895	1122	1025
Stainless CR Coil Type 430	High	1081	1090	1070	955	1015	1272	1007
	Low	1036	1040	1020	905	990	1241	977

LONG PRODUCTS price/metric ton		EU AVG	Germany	France	Italy	UK	UK	Spain
		(€)	(€)	(€)	(€)	(£)	(€)	(€)
Wire Rod (Drawing Quality)*	High	541	548	540	530	447	560	535
	Low	517	528	510	510	407	510	515
Wire Rod (Mesh Quality)	High	482	480	490	470	410	514	480
	Low	458	460	460	450	380	476	450
Medium Sections (I Beam)	High	547	550	530	510	470	589	550
	Low	511	510	500	490	440	551	500
Medium Sections (H Beam)	High	609	620	580	595	515	645	590
	Low	565	570	540	560	475	595	550
Reinforcing Bar	High	464	475	480	445	410	514	470
	Low	446	455	450	435	380	476	450
Merchant Bar (Round)	High	533	540	510	500	470	589	545
	Low	502	500	490	480	450	564	495
Merchant Bar (Equal Angle)	High	550	560	530	520	470	589	565
	Low	519	520	510	500	450	564	515

* Includes supplementary surcharge in the UK.

CURRENCY EXCHANGE RATES

	US dollars (US\$)		Euros (€)	
	2-Jun	1-Jul	2-Jun	1-Jul
Eurozone (€)	0.735	0.731	-	-
UK (£)	0.597	0.583	0.812	0.798

NEXT MONTH'S ISSUE

MEPS do not carry out research on steel prices in August because of the difficulties in contacting respondents during summer vacations. Moreover, very few deals are concluded during this period because of holidays. In next month's issue, we take the opportunity to review the trends over the past twelve months.

The August issue of the European Steel Review will be dispatched by post & PDF on 21 August, 2014.

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

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

	Jun-14	Jul-14	% change
Hot Rolled Coil	167.4	166.7	-0.4
Hot Rolled Plate	178.0	177.0	-0.6
Cold Rolled Coil	140.9	139.8	-0.8
HD Galv Coil	122.6	121.5	-0.9
EZ Coated Coil	137.1	135.2	-1.4
SS CR Coil 304	85.8	87.2	1.6
SS CR Coil 430	91.7	92.0	0.3
Wire Rod (Drawing)	195.5	195.1	-0.2
Wire Rod (Mesh)	194.1	193.2	-0.5
M Sect (I Beam)	171.3	166.4	-2.9
M Sect (H Beam)	166.2	161.9	-2.6
Reinforcing Bar	197.8	196.5	-0.7
Merc Bar (Round)	192.9	188.7	-2.2
Merc Bar (Eq Angle)	205.4	201.2	-2.0

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

**NEGOTIATED DOMESTIC TRANSACTION PRICES - MONTH ON MONTH % CHANGE
July 2014 versus June 2014**

		EU AVG (€)	Germany (€)	France (€)	Italy (€)	UK (£)	UK (€)	Spain (€)
Hot Rolled Coil	Low	-0.5	0.0	-2.2	0.0	-2.7	-1.1	0.0
Hot Rolled Plate	Low	-0.6	-1.0	0.0	0.0	-2.2	-0.5	0.0
Cold Rolled Coil	Low	-0.8	0.0	-1.9	-1.0	-3.5	-1.9	0.0
HD Galv Coil	Low	-0.9	-1.7	0.0	-1.9	-1.1	0.7	0.0
EZ Coated Coil	Low	-1.4	-1.8	-1.7	-0.9	-2.0	-0.3	0.0
SS CR Coil 304	Low	1.6	1.0	2.8	1.9	0.0	1.8	0.0
SS CR Coil 430	Low	0.4	0.0	0.0	0.0	0.0	1.8	0.0
Wire Rod (Drawing)	Low	-0.2	0.0	0.0	0.0	-3.6	-1.9	0.0
Wire Rod (Mesh)	Low	-0.4	0.0	0.0	-1.1	-2.6	-0.8	0.0
M Sect (I Beam)	Low	-2.9	-3.8	-2.0	-3.0	-4.3	-2.8	-2.0
M Sect (H Beam)	Low	-2.6	-3.4	-1.8	-2.6	-4.0	-2.5	-1.8
Reinforcing Bar	Low	-0.7	0.0	-2.2	-1.1	-2.6	-0.8	0.0
Merc Bar (Round)	Low	-2.1	-2.0	-3.0	-3.0	-2.2	-0.5	-2.0
Merc Bar (Eq Angle)	Low	-2.1	-1.9	-2.9	-2.9	-2.2	-0.5	-1.9

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.

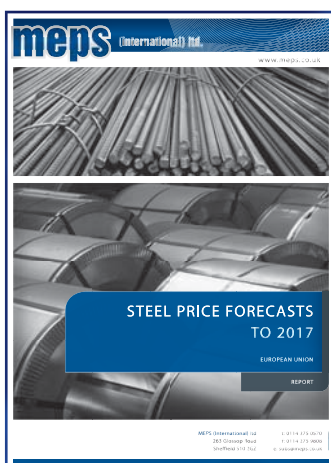
Reinforcing Bar (Deformed) - 16-20mm diameter, high yield.

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.