

EUROPEAN STEEL REVIEW

KEYNOTE

JANUARY 2016

EU STEEL PRICES CLOSE TO BOTTOMING OUT

European strip mill product steelmakers have stabilised prices for January/February and, in some instances, rises of €20/30 per tonne are being discussed for the second quarter. Any decreases noted, since our last report, occurred towards the end of December 2015. Chinese suppliers are also looking to lift prices for new business. Russian mills are still in the market but the quantities involved are quite modest. Buyers remain cautious. Many companies are in a position to wait and assess whether increases will actually be implemented and, if so, whether they can be maintained.

We recorded minor changes to German flat product prices towards the end of 2015. Since then, figures have stabilised. Some customers

have been restocking. Consequently, the producers now have better order books for the first trimester and plan to lift basis values for period two. However, buyers are sceptical about the mills' ability to implement the move. The economy, in general, is performing reasonably well but there are concerns that the automotive sector may cut steel quantities in 2016. The scandal at VW is unresolved. Moreover, the manufacturers of premium brand cars are suffering from a decline in sales to China – an important market for them. The service centres are restocking but not to the normal extent because of their poor 2015 financial results.

The French market was quiet at the beginning of January. Prices stopped moving down at the

FLAT ROLLED PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES - GERMANY

price/metric ton		2015					2016
		AUG	SEP	OCT	NOV	DEC	JAN
Hot Rolled Coil	High	420	410	395	365	360	345
	Low	380	370	355	330	325	310
Hot Rolled Plate	High	510	490	470	450	420	410
	Low	470	450	430	410	380	370
Cold Rolled Coil	High	515	505	500	480	470	450
	Low	475	465	460	440	430	410
Hot Dipped Galvanised Coil	High	515	505	495	475	460	440
	Low	475	465	455	435	420	400
Electro-Zinc Coated Coil	High	525	515	515	495	485	470
	Low	475	465	465	445	435	420
Stainless CR Coil Type 304	High	1130	1130	1130	1130	1130	1130
	Low	1030	1030	1030	1030	1030	1030
Stainless CR Coil Type 430	High	1070	1070	1070	1070	1070	1070
	Low	1020	1020	1020	1020	1020	1020

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end of 2015. Some mills have recently announced rises. However, Chinese material, ordered earlier last year, is due for arrival and available at low prices. New import offers are more expensive. Negotiations with the auto industry have not been completely finalised, yet, but market sources indicate decreases of €40/50 per tonne for the first half of 2016.

The Italian market was slow to start after the extended Christmas holidays. Activity was muted. However, market participants believe that prices have reached the bottom. The domestic steelmakers are talking to customers about advances of €5/10 per tonne. Import volumes remain high but there is slightly less negative pressure than in recent months. The industrial manufacturing sector shows no signs of any strong upturn and construction is performing badly. However, auto output is expected to continue the recovery seen in 2015.

In the UK, first quarter business has been settled at similar levels to those reported in our December issue. The weaker pound is making it more difficult for traders to set up attractive third country import deals. ArcelorMittal has announced a £25 per tonne rise.

Service centres report that December business was good and that the new year has started well.

The Belgian market is under pressure. Cheap offers from China, Russia and Ukraine are available. The costs of production are still low. Consequently, many buyers do not see any room for price advances. Long-term contracts have been negotiated with a reduction of €20/40 per tonne, compared with 2015. A number of customers expect spot prices to follow this trend in the first half of this year but others believe basis values have stabilised, after falling in late December.

Spanish demand in the first trimester 2016 is expected to be quite acceptable, especially from the building industry, which is showing small signs of revival. Service centre stocks are likely to grow over the next few months as sizable quantities of imported material arrived at the ports in November/December. This will, no doubt, lead to strong competition between distributors. Producers have rolled over the low prices, quoted for January delivery, for February business. Now that their order books are filling up, they hope to lift basis numbers for March but buyers feel that the proposals are optimistic.

FLAT PRODUCTS

HOT ROLLED COIL

We detect no significant demand for Chinese material in the German market, at present. Basis values fell to €310/345 per tonne, in late December as the domestic mills were keen to fill their order books. Prices were steady at the start of January. Demand from the pipemakers is dull. Low oil prices have led to a reduction in their sales volumes. Moreover, they face significant competition from Chinese rivals. During

recent coil settlements, in France, the mills have maintained the basis values recorded in December. Underlying demand is reasonable but buyers are cautious about placing new orders at a higher price. In Italy, a small domestic price improvement took place at the end of December. Since then, the rise has been maintained. Offers from importers are quite stable. Market activity was modest in early January.

Our tabled UK numbers are marginally lower, this

LONG PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES - GERMANY

price/metric ton		2015					2016
		AUG	SEP	OCT	NOV	DEC	JAN
Wire Rod	High	510	500	480	450	440	430
	Low	490	480	460	430	420	410
Medium Sections and Beams	High	550	550	530	510	510	510
	Low	510	510	490	470	470	470
Reinforcing Bar	High	215	180	155	125	115	115
	Low	195	160	135	105	95	95
Merchant Bar	High	135	125	110	100	80	80
	Low	95	85	70	60	40	40

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

	Hot Rolled Plate		Hot Rolled Coil	
	Q3/15	Q4/15 p	Q3/15	Q4/15 p
EU Average				
Non Sour	91.2	86.8	108.8	101.8
Sour	97.5	92.8	108.7	101.6

* Q4/06 = 100 - based on euro values
** p = Provisional

month, compared with those in December. The majority of competition has been from continental European sources. Belgian buyers report that the steelmakers are looking for a small increase for March deliveries. Chinese exporters are pushing for higher prices on new contracts, although plenty of material is still available at the ports. Russian and Iranian suppliers are quoting below €300 per tonne, effective, for March shipments, May arrival. Domestic numbers declined by €10 per tonne at the end of 2015. In Spain, large volumes of coil are due for arrival in March/April. This could create further negative price pressure in the second quarter.

HOT ROLLED PLATE

Commodity plate prices are being driven down by worldwide overcapacity. The negative trend is supported by the constantly falling costs of iron ore, coal and oil. Prior to the start of the Christmas holidays in western Europe, the region was inundated with imports from China, Ukraine and Russia. New bookings on the domestic mills, for January/February delivery, were at a very low level. The market is awaiting a decision from the European Commission on possible antidumping measures. This is unlikely to occur before the end of March.

In Germany, import prices are set at a level that the domestic mills cannot match. Nevertheless, local platemakers agreed further concessions, towards the end of 2015. Demand is sluggish, especially from the stockholding sector. The linepipe situation should improve in 2016 but this will not have any immediate impact on the market in general. French demand remains weak. Domestic mills are fighting for orders. However, apart from 'one-off' discounts, prices have not moved, over the last month. With slab costs still moving down, Italian re-rollers are expected to continue to cut plate values in order to grow their order books. The Palini e Bertoli plate mill has recently restarted rolling but customers doubt that this will continue for any length of time. Technosider is reported to be meeting offers of Chinese plate from the dockside.

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

	Nov-15	Dec-15	Jan-16
EU Average	65.7	64.2	62.7
Year-on-year % +/-	-11.3	-11.8	-13.9

* Jan 07 = 100 - based on transaction prices
** STEELPPI - Steel Purchasing Price Index

Few signs of improvement have been noted in the UK commodity plate market. Demand is flat. Sales of quenched and tempered material are particularly competitive. Since the Tata Steel closure announcement, the market has been targeted by a number of other EU suppliers. We hear of attractive offers from South Korea but the delivery lead times are long. Service centres report that resale margins are becoming tighter. In Belgium, prices have fallen by another €20 per tonne. The mills are short of orders. Overall demand for plate, in Spain, is lacklustre.

COLD ROLLED COIL

German basis figures have lost €20 per tonne, since our last report. Demand from the vehicle manufacturers remains strong. Auto contracts with the steel suppliers, for the first half of this year, have been agreed at lower prices. French mills have finally resisted the recent downward pressure from cheap imports and hope to lift basis values, quite soon. In Italy, the threat from Chinese supplies has also abated slightly as the importing mills are wary that retroactive antidumping measures may be applied. Local producers asked for a small increment in late December but customers would not agree.

**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	430	410	456	443
France	410	410	435	443
Italy	340	340	361	367
UK	300	300	452	441
Belgium	420	410	446	443
Spain	370	370	393	400

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	345	350	310	245	333	355	310
	Low	310	310	270	220	299	315	290
Hot Rolled Plate	High	410	400	355	320	435	410	370
	Low	370	350	315	290	394	370	320
Cold Rolled Coil	High	450	450	390	335	455	460	410
	Low	410	410	340	300	408	410	370
Hot Dipped Galvanised Coil	High	440	440	380	320	435	470	410
	Low	400	400	330	280	380	420	370
Electro-Zinc Coated Coil	High	470	460	460	340	462	460	450
	Low	420	430	420	300	408	410	410
Stainless CR Coil Type 304 (a)	High	1130	1100	1000	805	1094	1070	1030
	Low	1030	1050	950	735	999	1020	980
Stainless CR Coil Type 430 (a)	High	1070	1050	955	790	1073	—	987
	Low	1020	1000	905	765	1039	—	957

MONTH on MONTH % CHANGE

Hot Rolled Coil	Low	-4.6	0.0	1.9	-2.2	-6.3	-3.1	0.0
Hot Rolled Plate	Low	-2.6	0.0	0.0	0.0	-4.1	-5.1	0.0
Cold Rolled Coil	Low	-4.7	0.0	0.0	0.0	-4.2	-2.4	0.0
HD Galv Coil	Low	-4.8	0.0	0.0	-6.7	-10.8	-2.3	0.0
EZ Coated Coil	Low	-3.4	0.0	0.0	-3.2	-7.3	-2.4	0.0
SS CR Coil 304	Low	0.0	0.0	0.0	-1.3	-5.5	0.0	0.0
SS CR Coil 430	Low	0.0	0.0	0.0	-1.3	-5.5	—	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.

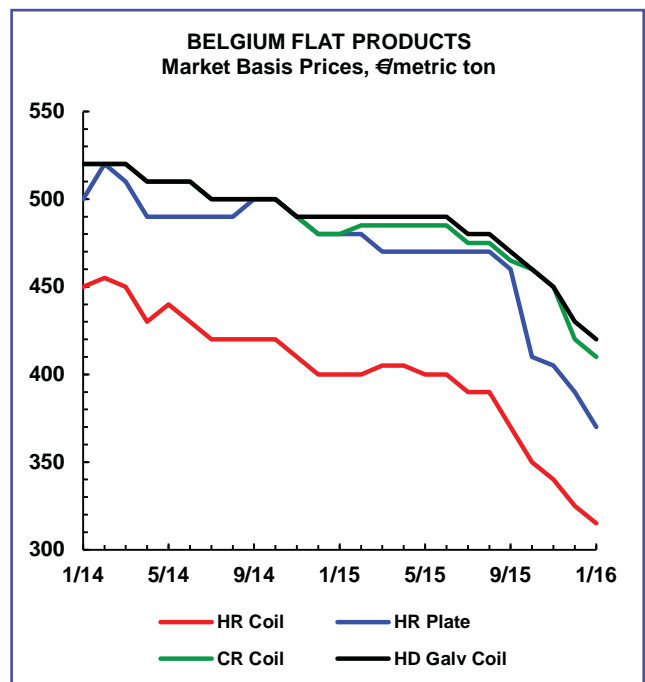
In the UK, Russian and Chinese material is available at €305 per tonne, effective delivered. The coil arrived in late December, in order to avoid trade sanctions. We detect no new offers from either country, at present. Domestic basis numbers are stable. The Belgian market is quiet, with little purchasing activity. Further small reductions have been noted. Local Spanish figures have been rolled over from December.

COATED COIL

German domestic prices for hot dipped galvanised coil fell, in late December. Buyers relate that Chinese suppliers have just announced a rise of US\$50/70 per tonne. Market participants anticipate that the vehicle manufacturers may cut quantities, this year. However, a growth in construction projects should help boost coated sheet sales. Spot values have finally stabilised in France. Sales volumes to the car producers are relatively healthy but lower prices have been negotiated for the first half of 2016. This product is under a great deal of pressure in Italy because of internal oversupply. In December, local mills were trying to lift basis numbers by €20 per tonne, but their plans have, so far, not come to fruition.

The UK vehicle manufacturers continue to perform well and their demand for galvanised coil supports a great many stockists. Distributors are also busy with sales to the building industry, which has benefited from a mild winter. European suppliers have cut basis figures due to third country import competition. Belgian buyers won a decrease in late December. A number of mills are now quoting higher figures but business has yet to be concluded at the new level. Importers are competitive only for the thinner gauges. Spanish suppliers have resisted downward pressure from overseas, in January. Sales to the carmakers are good.

Electro-zinc coated coil basis figures have lost €10 per tonne, in Germany, since our last report. French



buyers agreed a rollover of the December figures. Domestic mills in Italy have maintained their prices. In the UK, mainland European suppliers cut their offers by around €10 per tonne. Material from Brazil has become less competitive recently. Belgian prices are lower by €10 per tonne, in January. Spanish buyers have agreed to maintain last month's numbers.

COLD ROLLED STAINLESS STEEL

In December 2015, cold rolled austenitic stainless steel basis numbers were unchanged in euro equivalent terms in all six countries reviewed. Alloy surcharges were steady. Surcharges, for the nickel bearing grades, are lower in January. Coil from Asia was, reportedly, being offered at €1750 per tonne, CFR Antwerp or Rotterdam. Taiwanese material remained plentiful, despite the imposition of antidumping duties.

LONG PRODUCTS

WIRE ROD

Drawing quality wire rod prices have fallen in Germany. A small reduction was also noted in recoil figures, prior to the Christmas holidays, despite firming scrap costs. French selling values for drawing rod have undergone a marginal downgrade. Recoil figures declined by €30 per tonne, at the end of last year, in challenging market conditions. Italian low carbon wire rod prices have weakened, slightly. Selling figures for mesh quality material are stable at

€340/360 per tonne. Demand remains muted.

In the UK, prices for low carbon material are unchanged from a month ago. Sales are lacklustre. Mesh quality selling numbers are also steady. Demand from the building industry is healthy. In Belgium, steelmakers have conceded small discounts for sales of both drawing and mesh quality rod. Demand is depressed as customers wait, until the last possible moment, to place orders. Spanish mills have held on to December's figures during negotiations for sales

of low carbon wire rod. Selling values for the mesh quality are stable for the second consecutive month.

MEDIUM SECTIONS AND BEAMS

Early January market activity was quiet. Steelmakers are pushing for increases of around €20 per tonne, now that the trend in raw materials is more positive. However, it is too early to talk of successful steel price hikes.

The outlook for the German construction sector in 2016 is quite encouraging as several large projects are planned. The firming of scrap costs, in December,

removed some of the negative pressure on medium sections transaction values. So far, we have seen no indication that buyers will accept the proposed rise. Suppliers tried to implement increases in the French market, in December, for January deliveries but the initiative failed. They are now proposing new offers of around €470/480 per tonne, effective, for category 1 material. Despite improved market sentiment and stable scrap expenditure, producers have not held on to effective numbers in Italy, although the decrease is quite small. There has been an influx of material from China, Belarus and Russia.

The major suppliers to the UK structural sections

LONG PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES

price/metric ton		Germany (€)	France (€)	Italy (€)	UK+ (£)	UK+ (€)	Belgium (€)	Spain (€)
Wire Rod (b)	High	430	440	395	335	455	440	410
	Low	410	410	375	295	401	410	390
Medium Sections and Beams (c)	High	510	490	470	340	462	500	495
	Low	470	460	450	310	421	450	445
Rebar (d)	High	115	130	100	315	428	140	120
	Low	95	100	90	285	387	110	100
Merchant Bar (e)	High	80	65	80	345	469	40	120
	Low	40	45	60	325	442	20	60

MONTH on MONTH % CHANGE

Wire Rod	Low	-2.4	-1.2	-1.3	0.0	-4.1	-2.4	0.0
Medium Sections	Low	0.0	0.0	-1.1	0.0	-4.3	-4.3	0.0
Rebar	Low	0.0	-4.8	0.0	-1.7	-5.8	0.0	11.1
Merchant Bar	Low	0.0	12.5	0.0	0.0	-4.1	0.0	20.0

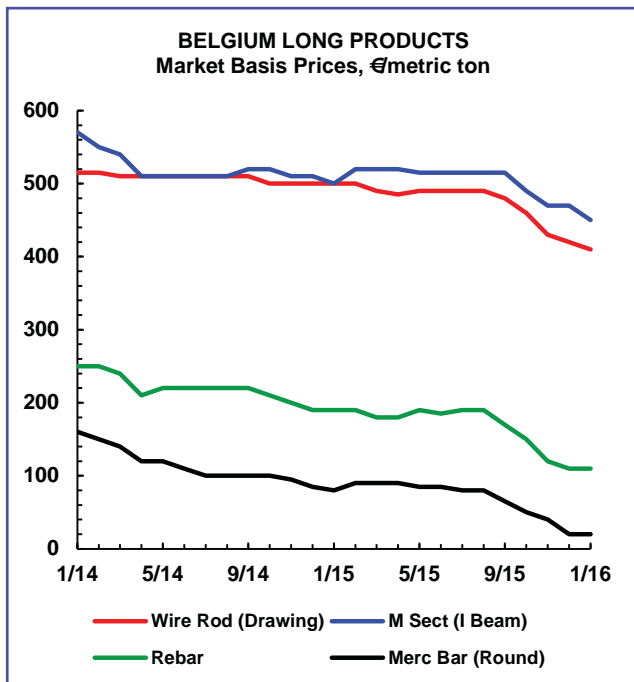
BASIS PRICE AND PRODUCT DEFINITIONS

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.



market have announced hikes of between £20 and £30 per tonne for February rollings, citing unsustainably low producer margins. Several buyers do not expect the rise to be successful, viewing it purely as a signal that the bottom has been reached. Much will depend on the resolve of the steelmakers. Service centres report a slow start to the year. However, for order volume, December was reasonable. Nevertheless, resale margins remain poor. Effective values in Belgium fell by €20 per tonne, in late December, encouraging buyers to place orders. Now, reasonably high stocks at the service centres could prove a challenge, when mills try to implement their proposed increase. In Spain, prices for category 1 sections are unchanged from early December, at €445/495 per tonne. The producers are demanding a rise.

REINFORCING BAR

It was a very slow start to the year for business in the west European rebar market. Many companies began the Christmas vacation around December 18 and some were still on holiday in the first week of January. Consequently, very few price movements have been noted.

German companies have plenty of stock, which they purchased in late 2015, judging that prices had reached their lowest level. Buyers resisted the December initiative for a €20 per tonne advance. French basis numbers dipped to just below €100 per tonne at the end of last year. They then recovered, slightly. Although Italian figures are, currently, unchanged, some customers are anticipating a small downward movement. Domestic demand is slow, given the winter

season and the poor state of construction in general. More importantly, export opportunities in Algeria have been curtailed.

Consumption is quite positive in the UK but substantial stock is in the system, much of it of Chinese origin. Producers' profit margins are under pressure. However, recent scrap settlements have been at a slightly increased cost, which could help local steel suppliers to lift prices. The final decision by the European Commission on antidumping duties for Chinese rebar, exported to the UK and Ireland, will be made in late January/early February. As well as the imposition of relatively high duties on future trade, market participants speculate that retroactive measures may also be applied. Belgian basis numbers are stable at the moment. In Spain, suppliers implemented a €10 per tonne hike, at the end of December. The export situation has deteriorated further for local rebar makers.

MERCHANT BAR

From the start of January, a number of merchant bar producers have announced increases of €20 to €50 per tonne. Many customers ordered significant quantities in December, when they considered prices to be at the bottom. Consequently, the steelmakers, now, have good order books and think that this an opportune time to push for increases.

No further negative price movements have been noted in the German market. Nevertheless, customers continue to purchase quite cautiously. In France, basis figures for merchant bars are now being offered at around €55/60 per tonne, up from €40 per tonne at the end of last year. Small quantities have been purchased at slightly higher values than a month ago. Italian steelmakers have been able to roll over December's figures during recent settlements, despite quiet trading conditions. The small improvement of €5/10 per tonne that was anticipated before Christmas has not yet taken place.

MEPS INDUSTRIAL SECTOR STEEL PURCHASING PRICE INDICES - EU AVERAGE

Jan 07 = 100	Dec-15	Jan-16	% change
Construction Industry	62.0	62.4	0.6
Household Appliances	52.6	52.4	-0.4
Machinery Sector	56.3	56.6	0.5
Shipbuilding Industry	46.3	46.3	0.0
Shipping Containers	54.3	54.5	0.4
Yellow Goods	54.4	54.3	-0.2

UK demand is healthy, with customers taking delivery of material in the first week of January. Mills report that both domestic and export order books are better than for some time. Stock levels at service centres and end-users are reasonably controlled. Positive scrap movements could give the steelmakers the confidence to instigate price advances. Belgian stocks are on the high side as buyers ordered in December,

when prices were very low. Market participants believe that if demand does not improve, the proposed price hike may prove to be unachievable. We detect a great deal of resistance from distributors because they are unsure whether their customers would accept an increase. Spanish suppliers have secured a small rise as low inventories forced buyers to re-order at higher basis levels.

MARKET AND INDUSTRY SCENE

DIVESTMENT

In January, Italy's largest steelmaker, Ilva, was put on the market. The sale is open to all buyers on condition that production and employment continues uninterrupted. Italian authorities have also extended the deadline for the company's environmental clean-up obligations until June 2017. Up to €800 million of state funds has been made available in order to facilitate this, as it is seen as one of the main obstacles to any sale.

Ilva is looking for a buyer for Hellenic Steel, its strip rolling and coating subsidiary based in Thessaloniki, northern Greece. The plant has the capabilities

to roll up to 750,000 tonnes of steel each year and coat a further 300,000 tonnes. However, it has been operating at less than half capacity for a number of years. Ilva plans to complete the sale no later than June 2016.

REDUNDANCIES

Tata Steel has announced the loss of 750 jobs at the company's Port Talbot-based Strip Products UK business. The plant has facilities to process 4.9 million tonnes of steel each year. Tata cited the dumping of Chinese products in the European market as one of the reasons for this decision.

MEDIUM TERM PRICE FORECASTS

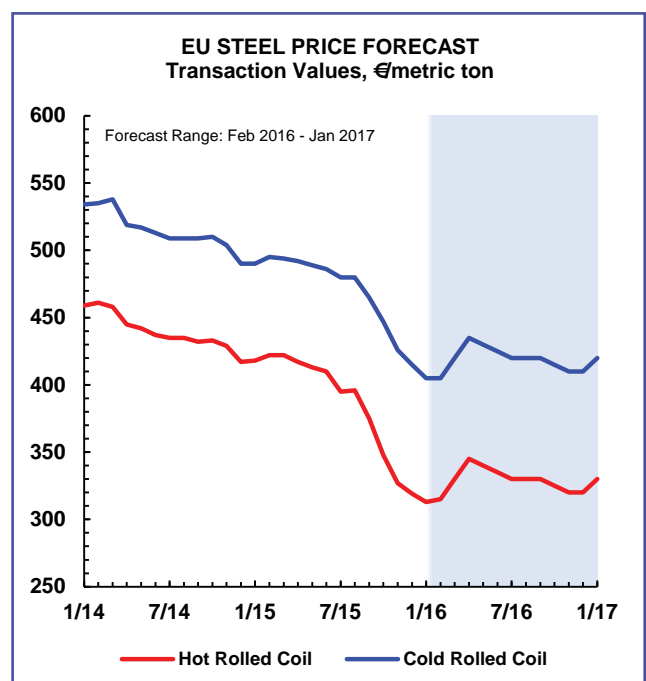
The MEPS - EU Average hot rolled coil transaction price decreased by €6 per tonne in January. A reduction of €10 per tonne was noted for cold rolled coil, this month. Demand remained muted.

Recently announced price hikes by some European mills may take time to be realised. Oversupply continues to put negative pressure on domestic selling figures across the region and demand is likely to be slow to recover. Nevertheless, we do not envisage any further reductions in coil transaction values in the short term.

Selling figures are forecast to increase during March and April. Raw material costs could move upwards at that time. Order intake, at the local steelmakers, is expected to improve as customers look to cover their second quarter requirements. Antidumping measures would add to the upward price pressure.

Any price advances secured over the next few months may be short lived. The traditional slowdown during the summer months could turn market sentiment negative, once again. Consequently, by December 2016, EU average values are forecast to slide towards the levels recorded at the end of 2015.

There are downside risks to our forecasts if iron ore fines continue to decline or stay below US\$40 per tonne, CFR China.

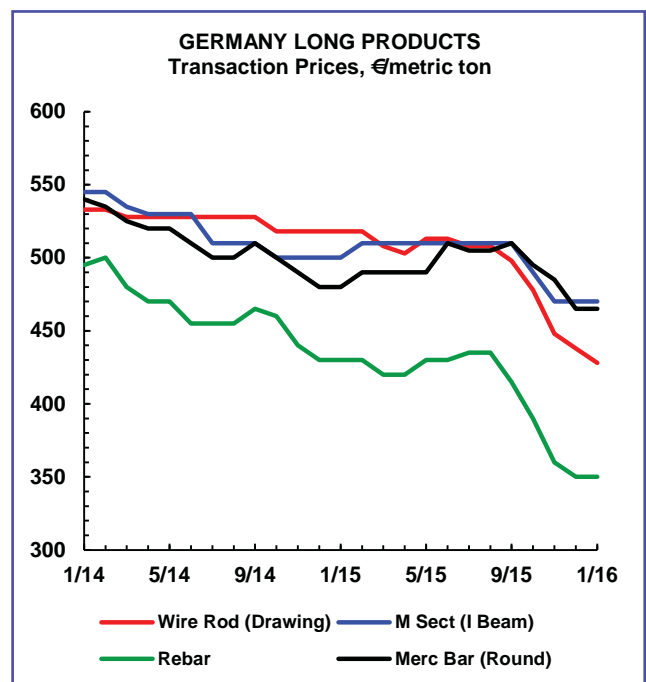
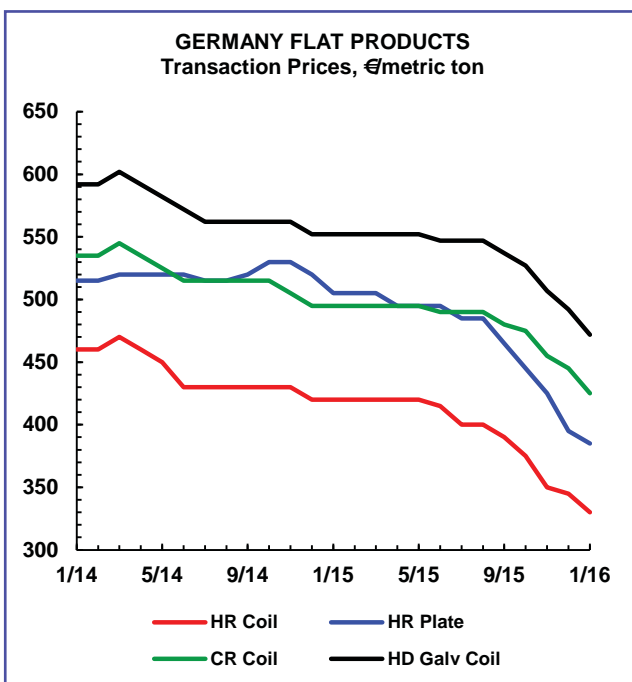


EU AVERAGE DOMESTIC TRANSACTION PRICE FORECASTS

Euro/metric ton	Actual		Forecast				
	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16
Hot Rolled Coil	313	315	330	345	340	335	330
Hot Rolled Plate	371	365	370	380	390	390	385
Cold Rolled Coil	405	405	420	435	430	425	420
HD Galv Coil	458	460	475	490	485	480	475
EZ Coated Coil	479	480	490	505	500	495	490
Wire Rod (Drawing)	405	400	395	410	420	420	415
Wire Rod (Mesh)	336	330	330	345	360	360	355
M Sect (I Beam)	453	450	450	460	470	470	465
M Sect (H Beam)	508	505	505	515	525	525	520
Reinforcing Bar	352	350	345	360	370	370	360
Merc Bar (Round)	470	470	470	480	490	490	480
Merc Bar (Eq Angle)	465	465	465	475	485	485	475

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	349	365	370	330	262	356	330
	Low	313	330	330	290	237	322	310
Hot Rolled Plate	High	414	425	415	370	334	454	385
	Low	371	385	365	330	304	413	335
Cold Rolled Coil	High	448	465	465	405	349	474	425
	Low	405	425	425	355	314	427	385
Hot Dipped Galvanised Coil	High	502	512	512	452	388	527	482
	Low	458	472	472	402	348	473	442
Electro-Zinc Coated Coil	High	522	529	519	519	383	520	509
	Low	479	479	489	479	343	466	469
Stainless CR Coil Type 304	High	1088	1130	1100	1000	805	1094	1030
	Low	1013	1030	1050	950	735	999	980
Stainless CR Coil Type 430	High	1040	1070	1050	955	790	1073	987
	Low	993	1020	1000	905	765	1039	957
LONG PRODUCTS price/metric ton		EU AVG	Germany	France	Italy	UK	UK	Spain
		(€)	(€)	(€)	(€)	(£)	(€)	(€)
Wire Rod (Drawing Quality)*	High	430	448	440	395	347	471	410
	Low	405	428	410	375	307	417	390
Wire Rod (Mesh Quality)	High	360	350	330	360	320	435	365
	Low	336	330	300	340	290	394	335
Medium Sections (I Beam)	High	490	510	490	470	340	462	495
	Low	453	470	460	450	310	421	445
Medium Sections (H Beam)	High	553	580	540	555	385	523	535
	Low	508	530	500	520	345	469	495
Reinforcing Bar	High	369	370	385	355	315	428	375
	Low	352	350	355	345	285	387	355
Merchant Bar (Round)	High	502	505	490	505	345	469	545
	Low	470	465	470	485	325	442	485
Merchant Bar (Equal Angle)	High	498	500	485	500	345	469	540
	Low	465	460	465	480	325	442	480

* Includes supplementary surcharge in the UK.

CURRENCY EXCHANGE RATES

	US dollars (US\$)		Euros (€)	
	1-Dec	4-Jan	1-Dec	4-Jan
Eurozone (€)	0.942	0.926	-	-
UK (£)	0.664	0.681	0.705	0.736

NEXT MONTH'S ISSUE

The February issue of the European Steel Review will be dispatched by post & PDF on 17 February, 2016.

Express Price Tables will be dispatched by e-mail in excel format on 10 February, 2016.

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

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

	Dec-15	Jan-15	% change
Hot Rolled Coil	122.2	119.9	-1.9
Hot Rolled Plate	131.7	129.3	-1.8
Cold Rolled Coil	114.0	111.3	-2.4
HD Galv Coil	102.4	99.3	-3.0
EZ Coated Coil	116.2	113.8	-2.1
SS CR Coil 304	83.1	82.5	-0.7
SS CR Coil 430	89.0	88.2	-0.9
Wire Rod (Drawing)	155.8	152.8	-1.9
Wire Rod (Mesh)	145.6	141.8	-2.6
M Sect (I Beam)	148.9	147.6	-0.9
M Sect (H Beam)	146.7	145.6	-0.7
Reinforcing Bar	155.1	155.1	0.0
Merc Bar (Round)	176.7	176.7	0.0
Merc Bar (Eq Angle)	180.6	180.2	-0.2

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

**NEGOTIATED DOMESTIC TRANSACTION PRICES - MONTH ON MONTH % CHANGE
January 2016 versus December 2015**

		EU AVG (€)	Germany (€)	France (€)	Italy (€)	UK (£)	UK (€)	Spain (€)
Hot Rolled Coil	Low	-1.9	-4.3	0.0	1.8	-2.1	-6.1	0.0
Hot Rolled Plate	Low	-1.9	-2.5	0.0	0.0	0.0	-4.2	0.0
Cold Rolled Coil	Low	-2.4	-4.5	0.0	0.0	0.0	-4.0	0.0
HD Galv Coil	Low	-3.0	-4.1	0.0	0.0	-5.4	-9.4	0.0
EZ Coated Coil	Low	-2.0	-3.0	0.0	0.0	-2.8	-7.0	0.0
SS CR Coil 304	Low	-0.8	0.0	0.0	0.0	-1.3	-5.5	0.0
SS CR Coil 430	Low	-0.9	0.0	0.0	0.0	-1.3	-5.5	0.0
Wire Rod (Drawing)	Low	-1.9	-2.3	-1.2	-1.3	0.0	-4.1	0.0
Wire Rod (Mesh)	Low	-2.6	-2.9	-9.1	0.0	0.0	-4.1	0.0
M Sect (I Beam)	Low	-0.9	0.0	0.0	-1.1	0.0	-4.3	0.0
M Sect (H Beam)	Low	-0.8	0.0	0.0	-1.0	0.0	-4.1	0.0
Reinforcing Bar	Low	0.0	0.0	-1.4	0.0	-1.7	-5.8	2.9
Merc Bar (Round)	Low	0.0	0.0	1.1	0.0	0.0	-4.1	2.1
Merc Bar (Eq Angle)	Low	-0.2	0.0	1.1	0.0	0.0	-4.1	2.1

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.

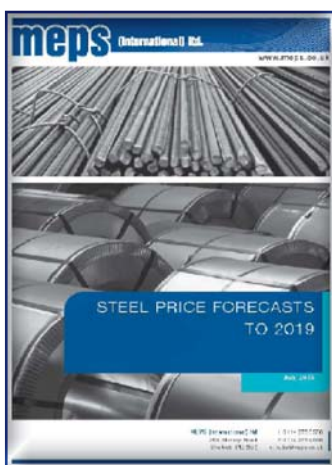
Reinforcing Bar (Deformed) - 16-20mm diameter, high yield.

Merchant Bar (Round) - 50mm diameter.

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

MEPS PUBLICATIONS

MEPS STEEL PRICE FORECASTS TO 2019 - FIVE YEAR FORECAST - **NOW AVAILABLE**



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.