



EUROPEAN STEEL REVIEW

Keynote

June 2017

EU STEEL PRICES DECLINE DUE TO HIGH INVENTORIES AND IMPORT PRESSURE

Flat product price weakness persists in both the north and south of Europe. Spot business is slow amidst a reluctance to commit to forward transactions for third quarter business. Inventories at distributors and OEMs remain relatively high. Large volume orders were placed at the turn of the year, in anticipation of price rises. The material has now been delivered or, in some instances, is still arriving, inflating already bloated stocks.

Import offers are competitively priced. Quotations by overseas suppliers are made more attractive by the strength of the euro against the US dollar. Raw material prices are also soft, partly due to saturated stock levels at Chinese ports.

The supply situation has eased, for most strip mill products, in Germany. Underlying steel consumption is robust, despite the approach of the summer holiday season. Nevertheless, due to high inventories, particularly at the service centres, buyers are very careful when placing forward orders. Standard grades and sizes are on offer from suppliers in India, Taiwan, Vietnam, South Korea and Russia. Quotations are at more competitive prices than in May because of the weak US dollar exchange rate. The domestic price trend is negative.

After a good first quarter, French distributors report slightly softer conditions in the second trimester. Prices continue to be under negative pressure. Supply chain participants are hopeful

Flat Rolled Products - Negotiated Domestic Basis Prices - Germany

price/metric ton		2017					
		Jan	Feb	Mar	Apr	May	Jun
Hot Rolled Coil	High	595	595	595	595	565	545
	Low	560	560	560	560	530	510
Hot Rolled Plate	High	605	625	625	640	630	610
	Low	565	585	585	600	590	570
Cold Rolled Coil	High	700	700	700	700	680	660
	Low	660	660	660	660	640	620
Hot Dipped Galvanised Coil	High	700	730	740	750	740	690
	Low	660	690	700	710	700	650
Electro-Zinc Coated Coil	High	700	720	730	730	710	710
	Low	650	670	680	680	660	660
Stainless CR Coil Type 304	High	1150	1170	1170	1170	1180	1180
	Low	1050	1070	1070	1070	1080	1080
Stainless CR Coil Type 430	High	1080	1080	1080	1080	1080	1080
	Low	1030	1030	1030	1030	1030	1030

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

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that business will start to pick up in the short term. End-users are beginning to refill their order books, as a number of projects receive approval. Large buyers have started to purchase material, anticipating mill closures in August.

Growth in Italian manufacturing output slowed slightly, in May. Steel demand is stagnant and the market remains fragile. The only sectors performing well are automotive and mechanical engineering. Third country imports from India, Turkey, Vietnam and China are widely available at attractive prices. At the moment, stocks are plentiful at distributors and end-users, causing customers to purchase only to fill any gaps in inventories. Re-ordering for the autumn is unlikely to take place until just before the August holidays commence. Customers are demanding discounts, leading to depressed resale values and poor profit margins for the service centres. Ex-works strip mill product figures continue to contract.

In the UK, the weakness of the pound sterling is helping exporters of manufactured goods, although new investment is hindered by the upcoming Brexit negotiations. A number of negative price corrections were noted for strip mill product sales, in June. As resale values at the service centres weaken, buyers are, once again, considering the purchase of overseas material, particularly from suppliers in India and Vietnam. Currently, this is much cheaper than

the European equivalent, partly because of exchange rate movements. Demand on distributors remains reasonable, although the market has become quiet over the last few weeks. Inventories are at a higher level than normal. Resale values are under downward pressure as a number of distributors liquidate stocks, accumulated when prices were much lower than today.

Despite reluctance on the part of European sellers, negative price movement continues in the Belgian market for third quarter deliveries. Demand on the service centres improved, recently, but remains modest. Stocks are plentiful, enabling buyers to postpone major purchasing decisions, for now. They only order the small quantities that they need before the approaching holiday month of July.

Import offer prices into Spain decreased when the US dollar weakened. So far, few deals have been concluded as buyers anticipate more concessions, in the future. Moreover, the market is overstocked. Service centres will need new material for September/October, after the holidays. European suppliers are slashing their quotations accordingly, as order intake slows. Despite satisfactory levels of real consumption from a growing manufacturing sector, end-users continue to ask distributors for discounts. Service centres complain that resale values are falling more quickly than mill prices.

Flat Products

Hot Rolled Coil

German basis figures were adversely affected by competitive offers from third country suppliers and high inventories, in June. Stocks at the service centres

are reported to be higher than a month ago, placing more pressure on distributors to sell off material cheaply. Further downward revisions of around €20 per tonne were noted in the French market, during recent settlements. In Italy, inventories are high.

Long Products - Negotiated Domestic Basis Prices - Germany

price/metric ton		2017					
		Jan	Feb	Mar	Apr	May	Jun
Wire Rod	High	515	515	520	535	530	520
	Low	485	485	490	505	500	490
Medium Sections and Beams	High	570	570	570	570	550	540
	Low	530	530	530	530	510	500
Reinforcing Bar	High	230	230	240	230	215	200
	Low	210	210	220	210	195	180
Merchant Bar	High	110	110	110	110	90	80
	Low	70	70	70	70	50	40

**MEPS - Steel Purchasing Price Index
API Line Pipe X60/65 Composite**

	Hot Rolled Plate		Hot Rolled Coil	
	Q1/17	Q2/17	Q1/17	Q2/17
EU Average				
Non Sour	112.3	109.8	131.4	124.4
Sour	119.4	119.4	130.7	127.6

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

Consequently, domestic order intake has slowed. Local basis figures dropped by €10 per tonne, in June. Third country imports are offered at the equivalent of €430/450 per tonne, basis.

UK demand remains dull. Many service centres are holding stocks which are surplus to current requirements. Resale values have moved down, not reflecting replacement costs. MEPS' tabled domestic ex-mill numbers weakened by £15 per tonne, compared with the previous month. Indian offers at €460 per tonne, CFR Antwerp, for August/September arrival, prompted negative pressure on Belgian coil prices, in June. Distributors' inventories are high and, in some instances, material is being sold at a small loss in order to move excess stock. A reduction of €25 per tonne was noted in Spain. Order intake at the domestic steelmakers is adversely affected by plentiful inventories at the service centres. Local suppliers can deliver in July. Real demand is stable at a good level, which is helping to slowly reduce stocks. Third country suppliers cut their offers to €450/460 per tonne, effective, free out, for August arrival.

Hot Rolled Plate

A downward price tendency was noted, in Germany. Although demand from the linepipe market continues to flourish, sales to the other sectors show little improvement. Service centre stock levels remain high, with material purchased when steel was cheaper. Order placement by distributors is cautious – only filling gaps in their inventories. Resale values are extremely low, at well below today's replacement costs. Plate prices have finally followed the negative direction of coils, in France. As a result, demand on the mills slowed. A number of European suppliers try to resist the trend by prioritising sales of the higher specifications. However, utilisation rates at domestic steelmakers are relatively low. In Italy, the rerollers benefit from decreased slab prices which allow them to compete, to some extent, with imports from numerous sources.

**MEPS - Steel Purchasing Price Index - Automotive
Auto Body Parts Composite Index**

	Apr-17	May-17	Jun-17
EU Average	97.5	95.6	91.5
Year-on-year % +/-	41.7	22.9	15.8

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

The UK market is described as reasonable but demand is not exceptional. The construction industry is still busy but the oil and gas sector remains relatively quiet. The political situation, after the general election and upcoming Brexit discussions, continues to lead to delays on decisions regarding new project investments. Ex-mill prices came under slight negative pressure, in June. Distributors' resale values, particularly for sales to the building industry, are very competitive. Service centre stocks are high. Belgian consumption is flat. Import offers from Ukraine, which were already very competitive, were cut even further because of recent currency fluctuations. The material will arrive in August/September. Domestic suppliers offer price reductions as they struggle to maintain market share. Local wind power projects create strong plate demand, in Spain. However, commodity prices are in decline – influenced by an influx of imported material. Domestic figures fell by €15 per tonne, this month.

Cold Rolled Coil

The German auto sector continues to thrive. However, in the general market, stocks are abundant. Import quotations, from Brazil, South Korea and Taiwan,

**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	640	620	699	695
France	630	620	689	695
Italy	590	570	645	639
UK	555	545	718	702
Belgium	650	620	710	695
Spain	600	575	656	645

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	545	540	510	475	546	550	495
	Low	510	500	470	450	517	510	475
Hot Rolled Plate	High	610	620	550	510	586	610	565
	Low	570	570	510	480	552	570	515
Cold Rolled Coil	High	660	660	620	580	667	670	615
	Low	620	620	570	545	626	620	575
Hot Dipped Galvanised Coil	High	690	690	640	620	713	710	670
	Low	650	650	590	580	667	660	630
Electro-Zinc Coated Coil	High	710	680	630	630	724	700	670
	Low	660	650	590	590	678	650	630
Stainless CR Coil Type 304 (a)	High	1180	1130	1100	1030	1184	1130	1080
	Low	1080	1080	1050	960	1103	1080	1030
Stainless CR Coil Type 430 (a)	High	1080	1070	965	910	1046	—	980
	Low	1030	1020	915	885	1017	—	950

Month on Month % Change

Hot Rolled Coil	Low	-3.8	-3.8	-2.1	-3.2	-6.2	-1.9	-5.0
Hot Rolled Plate	Low	-3.4	-5.0	-3.8	-2.0	-5.0	-1.7	-2.8
Cold Rolled Coil	Low	-3.1	-1.6	-3.4	-1.8	-4.9	-4.6	-4.2
HD Galv Coil	Low	-7.1	-4.4	-4.8	-3.3	-6.2	-5.7	-3.1
EZ Coated Coil	Low	0.0	-1.5	-4.8	-1.7	-4.6	-1.5	0.0
SS CR Coil 304	Low	0.0	0.0	0.0	-2.0	-5.0	0.0	0.0
SS CR Coil 430	Low	0.0	0.0	0.0	-2.2	-5.1	—	0.0

Basis Price & 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) Stainless 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.

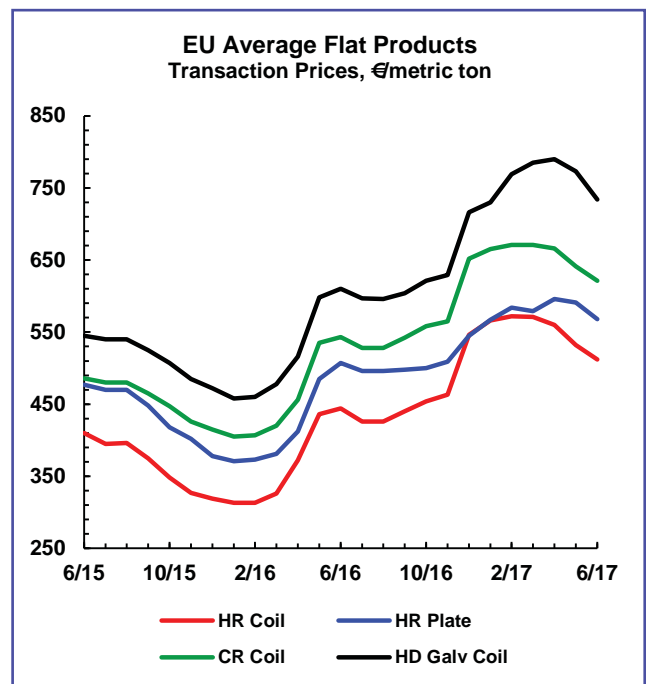
have been slashed to €70 per tonne below European offers. Domestic basis values slipped by €20 per tonne. In France, local mills agreed a €10 per tonne decrease, during recent negotiations. Supplies are readily available. Many buyers predict an additional discount before the summer holidays. Further domestic price erosion took place, in Italy, in June. Sellers made a €20 per tonne concession. Stocks at the distribution level are plentiful. Importers recently cut their offers to €530/550 per tonne. Chinese mills are quoting material duty paid.

Many UK service centres are buying small quantities, as they run down high stocks. Consequently, resale values are under negative pressure. Offers from South Korea, Vietnam and India, for delivery in late October, are very competitively priced, at up to £60 per tonne below European quotations. Traders have substantially reduced the price of material sold from the dockside. June's domestic figures are £10 per tonne below those of the previous month. In Belgium, local suppliers conceded a €30 per tonne decrease in the face of imports, available from several countries, at €560 per tonne, CFR Antwerp, for arrival August/September. Moreover, apparent demand is poor, although underlying consumption remains strong. The discounting that began in April continues unabated, this month, in Spain. Domestic suppliers agreed a €25 per tonne decrease. Overseas quotations were recently cut to €540/550 per tonne, effective, free out.

Coated Coil

Supply of hot dipped galvanised coil from western European mills is still relatively tight because of high demand from a flourishing auto sector. However, the availability of commodity grade material from Asia led to price reductions in the German general market, in June. Order placement slowed due to high stocks at the distributors, resulting from overbooking earlier in the year, ahead of perceived shortages. Service centres are discounting heavily, in order to minimise a build-up of this material. Russian galvanised coil, for July delivery, was recently offered at around €40 per tonne below European prices.

In France, service centres supplying the vehicle manufacturers report full order books. However, coated steel prices decreased, in the general market. Imports are extremely competitive. Galvanised coils in auto qualities are quoted at €550 per tonne, basis, CIF Antwerp. Stocks at the Italian distributors remain high, with material ordered from India and South Korea, at the turn of the year. Domestic producers are still well booked as demand from the auto sector is good. Nonetheless, sellers cut basis numbers by €30



per tonne during recent discussions. Third country material is offered at €570/580 per tonne, basis. Indian suppliers are particularly strong on the thinner gauges.

Demand from overseas buyers continues to drive car output growth in the UK. However, in the general market, sales volumes slowed, in June. Domestic mills remain busy but recent supply issues eased. Stocks of Chinese material, ordered earlier in the year, are plentiful at the dockside. South Korean and Vietnamese galvanised coil is attractively priced, for arrival October. Domestic basis values weakened, in June. Belgian demand for hot dipped galvanised coil is quite high and customers are busy. Basis values for standard grades/sizes slipped, in June, due to the availability of cheap imports. Chinese material can still be obtained ex-stock, from the ports. Output growth continues in the Spanish auto industry. Although the new line at Gallardo Balboa became operational recently, buyers still report a lack of specific dimensions. Nevertheless, competitive quotations, for standard grades, from suppliers in the Far East, forced European mills to reduce prices by €20 per tonne, during recent settlements.

Cold Rolled Stainless Steel

In May, cold rolled austenitic stainless steel basis figures were stable in Germany, France, Italy, Belgium and Spain. In the UK, transaction values fell by more than the cut in alloy surcharges. Stockholders were attempting to balance their inventories with demand. In Italy, imports from Asia – most notably India – were offered at very competitive figures.

Long Products

Wire Rod

Another small downward correction was noted for drawing quality wire rod values, in the German market, in June. Restrictions on supply have eased. Recoil figures also fell, despite healthy construction activity. A €20 per tonne negative price development was recorded, in France, for drawing quality material. Mesh quality wire rod numbers reduced by €10 per tonne. The expected improvement in construction

is slow to materialise. Italian low carbon wire rod prices declined, in June, primarily driven down by falling scrap costs and greater availability. Producers conceded a decrease for recoil, amidst relatively slow sales, both at home and overseas.

In the UK, values for drawing quality material, this month, were rolled over from May. Activity remains sluggish but stable. Mesh quality wire rod figures reduced, marginally. Steelmakers agreed a decrease

Long Products - Negotiated Domestic Basis Prices

price/metric ton		Germany (€)	France (€)	Italy (€)	UK+ (£)	UK+ (€)	Belgium (€)	Spain (€)
Wire Rod (b)	High	520	505	465	450	517	495	480
	Low	490	475	445	410	471	465	460
Medium Sections and Beams (c)	High	540	520	510	470	540	530	550
	Low	500	490	490	440	506	480	500
Rebar (d)	High	200	190	135	410	471	210	155
	Low	180	160	125	380	437	180	135
Merchant Bar (e)	High	80	65	95	445	511	60	75
	Low	40	45	75	425	489	40	35

Month on Month % Change

Wire Rod	Low	-2.0	-4.0	-1.1	0.0	-3.1	-6.1	-2.1
Medium Sections	Low	-2.0	-2.0	-1.0	-3.3	-6.1	-4.0	0.0
Rebar	Low	-7.7	-13.5	-13.8	-1.3	-4.2	-10.0	-6.9
Merchant Bar	Low	-20.0	-18.2	0.0	-4.5	-7.2	-20.0	-12.5

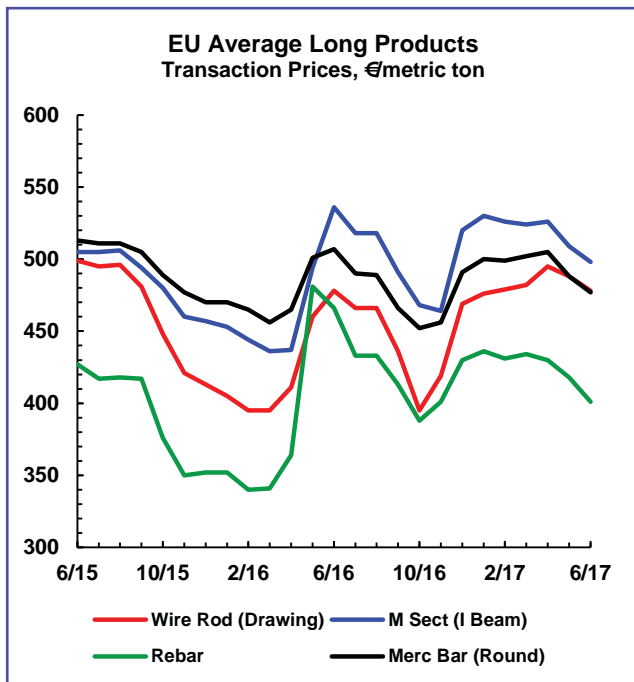
Basis Price & Product Definitions

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.



for drawing quality wire rod, during recent settlements, in Belgium. Availability issues were overcome. Buyers anticipate more discounting in the short term. Muted sales and oversupply, partially due to a lack of export opportunities in Algeria, for southern European mills, led to a fall in recoil values. In Spain, the recent negative price trend continued during the latest round of negotiations for sales of low carbon wire rod, despite firm demand. Supply is plentiful. Selling figures for mesh quality material also decreased.

Medium Sections and Beams

Weak demand and oversupply resulted in a €10 per tonne decrease in German beam prices, in June. Mills continue with their efforts to implement rises. French transaction values fell by €25 per tonne. Producers aim to stabilise prices, in the short term, at around €500 per tonne, effective, for category 1 beams. However, substantial competition for orders persists, whilst distributors still have fairly large inventories. Tough trading conditions led to reduced prices in the Italian market. Effective figures for category 1 beams are now at €490/510 per tonne. Domestic demand remains depressed due to a lack of infrastructure projects and private investment.

In the UK, producers were unable to hold on to prices, which declined by around £15 per tonne. High stock levels at the service centres and the docks restrict the number of orders. Although projects are not in short supply, a number of delays, due to political uncertainty, were noted. Distributors reacted by cutting resale values. Poor demand and oversupply enabled Belgian customers to claim a €20 per tonne

decrease. Buyers are ordering cautiously, as the July holidays approach and pricing remains unpredictable. Delivery lead times from the steelmakers are short, should customers require urgent supplies. In Spain, producers intend to implement a small rise. The likelihood of success for the initiative is uncertain. Producers have started exporting to North America, which is helping the supply/demand balance at home.

Reinforcing Bar

The German market is quiet. Order intake at the mills is slow, creating negative price pressure. New construction projects are plentiful but selling values are low. Fabricators are reluctant to accept the current rebar prices. Consequently, purchasing is inconsistent, with no normal stock replenishment. Substantial competition between producers exists in the French market. Activity is slow to recover. The forecast improvement in the building sector is just starting to be felt. A lack of export business to Algeria, due to severe delays in import licence allocation, is causing immense problems for the Italian mills that pre-produced material in expectation of overseas sales. The onset of the holy month of Ramadan also led to a slowing of business in the region. Moreover, domestic demand remains weak. Producers are now offering to North America at €380/390 per tonne, FOB.

UK effective values softened further, this month. Demand is lacklustre as political uncertainty stalls many investment plans. Import tonnages, from Turkey, Ukraine, Belarus and Russia, grew in the early part of the year, compared with the same period in 2016. However, the main sources of offshore supply to the UK continue to be Spain and Portugal. Belgian basis numbers are €20 per tonne lower than a month ago. A decline in orders in April/May forced producers to concede discounts, in June. Italian suppliers are offering in the country because their home and export markets are depressed. Resale values are under negative pressure. Spanish domestic demand is poor, as construction activity weakened in the first quarter

MEPS Industrial Sector Steel Purchasing Price Index - EU Average

Jan 07 = 100	May-17	Jun-17	% change
Construction Industry	79.2	78.4	-1.0
Household Appliances	82.0	81.0	-1.2
Machinery Sector	76.7	76.1	-0.8
Shipbuilding Industry	72.3	71.3	-1.4
Shipping Containers	79.3	78.7	-0.8
Yellow Goods	88.5	87.4	-1.2

of 2017 and has not recovered. Stock levels are high at the mills, as they await renewed export business with Algerian customers.

Merchant Bar

In Germany, buyers resisted mill efforts to impose a targeted hike. Market prices dropped by €10 per tonne. French basis values continued to move down a little, in line with scrap costs. Producers strive to stabilise basis figures at around €50 per tonne. High inventories are reported at the mills, whilst distributors are careful to keep stocks at a fairly low level. Competition is fierce in the Italian market. Construction-related sales are fragile, as that sector remains depressed. Buyers successfully pushed for additional decreases. Distributors will only purchase for their immediate needs.

UK sales are described as 'flatlining'. The usual, seasonal uptick in demand has not occurred. Customers feel no urgency to purchase as stocks are sufficient for now. June settlements were agreed at £20 per tonne below those of the previous month. Basis values for regular Belgian business fell to €40 per tonne, in June. Mills are desperate not to sell at below that figure. Beltrame announced a rise to €60 per tonne. However, other steelmakers have not followed the initiative. Buyers do not believe that current demand is sufficiently strong to support a rise. Distributors, under pressure to make sales, are offering very low resale prices. Spanish merchant bar basis figures underwent a marginal downturn in late May, as supply outstripped demand. More recently, producers announced their intention to instigate an increase. Market participants are waiting for activity levels to recover.

Market & Industry Scene

Mergers/Acquisitions

AM Investco, a joint venture between ArcelorMittal and Marcegaglia, has received approval to purchase the Ilva steel plant in southern Italy. The transfer of ownership will take place over the next twelve months. AM Investco announced plans to invest €2.4 billion during the next seven years, in addition to paying the €1.8 billion price tag.

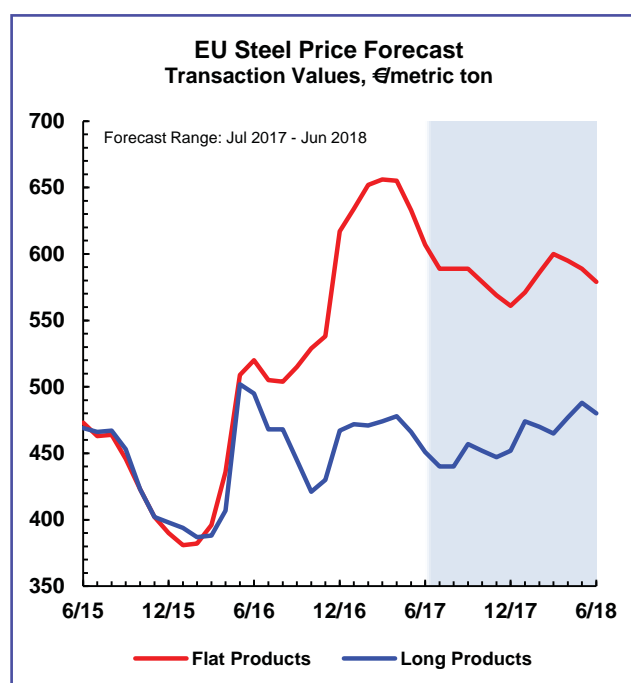
Trade Defence

The European Commission is imposing definitive countervailing duties of up to 35.9 percent, on imports of Chinese hot rolled coil, into the EU. This is in addition to any antidumping tariff currently in effect. The Commission ruled that the Chinese government subsidises its steel industry by providing preferential lending rates, tax rebates and other financial support.

Medium Term Price Forecasts

MEPS predicts that European flat product prices will continue to decline, in the near term. Steelmakers are expected to offer additional discounts due to a reduction in customer orders and high levels of inventory throughout the supply chain. Moreover, negative pressure will be exerted by competitive import offers – a scenario made more pronounced by the strengthening of the euro against the US dollar. Further, albeit modest, price reductions are envisaged, towards the end of 2017. The fourth quarter is traditionally a weak period for market activity. However, inventories are expected to be more in balance with requirements, during this time.

Long product transaction values are forecast to slip, once again, in July, as a result of plentiful supply and lacklustre demand. Nonetheless, MEPS believes that prices are close to the bottom of the current cycle. The downtrend in scrap costs should cease. Mills are predicted to secure modest price gains following the summer break.

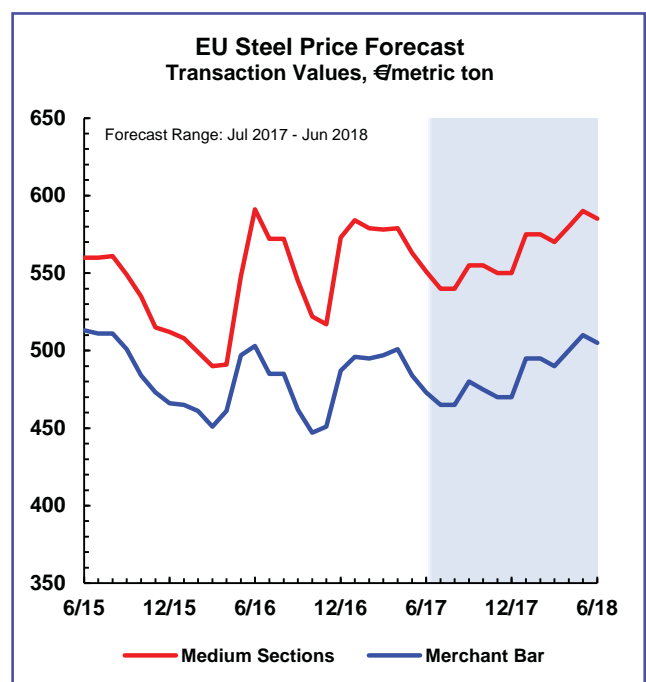
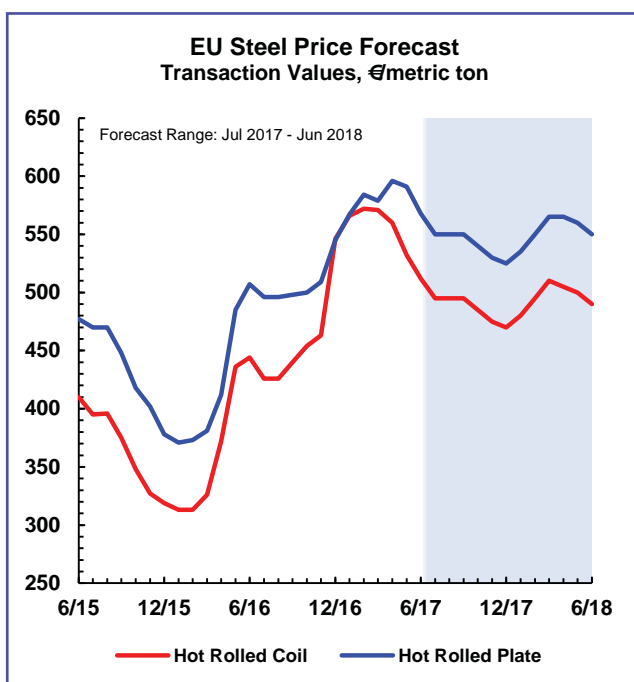


EU Average Domestic Transaction Price Forecasts

Euro/metric ton	Actual		Forecast				
	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
Hot Rolled Coil	512	495	495	495	485	475	470
Hot Rolled Plate	568	550	550	550	540	530	525
Cold Rolled Coil	621	600	600	600	590	580	570
HD Galv Coil	734	715	715	715	705	695	685
EZ Coated Coil	737	715	715	715	700	690	680
Wire Rod (Drawing)	478	465	465	480	475	470	470
Wire Rod (Mesh)	436	425	425	440	435	430	435
M Sect (I Beam)	498	485	485	500	500	495	495
M Sect (H Beam)	551	540	540	555	555	550	550
Reinforcing Bar	401	390	390	410	405	400	410
Merc Bar (Round)	477	470	470	485	480	475	475
Merc Bar (Eq Angle)	473	465	465	480	475	470	470

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	547	566	561	528	492	566	516
	Low	512	531	521	488	467	537	496
Hot Rolled Plate	High	610	625	635	565	524	602	580
	Low	568	585	585	525	494	568	530
Cold Rolled Coil	High	663	676	676	635	594	683	631
	Low	621	636	636	585	559	643	591
Hot Dipped Galvanised Coil	High	776	780	780	746	701	806	760
	Low	734	740	740	696	661	760	720
Electro-Zinc Coated Coil	High	780	803	773	723	700	805	763
	Low	737	753	743	683	660	759	723
Stainless CR Coil Type 304	High	1147	1180	1130	1100	1030	1184	1080
	Low	1074	1080	1080	1050	960	1103	1030
Stainless CR Coil Type 430	High	1045	1080	1070	965	910	1046	980
	Low	1000	1030	1020	915	885	1017	950
Long Products price/metric ton		EU AVG	Germany	France	Italy	UK	UK	Spain
		(€)	(€)	(€)	(€)	(£)	(€)	(€)
Wire Rod (Drawing Quality)*	High	505	538	505	465	462	531	480
	Low	478	508	475	445	422	485	460
Wire Rod (Mesh Quality)	High	460	470	460	440	425	489	450
	Low	436	450	430	420	395	454	420
Medium Sections (I Beam)	High	534	540	520	510	470	540	550
	Low	498	500	490	490	440	506	500
Medium Sections (H Beam)	High	595	610	570	595	515	592	590
	Low	551	560	530	560	475	546	550
Reinforcing Bar	High	418	455	445	390	410	471	410
	Low	401	435	415	380	380	437	390
Merchant Bar (Round)	High	506	505	490	520	445	511	500
	Low	477	465	470	500	425	489	460
Merchant Bar (Equal Angle)	High	502	500	485	515	445	511	495
	Low	473	460	465	495	425	489	455

* Includes supplementary surcharge in the UK.

Currency Exchange Rates

	US dollars (US\$)		Euros (€)	
	3-May	1-Jun	3-May	1-Jun
Eurozone (€)	0.915	0.892	-	-
UK (£)	0.773	0.776	0.844	0.870

Next Month's Issue

The July issue of the European Steel Review will be dispatched by post & PDF on 19 July, 2017.

Express Price Tables will be dispatched by e-mail in excel format on 12 July, 2017.

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.

**Steel Purchasing Price Index - EU Average
January 1997 = 100**

	May-17	Jun-17	% change
Hot Rolled Coil	203.8	196.2	-3.7
Hot Rolled Plate	205.9	197.9	-3.9
Cold Rolled Coil	176.1	170.6	-3.1
HD Galv Coil	167.7	159.2	-5.1
EZ Coated Coil	178.1	175.1	-1.7
SS CR Coil 304	88.1	87.5	-0.7
SS CR Coil 430	89.5	88.8	-0.8
Wire Rod (Drawing)	184.2	180.4	-2.1
Wire Rod (Mesh)	191.6	184.0	-4.0
M Sect (I Beam)	165.8	162.2	-2.2
M Sect (H Beam)	161.3	157.9	-2.1
Reinforcing Bar	184.1	176.7	-4.0
Merc Bar (Round)	183.5	179.3	-2.3
Merc Bar (Eq Angle)	187.6	183.3	-2.3

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

**Negotiated Domestic Transaction Prices - Month on Month % Change
June 2017 versus May 2017**

		EU AVG (€)	Germany (€)	France (€)	Italy (€)	UK (£)	UK (€)	Spain (€)
Hot Rolled Coil	Low	-3.8	-3.6	-3.7	-2.0	-3.1	-6.0	-4.8
Hot Rolled Plate	Low	-3.9	-3.3	-4.9	-3.7	-2.0	-4.9	-2.8
Cold Rolled Coil	Low	-3.1	-3.0	-1.5	-3.3	-1.8	-4.6	-4.1
HD Galv Coil	Low	-5.0	-6.3	-3.9	-4.1	-2.9	-5.8	-2.7
EZ Coated Coil	Low	-1.7	0.0	-1.3	-4.2	-1.5	-4.4	0.0
SS CR Coil 304	Low	-0.7	0.0	0.0	0.0	-2.0	-5.0	0.0
SS CR Coil 430	Low	-0.8	0.0	0.0	0.0	-2.2	-5.1	0.0
Wire Rod (Drawing)	Low	-2.0	-1.9	-4.0	-1.1	0.0	-3.0	-2.1
Wire Rod (Mesh)	Low	-4.0	-4.3	-2.3	-4.5	-1.3	-4.2	-2.3
M Sect (I Beam)	Low	-2.2	-2.0	-2.0	-1.0	-3.3	-6.1	0.0
M Sect (H Beam)	Low	-2.1	-1.8	-1.9	-0.9	-3.1	-6.0	0.0
Reinforcing Bar	Low	-4.1	-3.3	-5.7	-5.0	-1.3	-4.2	-2.5
Merc Bar (Round)	Low	-2.3	-2.1	-2.1	0.0	-4.5	-7.2	-1.1
Merc Bar (Eq Angle)	Low	-2.3	-2.1	-2.1	0.0	-4.5	-7.2	-1.1

Transaction Price & 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

World Steel Outlook to 2021 (Quarterly)

One-year and five-year forecasts for crude steel, pig iron and DRI production for all main producing countries/regions. Also included is detailed statistics for finished steel production for the ten main rolled steel products (Hot Rolled Coil, Hot Rolled Plate, Cold Rolled Coil, Metal Coated Sheet, Electrical Sheet, Tinplate, Wire Rod, Sections and Beams, Rebar and Merchant Bar) in the EU, China, India, Japan, South Korea, Taiwan, Brazil and the US. From trade data we are also able to prepare estimates for apparent consumption.

The report briefly comprises of:

- Steel Market Overview
- Economic Overview (Including GDP forecasts)
- Iron and Steel Production (Short and long-term forecasts for crude steel, pig iron and DRI)
- Finished Steel Production, Trade and Consumption
- Regional Steel Price (Charts)
- Historical Data Tables

