

FERROUS SCRAP REVIEW

INCORPORATING STEELMAKING RAW MATERIALS PRICE DATA

SELECTED DOMESTIC FERROUS SCRAP PRICES (US\$/metric tonne)

	May-15		Jun-15				Jul-15			
	Mid		Early		Mid		Early		Mid	
	Low	High	Low	High	Low	High	Low	High	Low	High
China ¹	214	223	210	218	197	206	174	183	173	182
India ¹	310	315	304	309	303	308	307	312	292	297
Japan ^{2 *}	196	216	197	217	201	217	191	203	187	199
Russia ^{3 †}	164	174	150	159	150	159	144	153	144	153
South Korea ¹	242	253	239	250	239	250	241	252	241	252
Taiwan ¹	199	204	198	203	198	203	175	180	145	150
European Union ⁴										
- E3 / HMS1	246				240				226	
- E40 / Shredded	264				257				237	
USA										
Eastern States ⁵										
- HMS1	228				247				237	
- Shredded	253				275				264	
Mid-West ⁶										
- HMS1	227				247				239	
- Shredded	250				273				259	

¹ HMS1&2 (80:20)

² H2

³ 3A

Italics - Preliminary figure

* - Average Japanese steel plant purchasing price

† - Average Russian steel plant purchasing price - Central, Siberia, Southern & Ural federal districts

⁴ - Average price in France, Germany, Italy & Spain over the month

⁵ - Average price in Philadelphia & Pittsburgh over the month

NA - Not Available

⁶ - Average price in Chicago, Cincinnati & St. Louis over the month

MEPS (International) LTD

263 Glossop Road, Sheffield, S10 2GZ, England

Tel: (0114) 275 0570

Fax: (0114) 275 9808

Email: subs@meps.co.uk

Webs: www.meps.co.uk

2015 Annual subscription rate £410
by email only

ISSN 2048-8564 (Online)

Copyright © 2015 by MEPS. All rights reserved.
No information contained in this report may be
used or registered in any manner whatsoever
without written permission from the publisher.

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

Ferrous scrap

NEGATIVE PRICE SENTIMENT RE-EMERGES IN ASIAN FERROUS SCRAP MARKETS

BACKGROUND

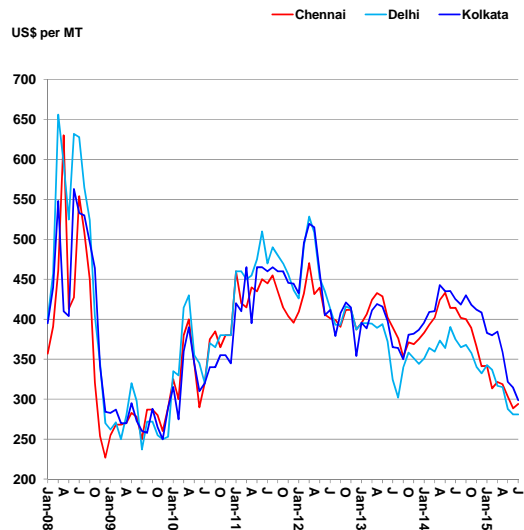
In July, global industrial commodity markets have been unsettled by the uncertainty surrounding the implications of the impending rise of U.S. interest rates and the mid-month turmoil in China's stock market. However, the immediate threat of a Grexit from the eurozone has been averted. Eurozone leaders have agreed on a roadmap to a possible third bailout. However, the Greek government must enact key reforms in advance of talks on a financial rescue to keep it in the European currency area.

Meanwhile, the Federal Reserve Market Committee's July policy statement has revealed that its members are divided between individuals who expect only one interest rate increase this year, and those prepared to administer two hikes. The Fed has kept key rates near zero for almost seven years.

The Chinese economy grew at its slowest pace in six years at the start of 2015, and continued weakness in key economic sectors has exacerbated concerns that the world's second-largest economy, is still losing momentum. The government has struggled to find the right policy mix to combat the current business environment – slowing growth in trade, investment and domestic demand, compounded by a cooling property sector and deflationary pressure. Economists have called for more direct fiscal stimulus to help support heavily indebted local governments.

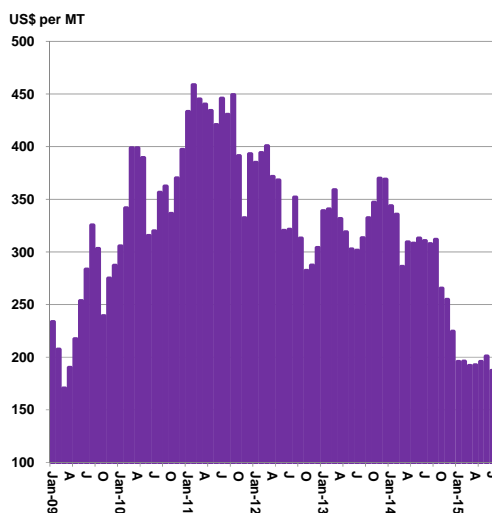
The China Iron & Steel Association (CISA) has reported that the daily output of crude steel by the leading mills in the first ten days of July totalled 1.705 million tonnes – a decline of 2.0 percent compared with the corresponding period last month.

Domestic Indian prices soften by 3.7 percent in July



Source: MEPS International

Japanese HMS2 quotations decline by 6.8 percent



Source: MEPS International

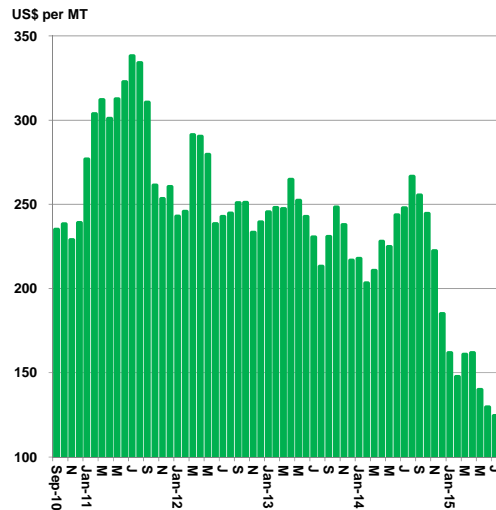
SCRAP PRICE TRENDS

Domestic settlement scrap prices increased, in July, in nine of the thirteen countries researched. Average month-on-month growth ranged from 3.8 percent to 26.2 percent. Currency exchange rate movements distorted the percentage changes when local values were converted into US dollars – particularly, in Russian Federation (+4.1 percent), Mexico (+2.0 percent), Euro Zone (-1.5 percent), Philippines (+1.4 percent) and Japan (-1.3 percent).

- Challenging business conditions persist in the Chinese steel market. Provincial ferrous scrap quotations, in renminbi terms, declined on average by 12.3 percent this month. Subdued iron ore fines prices and tepid underlying demand for finished steel products has reinforced our conviction that the domestic scrap market will not witness a significant recovery in transaction values in the short term. On the import front, the country's custom authority has disclosed that, in June, a total of 220,290 tonnes of ferrous scrap material was imported – down 5.76 percent month-on-month. The majority was sourced from Japan (89.1 percent). Local brokers report that Australian seaborne iron ore fines in week 29 (with an iron content of 62.5 percent), were traded, on average, at US\$50.06 per tonne CFR, 17.7 percent below the mid-June settlement figure.

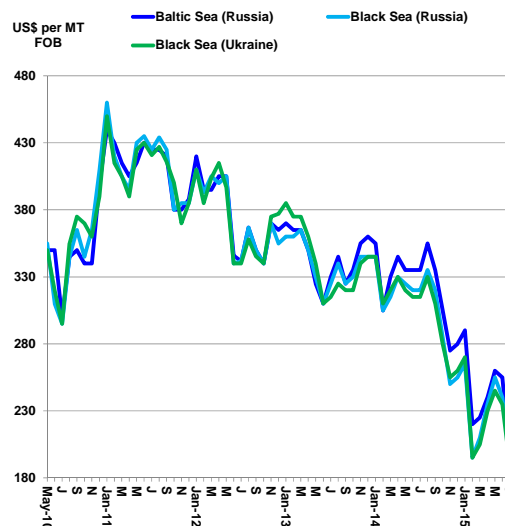
- Negative price movements were witnessed in two of the four Indian regions researched. This is the fourth successive month in which prices have fallen. Market participants expected negotiations for August scrap settlements to be difficult. Moreover, the seasonal slowdown in sales of finished steel products and falling prices, have compelled internal steelmakers, to either downgrade utilisation rates, or opt for temporary maintenance shutdowns. Importers remain cautious as a result. Quotations for containerised HMS1&2 (80:20) graded material stood at US\$225-230 per tonne CFR – down 13.5 percent

Russia's MMK cut basis 3A purchasing prices by 3.9 percent



Source: MEPS International

CIS 3A export quotations fall sharply in July

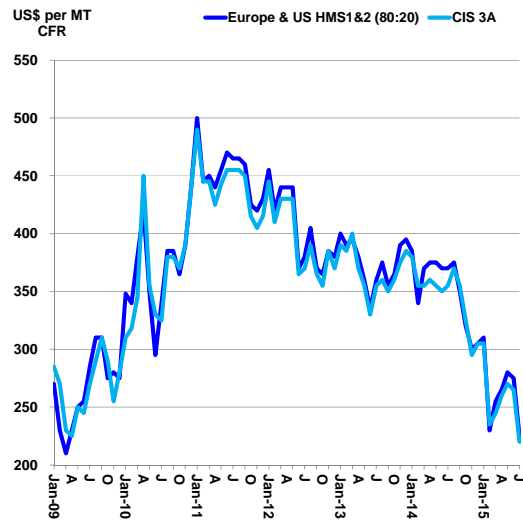


Source: MEPS International

over the period surveyed. For the month of July, NMDC's iron ore contract basis rates are Rs1,660 per tonne of fines (down 15.3 percent) and Rs2,950 per tonne of lumps (down 3.3 percent).

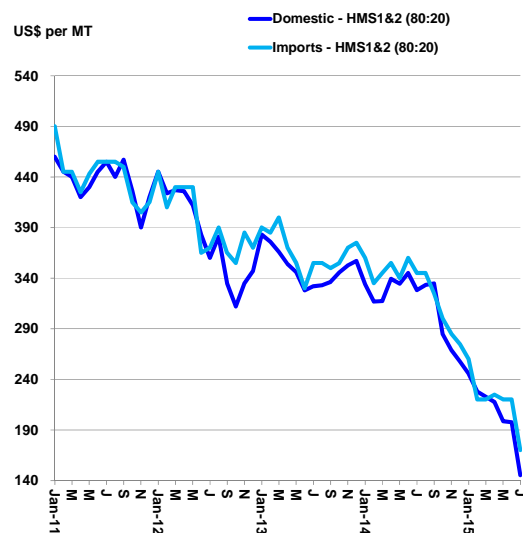
- Price volatility has re-emerged in the Japanese ferrous scrap market. Tokyo Steel Manufacturing, a bellwether for the domestic steel industry, has reduced its HMS2 purchasing prices at all five of its subsidiaries. Five downward adjustments ranging from ¥500 to ¥1,000 were executed in the first half of the month. Other producers, operating electric furnaces, have responded with similar sized price adjustments. Meanwhile, in the Tokyo Bay area, benchmark export prices for HMS2 graded material were ¥22,000 – 22,500 per tonne, FAS (in week 28) – a decline of 13.7 percent compared with the mid-June figure. The prices for P&S and Shindachi grades now average ¥23,500-¥24,000 per tonne (previously ¥27,000-¥27,500 per tonne). The number of enquiries from South Korea and Taiwan were lower than anticipated.
- Russian transaction values for 3A-graded material were stable in all three federal districts surveyed. Magnitogorsk Iron & Steel Works (MMK) open market purchasing offers, for all grades of scrap material, were unmoved in Nizhny Novgorod, Perm and several other cities. In early trading, the steelmaker's Moscow price for 3A-graded material was RUB7,000 per tonne (unchanged, month-on-month). Meanwhile, integrated pipe makers, such as, Tagmet and TMK, issued higher purchasing prices in mid-July.
- CIS exporters failed to curb the downward trends in their main overseas markets. The majority have expressed concerns that the current price instability and weak offshore ferrous scrap sales will persist next month. In week 30, traders operating out of the Novorossiysk and St. Petersburg ports made substantial discounts, citing inadequate support from other global markets.

Turkish import offers soften further in July



Source: MEPS International

Negative price expectations gain momentum in Taiwan



Source: MEPS International

- Effective price settlements for the three bellwether cut grades tracked in the United States softened in early trading. The downturn has failed to stem the flow of feedstock into scrap yards. The bearish price outlook for obsolete and prime industrial grades in August has only exacerbated the situation. Regarding exports, traders operating out of East Coast and West Coast ports, remain concerned over the strength of offshore demand for bulk cargos and containerised scrap – particularly, supplies to Turkish and Asian clients.
- August price settlement negotiations are expected to be arduous in Turkey. Local mills, operating electric furnaces, have shown little interest in scrap imports over the period under review. Domestic ferrous scrap quotations have fallen sharply as a result. In week 28, Çolakoğlu Metalurji's buying positions for bonus grade scrap material (DKP) were TL600 per tonne (US\$223) and extra grade (EKSTRA) at TL595 per tonne (US\$221). Meanwhile, Erdemir's Iskenderun integrated steelworks' purchase prices declined to TL610 per tonne (US\$227) and TL605 (US\$225), respectively. Regarding imports, the Turkish Statistical Institute (TUIK) has disclosed that, in May, a total of 1.70 million tonnes of ferrous scrap material was imported – up 45.5 percent, month-on-month. The majority of this was sourced from the USA and Russian Federation. MEPS assessment of the differential between 3A graded scrap imports into Turkey and billet exports from the CIS stood at US\$130 per tonne (previously US\$95 per tonne).
- Taiwanese steel mills, operating electric furnaces, have adopted conservative scrap-buying programmes, owing to a lull in the long products segment and seasonal production cuts (prompted by electricity usage restrictions). Buying sentiment has also been weighed down by the availability of low cost Chinese semi-finished steel products. Moreover, importers are expected to closely monitor the price differential between domestic and imported scrap material before placing orders. In weeks 29 and 30, containerised shipments of HMS1&2 (80:20) graded scrap material were US\$170-175 per tonne (down 24.4 percent, month-on-month). The differential between domestic scrap and higher priced imports has, marginally, widened to US\$25 per tonne (previously US\$22 per tonne).
- August price settlement negotiations are expected to be arduous in South Korea. A “wait-and-see” atmosphere persists in this market. Steel production has been limited by electric power curtailments / annual maintenance work and weak demand for finished steel. In week 28, Hyundai Steel and Dongkuk Steel Mill downgraded their domestic buying positions for all ferrous scrap grades by KRW10,000 per tonne, at all steelworks. The cuts nullified the price increases announced in late-June. The price premium for imported scrap, relative to domestically processed material, is now US\$41 per tonne (previously US\$11 per tonne).
- Ferrous scrap prices in the European Union declined in July for the three grades surveyed. Italian and German traders have attributed the downturn to upcoming scheduled maintenance works and shutdowns over the summer holiday period. The downtime is expected to range between four and six weeks. The situation has been further complicated by the aggressive offers from third country suppliers, which are driving down domestic finished steel selling values in all EU nations. The Greek crisis has added to the uncertainty in this market. Regarding exports, European traders remain bearish over the price environment offshore. Shipment volumes to Turkish mills have continued to underperform projections.

DOMESTIC FERROUS SCRAP PRICES (Local Currencies per metric tonne)

	May-15		Jun-15				Jul-15				Mid-Month	
	Mid		Early		Mid		Early		Mid		Difference	
	Low	High	Low	High	Low	High	Low	High	Low	High	%	
China ('000 RMB) ¹												
- Guangzhou Province	1.33	1.41	1.29	1.36	1.22	1.29	1.07	1.15	1.07	1.15		-11.8%
- Hebei Province	1.36	1.40	1.34	1.39	1.25	1.29	1.13	1.18	1.14	1.19		-8.8%
- Jiangsu Province	1.27	1.32	1.26	1.31	1.18	1.23	1.06	1.11	1.03	1.08		-12.5%
- Shandong Province	1.37	1.42	1.31	1.36	1.25	1.30	1.05	1.10	1.05	1.10		-16.0%
- Average	1.33	1.39	1.30	1.35	1.22	1.28	1.08	1.14	1.07	1.13		-12.3%
Estonia (€) ³	208	213	193	197	183	187	160	165	140	145		-23.3%
India ('000 Rs) ¹												
- Chennai	19.35	19.67	18.00	18.32	18.35	18.67	19.00	19.32	18.70	19.02		1.9%
- Delhi	18.36	18.68	17.87	18.19	17.87	18.19	19.49	19.81	17.86	18.18		0.0%
- Kolkata	20.50	20.82	20.10	20.42	20.00	20.32	19.30	19.62	19.00	19.32		-5.0%
- Mandi Gobindgarh	20.90	21.22	21.35	21.67	20.90	21.22	20.35	20.67	18.65	18.97		-10.8%
- Average	19.78	20.10	19.33	19.65	19.28	19.60	19.53	19.85	18.55	18.87		-3.8%
- Average (Ex Mandi G.)	19.40	19.72	18.66	18.98	18.74	19.06	19.26	19.58	18.52	18.84		-1.2%
Japan ('000 ¥) ^{2 *}	23.5	26.0	24.5	27.0	25.0	27.0	23.5	25.0	23.0	24.5		-8.0%
Mexico ('000 MEX\$) ¹	3.42	3.57	3.73	3.88	3.73	3.88	3.73	3.88	3.73	3.88		0.0%
Russia ('000 RUB) ^{3 †}	8.50	9.00	8.00	8.50	8.00	8.50	8.00	8.50	8.00	8.50		0.0%
Philippines ('000 PHP) ¹	11.00	11.50	11.00	12.50	11.00	11.50	10.50	11.00	10.00	10.50		-9.1%
South Africa ('000 R) ^{1 ‡}	1.87	1.97	2.02	2.12	2.02	2.12	2.05	2.15	2.05	2.15		1.5%
South Korea ('000 KRW) ¹	214	224	214	224	214	224	214	224	214	224		0.0%
Taiwan ('000 NT\$) ¹	6.10	6.25	6.10	6.25	6.10	6.25	5.40	5.55	4.50	4.65		-26.2%
Ukraine ('000 UAH) ³	3.74	3.79	3.54	3.59	3.50	3.55	3.11	3.16	3.11	2.34		-11.1%
European Union (€) ⁴												
- E3 / HMS1	220				220				204			-7.1%
- E40 / Shredded	236				236				214			-9.2%
- E8 / Busheling	227				228				209			-8.6%
USA (US\$)												
Eastern States ⁵												
- HMS1	228				247				237			-4.0%
- Shredded	253				275				264			-3.8%
- Busheling	243				268				267			-0.4%
Mid-West ⁶												
- HMS1	227				247				239			-3.3%
- Shredded	250				273				259			-5.0%
- Busheling	237				265				260			-1.9%

¹ HMS1&2 (80:20)

² H2

³ 3A

^{*} - Average Japanese steel plant purchasing price

[†] - Average Russian steel plant purchasing price - Central, Siberia, Southern & Ural federal districts

[‡] - Average South African steel plant purchasing price

⁴ - Average price in France, Germany, Italy & Spain over the month

⁵ - Average price in Philadelphia & Pittsburgh over the month

⁶ - Average price in Chicago, Cincinnati & St. Louis over the month

Italics - Preliminary figure

NA - Not Available

DOMESTIC FERROUS SCRAP PRICES (US\$/metric tonne)

	May-15		Jun-15				Jul-15				Mid-Month	
	Mid		Early		Mid		Early		Mid		Difference	
	Low	High	Low	High	Low	High	Low	High	Low	High	%	
China ¹												
- Guangzhou Province	215	227	208	220	196	208	173	185	173	185	-11.8%	
- Hebei Province	219	225	217	223	201	208	182	191	184	192	-8.9%	
- Jiangsu Province	204	212	203	211	191	199	171	180	167	175	-12.5%	
- Shandong Province	221	229	211	219	202	210	169	177	169	177	-16.0%	
- Average	214	223	210	218	197	206	174	183	173	182	-12.3%	
Estonia ³	224	229	207	212	197	202	177	182	155	160	-21.0%	
India ¹												
- Chennai	304	309	283	288	288	293	299	304	294	299	1.9%	
- Delhi	288	293	281	286	281	286	306	311	281	286	0.0%	
- Kolkata	322	327	316	321	314	319	304	309	299	304	-5.0%	
- Mandi Gobindgarh	328	333	336	341	329	334	320	325	293	298	-10.7%	
- Average	310	315	304	309	303	308	307	312	292	297	-3.7%	
- Average (Ex Mandi G.)	304	309	293	298	295	300	303	308	291	296	-1.1%	
Japan ^{2*}	196	216	197	217	201	217	191	203	187	199	-6.8%	
Mexico ¹	220	230	241	251	241	251	236	246	236	246	-2.0%	
Russia ^{3†}	164	174	150	159	150	159	144	153	144	153	-3.9%	
Philippines ('000 PHP) ¹	247	258	247	280	247	258	233	244	221	233	-10.3%	
South Africa ^{1‡}	155	163	164	173	164	173	167	175	167	175	1.6%	
South Korea ¹	231	242	239	250	239	250	241	252	241	252	0.8%	
Taiwan ¹	199	204	198	203	198	203	175	180	145	150	-26.4%	
Ukraine ³	178	180	168	171	166	169	148	150	148	111	-11.0%	
European Union ⁴												
- E3 / HMS1	246				240				226			-5.7%
- E40 / Shredded	264				257				237			-7.8%
- E8 / Busheling	255				249				231			-7.2%
USA												
Eastern States ⁵												
- HMS1	228				247				237			-4.0%
- Shredded	253				275				264			-3.8%
- Busheling	243				268				267			-0.4%
Mid-West ⁶												
- HMS1	227				247				239			-3.3%
- Shredded	250				273				259			-5.0%
- Busheling	237				265				260			-1.9%

¹ HMS1&2 (80:20)² H2³ 3A

* - Average Japanese steel plant purchasing price

† - Average Russian steel plant purchasing price - Central, Siberia, Southern & Ural federal districts

‡ - Average South African steel plant purchasing price

⁴ - Average price in France, Germany, Italy & Spain over the month⁵ - Average price in Philadelphia & Pittsburgh over the month⁶ - Average price in Chicago, Cincinnati & St. Louis over the month*Italics* - Preliminary figure

NA - Not Available

INTERNATIONAL FERROUS SCRAP MARKETS (US\$/metric tonne)

	May-15		Jun-15				Jul-15				Mid-Month
	Mid		Early		Mid		Early		Mid		Difference
EXPORT (FOB)	Low	High	Low	High	Low	High	Low	High	Low	High	%
CIS ¹											
- Baltic Sea (Russia)	260	265	260	265	255	260	220	225	195	200	-23.5%
- Black Sea (Russia)	255	260	250	255	240	245	210	215	195	200	-18.8%
- Black Sea (Ukraine)	245	250	240	245	235	240	200	205	190	195	-19.1%
European Union (Port of Rotterdam)											
- HMS1&2 (80:20)	270	275	265	270	260	265	225	230	210	215	-19.2%
- Shredded	275	280	270	275	265	270	230	235	215	220	-18.9%
Japan ²	220	225	210	215	215	220	195	200	175	180	-18.6%
South Africa ³	186	191	197	202	197	202	200	205	200	205	1.5%
United Kingdom ³	260	265	260	265	260	265	225	230	205	210	-21.2%
USA ³											
- East Coast	265	270	265	270	255	260	230	235	205	210	-19.6%
- West Coast	240	245	240	245	240	245	220	225	195	200	-18.8%
Miami/Houston Δ											
- HMS1 & 2 (80:20)	205	210	225	230	225	230	215	220	215	220	-4.4%
- Shredded	235	240	255	260	255	260	245	250	245	250	-3.9%
IMPORTS (CFR)											
China											
- HMS1	260	265	260	265	260	265	255	260	240	245	-7.7%
- Shredded	265	270	265	270	265	270	260	265	245	250	-7.5%
- H2 (ex Japan)	230	240	230	240	230	240	215	225	200	210	-13.0%
India ⁴											
- HMS1 & 2 (80:20)	265	270	265	270	260	265	245	250	220	225	-15.4%
- Shredded	270	275	270	275	265	270	250	255	225	230	-15.1%
SE Asian port ³ †	265	270	265	270	265	270	245	250	215	220	-18.9%
South Korea ⁵											
- HMS1 & 2 (80:20)	250	255	250	255	250	255	230	235	200	205	-20.0%
- H2 (ex Japan)	240	245	240	245	240	245	225	230	195	200	-18.8%
Taiwan ⁶											
- HMS1 & 2 (80:20)	220	225	225	230	220	225	195	200	170	175	-22.7%
- Shredded	225	230	230	235	225	230	200	205	175	180	-22.2%
Turkey											
- ex Europe / U.S. ³	280	285	280	285	275	280	245	250	225	230	-18.2%
- ex CIS ¹	270	275	270	275	265	270	240	245	220	225	-17.0%
- Shredded - ex EU / U.S.	285	290	285	290	280	285	250	255	230	235	-17.9%
UAE ex EU / U.S. ³ †	275	280	260	265	260	265	230	235	220	225	-15.4%

¹3A Δ FAS inco terms

NA - Not Available

²H2*italics* - Preliminary figure³HMS1&2 (80:20)

† - Average steel plant purchasing price

⁴ - Average price in Nhava Sheva & Mundra ports⁵ - Average price in Pohang & Pusan⁶ - Average price for HMS1&2 (80:20) in Taichung & Kaohsiung

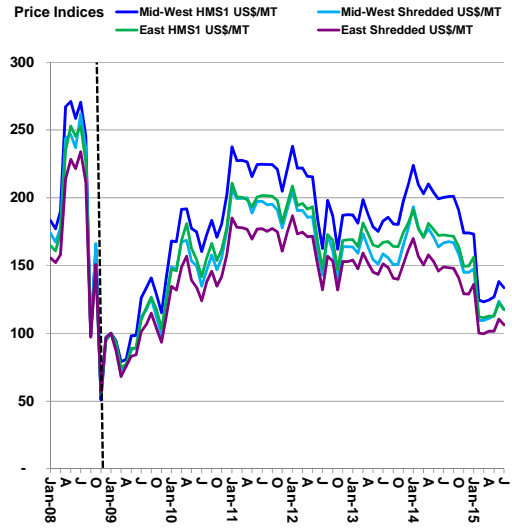
Ferrous Scrap Prices Indices

European Ferrous Scrap Export Price Indices (January 2009 = 100)



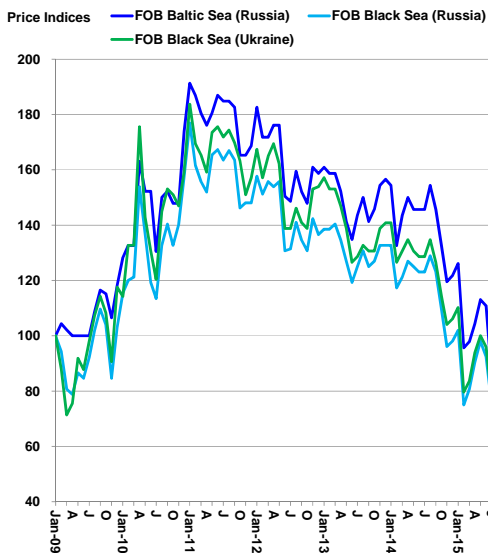
Source: MEPS International

Domestic US Ferrous Scrap Price Indices (January 2009 = 100)



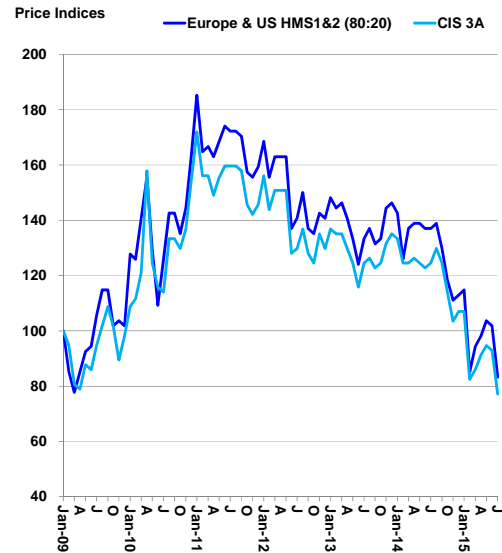
Source: MEPS International

CIS Ferrous Scrap Export Price Indices (January 2009 = 100)



Source: MEPS International

Turkish Ferrous Scrap Import Price Indices (January 2009 = 100)



Source: MEPS International

FERROUS SCRAP PRICES INDICES

	BASE JAN-09	Jan-10 Mid	Jan-11 Mid	Jan-12 Mid	Jan-13 Mid	Jan-14 Mid	Jan-15 Mid	Apr Mid	May Mid	June Mid	July Mid
DOMESTIC †											
China ¹											
- Guangzhou Province	100	104.5	132.7	131.1	111.6	96.6	68.6	62.4	60.6	55.3	48.8
- Hebei Province	100	112.4	147.8	146.7	128.2	109.6	78.5	70.7	70.7	64.9	59.2
- Jiangsu Province	100	106.9	133.2	133.0	115.5	95.7	71.9	60.7	59.0	55.1	48.2
- Shandong Province	100	104.5	139.6	137.2	119.0	104.7	73.7	67.4	67.4	61.5	51.6
- Average	100	107.0	138.0	136.7	118.3	101.4	73.0	65.1	64.2	59.0	59.0
European Union [±]											
- E3 / HMS1	100	95.5	167.1	150.4	141.4	129.0	107.0	106.7	107.4	107.2	99.6
- E40 / Shredded	100	100.3	181.2	154.0	144.7	133.8	111.2	111.9	112.1	112.1	101.7
India ¹											
- Chennai	100	115.9	162.3	169.8	165.6	186.6	168.6	154.6	151.1	143.3	146.0
- Delhi	100	117.2	159.2	173.5	162.4	167.7	165.8	149.9	140.6	136.9	136.8
- Kolkata	100	104.3	137.6	166.7	154.0	179.1	175.5	161.7	148.6	145.0	137.8
- Average	100	112.3	152.7	169.9	160.5	177.8	170.1	155.5	146.8	141.8	140.1
Japan [*]											
	100	135.7	171.4	140.5	140.5	171.4	111.9	109.5	111.9	119.0	109.5
Russia †											
	100	171.8	191.4	201.6	191.4	147.4	189.3	192.4	174.9	164.6	164.6
USA ²											
- Eastern States ⁴	100	147.4	210.8	205.1	169.2	191.1	156.1	112.6	112.6	122.3	117.4
- Mid-West ⁵	100	168.0	237.6	235.1	187.4	224.0	173.2	124.6	126.9	138.1	133.6
EXPORT (FOB)											
CIS ³											
- Baltic Sea (Russia)	100	128.3	191.3	182.6	160.9	154.3	126.1	104.3	113.0	110.9	84.8
- Black Sea (Russia)	100	115.4	176.9	157.7	138.5	132.7	101.9	90.4	98.1	92.3	75.0
- Black Sea (Ukraine)	100	114.3	183.7	167.3	157.1	140.8	110.2	93.9	100.0	95.9	77.6
European Union (Rotterdam)											
- HMS1&2 (80:20)	100	122.0	196.0	170.0	150.0	144.0	116.0	98.0	108.0	104.0	84.0
- Shredded	100	117.0	186.8	172.0	152.0	146.0	118.0	100.0	110.0	106.0	86.0
USA ¹											
- East Coast	100	123.5	186.3	170.6	148.2	139.2	111.8	94.1	103.9	100.0	80.4
- West Coast	100	120.8	166.0	164.2	142.3	135.8	98.1	81.1	90.6	90.6	73.6
IMPORTS (CFR)											
India ‡											
- HMS1&2 (80:20)	100	128.0	192.0	180.0	156.0	146.0	116.0	108.0	106.0	104.0	88.0
- Shredded	100	143.1	192.2	178.4	154.9	145.1	115.7	107.8	105.9	103.9	88.2
Taiwan ^{1 **}											
	100	116.4	136.1	145.9	126.2	118.0	85.2	73.8	72.1	73.8	55.7
Turkey											
- ex-Europe / U.S. ¹	100	127.8	185.2	168.5	148.1	142.6	114.8	98.1	103.7	101.9	83.3
- ex CIS ³	100	108.8	171.9	156.1	136.8	133.3	107.0	91.2	94.7	93.0	77.2
UAE ¹											
	100	108.4	183.2	173.8	151.4	130.8	119.6	105.4	102.8	97.2	82.2

† Domestic ferrous scrap price indices have been created using national currencies

¹HMS1&2 (80:20)

²HMS1

³3A

⁴ - Average price in Philadelphia & Pittsburgh over the month

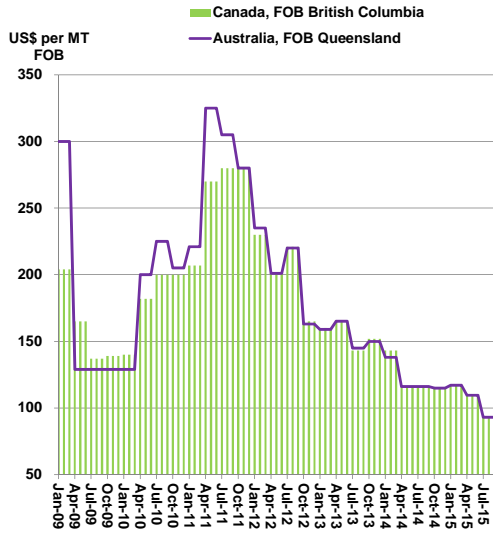
⁵ - Average price in Chicago, Cincinnati & St. Louis over the month

* - Average Japanese steel plant purchasing price

** - Average price in Kaohsiung & Taichung

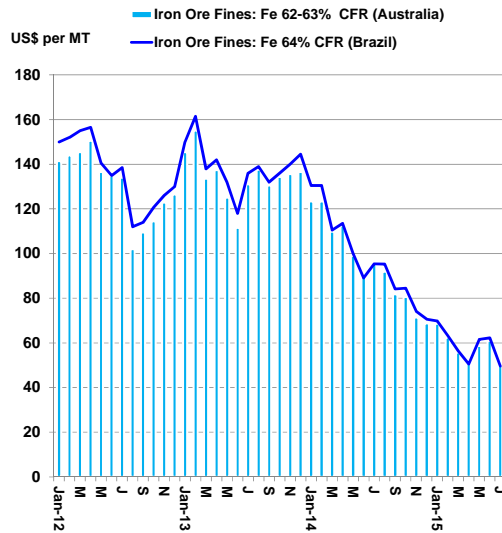
Steelmaking Raw Materials

Global Hard Coking Coal Price Trends



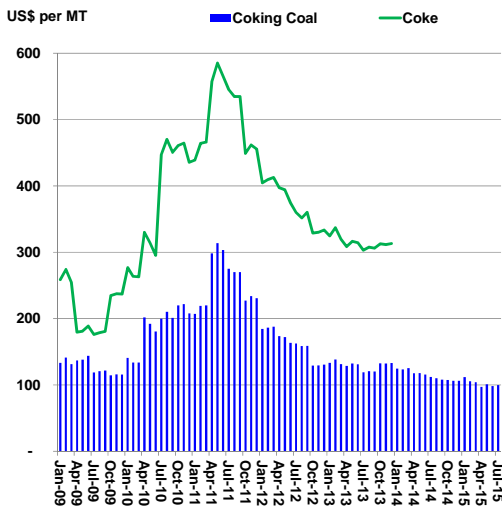
Source: MEPS International

China – Iron ore Benchmark Prices



Source: MEPS International

European Union Coal Price Trends



Source: MEPS International

CURRENCY EXCHANGE RATES - July 1st 2015

		Units / US\$	Units / US\$	m-o-m Change
		July	June	
Brazil	R\$	3.13	3.17	-1.3%
China	RMB	6.20	6.20	0.0%
Egypt	EGP	7.63	7.63	0.1%
Euro Zone	€	0.90	0.92	-1.7%
India	Rs	63.59	63.61	0.0%
Indonesia	IDR	13,340	13,208	1.0%
Iran	IRR	29,360	28,890	1.6%
Japan	¥	123.00	124.60	-1.3%
Malaysia	RM	3.77	3.69	2.1%
Pakistan	Rp	101.77	101.93	-0.2%
Philippines	PHP	45.15	44.55	1.3%
Russia	RUB	55.59	53.41	4.1%
South Africa	R	12.25	12.26	-0.1%
South Korea	KRW	1,116	1,116	0.0%
Taiwan	NT\$	30.94	30.87	0.2%
Thailand	THB	33.82	33.72	0.3%
Turkey	TL	2.69	2.68	0.5%
Ukraine	UAH	21.01	21.05	-0.2%
UAE	AED	3.67	3.67	0.0%
Vietnam	VND	21,803	21,720	0.4%

RAW MATERIALS (US\$ per metric tonne unless stated)

	Apr-15		May-15		Jun-15		Jul-15		Mid-M onth
	Low	High	Low	High	Low	High	Low	High	Difference %
AUSTRALIA ¹									
Hard coking coal (US\$/MT FOB Queensland)	110	115	110	115	110	115	93	98	-15.1%
Hard coking coal (US\$/MT FOB Queensland)	97	98	83	98	92	98	82	98	-10.7%
Iron Ore Fines: Fe 62% (US\$/MT FOB)	45	46	54	55	54	55	44	45	-19.6%
Thermal coal (US\$/MT FOB New castle)	68	73	68	73	68	73	68	73	0.0%
Thermal coal (US\$/MT FOB New castle)	55	60	55	60	60	65	60	65	0.4%
BRAZIL ¹									
Iron Ore Fines: Fe 64% (US\$/MT FOB)	35	36	44	45	46	47	33	34	-29.2%
CANADA ¹									
Hard coking coal (US\$/MT FOB British Columbia)	110	115	110	115	110	115	93	98	-15.1%
Premium Hard coking coal (US\$/MT FOB)	114	119	114	119	114	119	98	103	-14.0%
Hard coking coal (US\$/MT FOB British Columbia)	98	99	88	89	87	88	83	84	-4.2%
CHINA									
Iron Ore Fines: Fe 62-63% (US\$/MT CFR - Aus)	51	52	59	60	61	62	50	51	-17.6%
Iron Ore Fines: Fe 64% (US\$/MT CFR - Brazil)	51	52	62	63	62	63	50	51	-20.3%
Iron Ore Fines: Fe 63.5% (US\$/MT CFR - India)	52	53	59	60	62	63	51	52	-18.1%
Hard coking coal (US\$/MT CFR - Aus)	104	111	91	111	100	111	88	111	-12.2%
HBI (CFR)	300	305	300	305	315	320	240	245	-23.8%
EUROPEAN UNION ²									
Coking coal	97	102	101	106	98	103	100	105	1.6%
Thermal coal	60	65	63	68	61	66	54	59	-11.1%
HBI (CFR)	240	245	240	245	255	260	240	245	-5.9%
INDIA									
Iron Ore (US\$/WMT)									
BF Grade CLO 10-40 mm +/-10%: Fe 67%+ ⁴	71		69		69		69		0.0%
Baila Lump 6-40mm: Fe 65.5% ³	56		55		55		53		-3.2%
Baila ROM 10-150mm: Fe 65.5% ³	49		48		48		47		-2.6%
Pellets: Fe 63-64% ²	90		82		76		73		-4.1%
Iron Ore Fines Grade: Fe 64% ³	36		35		35		30		-15.3%
Iron Ore Fines: Fe 64% (US\$/MT FOB)	40	41	47	48	50	51	40	41	-20.5%
Hard coking coal (US\$/MT CFR - Aus)	117	118	103	104	112	113	102	103	-8.8%
JAPAN									
Coking Coal (US\$/MT FOB to Japan) ¹									
Hard coking coal	110	115	110	115	110	115	93	98	-15.1%
Semi-soft coking coal	73		67		67		65		-3.6%
PCI coal	83		74		68		63		-7.6%
PAKISTAN ²									
Hard Coke									
15 - 25mm	130		130		130		130		0.2%
25mm +	402		403		402		403		0.2%
Coking Coal									
Medium Volatile Grade	259		259		259		260		0.2%
Low Volatile Grade	278		279		278		279		0.2%

RAW MATERIALS (US\$ per metric tonne unless stated) *Continued*

	Apr-15		May-15		Jun-15		Jul-15		Mid-M onth Difference %
	Low	High	Low	High	Low	High	Low	High	
RUSSIA									
Iron Ore									
Pellets (FCA Kachkanar)	56	61	63	68	61	66	44	49	-27.0%
Pellets (DAF)	75	80	75	80	75	80	75	80	0.0%
Agglomerates (FCA Kachkanar)	49		54		52		38		-27.5%
Coal concentrate ⁵									
Kuznetskaya	55	60	61	66	59	64	65	70	9.8%
Abashevskaya	38	43	42	47	41	46	40	45	-3.9%
Hard coking coal									
10 - 25mm (FCA)	148	149	164	165	159	160	153	154	-3.9%
25 - 40mm (FCA)	174		193		187		180		-3.9%
Coke breeze									
0 - 10mm	96	101	106	111	103	108	90	95	-12.7%
TURKEY									
Foundry Coke (EXW)	375		375		375		375		0.0%
Metallurgical Coke (EXW)	350		350		350		350		0.0%
USA									
Hard coking coal (US\$/MT FOB Norfolk)	107	110	104	107	101	106	95	98	-5.5%

¹ Quarterly contract price

² EXW parity quarterly contract price

³ Ex- mines basis quarterly contract price including royalty and excluding taxes, cess and duties - Chhattisgarh State

⁴ Ex- mines basis quarterly contract price including royalty and excluding taxes, cess and duties - Orissa State

⁵ Price excl. VAT on terms of either FCA Obnorskaya Station or FCA Novokuznetsk- Sevemy Station

Italics - Preliminary figure

Blue - Spot price

NA - Not Available

Glossary

CFR	- Delivery including cost and freight
CIF	- Delivery incling costs, insurance and freight
CLO	- Calibrated lumpy Ore
DAF	- Delivered at frontier
DAP	- Delivery at place
EXW	- Ex works
FCA	- Free carrier
FOB	- Delivered free on board
HBI	- Hot briquetted iron
ROM	- Run of mine

MEPS MONTHLY REPORTS



This is our flagship publication. The first report was produced in 1984. Each monthly issue incorporates high and low market prices for eleven steel product forms in the EU - Germany, France, Italy, Spain, UK and Belgium. Data for flat and long products is supplied in each edition.

Prices are displayed in Euros for easy comparison. Details of EU Average Steel Transaction Prices are incorporated together with regular forecasts.

A comprehensive commentary is included in each issue showing the reasons behind monthly price movements and new forecast trends.



Each edition carries domestic steel pricing data in eleven countries across the globe, including - United States, Canada, China, Japan, South Korea, Taiwan, Poland, Czech/Slovak Republics and the main five EU member states - covering 70 percent of world consumption. Details of World and Regional Average Steel Prices are incorporated together with regular forecasts.

A comprehensive commentary is included in each issue showing the reasons behind monthly price movements and new forecast trends.



This is a new report from MEPS outlining steel market trends in the increasingly important emerging markets around the world. Each edition carries steel prices in eight countries - India, UAE, Turkey, South Africa, Russia, Ukraine, Mexico and Brazil. Details of steel prices for eight flat and long products are included.

A comprehensive commentary is included in each issue showing the reasons behind monthly price movements and new forecast trends.