

# STEEL PRICE FORECASTS TO 2019

Asia

November 2015

# meps

## international ltd

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### STEEL PRICE FORECASTS TO 2019 ASIA

Price of report £975.00

November 2015

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# INTRODUCTION

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# EXECUTIVE SUMMARY

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# ECONOMIC OVERVIEW

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Real GDP (percentage change year-on-year)										
	ACTUAL					FORECAST				
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
China	???	???	???	???	???	???	???	???	???	???
Japan	???	???	???	???	???	???	???	???	???	???
South Korea	???	???	???	???	???	???	???	???	???	???
Taiwan	???	???	???	???	???	???	???	???	???	???
USA	???	???	???	???	???	???	???	???	???	???
Eurozone	???	???	???	???	???	???	???	???	???	???

Source: CE, IMF, OE, MEPS

Industrial Production (percentage change year-on-year)										
	ACTUAL					FORECAST				
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
China	???	???	???	???	???	???	???	???	???	???
Japan	???	???	???	???	???	???	???	???	???	???
South Korea	???	???	???	???	???	???	???	???	???	???
Taiwan	???	???	???	???	???	???	???	???	???	???
USA	???	???	???	???	???	???	???	???	???	???
Eurozone	???	???	???	???	???	???	???	???	???	???

Source: CE, OE, MEPS

Consumer Price Inflation (percentage change year-on-year)										
	ACTUAL					FORECAST				
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
China	???	???	???	???	???	???	???	???	???	???
Japan	???	???	???	???	???	???	???	???	???	???
South Korea	???	???	???	???	???	???	???	???	???	???
Taiwan	???	???	???	???	???	???	???	???	???	???
USA	???	???	???	???	???	???	???	???	???	???
Eurozone	???	???	???	???	???	???	???	???	???	???

Source: CE, IMF, OE, World Bank, MEPS

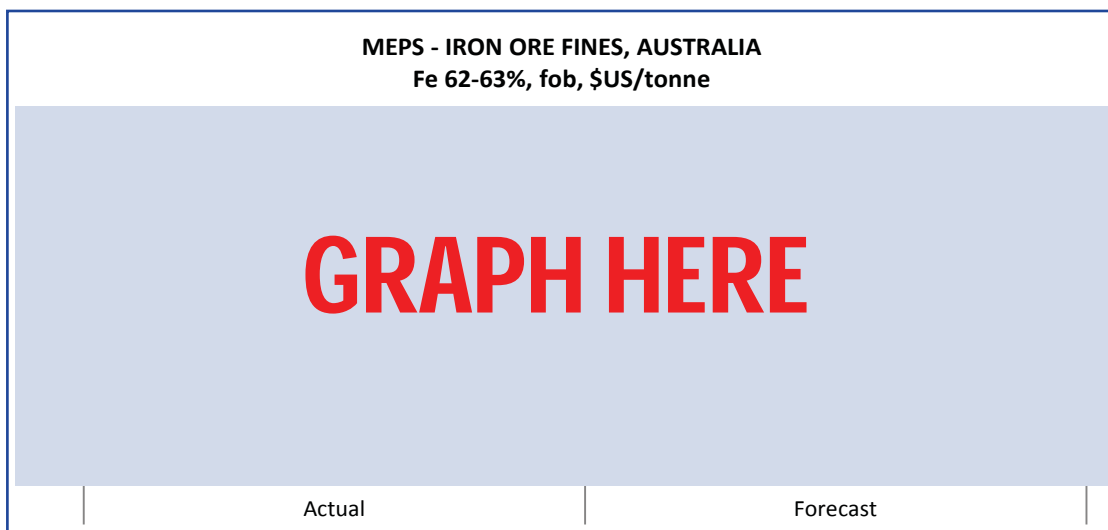


# STEELMAKING RAW MATERIAL COSTS

	\$US/tonne	Iron Ore Fines				Coking Coal	Ferrous Scrap
		Australia 62-63% Fe		Brazil 64% Fe		Australia FOB	Japan H2
		FOB	CFR China	FOB	CFR China		
<b>ACTUAL</b>	2010	???	???	???	???	???	???
	2011	???	???	???	???	???	???
	2012	???	???	???	???	???	???
	2013	???	???	???	???	???	???
	2014	???	???	???	???	???	???
<b>FORECAST</b>	2015	???	???	???	???	???	???
	2016	???	???	???	???	???	???
	2017	???	???	???	???	???	???
	2018	???	???	???	???	???	???
	2019	???	???	???	???	???	???

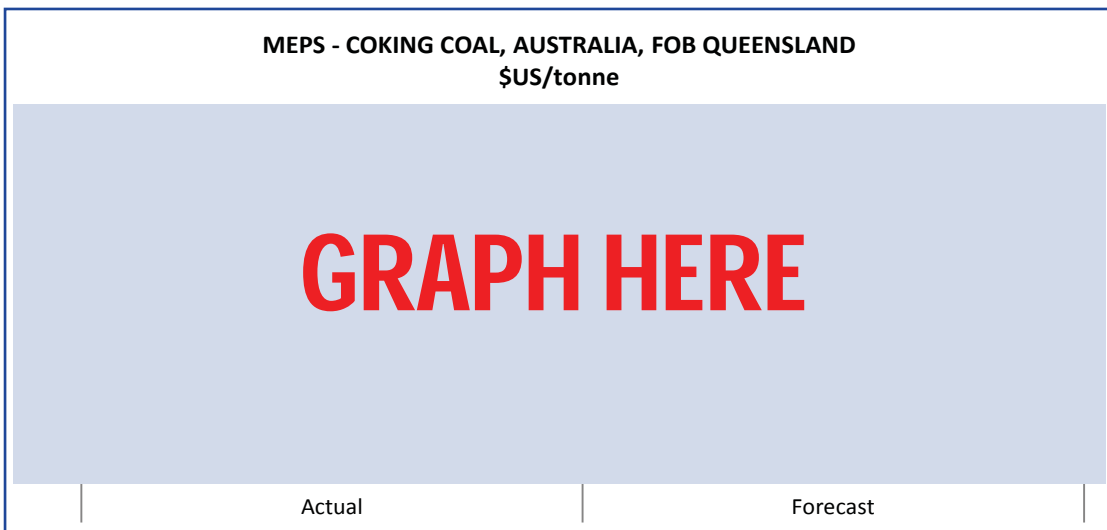
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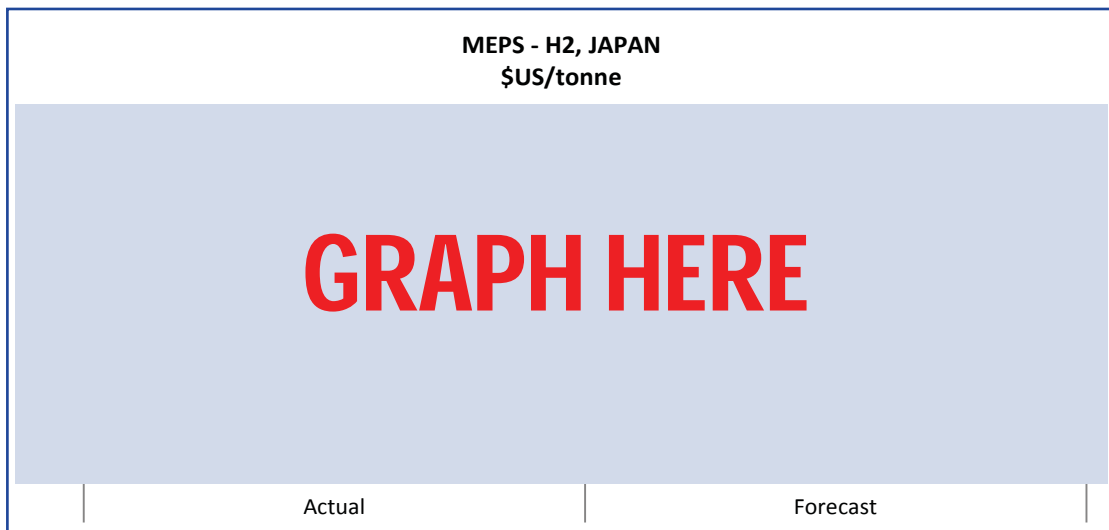


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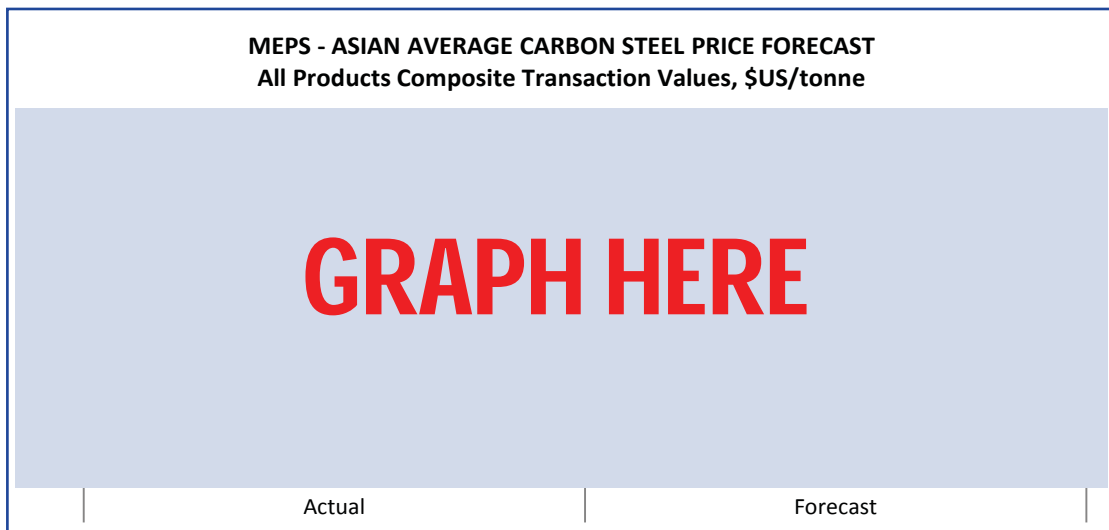


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# ALL PRODUCTS STEEL PRICE FORECASTS

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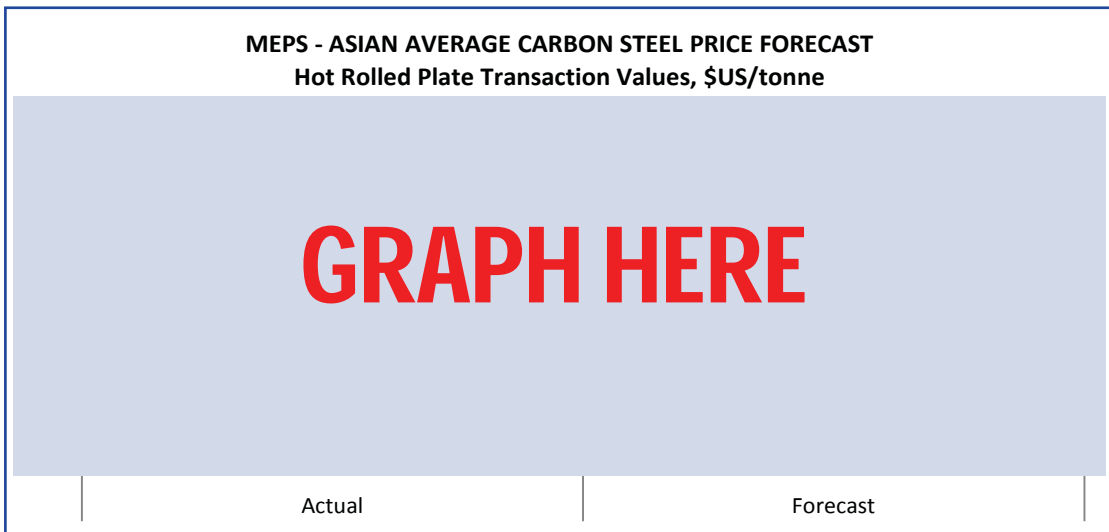
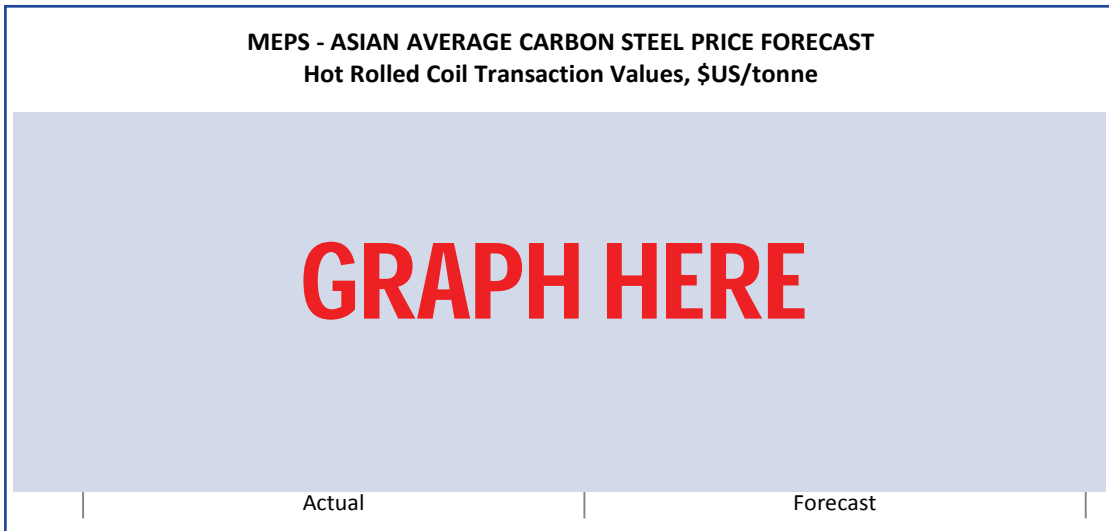
# FLAT PRODUCTS STEEL PRICE FORECASTS

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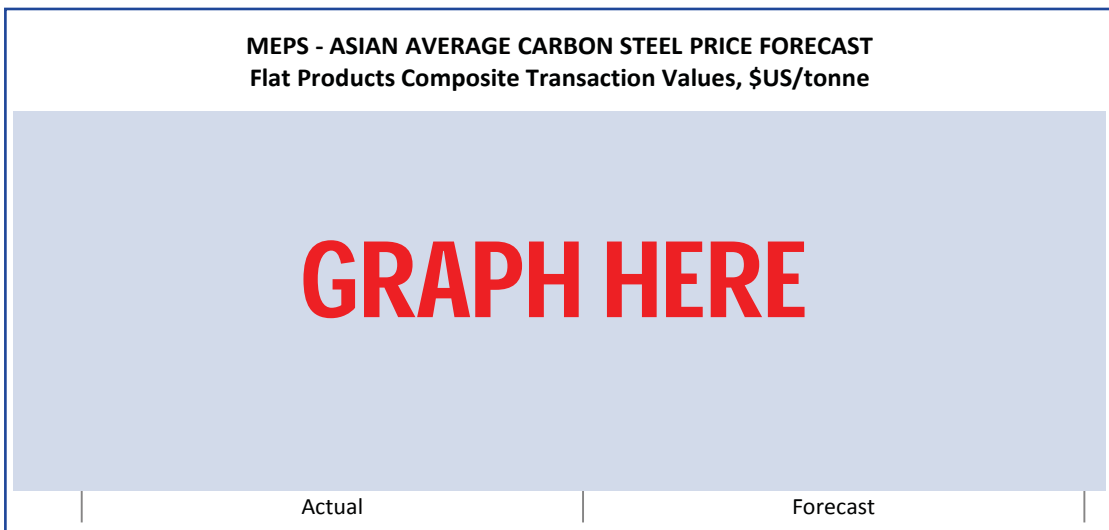
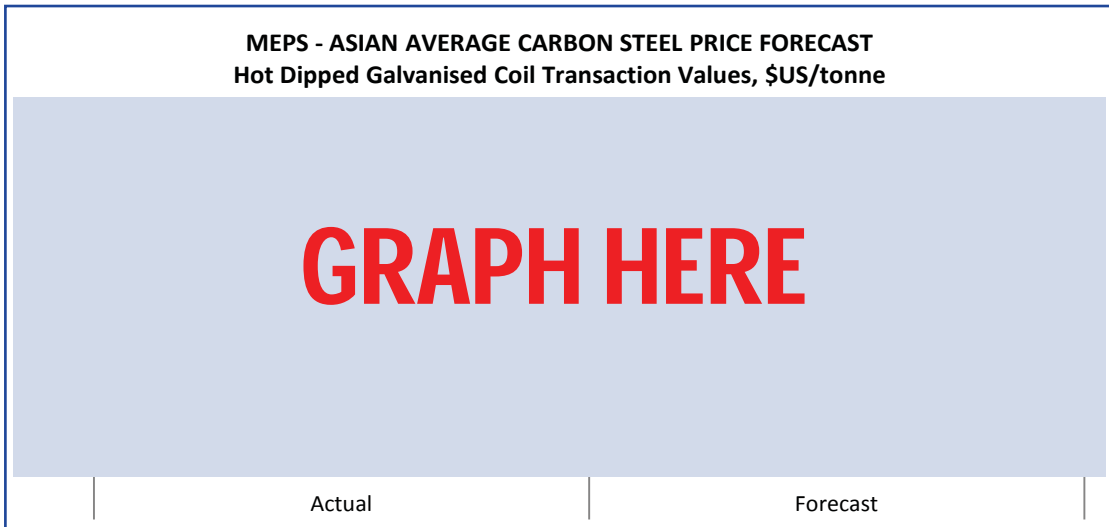
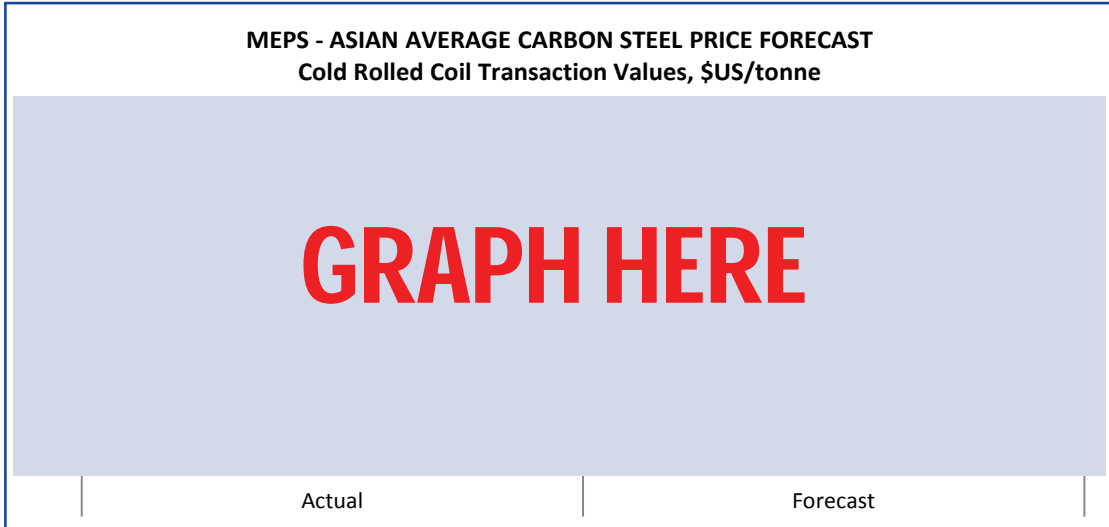
Asia - Flat Products						
\$US/tonne	Hot Rolled Coil	Hot Rolled Plate	Cold Rolled Coil	Hot Dipped Galvanised	Flat Products Composite	
<b>ACTUAL</b>	<b>2010</b>	???	???	???	???	???
	<b>2011</b>	???	???	???	???	???
	<b>2012</b>	???	???	???	???	???
	<b>2013</b>	???	???	???	???	???
	<b>2014</b>	???	???	???	???	???
<b>FORECAST</b>	<b>2015</b>	???	???	???	???	???
	<b>2016</b>	???	???	???	???	???
	<b>2017</b>	???	???	???	???	???
	<b>2018</b>	???	???	???	???	???
	<b>2019</b>	???	???	???	???	???

Transaction Prices - Based On MEPS Low Values

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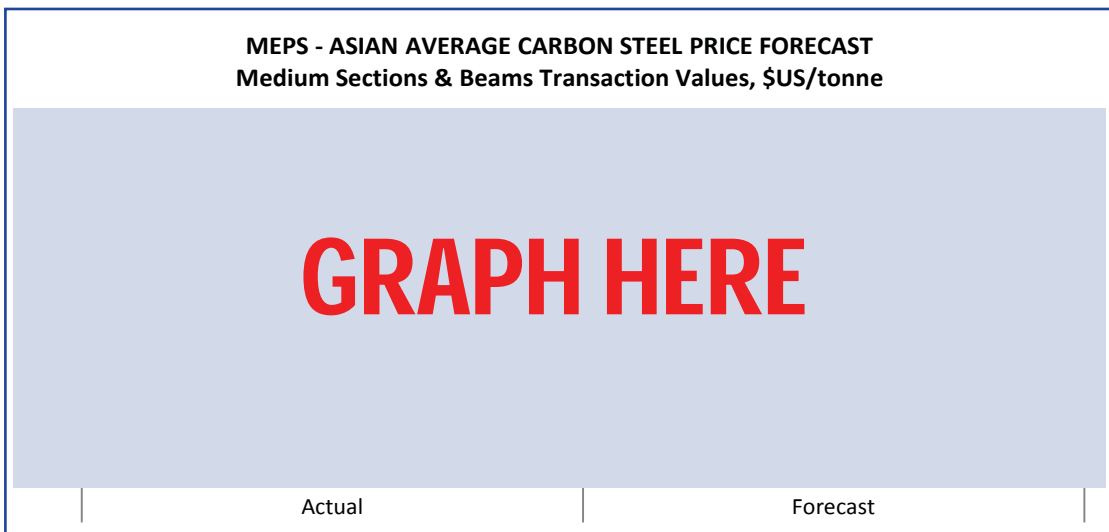
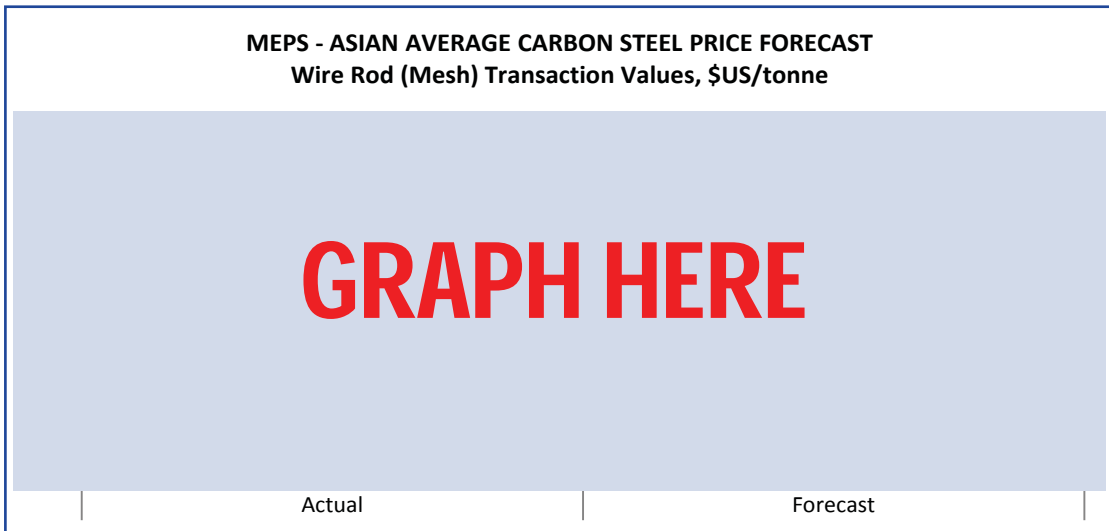
# LONG PRODUCTS STEEL PRICE FORECASTS

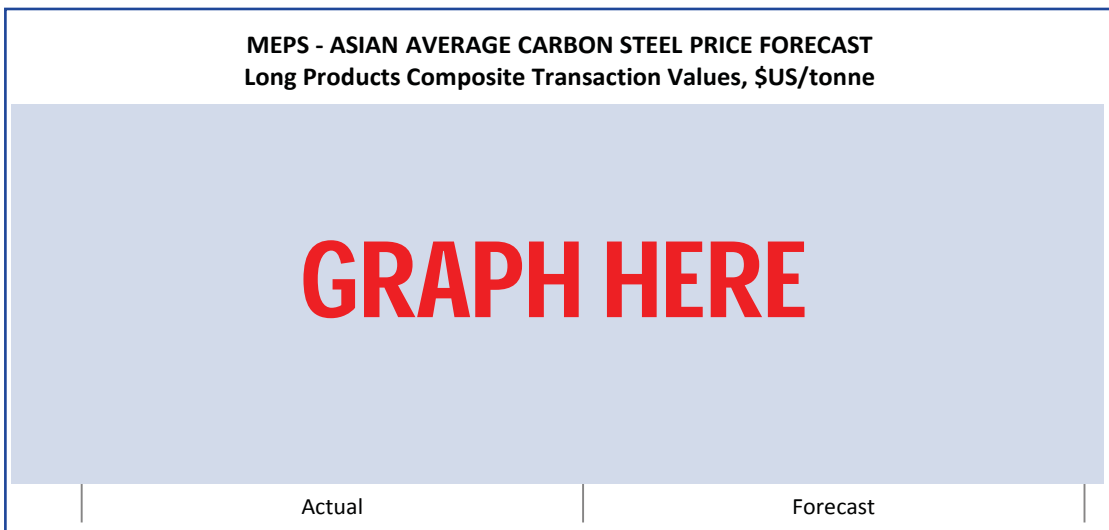
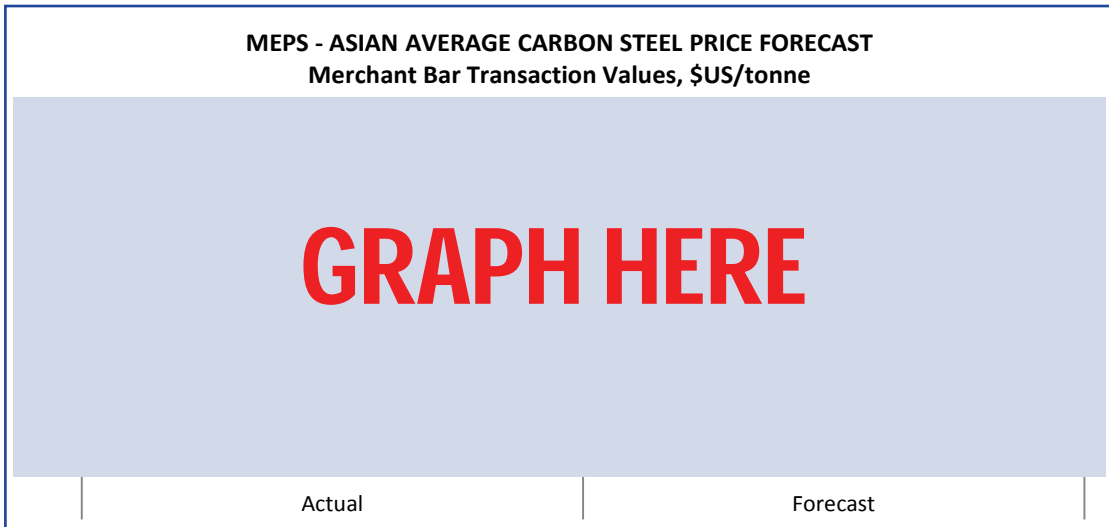
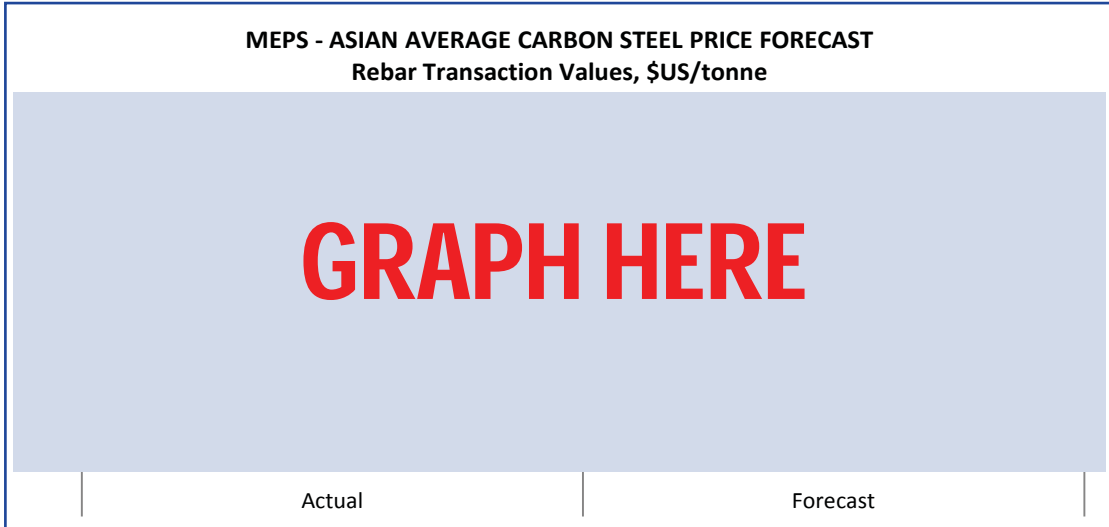
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Asia - Long Products						
\$US/tonne	Wire Rod (Mesh)	Medium Sections & Beams	Rebar	Merchant Bar	Long Products Composite	
<b>ACTUAL</b>	<b>2010</b>	???	???	???	???	???
	<b>2011</b>	???	???	???	???	???
	<b>2012</b>	???	???	???	???	???
	<b>2013</b>	???	???	???	???	???
	<b>2014</b>	???	???	???	???	???
<b>FORECAST</b>	<b>2015</b>	???	???	???	???	???
	<b>2016</b>	???	???	???	???	???
	<b>2017</b>	???	???	???	???	???
	<b>2018</b>	???	???	???	???	???
	<b>2019</b>	???	???	???	???	???

Transaction Prices - Based On MEPS Low Values

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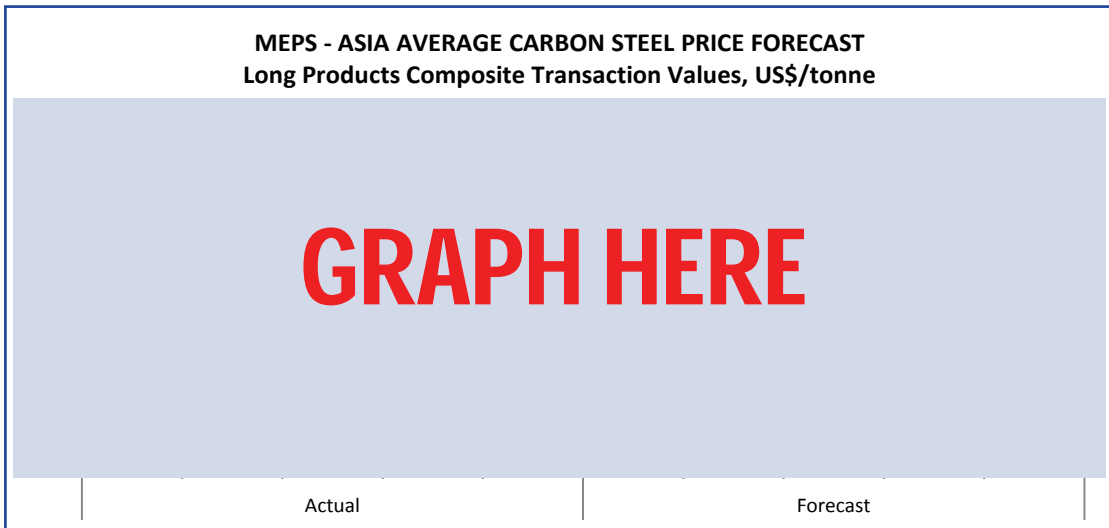
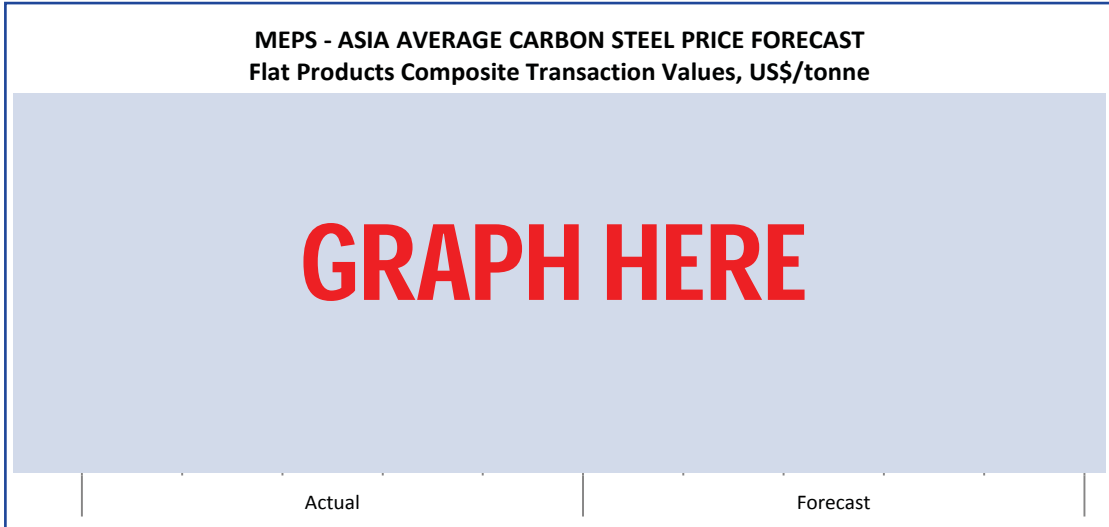
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# RISKS

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# DEFINITIONS

Transactions prices are the realised values obtained by the mills for the cheapest grade of steel in the size range specified for each product. These are determined by adding the relevant size extras to the negotiated ex-mill basis price for the selected product.

Transaction values relate to those paid by consumers and stockholders for prime material. The prices are for regular business between customers and their local steel mills, negotiated during the current month for delivery in the future. 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 except China and Taiwan width less than 2 metres.
- Cold Rolled Coil - 1mm thickness, width over 1.3 metres.
- Hot Dipped Galvanised Coil - 1mm thickness, width over 1.1 metres, coating thickness 275gmm<sup>2</sup>.
- Wire Rod (Mesh Quality) - 8-12mm diameter except China 6.5mm diameter, high speed.
- Medium Sections and Beams - 240 x 240mm H Beam except China 300 x 300mm.
- Reinforcing Bar (Deformed) - 16-20mm diameter.
- Merchant Bar - 50 x 50 x 6mm equal angle.

## Asia Average

Prices are computed from an arithmetic average of the low transaction values identified in Japan, Taiwan, South Korea and China, collected in national currencies and converted into US dollars using currency exchange rates effective at the start of each month to provide a basis for comparison. China is excluded from the hot dipped galvanised coil price.

## Flat Products Composite

Prices are computed from a weighted average (based on consumption) of the low transaction values recorded in the relevant period for hot rolled coil and plate, cold rolled coil and hot dipped coated coil.

## Long Products Composite

Prices are computed from a weighted average (based on consumption) of the low transaction values recorded in the relevant period for wire rod, structural sections, reinforcing bar and merchant bar.

## All Products Composite

Prices are computed from a weighted average (based on consumption) of the low transaction values recorded in the relevant period for all carbon steel products in the flat and long categories.

## Disclaimer

*All price and market data is researched by MEPS staff and our local correspondents. The information 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.*