

# STEEL PRICE FORECASTS TO 2019

**NORTH AMERICA**

**October 2015**

# meps

## international ltd

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### STEEL PRICE FORECASTS TO 2019 NORTH AMERICA

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
<b>USA</b>	???	???	???	???	???	???	???	???	???	???
<b>Canada</b>	???	???	???	???	???	???	???	???	???	???
<b>Eurozone</b>	???	???	???	???	???	???	???	???	???	???
<b>Japan</b>	???	???	???	???	???	???	???	???	???	???

Source: CE, IMF, OE, MEPS

Industrial Production (percentage change year-on-year)										
	ACTUAL					FORECAST				
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>USA</b>	???	???	???	???	???	???	???	???	???	???
<b>Canada</b>	???	???	???	???	???	???	???	???	???	???
<b>Eurozone</b>	???	???	???	???	???	???	???	???	???	???
<b>Japan</b>	???	???	???	???	???	???	???	???	???	???

Source: CE, OE, MEPS

Consumer Price Inflation (percentage change year-on-year)										
	ACTUAL					FORECAST				
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>USA</b>	???	???	???	???	???	???	???	???	???	???
<b>Canada</b>	???	???	???	???	???	???	???	???	???	???
<b>Eurozone</b>	???	???	???	???	???	???	???	???	???	???
<b>Japan</b>	???	???	???	???	???	???	???	???	???	???

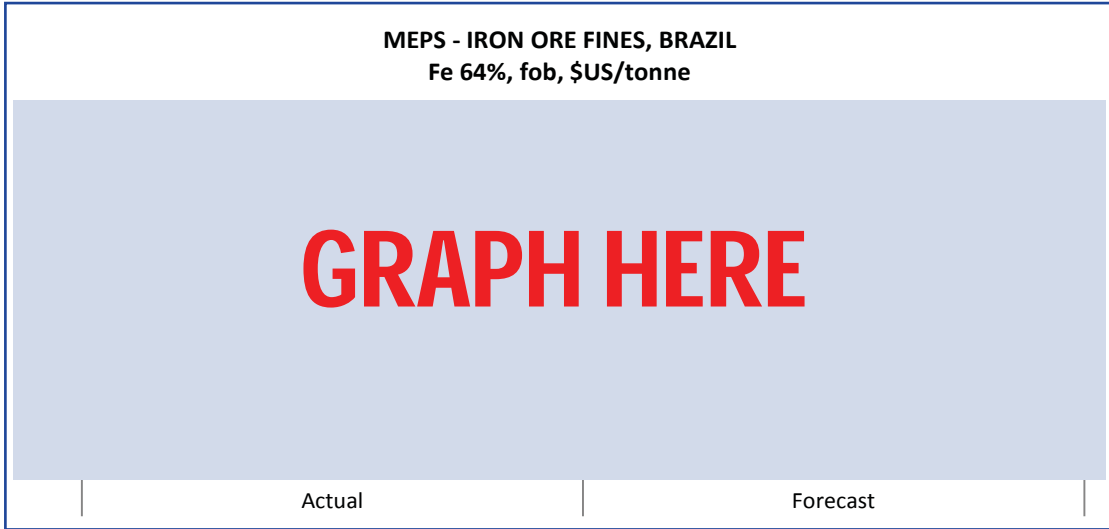
Source: CE, IMF, OE, World Bank, MEPS



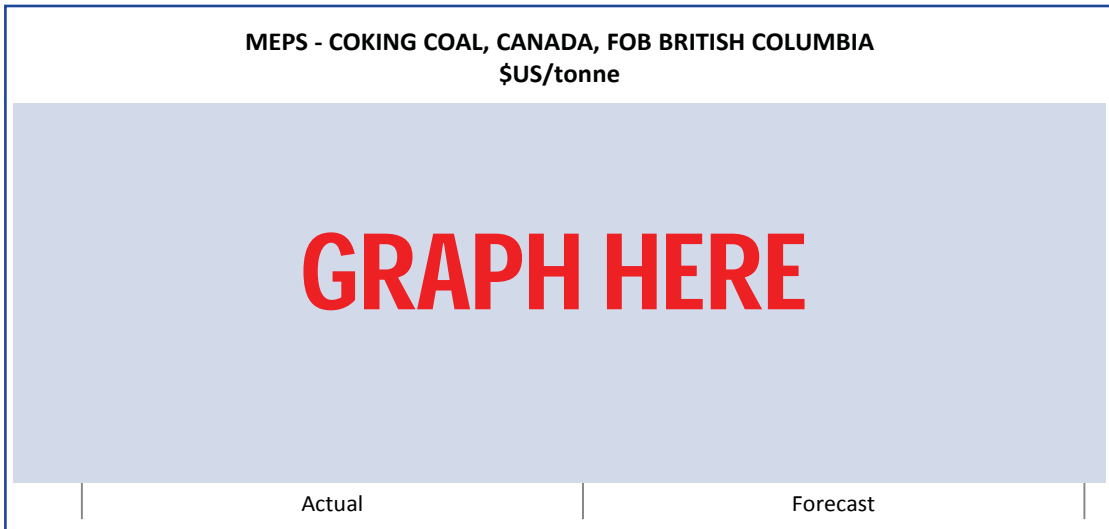
# STEELMAKING RAW MATERIAL COSTS

\$US/tonne		Iron Ore Fines				Coking Coal	Ferrous Scrap
		Australia 62-63% Fe		Brazil 64% Fe		Canada FOB	US Mid West HMS1
		FOB	CFR China	FOB	CFR China		
<b>ACTUAL</b>	2010	???	???	???	???	???	???
	2011	???	???	???	???	???	???
	2012	???	???	???	???	???	???
	2013	???	???	???	???	???	???
	2014	???	???	???	???	???	???
<b>FORECAST</b>	2015	???	???	???	???	???	???
	2016	???	???	???	???	???	???
	2017	???	???	???	???	???	???
	2018	???	???	???	???	???	???
	2019	???	???	???	???	???	???

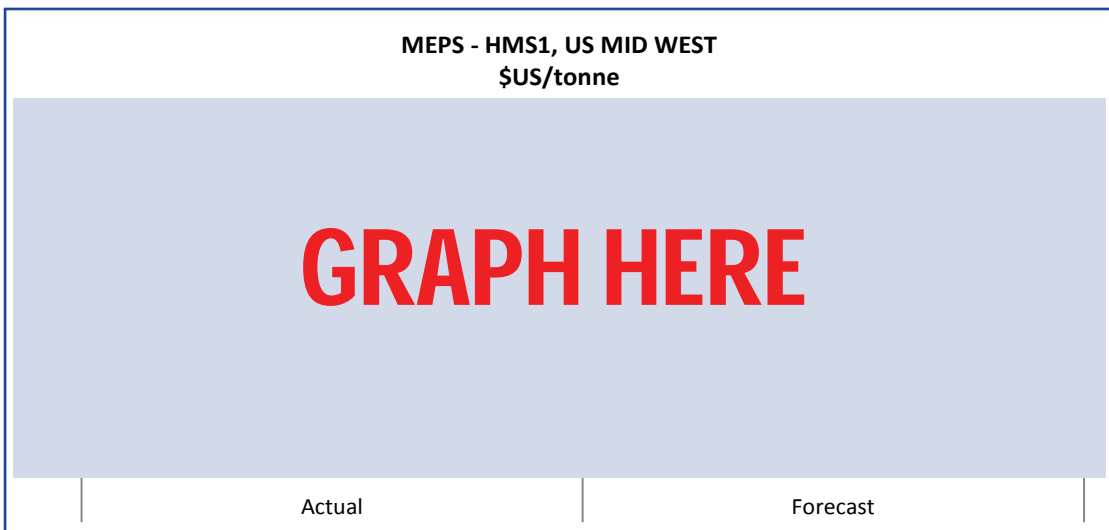
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# ALL PRODUCTS STEEL PRICE FORECASTS

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**MEPS - NORTH AMERICA AVERAGE CARBON STEEL PRICE FORECAST**  
All Products Composite Transaction Values, \$US/tonne

**GRAPH HERE**

Actual

Forecast

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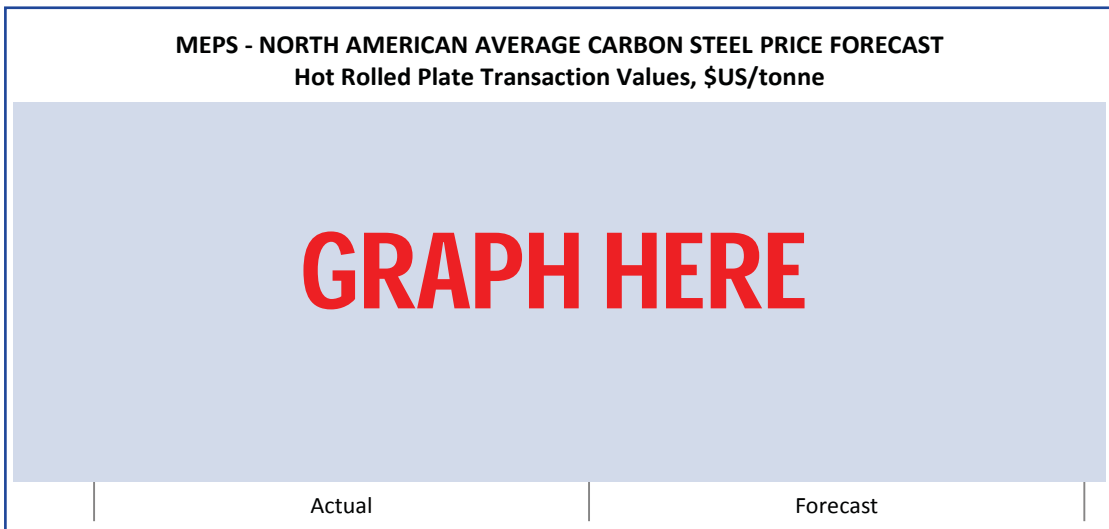
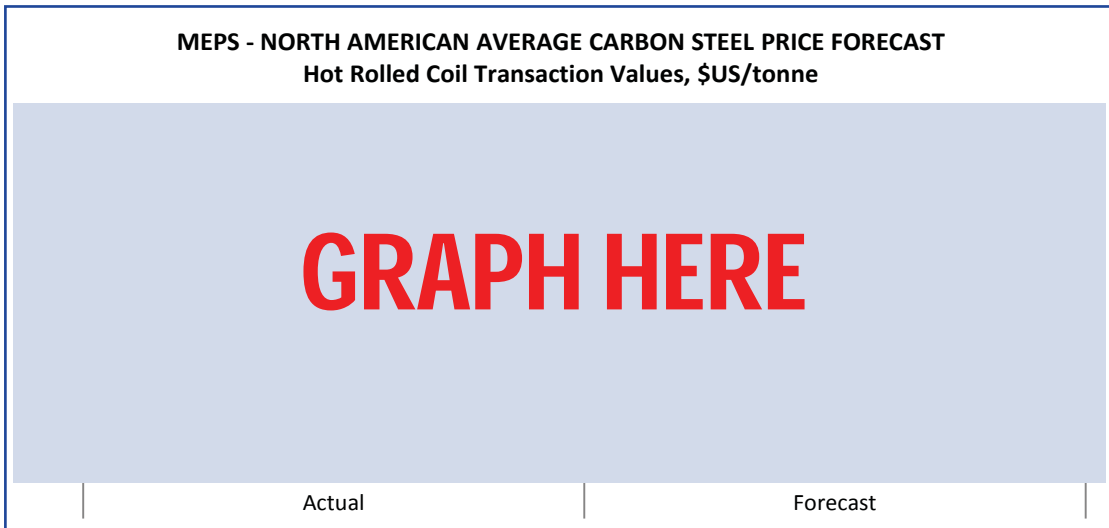
# FLAT PRODUCTS STEEL PRICE FORECASTS

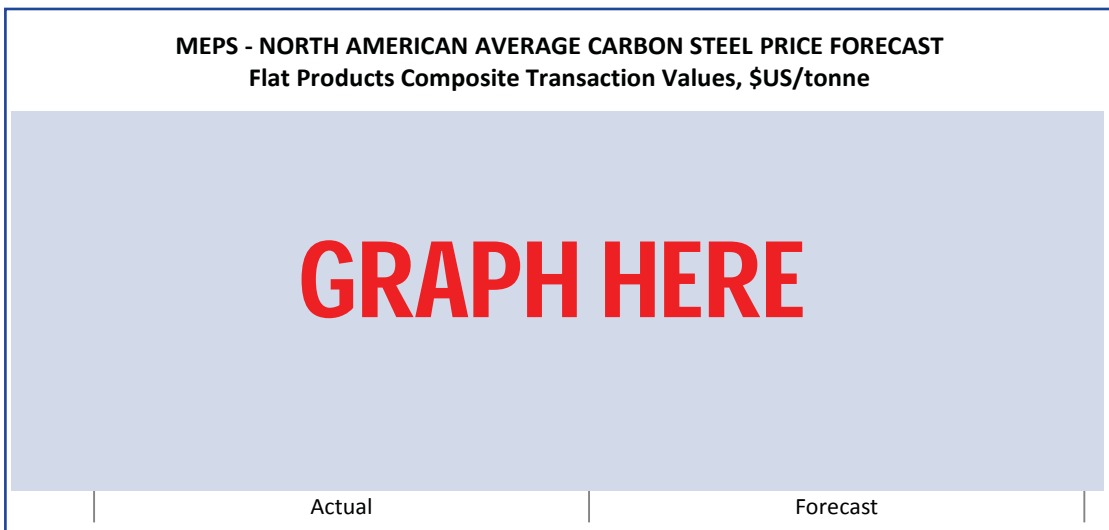
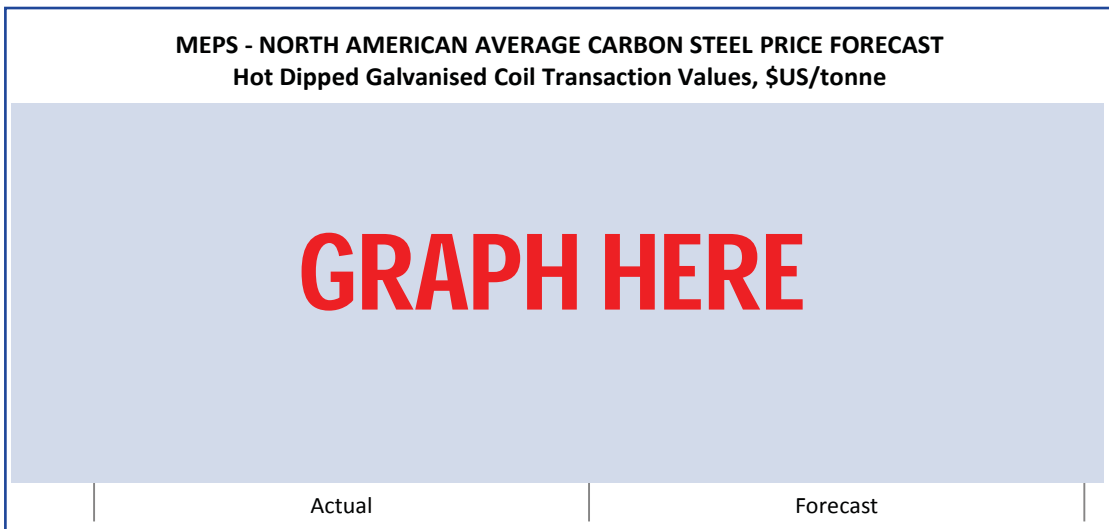
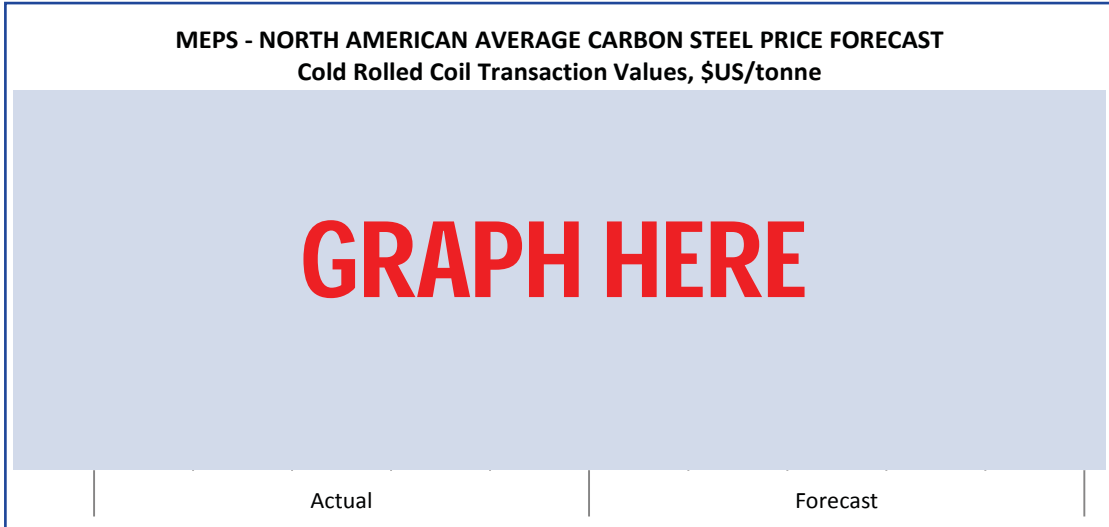
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North America - Flat Products						
US\$/tonne	Hot Rolled Coil	Hot Rolled Plate	Cold Rolled Coil	Hot Dipped Galvanised	Flat Products Composite	
<b>ACTUAL</b>	<b>2010</b>	???	???	???	???	???
	<b>2011</b>	???	???	???	???	???
	<b>2012</b>	???	???	???	???	???
	<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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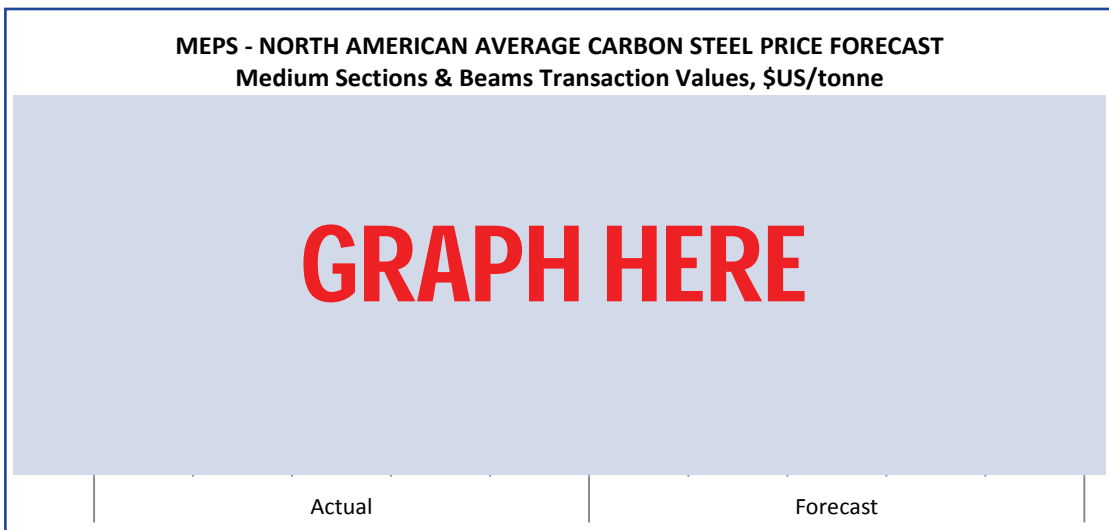
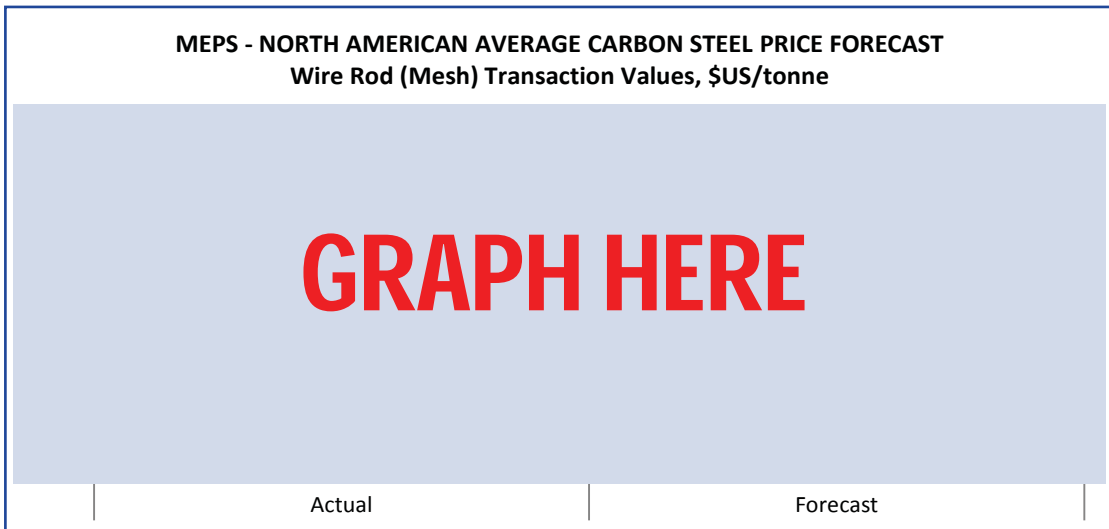
# LONG PRODUCTS STEEL PRICE FORECASTS

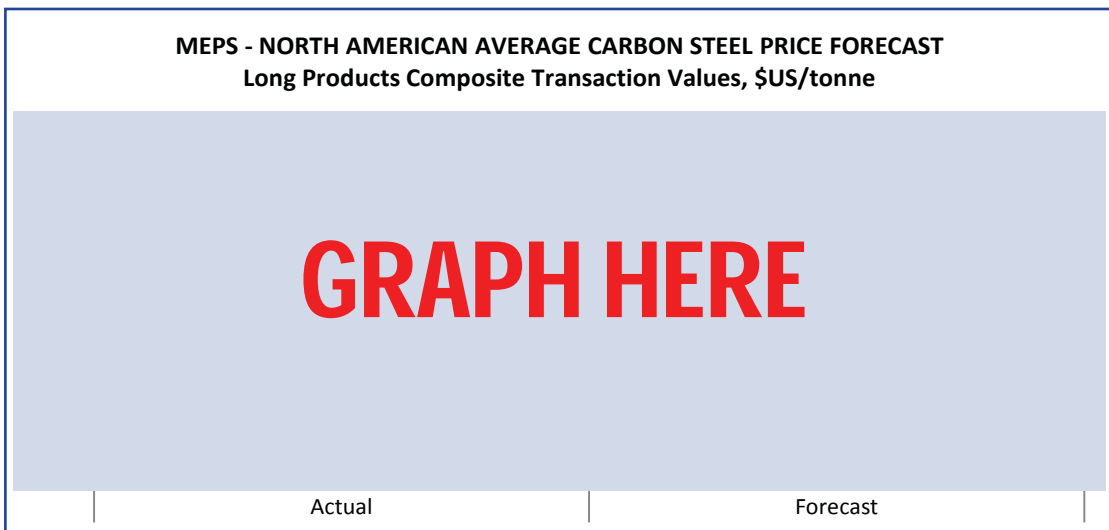
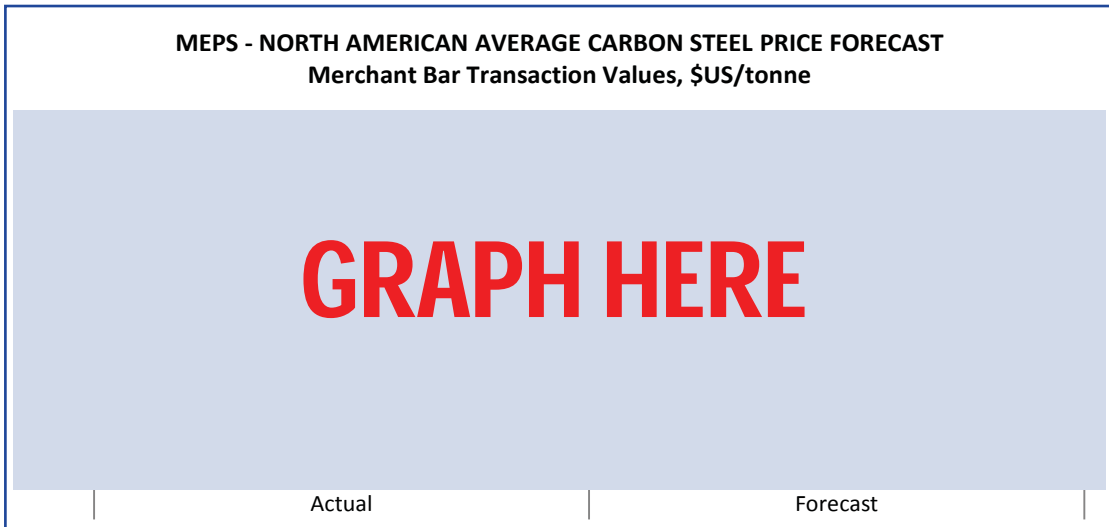
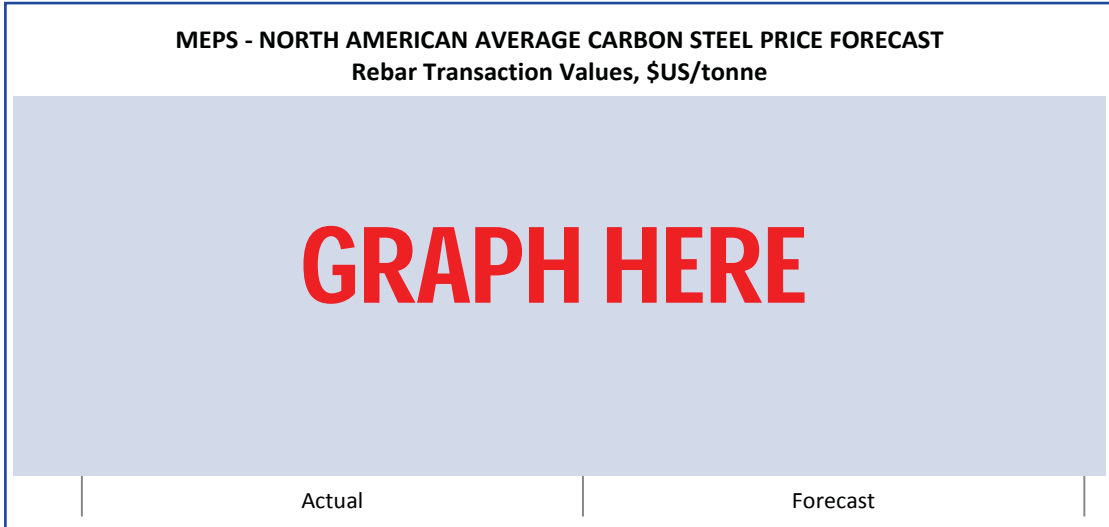
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North America - Long Products						
US\$/tonne		Wire Rod (Mesh)	Medium Sections & Beams	Rebar	Merchant Bar	Long Products Composite
<b>ACTUAL</b>	<b>2010</b>	???	???	???	???	???
	<b>2011</b>	???	???	???	???	???
	<b>2012</b>	???	???	???	???	???
	<b>2013</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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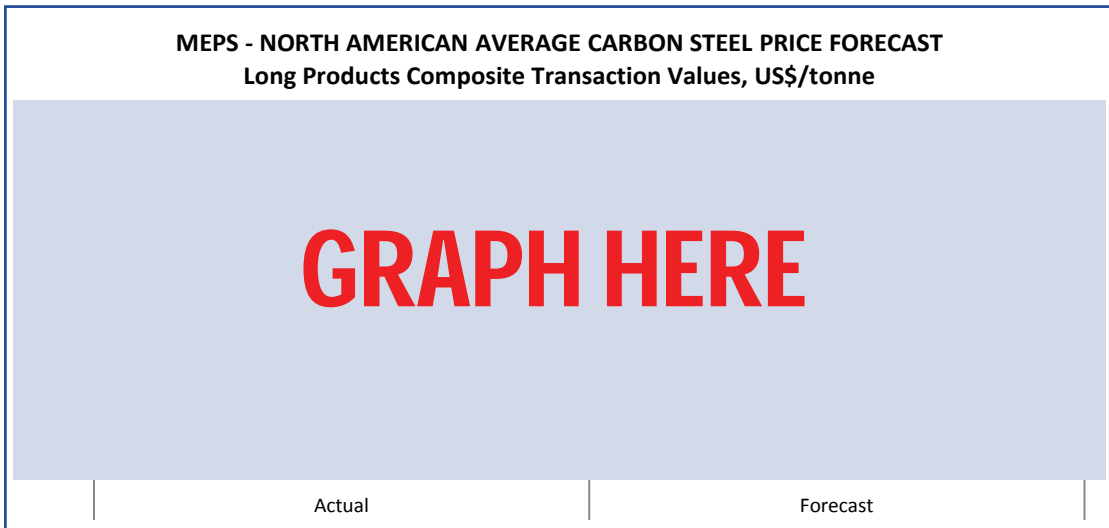
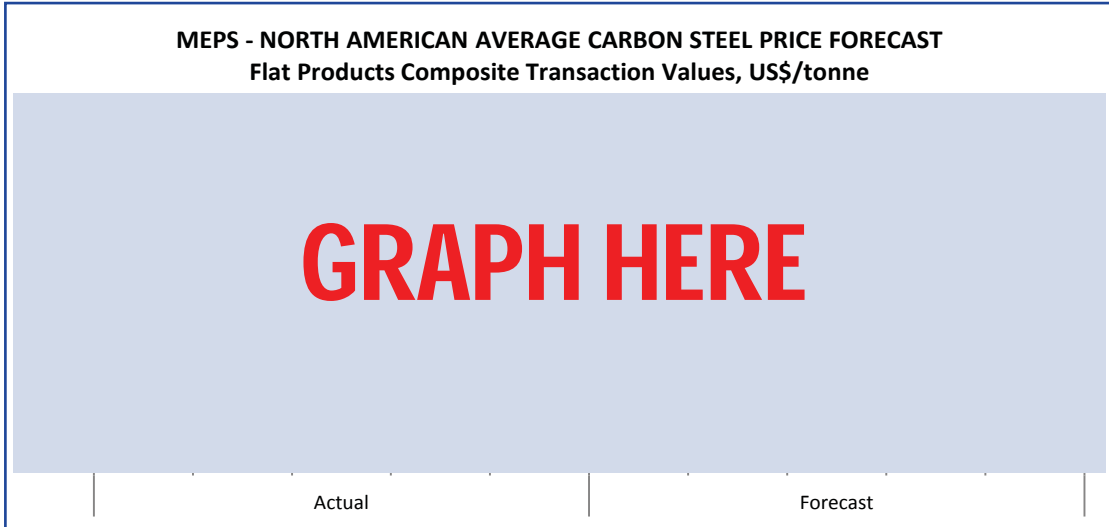
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# RISKS

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# DEFINITIONS

Transaction 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 - 0.08in thickness, width over 42in.
- Hot Rolled Plate - 1-1.5in thickness, width over 60in.
- Cold Rolled Coil - 0.05in thickness, width over 42in.
- Hot Dipped Galvanised Coil - 0.05in thickness, width over 40in, coating G90.
- Wire Rod (Mesh Quality) - 0.3-0.5in diameter.
- Medium Sections and Beams - 10 x 10in Wide Flange Beam.
- Reinforcing Bar (Deformed) - #6 0.75in diameter.
- Merchant Bar - 2 x 2 x 0.25in equal angle.

## **North America Average**

Prices are computed from a weighted average of the low transaction values identified in USA and Canada, 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.

## **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.*