

STEEL PRICE FORECASTS TO 2022

Asia

December 2017

meps

international ltd

Steel Price Forecasts To 2022 Asia

Price of report £1000

December 2017

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Introduction

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Executive Summary

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**MEPS - Asian Average Carbon Steel Price Forecast
All Products Composite Transaction Values, US\$/tonne**



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Economic Overview

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Gross Domestic Product (GDP) - year-on-year percentage change										
	ACTUAL					FORECAST				
	2013	2014	2015	2016	2017 ^(e)	2018	2019	2020	2021	2022
China	???	???	???	???	???	???	???	???	???	???
Japan	???	???	???	???	???	???	???	???	???	???
South Korea	???	???	???	???	???	???	???	???	???	???
Taiwan	???	???	???	???	???	???	???	???	???	???

Source: EC, IMF, OECD, UN, 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		
ACTUAL	2013	???	???	???	???	???	???
	2014	???	???	???	???	???	???
	2015	???	???	???	???	???	???
	2016	???	???	???	???	???	???
	2017^(e)	???	???	???	???	???	???
FORECAST	2018	???	???	???	???	???	???
	2019	???	???	???	???	???	???
	2020	???	???	???	???	???	???
	2021	???	???	???	???	???	???
	2022	???	???	???	???	???	???

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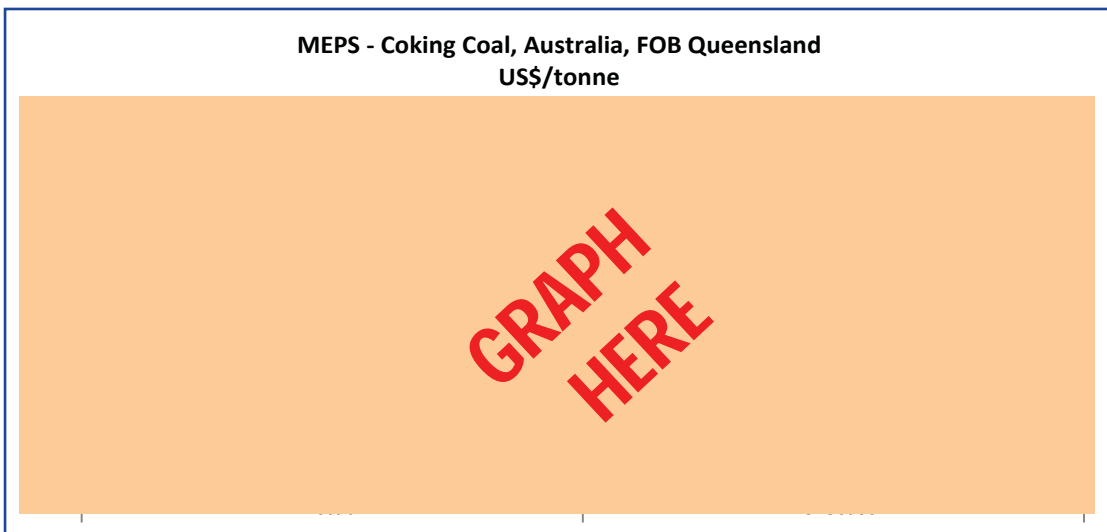
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**MEPS - Iron Ore Fines, Australia
Fe 62-63%, FOB, US\$/tonne**



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**MEPS - H2, JAPAN
US\$/tonne**

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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	
ACTUAL	2013	???	???	???	???	???
	2014	???	???	???	???	???
	2015	???	???	???	???	???
	2016	???	???	???	???	???
	2017^(e)	???	???	???	???	???
FORECAST	2018	???	???	???	???	???
	2019	???	???	???	???	???
	2020	???	???	???	???	???
	2021	???	???	???	???	???
	2022	???	???	???	???	???

Transaction Prices - Based On MEPS Low Values

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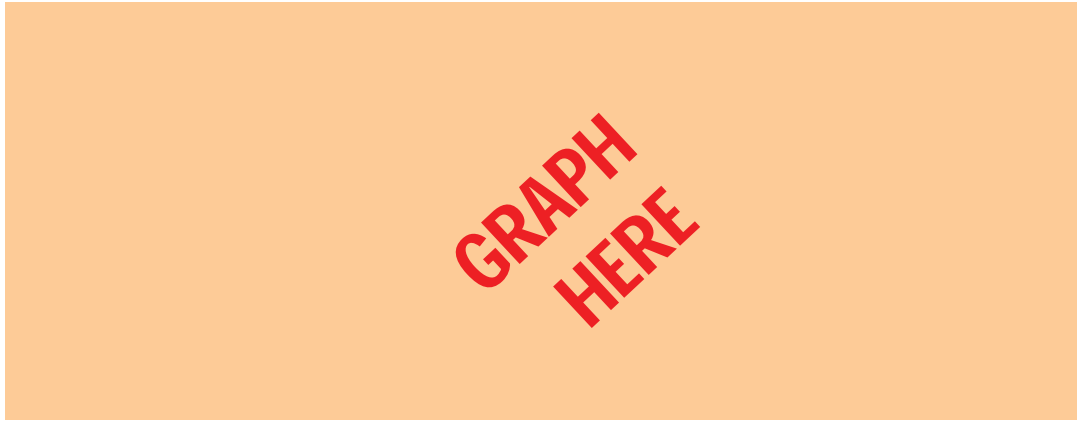
**MEPS - Asian Average Carbon Steel Price Forecast
Hot Rolled Coil Transaction Values, US\$/tonne**

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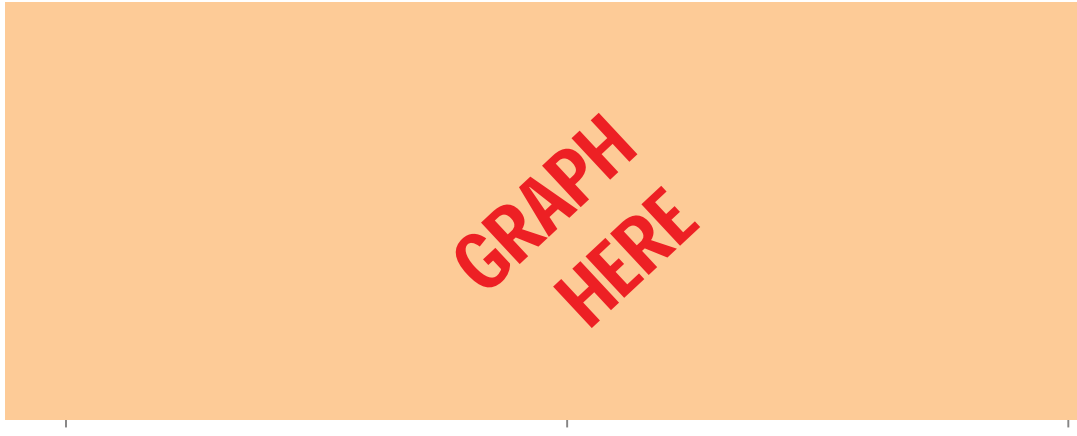
**MEPS - Asian Average Carbon Steel Price Forecast
Hot Rolled Plate Transaction Values, US\$/tonne**

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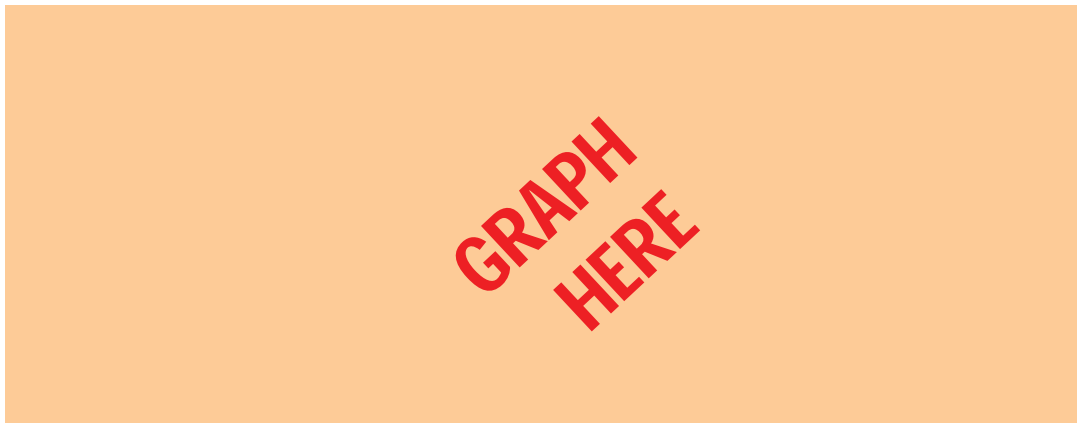
**MEPS - Asian Average Carbon Steel Price Forecast
Cold Rolled Coil Transaction Values, US\$/tonne**



**MEPS - Asian Average Carbon Steel Price Forecast
Hot Dipped Galvanised Coil Transaction Values, US\$/tonne**



**MEPS - Asian Average Carbon Steel Price Forecast
Flat Products Composite Transaction Values, US\$/tonne**



Long Products Steel Price Forecasts

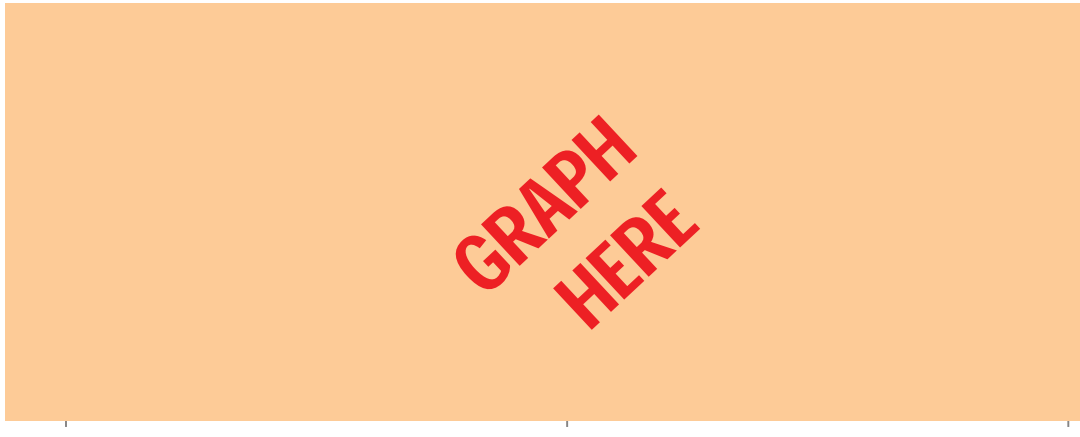
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Asia - Long Products						
US\$/tonne	Wire Rod (Mesh)	Medium Sections & Beams	Rebar	Merchant Bar	Long Products Composite	
ACTUAL	2013	???	???	???	???	???
	2014	???	???	???	???	???
	2015	???	???	???	???	???
	2016	???	???	???	???	???
	2017^(e)	???	???	???	???	???
FORECAST	2018	???	???	???	???	???
	2019	???	???	???	???	???
	2020	???	???	???	???	???
	2021	???	???	???	???	???
	2022	???	???	???	???	???

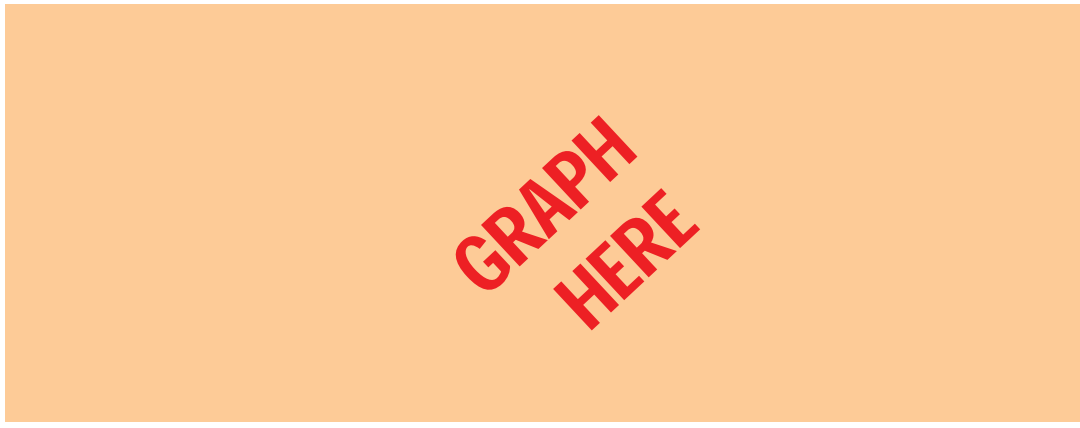
Transaction Prices - Based On MEPS Low Values

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**MEPS - Asian Average Carbon Steel Price Forecast
Wire Rod (Mesh) Transaction Values, US\$/tonne**



**MEPS - Asian Average Carbon Steel Price Forecast
Medium Sections & Beams Transaction Values, US\$/tonne**



**MEPS - Asian Average Carbon Steel Price Forecast
Rebar Transaction Values, US\$/tonne**

**GRAPH
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**MEPS - Asian Average Carbon Steel Price Forecast
Merchant Bar Transaction Values, US\$/tonne**

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**MEPS - Asian Average Carbon Steel Price Forecast
Long Products Composite Transaction Values, US\$/tonne**

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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 - 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 275gm².
- Wire Rod (Mesh Quality) - 8-12mm diameter except China 6.5mm diameter.
- 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 average 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.