

SEMI-FINISHED STEEL & FERROUS SCRAP REVIEW

JANUARY 2011

BILLET PRICES (\$US/tonne)

	Nov-10		Dec-10		Jan-11					
	Mid		Early		Mid		Early		Mid	
DOMESTIC	Low	High	Low	High	Low	High	Low	High	Low	High
China										
- Hebei Province	523	527	527	534	533	539	545	549	550	555
- Liaoning Province	526	541	542	549	543	554	551	566	556	571
- Shanxi Province	514	519	518	533	523	534	531	542	538	546
India †										
- Chennai	625	630	605	610	605	610	625	630	630	635
- Delhi	635	640	615	620	625	630	650	655	660	665
- Kolkata	625	630	605	610	605	610	620	625	630	635
- Mandi Gobindgarh	685	695	665	675	670	680	690	700	695	705
- Mumbai	630	635	615	620	615	620	650	655	650	655
Pakistan	605	610	600	605	600	605	605	610	615	620
South Africa	770	775	760	765	760	765	755	760	755	760
Turkey	560	570	570	575	600	605	650	655	650	655

Billet - 125 x 125mm / 150 x 150mm

† 100 x 100mm

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Semi-finished steel products

BILLET

- Russian and Ukrainian exporters have adopted aggressive pricing strategies in January. The increases are due to rising raw material costs and firm purchasing activity. Suppliers have also benefited from the perception of limited production. Last month this had a mixed impact on effective prices
- The Indian majors have lifted billet quotations by Rs1,500/2,000 per tonne. Secondary producers of induction material have sought a similar price increase. Selling figures have been influenced by the rising cost of ferrous scrap and pig iron.

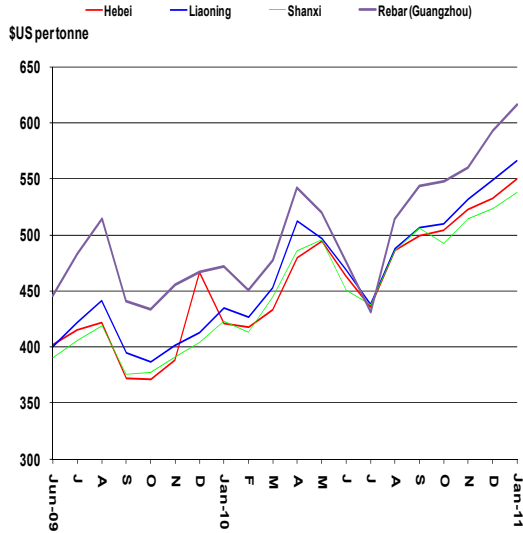
BILLET PRICES

	Nov-10		Dec-10		Jan-11		Mid-Month		Difference		
	Low	High	Low	High	Low	High	Low	High			
DOMESTIC											
China ('000 RMB/tonne)											
- Hebei Province	3.49	3.52	3.51	3.56	3.55	3.59	3.61	3.64	3.65	3.68	2.8%
- Liaoning Province	3.51	3.61	3.61	3.66	3.61	3.69	3.65	3.75	3.68	3.79	1.9%
- Shanxi Province	3.43	3.46	3.45	3.55	3.48	3.56	3.52	3.59	3.56	3.62	2.3%
India ('000 Rs/tonne) †											
- Chennai	27.7	27.9	27.4	27.6	27.4	27.6	28.2	28.5	28.5	28.7	3.9%
- Delhi	28.1	28.4	27.9	28.1	28.3	28.5	29.4	29.6	29.8	30.0	5.3%
- Kolkata	27.7	27.9	27.4	27.6	27.4	27.6	28.0	28.2	28.5	28.7	3.9%
- Mandi Gobindgarh	30.4	30.8	30.1	30.6	30.3	30.8	31.2	31.6	31.4	31.9	3.5%
- Mumbai	27.9	28.1	27.9	28.1	27.9	28.1	29.4	29.6	29.4	29.6	5.4%
Pakistan ('000 Rp/tonne)	51.6	52.0	51.6	52.0	51.6	52.0	51.9	52.3	52.7	53.2	2.2%
South Africa ('000 R/tonne)	5.32	5.34	5.32	5.34	5.32	5.34	5.13	5.16	5.13	5.16	-3.6%
Turkey (\$US/tonne)	560	570	570	575	600	605	650	655	650	655	8.3%
EXPORT (FOB)											
CIS (\$US/tonne)											
- Black Sea (CIS)	550	555	570	575	580	595	600	610	640	650	10.3%
- Caspian Sea (Russia)	580	595	585	595	590	600	635	645	645	660	9.3%
- Far East (Russia)	545	555	555	565	560	570	630	640	640	650	14.3%
IMPORT (CFR)											
UAE (\$US/tonne) ex Turkey/Russia	570	600	620	630	635	645	650	660	690	710	8.7%

Billet - 125 x 125mm / 150 x 150mm

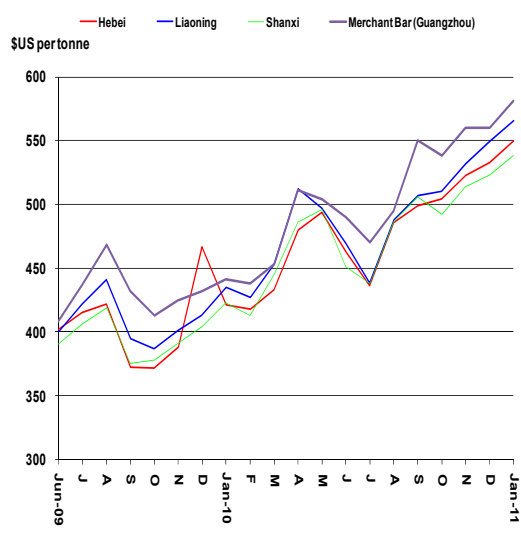
† 100 x 100mm

Domestic Chinese billet vs. Rebar



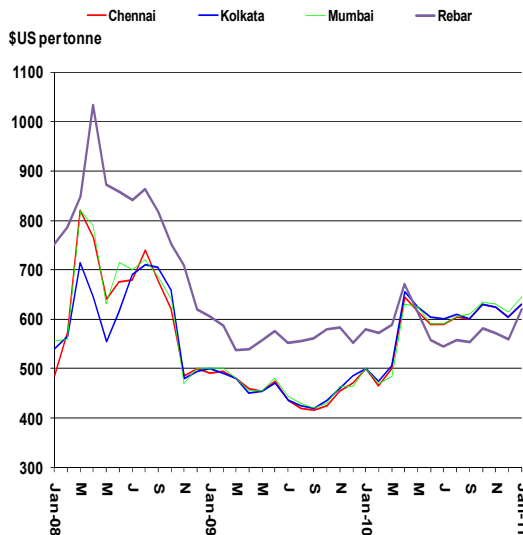
Source: MEPS International

Domestic Chinese billet vs. Merchant Bar



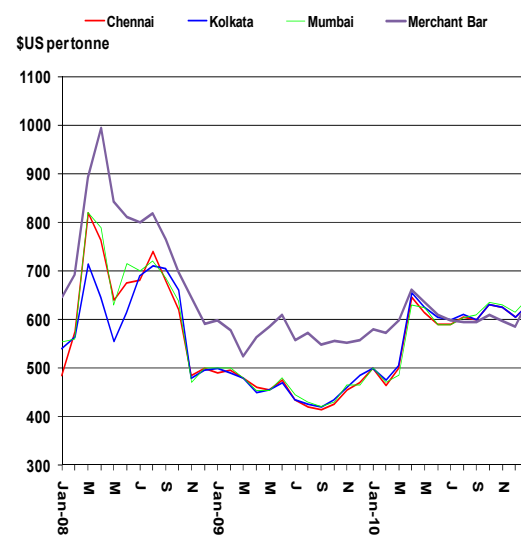
Source: MEPS International

Domestic Indian billet vs. Rebar



Source: MEPS International

Domestic Indian billet vs. Merchant Bar



Source: MEPS International

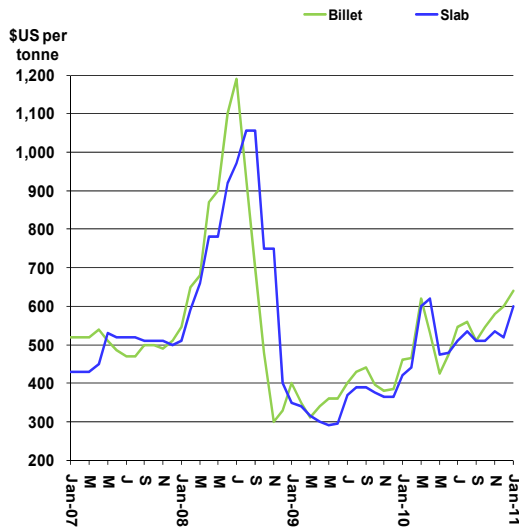
SLAB

SLAB PRICES (\$US/tonne)

	Nov-10		Dec-10		Jan-11		Mid-Month		Difference	%	
	Low	High	Low	High	Low	High	Low	High			
DOMESTIC											
Brazil	530	540	530	540	530	540	600	610	625	635	17.9%
India†	575	580	560	565	555	560	565	570	570	575	2.7%
Pakistan	580	585	575	580	575	580	575	580	585	590	1.7%
EXPORT (FOB)											
CIS											
- Black Sea (CIS)	510	530	520	535	535	550	520	540	600	620	12.1%
- Far East (Russia)	540	550	540	550	545	565	560	580	610	630	11.9%
IMPORT (CFR)											
SE Asian port (ex Brazil)	575	600	580	600	590	600	660	670	685	695	16.1%

† Mandi Gobindgarh

CIS Black Sea semis exporters issue higher offers in January



Source: MEPS International

- Sentiment has remained mixed in the global slab markets. Russian and Ukrainian steelworks have lifted export quotations to offset the growth in raw material costs and reflect the improvement in hot rolled plate prices.
- Brazilian producers have witnessed no significant improvement in domestic trade. However, export bids have risen to R\$1,056/1,073 per tonne FOB. SE Asian clients have shown more interest in procuring material in January.
- Slab offers in the Indian steel hub of Mandi Gobindgarh have risen to Rs25,814/25,933 per tonne. The material sold in this market originates from West Bengalese steelworks.

BLOOM**BLOOM PRICES (\$US/tonne)**

	Nov-10		Dec-10				Jan-11				Mid-Month	
	Mid		Early		Mid		Early		Mid		Difference	
	Low	High	Low	High	Low	High	Low	High	Low	High	%	
DOMESTIC												
India												
- Chennai	570	575	550	555	555	560	570	575	575	580	3.6%	
- Delhi	600	605	580	585	595	600	620	625	625	630	5.0%	
- Kolkata	590	595	570	575	570	575	590	595	600	605	5.3%	
- Mandi Gobindgarh	600	605	580	585	570	575	575	580	580	585	1.8%	
- Mumbai	575	580	560	565	560	565	575	580	575	580	2.7%	
Pakistan	610	615	605	610	605	610	610	615	615	620	1.7%	
South Africa	775	785	755	765	755	765	765	775	765	775	1.3%	
Turkey	670	680	670	680	700	710	720	730	755	765	7.9%	

Bloom - 260 x 260mm

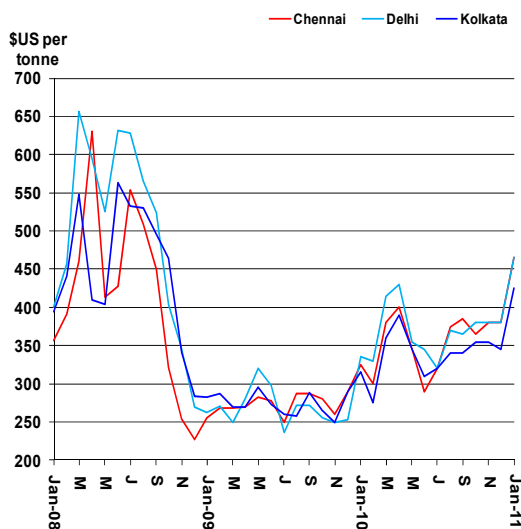
PIG IRON**PIG IRON PRICES (\$US/tonne)**

	Nov-10		Dec-10				Jan-11				Mid-Month	
	Mid		Early		Mid		Early		Mid		Difference	
	Low	High	Low	High	Low	High	Low	High	Low	High	%	
DOMESTIC												
India												
- Chennai	470	475	445	450	455	460	475	480	495	500	8.8%	
- Delhi	500	505	485	490	510	515	565	570	595	600	16.7%	
- Kolkata	460	465	470	475	470	475	495	500	545	550	16.0%	
- Mandi Gobindgarh	530	534	515	520	525	530	540	545	545	550	3.8%	
- Mumbai	445	450	430	435	430	435	455	460	475	480	10.5%	
Pakistan - CPI	485	490	480	485	480	485	485	490	490	495	2.1%	
Turkey												
- Foundry	505	515	545	555	555	565	585	595	610	620	9.9%	
- Steelmaking	480	490	520	530	530	540	560	570	585	595	10.4%	
Ukraine												
- Foundry	500	510	495	505	495	505	545	555	545	555	10.1%	
- Steelmaking	440	465	435	460	435	460	485	510	485	510	11.5%	
IMPORT (CFR)												
SE Asia	450	460	465	475	490	500	495	505	510	515	4.1%	

Ferrous scrap

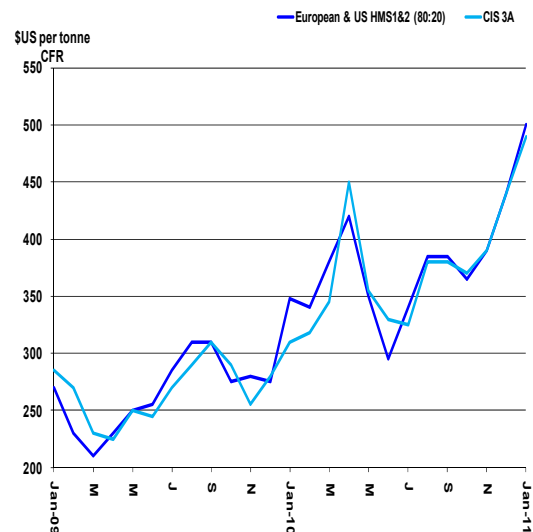
- In China, provincial ferrous scrap prices have gained ground. Domestic steelmakers have been forced to issue higher purchasing prices to secure supplies. The price increase has been mainly attributed to the removal of the domestic scrap recycling industry's 50 percent VAT rebate and firmer demand ahead of the Chinese New Year festival.
- Russian metallurgical plants have continued to purchase material. Regular shipments of 3A graded scrap were secured through a late December price modification. Last month several mills experienced problems fulfilling their stock targets. Preliminary figures for February are expected to breach RUB10,000 due the recent surge in export quotations.
- Offers into South East Asia are still volatile. Foreign exporters have remained in full control of price negotiations. Current price levels have posed a problem for SE Asian steelworks. Sales volumes of finished products are weak across the region.
- Effective prices in the US domestic market have risen sharply. The upward movement has been credited to inventory building by local mills and firmer demand in traditional overseas markets, particularly Turkey. In New York / New Jersey and Chicago, there has been a strong push to get supplies to the ports.

Domestic Indian HMS1&2 (80:20) prices surge upwards in January



Source: MEPS International

Turkey steelmakers witness higher import quotations in January



Source: MEPS International

DOMESTIC FERROUS SCRAP PRICES (Local Currencies per tonne)

	Nov-10		Dec-10				Jan-11				Mid-Month
	Mid		Early		Mid		Early		Mid		Difference
	Low	High	Low	High	Low	High	Low	High	Low	High	%
China ('000 RMB) ¹											
- Guangzhou Province	2.61	2.71	2.68	2.72	2.72	2.74	2.85	2.86	2.92	2.95	7.4%
- Hebei Province	2.34	2.62	2.36	2.63	2.38	2.63	2.52	2.72	2.60	2.84	9.2%
- Jiangsu Province	2.44	2.52	2.54	2.62	2.55	2.64	2.80	2.85	2.86	2.94	12.0%
- Shandong Province	2.27	2.35	2.31	2.39	2.32	2.41	2.73	2.90	2.84	2.90	22.5%
- Average	2.41	2.55	2.47	2.59	2.49	2.60	2.72	2.83	2.80	2.91	12.5%
India ('000 Rs) ¹											
- Chennai	16.69	16.91	17.21	17.44	17.21	17.44	20.11	20.33	20.78	21.01	20.8%
- Delhi	16.69	16.91	16.53	16.76	17.21	17.44	20.11	20.33	20.78	21.01	20.8%
- Kolkata	15.59	15.81	15.63	15.85	15.63	15.85	16.72	16.94	18.98	19.20	21.4%
- Mandi Gobindgarh	19.77	19.99	19.93	20.15	20.15	20.38	21.46	21.69	21.69	21.91	7.6%
- Average	17.19	17.41	17.32	17.55	17.55	17.78	19.60	19.82	20.56	20.78	17.1%
- Average (Ex Mandi G.)	16.33	16.55	16.46	16.68	16.68	16.91	18.98	19.20	20.18	20.41	21.0%
Japan ('000 ¥) ^{2 *}											
	30.5	33.5	31.5	34.5	33.5	36.0	35.0	37.0	36.0	38.0	7.5%
Russia ('000 RUB) ^{3 †}											
	8.85	9.05	8.70	9.00	8.70	9.00	9.30	9.60	9.30	9.60	6.9%
South Africa ('000 R) ^{1 ‡}											
	2.04	2.11	2.02	2.09	2.02	2.09	2.21	2.31	2.31	2.41	14.1%
European Union (€) ⁴											
- E3 / HMS1	257	-	-	-	297	-	-	-	353	-	18.9%
- E40 / Shredded	285	-	-	-	323	-	-	-	379	-	17.3%
USA (\$US)											
Eastern States ⁵											
- HMS1	329	-	-	-	361	-	-	-	425	-	17.7%
- Shredded	355	-	-	-	395	-	-	-	465	-	17.7%
Mid-West ⁶											
- HMS1	331	-	-	-	370	-	-	-	434	-	17.3%
- Shredded	355	-	-	-	398	-	-	-	467	-	17.3%

¹ HMS1&2 (80:20)*Italics* - Preliminary figure² H2³ 3A

* - Average Japanese steel plant purchasing price

† - Average Russian steel plant purchasing price - Central, Southern Ural & Siberian 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

DOMESTIC FERROUS SCRAP PRICES (\$US/tonne)

	Nov-10		Dec-10				Jan-11				Mid-Month
	Mid		Early		Mid		Early		Mid		Difference
	Low	High	Low	High	Low	High	Low	High	Low	High	%
DOMESTIC											
China ¹											
- Guangzhou Province	390	405	401	408	408	411	430	432	441	451	8.1%
- Hebei Province	350	392	355	395	358	395	380	410	392	429	9.5%
- Jiangsu Province	365	378	381	393	383	396	422	430	431	444	12.5%
- Shandong Province	339	352	346	359	348	362	412	438	429	438	23.3%
- Average	361	382	371	389	374	391	411	428	423	441	13.1%
India ¹											
- Chennai	380	385	380	385	380	385	445	450	460	465	21.1%
- Delhi	380	385	365	370	380	385	445	450	460	465	21.1%
- Kolkata	355	360	345	350	345	350	370	375	420	425	21.7%
- Mandi Gobindgarh	450	455	440	445	445	450	475	480	480	485	7.9%
- Average	391	396	383	388	388	393	434	439	455	460	17.4%
- Average (Ex Mandi G.)	372	377	363	368	368	373	420	425	447	452	21.3%
Japan ² *											
	376	413	373	409	397	427	421	445	433	457	9.0%
Russia ³ †											
	290	297	277	287	277	287	303	313	303	313	9.4%
South Africa ¹ ‡											
	295	305	290	300	290	300	325	340	340	355	17.2%
European Union ⁴											
- E3 / HMS1	360	-	-	-	391	-	-	-	460	-	17.6%
- E40 / Shredded	399	-	-	-	425	-	-	-	493	-	16.1%
USA											
Eastern States ⁵											
- HMS1	329	-	-	-	361	-	-	-	425	-	17.7%
- Shredded	355	-	-	-	395	-	-	-	465	-	17.7%
Mid-West ⁶											
- HMS1	331	-	-	-	370	-	-	-	434	-	17.3%
- Shredded	355	-	-	-	398	-	-	-	467	-	17.3%

¹ HMS1&2 (80:20)*Italics* - Preliminary figure² H2³ 3A

* - Average Japanese steel plant purchasing price

† - Average Russian steel plant purchasing price - Central, Southern Ural & Siberian 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

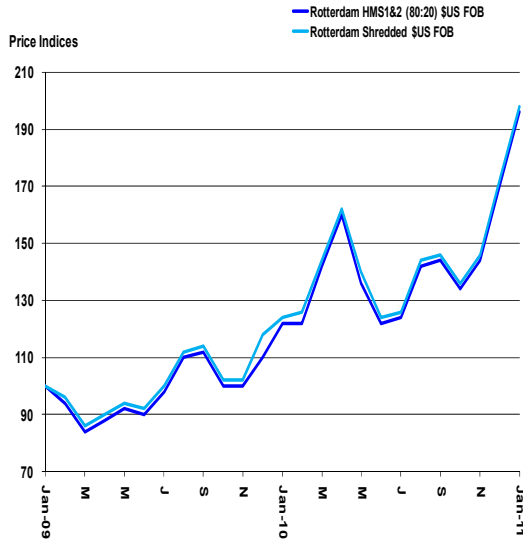
EXPORT & IMPORT SCRAP PRICES (\$US/tonne)

	Nov-10		Dec-10				Jan-11				Mid-Month Difference
	Mid		Early		Mid		Early		Mid		
EXPORT (FOB)	Low	High	Low	High	Low	High	Low	High	Low	High	%
CIS ¹											
- Baltic Sea (Russia)	340	350	350	355	400	405	430	435	440	445	10.0%
- Black Sea (Russia)	365	370	370	375	410	415	450	455	460	465	12.2%
- Black Sea (Ukraine)	360	365	370	375	390	395	440	445	450	455	15.4%
EU (Rotterdam)											
- HMS1&2 (80:20)	360	365	380	385	425	430	465	470	490	495	15.3%
- Shredded	365	370	385	390	430	435	470	480	495	500	15.1%
USA ²											
- East Coast	355	360	385	390	400	405	460	465	475	485	18.8%
- West Coast	365	370	395	400	410	415	415	425	440	450	7.3%
Miami/Houston Δ											
- HMS1&2 (80:20)	315	340	350	360	350	360	410	420	415	425	18.6%
- Shredded	370	375	390	400	390	400	460	465	460	470	17.9%
IMPORTS (CFR)											
India \ddagger											
- HMS1&2 (80:20)	395	405	410	415	425	440	445	455	480	490	12.9%
- Shredded	405	415	415	420	430	450	455	465	490	500	14.0%
SE Asian port ² \ddagger	405	415	405	415	430	440	470	480	500	510	16.3%
Turkey											
- ex-U.S. / Europe ²	390	400	405	410	440	450	490	495	500	505	13.6%
- ex CIS ¹	390	395	410	415	440	450	500	505	490	495	11.4%
- Shredded - ex-U.S. / EU	395	405	410	415	450	460	500	505	510	515	13.3%
UAE ex-U.S / EU ² \ddagger	390	400	410	420	420	430	450	460	490	500	16.7%

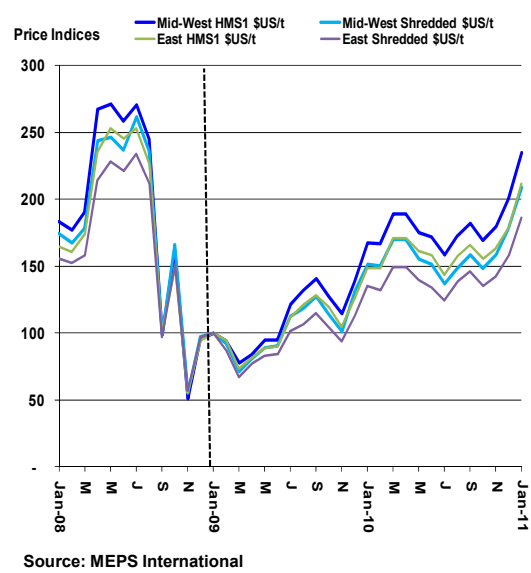
¹ 3A Δ FAS inco terms² HMS1&2 (80:20)*Italics* - Preliminary figure \ddagger - Average steel plant purchasing price \ddagger - Nhava Sheva & Mundra ports

Ferrous Scrap Price Indices

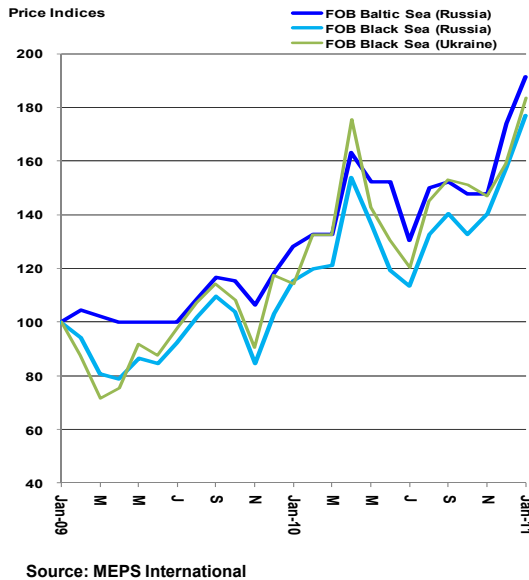
European Ferrous Scrap Export Price Indices (January 2009 = 100)



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



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



CURRENCY EXCHANGE RATES - January 6th 2011

	Units / \$US
Brazil	R\$ 1.689
China	RMB 6.627
Euro Zone	€ 0.768
India	Rs 45.18
Japan	¥ 83.16
Pakistan	Rp 85.74
Russia	RUB 30.71
South Africa	R 6.79
South Korea	KRW 1122
Taiwan	NT\$ 29.26
Turkey	TL 1.549
UAE	AED 3.673
Ukraine	UAH 8.072

FERROUS SCRAP PRICES INDICES

	BASE JAN-09	Apr-10 Mid	May Mid	Jun Mid	July Mid	Aug Mid	Sept Mid	Oct Mid	Nov Mid	Dec Mid	Jan-11 Mid
DOMESTIC †											
China ¹											
- Guangzhou Province	100	116	111	108	107	111	112	115	119	124	133
- Hebei Province	100	124	118	117	109	117	120	120	121	124	135
- Jiangsu Province	100	116	115	111	108	112	112	110	114	119	133
- Shandong Province	100	110	108	106	105	108	111	109	111	114	140
- Average	100	116	113	110	107	112	113	113	116	120	135
European Union ‡											
- E3 / HMS1	100	150	137	127	119	123	133	115	126	145	172
- E40 / Shredded	100	157	145	141	128	130	142	126	135	153	180
India ¹											
- Chennai	100	139	123	107	117	135	140	127	130	134	162
- Delhi	100	146	124	124	115	130	131	129	128	132	159
- Kolkata	100	126	114	106	109	113	115	114	113	113	138
- Average	100	137	120	112	114	126	128	123	124	126	153
Russia †											
	100	182	169	160	165	180	188	184	180	182	197
USA ²											
- Eastern States ⁴	100	171	162	158	143	157	166	155	163	179	211
- Mid-West ⁵	100	189	175	172	159	173	182	169	179	200	235
EXPORT (FOB)											
CIS ³											
- Baltic Sea (Russia)	100	163	152	152	130	150	152	148	148	174	191
- Black Sea (Russia)	100	154	137	119	113	133	140	133	140	158	177
- Black Sea (Ukraine)	100	176	143	131	120	145	153	151	147	159	184
European Union (Rotterdam)											
- HMS1&2 (80:20)	100	160	136	122	124	142	144	134	144	170	196
- Shredded	100	153	132	117	119	136	138	128	138	162	187
USA ¹											
- East Coast	100	161	139	110	122	139	141	135	139	157	186
- West Coast	100	157	138	115	121	134	138	134	138	155	166
IMPORTS (CFR)											
India ‡											
- HMS1&2 (80:20)	100	168	148	132	140	154	158	148	158	170	192
- Shredded	100	180	149	131	143	155	159	147	159	169	192
Turkey											
- ex-U.S. / Europe ¹	100	156	130	109	126	143	143	135	144	163	185
- ex CIS ³	100	158	125	116	114	133	133	130	137	154	172
UAE ¹											
	100	146	142	110	120	131	146	135	146	157	183

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

¹ HMS1&2 (80:20)

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

² HMS1

† - Average Russian steel plant purchasing price

³ 3A

‡ - Nhava Sheva & Mundra ports

⁴ - Average price in Philadelphia & Pittsburgh over the month

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

Italics - Preliminary figure

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.