E-Mail Edition

SUPPLEMENT TO EUROPEAN STEEL REVIEW

JANUARY 2005

TABLE 6. FLAT ROLLED PRODUCTS - NEGOTIATED BASIS PRICES

price/tonne		Denmark		Sweden		Finland	Netherlands	Austria	Norway	
		(DKR)	(€)	(SKR)	(€)	(€)	(€)	(€)	(NKR)	(€)
Hot-rolled coil	High:	4150	558	5150	568	535	545	550	4700	566
	Low:	4050	545	5000	552	520	535	530	4600	554
Hot rolled plates	High:	5250	706	6000	662	660	660	650	5600	675
	Low:	4850	652	5800	640	635	650	630	5450	657
Cold rolled Coil	High:	4850	652	5900	651	620	660	645	5550	669
	Low:	4770	641	5700	629	600	625	630	5450	657
Hot Dipped	High:	4850	652	5950	657	620	650	650	5650	681
Galvanised Coil	Low:	4770	641	5750	635	600	625	635	5550	669
Electro-Zinc	High:	4800	646	5650	624	610	640	640	5550	669
Coated Coil	Low:	4720	635	5550	613	590	620	620	5350	645
Stainless Cold (a)	High:	9265	1246	11335	1251	1400	1367	1370	10600	1278
Rolled Type 304	Low:	9020	1213	11195	1236	1325	1307	1300	10300	1241
Stainless Cold (a)	High:	-	-	-	-	1180	-	1250	-	-
Rolled Type 430	Low:	-	-	-	-	1130	-	1200	-	-

MONTH on MONTH % CHANGE

		Denmark (DKR)	Denmark (€)	Sweden (SKR)	Sweden (€)	Finland (€)	Netherlands (€)	Austria (€)	Norway (NKR)	Norway (€)
Hot-rolled coil	Low:	6.6	6.5	5.3	4.3	0.0	0.0	3.9	0.0	-1.5
Hot rolled plates	Low:	5.4	5.3	4.5	3.5	5.0	0.0	8.6	0.0	-1.5
Cold rolled Coil	Low:	5.4	5.3	4.6	3.6	0.0	0.0	5.0	0.0	-1.5
H.D. Galv Coil	Low:	5.4	5.3	4.5	3.6	0.0	0.0	5.0	0.0	-1.5
E.Z. Coated Coil	Low:	5.5	5.4	4.7	3.7	0.0	0.0	5.1	0.0	-1.5
S/S CR Type 304	Low:	-0.8	-0.9	0.0	-0.9	-1.9	-1.5	0.0	-4.2	-5.6
S/S CR Type 430	Low:	——	——	——	——	-4.2	——	0.0	——	——

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2005 ANNUAL SUBSCRIPTION RATE: UK - £520, NON UK - £535

ISSN 1369-8591

FLAT ROLLED PRODUCTS

Price increases have been reported for first quarter deliveries in Denmark, Sweden and Austria this month. This follows price hikes in Netherlands and Norway in our December issue. However, we have noted customer dissatisfaction with price levels now that material is more readily available. These recent upward price movements may signal the top of this cycle in the strip mill segment.

HOT ROLLED COIL

In Denmark, increases of Dkr250 per tonne were generally accepted in mid December. In the intervening period, several buyers are stating that they regret doing deals at that time because the scene is different since the turn of the year. Availability is much easier for Swedish buyers. Settlements of around Skr250 per tonne have been made for the first trimester. We have no price movements to report in Finland. The market is quiet.

Prices in the Netherlands are stable after last month's upward movement. However, negative pressure is developing. The next move could be downwards unless the mills reduce supply to the market very quickly. Many of the astute buyers are holding back on purchases. Those with high inventories are attempting to minimise increases or obtain the same figures for new orders. Competitive import offers from third countries are now developing. Prices in Norway are at the level recorded last month.

HOT ROLLED PLATE

Quarto plate remains in tight supply in Denmark. Prices have moved up by Dkr250 per tonne this month for first quarter deliveries. Further increases are possible for the second trimester. Swedish prices have also advanced. Most customers have accepted Skr250 per tonne more. No increases have been reported for January in Finland. There has been general acceptance of a €30 per tonne hike for February.

We have no further price agreements to report in the Netherlands. A significant increase has been introduced for the first quarter in Austria. Any gains in the next trimester could be lower. Supply to the Norwegian market is tight from both West and East European producers. Last month's figures still apply.

COLD ROLLED COIL

In Denmark, basis price hikes of 5 percent were introduced by most EU producers. The consumers had little option but to accept. Increases of Skr250 per tonne were accepted in Sweden. The auto sector is good and, therefore, keeping the general market reasonably firm. We have no reports of price movements in Finland in the near term.

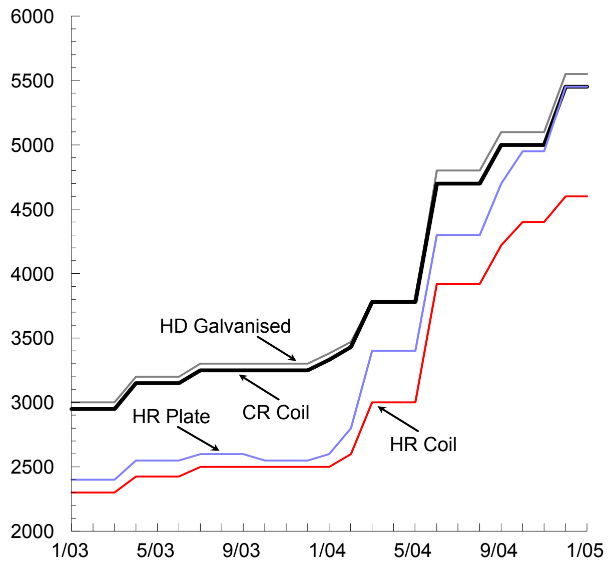
Values in the Netherlands are at the same level as reported last month but some customers are becoming

TABLE 8.
COMPARISON OF LOW MARKET BASIS PRICES - COLD ROLLED COIL

	Local Currency	Equivalent US$/Tonne
Denmark	4770	853
Sweden	5700	837
Finland	600	798
Netherlands	625	831
Austria	630	838
Norway	5450	873

Note: Exchange rates used for conversion are based on the figures given in our currency exchange rate table.

NORWAY FLAT-ROLLED PRODUCTS
Market Basis Prices, NKr/tonne



anxious that prices may be in decline soon. We have heard of buyers placing only 50 percent of their business now and waiting to see what develops. Price hikes of 5 percent have been put in place for the first trimester in Austria but the rumours of lower prices in the future abound. Norwegian figures are unmoved.

COATED SHEET

Demand in Denmark is firm. The EU mills were able to impose a Dkr250 per tonne increase without any major difficulties. With solid automotive demand, the Swedish market is broadly in balance. Price rises of approximately Skr250 per tonne were agreed for new orders to be delivered in the first quarter. No price changes have been indicated in Finland. Market prices are steady in the Netherlands. In Austria, the mills secured price rises of €30 per tonne for both the main product types. In Norway, no changes are reported.

STAINLESS STEEL

In December, basis prices were agreed approximately 1 percent lower for grade 304 in Denmark, Sweden and the Netherlands. Inventories are high in Denmark. Availability is much easier in Sweden. Market activity in the Netherlands is dull. Alloy surcharges for the month were up slightly over the November figures.

Over the past four weeks, negotiated basis prices have fallen in Finland for type 304 by €50 per tonne and for type 430 by €20 per tonne. The market is quiet. The alloy surcharge for January is €899 per tonne and a substantial decrease is anticipated in February. Austrian agreed basis values have not moved since our last report. Availability is much easier now. The January alloy surcharge is €950 per tonne but nearer €850 in the following month. Norwegian basis figures for type 304 dropped by 4 percent in recent weeks. Supply is plentiful. The 304 January surcharge is reported at Nkr7280 per tonne.

LONG PRODUCTS

WIRE ROD

We have no price movements to report in Denmark. However, competition from Far Eastern suppliers is increasing due to the huge discrepancy in prices between the two regions. Many first quarter agreement have been made in Sweden at slightly lower prices for the standard drawing qualities. The market is a little slower and pressure from imports greater. Modest gains have been achieved by the main EU suppliers to the Finnish market for drawing grades. Competition is fierce and these hikes could be eroded in the future. We have no price changes to report in the Netherlands or Austria. Demand in Norway is quite good. Nevertheless, a price reduction of Nkr100 per tonne has been negotiated with the EU mills by most customers.

MEDIUM SECTIONS AND BEAMS

The scrap surcharge fell by €38 per tonne in most countries between December 2004 and January 2005 and Arcelor's figure now stands at €105 per tonne. In Denmark, agreed basis values were unchanged but are under severe downward pressure. In Sweden, basis prices fell by 10 percent due to a reduction in scrap costs. Availability in Finland has improved considerably. As a result basis figures have slipped in recent negotiations. Basis prices held firm in the Netherlands but there is much negative pressure. An identical picture is reported from Austria and Norway.

REINFORCING BARS

Lower scrap costs have been translated into reduced rebar selling prices in Denmark. Demand is normal and availability satisfactory. A Skr200 per tonne decrease has been put in place in Sweden in quite weak market conditions. Finnish prices are in decline - down €30 per tonne this month. A substantial price fall also occurred in the Netherlands. Values are down in Austria for seasonal reasons. Import competition has forced prices lower in Norway.

MERCHANT BARS

In Denmark, prices continue to slide due to a combination of oversupply and lower scrap costs. Activity is quite low. A similar picture has been noted in Sweden with basis prices falling. A €25 per tonne reduction has been negotiated by Finnish buyers as the supply side becomes easier. Competition from the new entrants to the EU is having a slight disturbing effect on the price regime. Customers in the Netherlands are able to hold back on placing orders due to the ready availability. This has left the mills with little option but to cut selling values. Downward market pressure on prices continues in Austria. More availability from West European suppliers is helping push figures lower in Norway.

TABLE 7. LONG PRODUCTS - NEGOTIATED BASIS PRICES

price/tonne		Denmark		Sweden		Finland	Netherlands	Austria	Norway	
		(DKR)	(€)	(SKR)	(€)	(€)	(€)	(€)	(NKR)	(€)
Wire Rod (b)	High:	3900	524	4700	519	540	540	535	4250	512
	Low:	3750	504	4575	505	520	520	515	4050	488
Medium Sections and Beams (c)	High:	2650	356	4500	497	490	345	355	3200	386
	Low:	2570	346	4350	480	470	325	335	3025	365
Rebar (d)	High:	3800	511	3650	403	410	260	290	3400	410
	Low:	3700	498	3400	375	380	235	270	3200	386
Merchant Bar	High:	2400	323	3200	353	335	270	275	2700	325
	Low:	2200	296	3100	342	310	250	255	2500	301
MONTH on MONTH % CHANGE										
Wire Rod	Low:	0.0	-0.1	-2.1	-3.1	2.0	0.0	0.0	-2.4	-3.9
M. Sect. & Beams	Low:	0.0	-0.1	-8.4	-9.3	-2.1	0.0	0.0	0.0	-1.5
Rebar	Low:	-5.1	-5.2	-5.6	-6.5	-7.3	-13.0	-6.9	-5.9	-7.3
Merchant Bar	Low:	-13.0	-13.1	-8.8	-9.7	-7.5	-7.4	-10.5	-10.7	-12.1

PRICE DEFINITIONS

Negotiated basis price ranges pertain to:-

New purchases for mainstream business negotiated with regional mills during the current month for delivery in the future (usually 2 or 3 months ahead).

Prime material (ex basing point, net of all rebates) for the lowest quality product in the producers' price list., unless otherwise stated.

Extras for size, cutting, testing, transport etc. are excluded. (except where specified).

Note: (a) Basis - 1.5mm thick,
(b) Drawing quality. Includes quality extra.
(c) Category C1.,
(d) High Yield - deformed includes size extra for 16-20mm dia bar in Denmark, Sweden and Finland.

Prices in this newsletter may relate to deliveries in different time periods. It is important that the tables are read in conjunction with the text.

The data contained in this newsletter 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 use of our published data, however it may arise.

CURRENCY EXCHANGE RATES
January 4 - 2005

		Units/ US$	Units/ Euro
Denmark	**(DKr)**	5.593	7.436
Sweden	**(SKr)**	6.814	9.060
Norway	**(NKr)**	6.241	8.297
Eurozone	**(€)**	0.752	1.0

The February issue of the European Steel Review Supplement will be despatched on 18 February, 2005.