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SUPPLEMENT TO
EUROPEAN STEEL REVIEW

JANUARY 2016

FLAT ROLLED PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES

price/metric ton		Denmark (DKK)	Denmark (€)	Sweden (SEK)	Sweden (€)	Finland (€)	Netherlands (€)	Austria (€)	Norway (NOK)	Norway (€)
Hot Rolled Coil	High	2910	390	3735	406	435	380	380	3535	367
	Low	2535	340	3300	359	360	330	320	3260	338
Hot Rolled Plate	High	3230	433	4365	475	445	430	485	4005	415
	Low	2980	399	4100	446	400	380	385	3725	386
Cold Rolled Coil	High	3655	490	4750	517	505	475	490	4450	461
	Low	3280	440	4100	446	465	425	430	4050	420
Hot Dipped Galvanised Coil	High	3730	500	4450	484	525	460	465	4285	444
	Low	3280	440	4100	446	485	420	425	4050	420
Electro-Zinc Coated Coil	High	3675	492	4650	506	515	490	465	4250	441
	Low	3430	460	4250	462	485	450	425	4050	420
Stainless CR Coil Type 304 (a)	High	8415	1128	9755	1061	1100	1050	1040	10575	1097
	Low	7465	1000	9355	1018	1050	1000	990	10125	1050
Stainless CR Coil Type 430 (a)	High	——	——	——	——	——	——	——	——	——
	Low	——	——	——	——	——	——	——	——	——

MONTH on MONTH % CHANGE

		Denmark (DKK)	Denmark (€)	Sweden (SEK)	Sweden (€)	Finland (€)	Netherlands (€)	Austria (€)	Norway (NOK)	Norway (€)
Hot Rolled Coil	Low	0.0	0.0	-2.9	-2.4	0.0	-2.9	-3.0	0.0	-4.8
Hot Rolled Plate	Low	0.0	0.0	0.0	0.5	0.0	-2.6	0.0	0.0	-4.9
Cold Rolled Coil	Low	0.0	0.0	-2.4	-2.0	0.0	-2.3	0.0	0.0	-4.8
HD Galv Coil	Low	0.0	0.0	-2.4	-2.0	0.0	0.0	-1.2	0.0	-4.8
EZ Coated Coil	Low	0.0	0.0	0.0	0.4	0.0	-2.2	-1.2	0.0	-4.8
SS CR Coil 304	Low	-2.0	-2.1	-1.6	-1.2	0.0	0.0	0.0	5.0	0.0
SS CR Coil 430	Low	——	——	——	——	——	——	——	——	——

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FLAT PRODUCTS

HOT ROLLED COIL

In Denmark, transaction values were unchanged, since last month, at the time of our research. Future price trends are likely to depend on raw material costs and whether European mills cut their output. A slight, seasonal pickup in demand has been evident, in Sweden. New, quarterly and half-yearly contracts have been agreed, at lower figures than the previous deals, reflecting the negative movement in spot values. Sales activity has remained slow, in Finland, following the Christmas and New Year break. Regional producers continue to face competition from Chinese imports.

The European mills have proposed price increases, in the Netherlands but buyers have resisted these moves. Indeed, some customers have achieved small discounts, since our last investigations. Similarly, in Austria, market values have slipped, a little, this month. Only moderate price gains are expected during the first quarter. Selling figures have fallen, in euro terms, in Norway. However, due to exchange rate movements, this represents little, or no, change in prices in the local currency.

HOT ROLLED PLATE

Demand has stabilised, at a moderate level, in Denmark. Selling values have not altered since the beginning of December. Prices, in Sweden, have levelled out, after falling during the final trimester of 2015. Transaction figures are unchanged, in Finland but remain under negative pressure as a result of offers from Russian and Eastern European producers. In the Netherlands, the market is quite stable, at a low level of activity. A small, downward price adjustment has taken place, this month. Sales are depressed, in Austria. Plate values have been rolled over from December. Russian and Western European mills have reduced their offers, in Norway. However, this has not significantly boosted purchase volumes as requirements are minimal.

COLD ROLLED COIL

The downward trend in steel prices continues to prove costly for holders of large inventories, in Denmark. Negotiations for new contracts were ongoing, at the time of our research. Selling values for January decreased, slightly, in Sweden. Demand is quite weak. Prices, in Finland, were unchanged, at the beginning of January but local suppliers are competing with cheap imports from the east. Sellers have proposed higher selling figures, in the Netherlands. However, with plenty of Asian material at ports or en route, north European market values have softened. Producers have not achieved the price advances they hoped for, this month, in Austria. Demand is subdued and stock levels are under control. In Norway, inventories are in line with sales volumes. Speculative buying is limited, despite the belief that prices are at, or close to, the bottom of the cycle.

COATED SHEET AND COIL

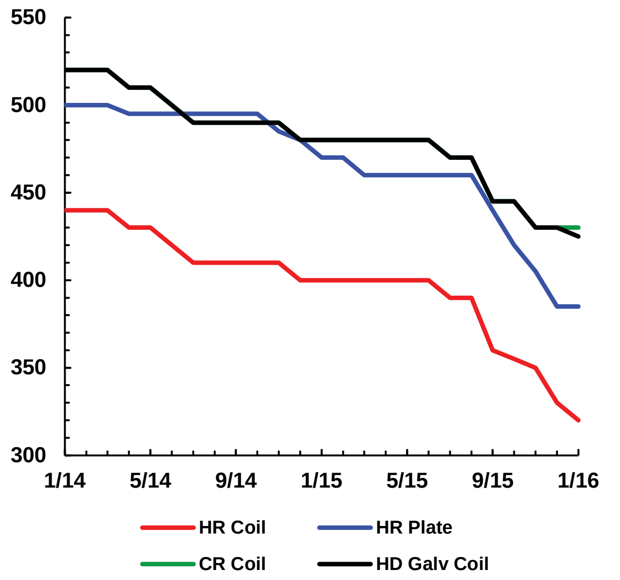
Danish stockists continue to report reasonable

COMPARISON OF LOW MARKET DOMESTIC BASIS PRICES - COLD ROLLED COIL

price/ metric ton	Local currency: Last Month	Local currency: This Month	US dollars: Last Month	US dollars: This Month
Denmark	3280	3280	467	475
Sweden	4200	4100	483	482
Finland	465	465	494	502
Netherlands	435	425	462	459
Austria	430	430	456	464
Norway	4050	4050	468	454

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

AUSTRIA FLAT PRODUCTS
Market Basis Prices, €/metric ton



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consumption by the automotive sectors in Sweden and Germany. Other segments are subdued. For Swedish producers, too, demand from the car makers remains healthy. Nevertheless, prices, in the general market, continue to slip. In Finland, sales to the auto industries in neighbouring countries are at normal levels. Selling values were unchanged, in early January. Requirements for the motor vehicle and construction sectors are reasonable, in the Netherlands. In Austria, demand for building applications has recorded a small, seasonal downturn but the outlook is optimistic. Sales to the auto industry are healthy and traders report rising prices in China. Consumption is steady, at a low level, in Norway

STAINLESS STEEL

In December, the basis value for type 304 cold rolled coils in Denmark fell by DKK150 per tonne, compared with the previous month. The basis number in Sweden was SEK155 per tonne lower than four weeks earlier. In the Netherlands, the price, net of alloy surcharge, was the same as that in November.

Shipbuilding and the pulp and paper sector are currently the only substantial consumers of stainless steel, in Finland. Other parts of the industrial sector are weak. The alloy surcharge for grade 304 coil dropped by €78 per tonne, for January, while basis figures were unchanged. Manufacturing activity, in Austria, is quite reasonable. However, stainless steel prices remain depressed, with nickel costs, in particular, pushing alloy surcharges down. The lack of demand from offshore oil and gas applications has negatively affected sales volumes, in Norway. Basis figures are stable.

LONG PRODUCTS

WIRE ROD

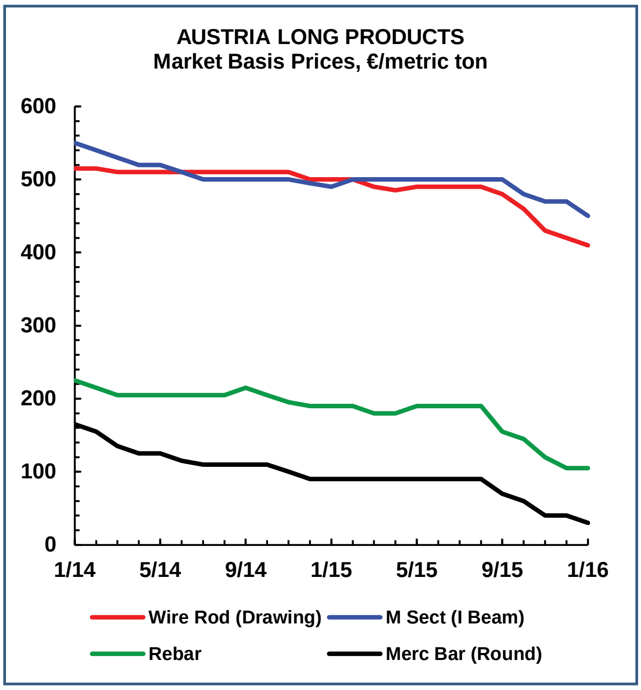
Sales activity slowed in December, in Denmark. We see little evidence of restocking, in January. Delivery lead times are very short. Prices slipped by around DKK75 per tonne, this month. The mills are pushing for increases but overcapacity persists in Europe. Purchasing has not picked up, in the New Year, in Sweden. Scrap costs fell during the last quarter. Local steel producers are pricing aggressively, in an attempt to compete with material from “low-cost countries”. Transaction values slipped by around €20 per tonne, in Finland, this month and by €10 per tonne in the Netherlands and Austria. Domestic prices continued to slide, in Norway, as local mills fought to maintain their market share.

MEDIUM SECTIONS AND BEAMS

In Denmark, many supply chain participants took extended breaks over Christmas and the New Year. The mills’ proposed price rises have been resisted by buyers, so far. Demand remains subdued, in Sweden. The cold weather, which has arrived in January, will further reduce sales to the construction sector. No price adjustments have been recorded, as yet, in Finland. Stockists in the Netherlands report few enquiries from end-users. Producers have announced price advances but many buyers have achieved rollover figures in January. Consumption is stable, at a low level, in Austria. Selling figures for Category 1 beams dropped by €20 per tonne, this month in the wake of falling scrap costs in late 2015. Winter conditions will slow building activity in Norway.

REINFORCING BARS

Prices are unchanged, in Denmark, this month. The onset of wintry weather will reduce infrastructure activity and dampen demand for rebar. Consumption, in Sweden, which was already mediocre, has been further depressed by the cold weather. Declining raw material costs have contributed to a substantial cut in January transaction values. The fall in selling figures has been arrested, for now, in Finland, but seasonal factors may have a negative effect. The winter has been mild, in most of the Netherlands,



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so far. Consequently, sales volumes are holding up. Construction activity may decrease if rebar prices rise. Prices are unaltered, this month, in Austria. Infrastructure activity is being hampered by sub-zero temperatures, in Norway.

MERCHANT BARS

Business has been slow to pick up, following the Christmas break, in Denmark. The major producer, Beltrame, is seeking a price increase but other suppliers have not followed suit and we have heard of no deals at higher figures, as yet. Selling values are also unchanged in Sweden, where demand is too weak to support advances. Prices, in Finland, have stabilised after steep drops last month. Sentiment, in the Netherlands, is quite pessimistic. Proposed price hikes have been resisted. Demand from manufacturers is disappointing, in Austria. Selling values have softened, despite the mills' aspirations. Ex-mill prices, in Norway, are unchanged in euro equivalent terms, therefore increased in the domestic currency. However, it has been difficult for stockists to pass this rise on to their customers.

CURRENCY EXCHANGE RATES

	US dollars (US$)		Euros (€)	
	1-Dec	**4-Jan**	**1-Dec**	**4-Jan**
Denmark (DKK)	7.025	6.908	7.460	7.462
Sweden (SEK)	8.696	8.511	9.234	9.193
Norway (NOK)	8.645	8.928	9.181	9.644
Eurozone (€)	0.942	0.926	-	-

LONG PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES

price/metric ton		Denmark		Sweden		Finland	Netherlands	Austria	Norway	
		(DKK)	(€)	(SEK)	(€)	(€)	(€)	(€)	(NOK)	(€)
Wire Rod (b)	High	3510	470	4600	500	530	440	440	4550	472
	Low	3135	420	4100	446	460	410	410	4150	430
Medium Sections and Beams (c)	High	3830	513	5000	544	530	505	495	5050	524
	Low	3580	480	4630	504	500	475	450	4650	482
Rebar (d)	High	2425	325	3970	432	330	130	125	4920	510
	Low	2225	298	3625	394	310	110	105	4620	479
Merchant Bar (e)	High	1250	168	1410	153	140	85	50	1580	164
	Low	835	112	1305	142	125	35	30	1205	125

MONTH on MONTH % CHANGE

Wire Rod	Low	-2.3	-2.3	-4.7	-4.3	-4.2	-2.4	-2.4	0.0	-4.9
Medium Sections	Low	0.0	0.0	-1.5	-1.0	0.0	0.0	-4.3	5.1	0.0
Rebar	Low	0.0	0.0	-5.5	-5.1	0.0	0.0	0.0	5.0	0.0
Merchant Bar	Low	0.0	0.0	0.0	0.7	0.0	0.0	-25.0	5.2	0.0

BASIS PRICE AND PRODUCT DEFINITIONS

Negotiated basis prices pertain to new purchases for mainstream business negotiated with regional mills during the current month for delivery in the future. They relate to prime material ex basing point net of all rebates and discounts for the lowest quality product in the producers' price lists.

Extras for size, cutting, testing, transport etc. are excluded except where specified.
Notes: (a) Basis - 1.5mm thickness
(b) Drawing quality. This product includes a quality extra
(c) I beam, category C1. Includes size extras
(d) High yield - deformed. Includes size extras in Denmark, Sweden, Finland and Norway
(e) Round bar

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.

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Transaction Price Data Sheet

NEGOTIATED DOMESTIC TRANSACTION PRICES

FLAT PRODUCTS
price/metric ton

		Denmark		Sweden		Finland	Netherlands	Austria	Norway	
		(DKK)	(€)	(SEK)	(€)	(€)	(€)	(€)	(NOK)	(€)
Hot Rolled Coil	High	3059	410	3919	426	455	400	400	3728	387
	Low	2684	360	3484	379	380	350	340	3453	358
Hot Rolled Plate	High	3342	448	4503	490	460	445	500	4150	430
	Low	3092	414	4238	461	415	395	400	3870	401
Cold Rolled Coil	High	3767	505	4888	532	520	490	505	4595	476
	Low	3392	455	4238	461	480	440	445	4195	435
Hot Dipped Galvanised Coil	High	4267	572	5112	556	597	532	537	4979	516
	Low	3817	512	4762	518	557	492	497	4744	492
Electro-Zinc Coated Coil	High	4115	551	5192	565	574	549	524	4819	500
	Low	3870	519	4792	521	544	509	484	4619	479
Stainless CR Coil Type 304	High	8415	1128	9755	1061	1100	1050	1040	10575	1097
	Low	7465	1000	9355	1018	1050	1000	990	10125	1050
Stainless CR Coil Type 430	High	——	——	——	——	——	——	——	——	——
	Low	——	——	——	——	——	——	——	——	——

LONG PRODUCTS
price/metric ton

		Denmark		Sweden		Finland	Netherlands	Austria	Norway	
		(DKK)	(€)	(SEK)	(€)	(€)	(€)	(€)	(NOK)	(€)
Wire Rod (Drawing Quality)	High	3510	470	4600	500	548	458	458	4724	490
	Low	3135	420	4100	446	478	428	428	4324	448
Wire Rod (Mesh Quality)	High	——	——	——	——	——	——	——	——	——
	Low	——	——	——	——	——	——	——	——	——
Medium Sections (I Beam)	High	3830	513	5000	544	530	505	495	5050	524
	Low	3580	480	4630	504	500	475	450	4650	482
Medium Sections (H Beam)	High	4128	553	5368	584	570	545	535	5436	564
	Low	3878	520	4998	544	540	515	490	5036	522
Reinforcing Bar	High	2425	325	3970	432	330	385	380	4920	510
	Low	2225	298	3625	394	310	365	360	4620	479
Merchant Bar (Round)	High	4421	593	5317	578	565	510	475	5679	589
	Low	4006	537	5212	567	550	460	455	5304	550
Merchant Bar (Equal Angle)	High	4384	588	5271	573	560	505	470	5630	584
	Low	3969	532	5166	562	545	455	450	5255	545

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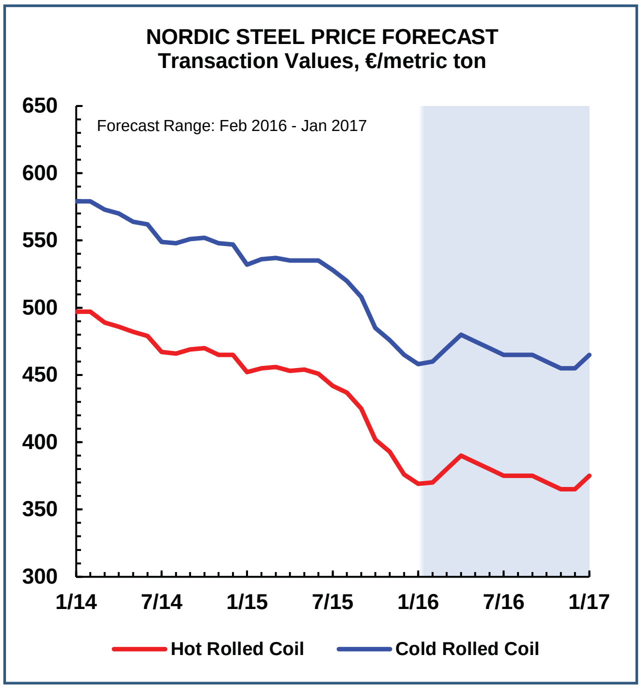
MEDIUM TERM PRICE FORECASTS

MEPS - Nordic Average hot and cold rolled coil transaction values decreased by more than €5 per tonne in January. Market participants were wary about the direction of prices in the near term, despite local mills announcing hikes for new orders.

Market activity is likely to remain subdued. This will make it difficult for European steelmakers to implement significant increases in selling figures in the short term.

Modest advances may be achievable later in the first or early in the second quarter. Raw material costs are forecast to rise at that time. Demand is expected to improve during the spring, which should help domestic suppliers to secure increases in transaction values. Nevertheless, oversupply is likely to remain a negative force in the market throughout 2016. Consequently, any price recovery may be short lived, with selling figures expected to be under negative pressure during the second half of this year.



NORDIC AVERAGE DOMESTIC TRANSACTION PRICE FORECASTS

Euro/metric ton	Actual	Forecast					
	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16
Hot Rolled Coil	369	370	380	390	385	380	375
Hot Rolled Plate	423	415	415	425	430	430	420
Cold Rolled Coil	458	460	470	480	475	470	465
HD Galv Coil	520	520	530	540	535	530	525
EZ Coated Coil	516	515	525	535	530	525	520
Wire Rod	448	445	440	455	465	465	460
Medium Sections	492	485	485	495	505	505	495
Reinforcing Bar	370	370	365	375	385	385	375
Merchant Bar	551	550	550	560	570	570	560

PRICE AND PRODUCT DEFINITIONS

Wire Rod - Drawing Quality **Medium Sections and Beams** - I Beam **Merchant Bar** - Round Bar

Steel prices are computed from an arithmetic average of the low transaction values identified in Denmark, Sweden, Norway and Finland, collected in national currencies and converted into euros using currency exchange rates effective at the start of each month to provide a basis for comparison.

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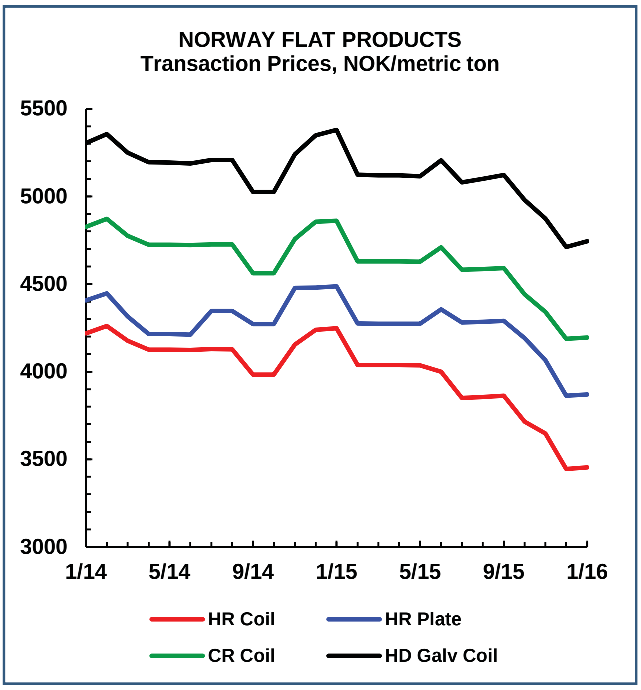

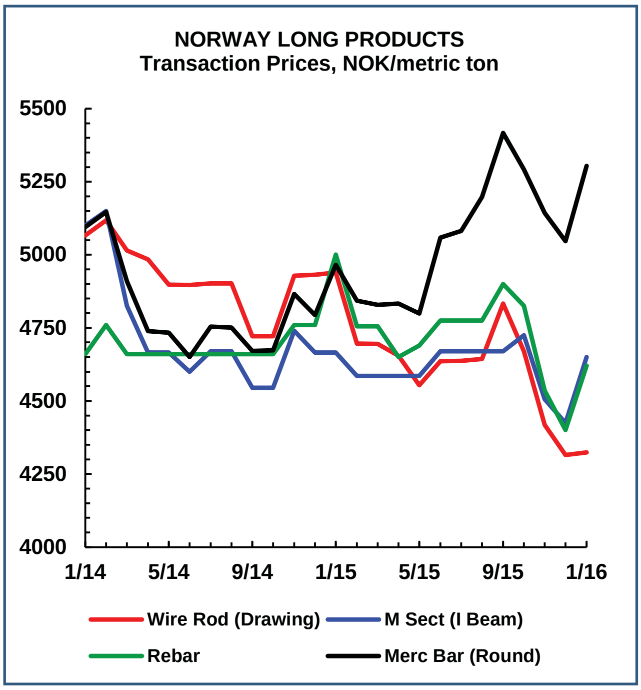

NEGOTIATED DOMESTIC TRANSACTION PRICES - MONTH ON MONTH % CHANGE
January 2016 versus December 2015

		Denmark		Sweden		Finland	Netherlands	Austria	Norway	
		(DKK)	(€)	(SEK)	(€)	(€)	(€)	(€)	(NOK)	(€)
Hot Rolled Coil	**Low**	0.0	0.0	-2.8	-2.3	0.0	-2.8	-2.9	0.3	-4.5
Hot Rolled Plate	**Low**	0.0	0.0	0.0	0.4	0.0	-2.5	0.0	0.2	-4.8
Cold Rolled Coil	**Low**	0.0	0.0	-2.3	-1.9	0.0	-2.2	0.0	0.2	-4.6
HD Galv Coil	**Low**	0.0	0.0	-2.1	-1.7	0.0	0.0	-1.0	0.7	-4.1
EZ Coated Coil	**Low**	0.0	0.0	-0.1	0.4	0.0	-1.9	-1.0	0.6	-4.2
SS CR Coil 304	**Low**	-2.0	-2.1	-1.6	-1.2	0.0	0.0	0.0	5.0	0.0
SS CR Coil 430	**Low**	-	-	-	-	-	-	-	-	-
Wire Rod (Drawing)	**Low**	-2.1	-2.3	-4.2	-3.8	-3.5	-2.1	-2.1	0.2	-4.7
Wire Rod (Mesh)	**Low**	-	-	-	-	-	-	-	-	-
M Sect (I Beam)	**Low**	0.0	0.0	-1.5	-1.0	0.0	0.0	-4.3	5.1	0.0
M Sect (H Beam)	**Low**	0.0	0.0	-1.4	-0.9	0.0	0.0	-3.9	5.1	0.0
Reinforcing Bar	**Low**	0.0	0.0	-5.5	-5.1	0.0	0.0	0.0	5.0	0.0
Merc Bar (Round)	**Low**	0.0	0.0	-0.3	0.2	0.0	0.0	-2.2	5.1	0.0
Merc Bar (Eq Angle)	**Low**	0.0	0.0	-0.3	0.2	0.0	0.0	-2.2	5.1	0.0

The February issue of MEPS European Steel Review Supplement will be dispatched by post & PDF on 17 February, 2016. Express Price Tables will be dispatched by e-mail in excel format on 10 February, 2016.

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TRANSACTION PRICE AND PRODUCT DEFINITIONS

Transaction values relate to those agreed by steelmakers and service centres for prime material in the specified steel products. Prices are for regular business between customers and their local/regional steel mills, negotiated during the current month for delivery in the future.

Transaction prices include extras for size and coating, where applicable, for the lowest priced grade of steel - sold ex-works/ex-mill. Additional extras for processing, packaging, testing and inspection are excluded. 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.

Nordic Average - Includes prices in Denmark, Sweden, Finland and Norway. Converted into euros for comparison.
Hot Rolled Coil - 2-3mm thickness, width over 1.1 metres.
Hot Rolled Plate - 15-40mm thickness, width over 2.0 metres.
Cold Rolled Coil - 1mm thickness, width over 1.3 metres.
Hot Dipped Galvanised Coil - 1mm thickness, width over 1.1 metres, coating thickness 275gm/m^2.
Electro-Zinc Coated Coil - 1mm thickness, width over 1.1 metres, standard coating.
Stainless CR Coil Type 304 and 430 - 1.5mm thickness, width over 1.25 metres (excluding alloy surcharges).
Wire Rod (Drawing Quality) - 5.5mm diameter.
Medium Sections (I Beam) - 180-240mm, category C1.
Medium Sections (H Beam) - 240 x 240mm, category D3.
Reinforcing Bar (Deformed) - 16-20mm diameter, high yield - Grade 500 in Denmark, Sweden, Finland and Norway.
Merchant Bar (Round) - 50mm diameter.
Merchant Bar (Equal Angle) - 50 x 50 x 6mm.

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 the use of our published data, however it may arise.

MEPS PUBLICATIONS

EUROPEAN STEEL REVIEW (monthly)

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.

INTERNATIONAL STEEL REVIEW (monthly)

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.

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