

EUROPEAN
STEEL REVIEW

June 2017

Flat Rolled Products - Negotiated Domestic Basis Prices

price/metric ton		Denmark		Sweden		Finland	Netherlands	Austria	Norway	
		(DKK)	(€)	(SEK)	(€)	(€)	(€)	(€)	(NOK)	(€)
Hot Rolled Coil	High	4355	586	5825	598	635	540	580	5455	577
	Low	3980	535	5390	553	560	490	520	5180	548
Hot Rolled Plate	High	4575	615	6045	620	635	605	660	5680	600
	Low	4325	581	5780	593	590	555	560	5400	571
Cold Rolled Coil	High	5125	689	7035	722	700	650	660	6510	688
	Low	4750	639	6385	655	660	600	600	6110	646
Hot Dipped Galvanised Coil	High	5580	750	7040	722	720	690	700	6635	701
	Low	5130	690	6690	686	680	635	650	6400	676
Electro-Zinc Coated Coil	High	5295	712	6980	716	705	675	690	6390	675
	Low	5050	679	6580	675	675	635	650	6190	654
Stainless CR Coil Type 304 (a)	High	8915	1199	10525	1080	1130	1100	1040	10385	1098
	Low	7965	1071	10125	1039	1080	1050	990	9935	1050
Stainless CR Coil Type 430 (a)	High	—	—	—	—	—	—	—	—	—
	Low	—	—	—	—	—	—	—	—	—

Month on Month % Change

Hot Rolled Coil	Low	-4.3	-4.3	-2.4	-3.5	-3.4	-5.8	-3.7	-3.0	-3.7
Hot Rolled Plate	Low	-3.4	-3.5	-2.0	-3.3	-3.3	-5.1	-1.8	-2.7	-3.4
Cold Rolled Coil	Low	-4.6	-4.6	-1.7	-3.0	-2.9	-6.3	-6.3	-2.4	-3.0
HD Galv Coil	Low	-2.8	-2.8	-3.0	-4.2	-2.9	-4.5	-7.1	-2.3	-3.0
EZ Coated Coil	Low	-2.9	-2.9	-1.7	-2.9	-2.9	-4.5	-4.4	-2.4	-3.1
SS CR Coil 304	Low	0.0	0.0	0.0	-1.2	-0.9	0.0	-2.9	0.0	-0.8
SS CR Coil 430	Low	—	—	—	—	—	—	—	—	—

ISSN 1369-8591

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Flat Products

Hot Rolled Coil

Demand is fair, in Denmark, but stockists are trying to reduce their inventories, before prices fall further. Delivery lead times, from the mills have reduced. End-users are busy, in Sweden, and steel sales volumes are healthy. In Finland, market activity is at a high level and, so far, the usual degree of slowing down, before the summer vacation period, has not been reported. Delivery lead times are short, in the Netherlands, and material is plentiful – augmented by imports from Poland and the Czech Republic. In Austria, the supply of hot rolled coil is abundant. Domestic prices are under negative pressure from cheap material from southern Europe. Sales volumes are holding up, in Norway, with little sign, as yet, of a summer slowdown.

Hot Rolled Plate

Consumption is steady, in Denmark. Prices from northern European mills are under downward pressure – mainly as a result of low-cost supplies from mills in the south of the continent. Demand from domestic end-users is very strong, in Sweden. However, prices throughout the region are being depressed by falling raw material costs and competition between sellers. Sales tonnages are reasonable, in Finland, but selling values – particularly for commodity grades – are weakening. In the Netherlands, demand from the agricultural sector is subdued, while sales to shipbuilders are holding firm, albeit at quite a low level. A small, downward adjustment in plate values was recorded in Austria, this month. Consumption is

fair, in Norway, but prices slipped, in June, in line with the regional market trend.

Cold Rolled Coil

Cold rolled coil is plentiful, in Denmark. Cheap Asian imports are having a negative effect on local selling figures. The Swedish economy is performing well and the country's manufacturers are very busy. Nevertheless, spot values are softening and contracts for the third quarter are expected to be settled at figures lower than those in the previous period. The top of the present price cycle has passed, in Finland. Selling numbers for June are lower than those recorded last month. In the Netherlands, order intake was slow but it has started to pick up in recent weeks. Service centres are trying to reduce their inventories as prices decrease. Demand is subdued and stock levels are high, in Austria. Buyers report plenty of Chinese material available at European ports. In Norway, sales volumes are steady and the outlook is positive. Supply remains quite tight. Prices, however, are following the downward curve prevailing in northern Europe.

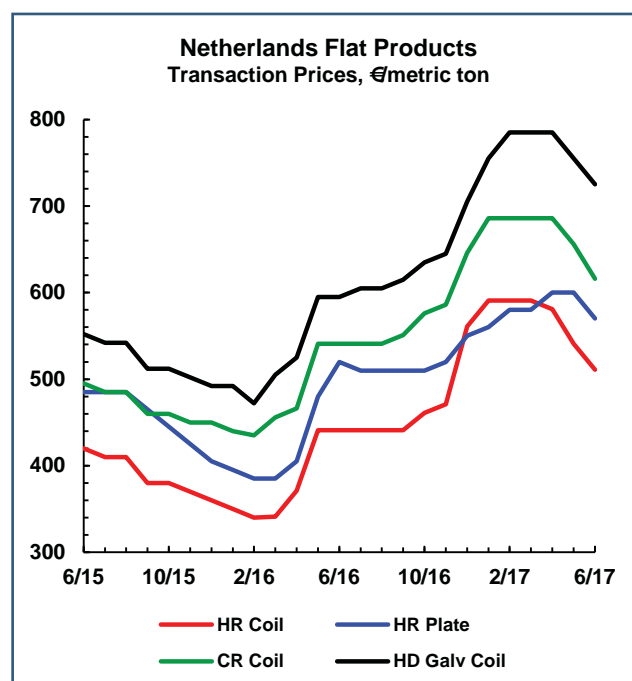
Coated Sheet and Coil

In Denmark, prices continue to slide, despite strong consumption. Delivery lead times from EU mills are at around twelve weeks. Material imported from Asia is available. The auto industry is operating at a high level, in Sweden. Demand from other manufacturers is also good. Although supply remains a little tight, selling figures are softening. Sellers, in Finland, report

Comparison of Low Market Domestic Basis Prices - Cold Rolled Coil

price/ metric ton	Local currency		US dollars	
	Last Month	This Month	Last Month	This Month
Denmark	4980	4750	732	716
Sweden	6495	6385	737	734
Finland	680	660	743	740
Netherlands	640	600	699	673
Austria	640	600	699	673
Norway	6260	6110	728	724

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



strong demand from the automotive supply chains in neighbouring countries. Transaction values are now on a downward trend. In the Netherlands, European producers' delivery dates are extending. However, imports from India and China, together with material offered by stockists and de-coilers, are putting negative pressure on prices. Local suppliers declare heavy order loads and are, therefore, reluctant to reduce selling values, in Austria. Conversely, they face low-priced competition from southern Europe and farther afield. The supply of high-quality European material remains tight, in Norway, but selling numbers are declining.

Stainless Steel

In May, the basis values for type 304 cold rolled coils in Denmark, Sweden and the Netherlands were rolled over from the previous month.

In Finland, basis numbers for austenitic cold rolled coils were reduced by, a modest, €10 per tonne, from May to June. The alloy surcharge, for grade 304 coils, fell by €108 per tonne, this month. Purchasing activity is subdued, as buyers wait to see how far prices will drop. Underlying demand is quite strong. Business will slow for the summer holiday period but the market outlook, for the rest of the year, is positive.

End-user consumption is fair, in Austria. Stockists' sales tonnages are good but they are trying to minimise their inventories. Transaction values continue to fall. In Norway, the forecast for demand from the oil and gas sector is improving. Customers are reported to be seeking the lowest possible prices and becoming less concerned about the country of origin of material. Norway, being outside the EU, can buy coils from China and Taiwan without applying antidumping tariffs.

Long Products

Wire Rod

Domestic demand is very strong, in Denmark, but will ease, in July, due to summer holidays. The outlook for the rest of the year suggests stable activity. The economy is healthy, in Sweden, and manufacturers are busy. The mills' order loads increased in recent weeks. This enabled suppliers to keep prices unchanged, in June, despite customers' hopes for discounts. Demand is increasing, in Finland. Sellers achieved rollover values, this month, with existing customers, but may have to concede slightly lower figures to attract new business, in the future. In the Netherlands, producers are seeking increased prices for third quarter contracts. Buyers argue that raw material costs are down and that competition between sellers is stiff. Transaction values softened, for June, in Austria. Buyers, in Norway, report the same prices as one month ago.

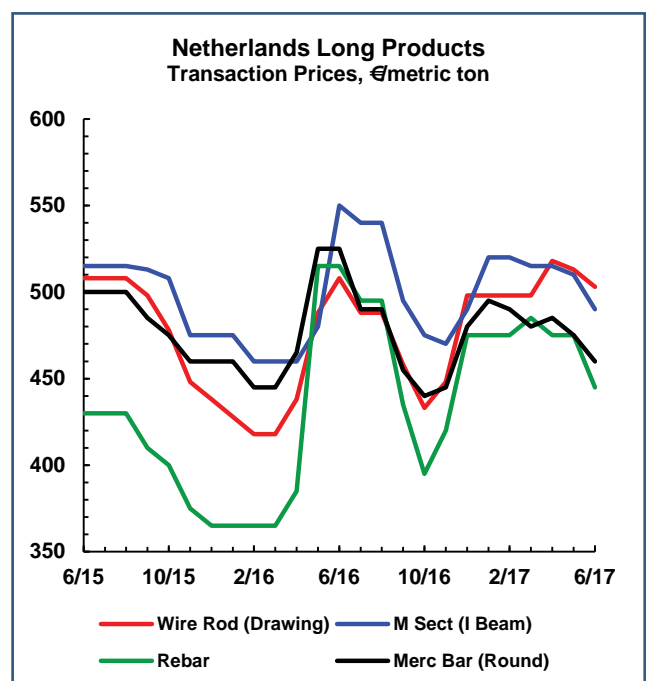
Medium Sections and Beams

Underlying demand is fair, in Denmark, but sales tonnages are not at the expected level. This may be due to bloated inventories. Sales volumes are satisfactory, in Sweden, but prices continue to slide, as the steelmakers' raw material costs decline. Consumption is picking up, in Finland, with many building projects in progress. However, decreased mill input costs are undermining beam values. Much construction and infrastructure spending is being delayed, in the Netherlands, by the continuing failure of the politicians to form a new government. Consumption is steady, in Austria. Nevertheless, transaction values slipped by around €20 per tonne, this month. Building activity is

at a reasonable level, in Norway.

Reinforcing Bars

Sales activity is fair, in Denmark, but prices are falling due to the effects of competition from suppliers in southern Europe. Purchase tonnages are good, in Sweden, and are expected to remain so for the foreseeable future. Selling figures are quite stable, with reduced mill input costs leading to a small discount, this month. Construction activity is at a healthy level, in Finland. Demand is expected to remain strong, through the summer. The mills hoped for unchanged prices, for



June, but conceded cuts of varying amounts, amidst competition from southern Europe and Russia. In the Netherlands, distributors' sales tonnages are reasonable but direct orders on the mills are decreasing. Transaction values are declining but producers are expected to seek increases after the summer vacation period. Selling figures fell, in Austria, this month, despite reasonable demand. Reduced scrap costs contributed to a price cut, for June, in Norway.

Merchant Bars

Manufacturers, such as makers of agricultural equipment, are consuming at a healthy rate. Nevertheless, reduced raw material values and competition from southern Europe pushed prices down. In Sweden, sales volumes are good and they are expected to stay that way in the near term. Demand from OEMs is strong, in Finland. Bar

prices are softening despite scrap costs being quite stable, recently. Buyers, in the Netherlands, report poor delivery performance by the mills – even for ex-stock material. The producers cut their selling values, this month, in order to secure sales. Ex-mill prices declined by around €10 per tonne, in Austria, this month. Market participants, in Norway, report an upturn in real demand.

Currency Exchange Rates

	US dollars (US\$)		Euros (€)	
	3-May	1-Jun	3-May	1-Jun
Denmark (DKK)	6.804	6.634	7.437	7.438
Sweden (SEK)	8.808	8.693	9.627	9.748
Norway (NOK)	8.594	8.437	9.393	9.461
Eurozone (€)	0.915	0.892	-	-

Long Products - Negotiated Domestic Basis Prices

price/metric ton		Denmark		Sweden		Finland (€)	Netherlands (€)	Austria (€)	Norway	
		(DKK)	(€)	(SEK)	(€)				(NOK)	(€)
Wire Rod (b)	High	4075	548	5225	536	580	515	510	5080	537
	Low	3700	497	4725	485	510	485	480	4680	495
Medium Sections and Beams (c)	High	3800	511	5420	556	570	520	535	5200	550
	Low	3550	477	5050	518	540	490	490	4800	507
Rebar (d)	High	2765	372	4850	498	390	210	205	5050	534
	Low	2565	345	4505	462	370	190	185	4750	502
Merchant Bar (e)	High	1115	150	1830	188	170	85	60	1525	161
	Low	700	94	1725	177	155	35	40	1150	122

Month on Month % Change

Wire Rod	Low	-2.0	-2.2	0.0	-1.2	0.0	-2.0	-1.0	0.0	-0.6
Medium Sections	Low	-4.1	-4.2	-2.9	-4.1	-1.8	-3.9	-3.9	-2.2	-3.1
Rebar	Low	-8.1	-8.0	-0.9	-2.1	-5.1	-13.6	-9.8	-3.1	-3.8
Merchant Bar	Low	-10.3	-10.5	-2.8	-3.8	-6.1	-30.0	-20.0	-7.3	-7.6

Basis Price & 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) Stainless 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.

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	4511	607	6030	619	656	561	601	5654	598
	Low	4136	556	5595	574	581	511	541	5379	569
Hot Rolled Plate	High	4687	630	6191	635	650	620	675	5822	615
	Low	4437	596	5926	608	605	570	575	5542	586
Cold Rolled Coil	High	5244	705	7191	738	716	666	676	6661	704
	Low	4869	655	6541	671	676	616	616	6261	662
Hot Dipped Galvanised Coil	High	6249	840	7917	812	810	780	790	7486	791
	Low	5799	780	7567	776	770	725	740	7251	766
Electro-Zinc Coated Coil	High	5987	805	7887	809	798	768	783	7270	768
	Low	5742	772	7487	768	768	728	743	7070	747
Stainless CR Coil Type 304	High	8915	1199	10525	1080	1130	1100	1040	10385	1098
	Low	7965	1071	10125	1039	1080	1050	990	9935	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	4075	548	5225	536	598	533	528	5250	555
	Low	3700	497	4725	485	528	503	498	4850	513
Wire Rod (Mesh Quality)	High	—	—	—	—	—	—	—	—	—
	Low	—	—	—	—	—	—	—	—	—
Medium Sections (I Beam)	High	3800	511	5420	556	570	520	535	5200	550
	Low	3550	477	5050	518	540	490	490	4800	507
Medium Sections (H Beam)	High	4098	551	5810	596	610	560	575	5578	590
	Low	3848	517	5440	558	580	530	530	5178	547
Reinforcing Bar	High	2765	372	4850	498	390	465	460	5050	534
	Low	2565	345	4505	462	370	445	440	4750	502
Merchant Bar (Round)	High	4276	575	5973	613	595	510	485	5546	586
	Low	3861	519	5868	602	580	460	465	5171	547
Merchant Bar (Equal Angle)	High	4239	570	5924	608	590	505	480	5499	581
	Low	3824	514	5819	597	575	455	460	5124	542

Medium Term Price Forecasts

Flat product prices are forecast to decline, in the short term, despite relatively healthy demand, in the Nordic region. Selling figures are adversely affected by the negative trend in southern Europe. Distributors' stock levels are sufficient to meet current requirements, due to the substantial purchasing that occurred in late 2016 and early 2017. Offers from third country suppliers are competitively priced. Moreover, steelmaking raw material costs have fallen in recent months. Further steel price reductions are envisaged towards the end of 2017. The fourth quarter is traditionally a weak period for market activity.

Long product transaction values are forecast to decline, in July. Poor conditions in the south of the continent are influencing the pricing situation in the north. Nonetheless, MEPS believes that selling figures are close to the bottom of the current cycle. The downtrend in scrap costs should cease. Mills are predicted to secure modest price gains following the summer break.



Nordic Average Domestic Transaction Price Forecasts

Euro/metric ton	Actual		Forecast				
	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
Hot Rolled Coil	570	550	550	545	530	520	510
Hot Rolled Plate	599	580	580	580	570	555	550
Cold Rolled Coil	666	640	640	640	625	615	605
HD Galv Coil	773	750	750	750	735	725	715
EZ Coated Coil	764	750	750	750	735	725	715
Wire Rod	506	490	490	505	505	495	495
Medium Sections	511	505	505	525	525	520	520
Reinforcing Bar	420	405	405	425	420	415	425
Merchant Bar	562	555	555	570	565	560	560

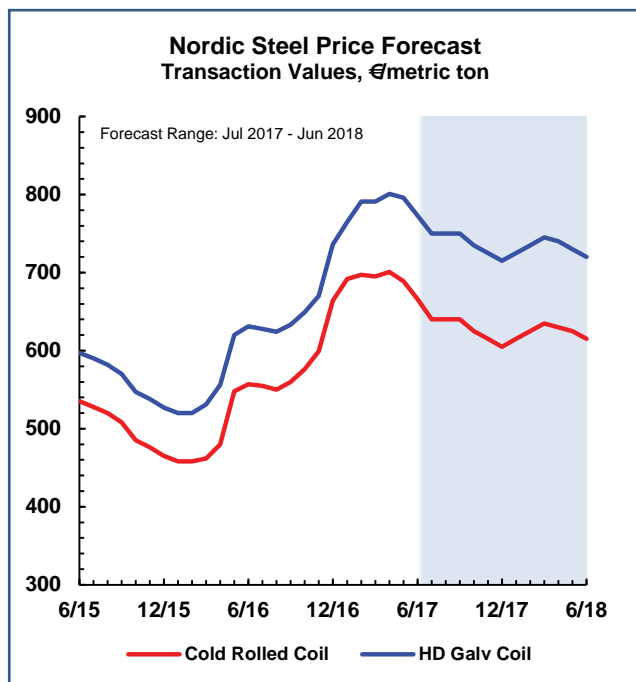
Price & Product Definitions

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.



Negotiated Domestic Transaction Prices - Month on Month % Change
June 2017 versus May 2017

		Denmark		Sweden		Finland	Netherlands	Austria	Norway	
		(DKK)	(€)	(SEK)	(€)	(€)	(€)	(€)	(NOK)	(€)
Hot Rolled Coil	Low	-4.2	-4.1	-2.2	-3.4	-3.3	-5.5	-3.6	-2.9	-3.4
Hot Rolled Plate	Low	-3.3	-3.2	-2.0	-3.2	-3.2	-5.0	-1.7	-2.6	-3.3
Cold Rolled Coil	Low	-4.5	-4.5	-1.6	-2.9	-2.9	-6.1	-6.1	-2.3	-2.9
HD Galv Coil	Low	-2.5	-2.5	-2.5	-3.7	-2.5	-4.0	-6.3	-1.9	-2.7
EZ Coated Coil	Low	-2.5	-2.5	-1.4	-2.5	-2.5	-4.0	-3.9	-2.0	-2.7
SS CR Coil 304	Low	0.0	0.0	0.0	-1.2	-0.9	0.0	-2.9	0.0	-0.8
SS CR Coil 430	Low	-	-	-	-	-	-	-	-	-
Wire Rod (Drawing)	Low	-1.8	-1.8	0.0	-1.3	0.0	-1.8	-0.9	0.0	-0.7
Wire Rod (Mesh)	Low	-	-	-	-	-	-	-	-	-
M Sect (I Beam)	Low	-4.1	-4.2	-2.9	-4.1	-1.8	-3.9	-3.9	-2.2	-3.1
M Sect (H Beam)	Low	-3.7	-3.7	-2.6	-3.8	-1.7	-3.6	-3.6	-2.0	-2.8
Reinforcing Bar	Low	-8.1	-8.0	-0.9	-2.1	-5.1	-6.3	-4.3	-3.1	-3.8
Merc Bar (Round)	Low	-2.0	-2.1	0.0	-1.1	-1.7	-3.2	-2.1	-1.2	-1.8
Merc Bar (Eq Angle)	Low	-2.0	-2.1	0.0	-1.2	-1.7	-3.2	-2.1	-1.2	-1.8

*The July issue of MEPS European Steel Review Supplement will be dispatched by post & PDF on 19 July, 2017.
Express Price Tables will be dispatched by e-mail in excel format on 12 July, 2017.*

Transaction Price & 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/m².

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

World Steel Outlook to 2021 (Quarterly)

One-year and five-year forecasts for crude steel, pig iron and DRI production for all main producing countries/regions. Also included is detailed statistics for finished steel production for the ten main rolled steel products (Hot Rolled Coil, Hot Rolled Plate, Cold Rolled Coil, Metal Coated Sheet, Electrical Sheet, Tinplate, Wire Rod, Sections and Beams, Rebar and Merchant Bar) in the EU, China, India, Japan, South Korea, Taiwan, Brazil and the US. From trade data we are also able to prepare estimates for apparent consumption.

The report briefly comprises of:

- Steel Market Overview
- Economic Overview (Including GDP forecasts)
- Iron and Steel Production (Short and long-term forecasts for crude steel, pig iron and DRI)
- Finished Steel Production, Trade and Consumption
- Regional Steel Price (Charts)
- Historical Data Tables

