meps

SUPPLEMENT TO

EUROPEAN STEEL REVIEW

JULY 2015

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	3275	439	4505	487	510	440	450	3950	452
	Low	2900	389	4120	445	435	390	390	3675	420
Hot Rolled Plate	High	3650	489	5015	542	515	520	560	4430	506
	Low	3400	456	4750	513	470	470	460	4150	474
Cold Rolled Coil	High	3950	529	5520	596	570	520	530	4850	554
	Low	3575	479	4920	532	530	470	470	4450	509
Hot Dipped Galvanised Coil	High	4025	539	5220	564	590	510	510	4685	536
	Low	3575	479	4920	532	550	470	470	4450	509
Electro-Zinc Coated Coil	High	3970	532	5230	565	580	540	510	4650	532
	Low	3725	499	4920	532	550	500	470	4450	509
Stainless CR Coil Type 304 (a)	High	8565	1148	10030	1084	1100	1050	1040	9700	1109
	Low	7615	1021	9630	1041	1050	1000	990	9250	1057
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	-2.5	-2.5	0.0	1.1	-2.2	-2.5	-2.5	-3.9	-4.5
Hot Rolled Plate	Low	-2.2	-2.1	0.0	1.2	-2.1	0.0	0.0	-1.8	-2.5
Cold Rolled Coil	Low	-2.1	-2.0	0.0	1.3	-1.9	-2.1	-2.1	-2.8	-3.4
HD Galv Coil	Low	-2.1	-2.0	0.0	1.3	-1.8	-2.1	-2.1	-2.8	-3.4
EZ Coated Coil	Low	-2.0	-2.0	0.0	1.3	-1.8	-2.0	-2.1	-2.8	-3.4
SS CR Coil 304	Low	0.9	0.9	0.0	1.3	0.0	-1.0	-2.0	1.1	0.4
SS CR Coil 430	Low	——	——	——	——	——	——	——	——	——

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FLAT PRODUCTS

HOT ROLLED COIL

Producers are quoting growing delivery lead times to buyers in Denmark. However, weak global demand and low raw material costs have led to softening prices. In Sweden, customers' order loads are satisfactory. There has been no significant change in demand. Plentiful supply is putting downward pressure on transaction values, in Finland. Service centres are competing for every available contract. Sales volumes have been boosted by pre-holiday activity, in the Netherlands. Underlying demand, however, remains mediocre. Prices have slipped, a little. Mill order intake, in Austria, is greater than at the same time, last year. Consumption is slowing, though, as the summer holidays approach. Sales volumes are satisfactory, in Norway, but profit margins are small.

HOT ROLLED PLATE

Demand is steady, at a moderate level, in Denmark. Prices have been negatively affected by plentiful supply and the general economic malaise in Europe. In Sweden, availability has been increased by the presence of material from Russia and Eastern Europe. Selling values are unchanged, for now. Demand is tepid, in Finland. More-than-sufficient local supply has been augmented by cheap imports from Russia. Consequently, prices have dropped by €10 per tonne in recent weeks. Consumption is steady, at a fairly low level, in the Netherlands. Selling figures are holding up. There is little threat from imports. In Austria, home and export order volumes from the building and construction sectors remain satisfactory. Buyers in Norway report that Russian producers are trying to increase their sales tonnages in Western Europe because their domestic market has lost momentum. This is likely to put downward pressure on prices.

COLD ROLLED COIL

The European Union's antidumping investigation into cold rolled coils from China has led to some tightening of supply. Nevertheless, Danish prices slipped, a little, in July. Supply chain participants do not foresee an upturn in the market in the short term. In Sweden, negotiations for third quarter contracts had brought no change in prices, at the time of our research. The level of sales activity is stable. In Finland, the number of offers of Russian material has increased, as producers from that country try to generate more western currency. Selling values, in the Netherlands, fell this month and remain under pressure. Some import offers are €20/25 per tonne below those for locally-produced material. Buyers in Austria note that some cheap material is still being offered, via Italy. This is helping to keep prices down, in the region. Norwegian stockists report a wide variation in prices from different Western European mills. The lowest of these are well below last month's figures.

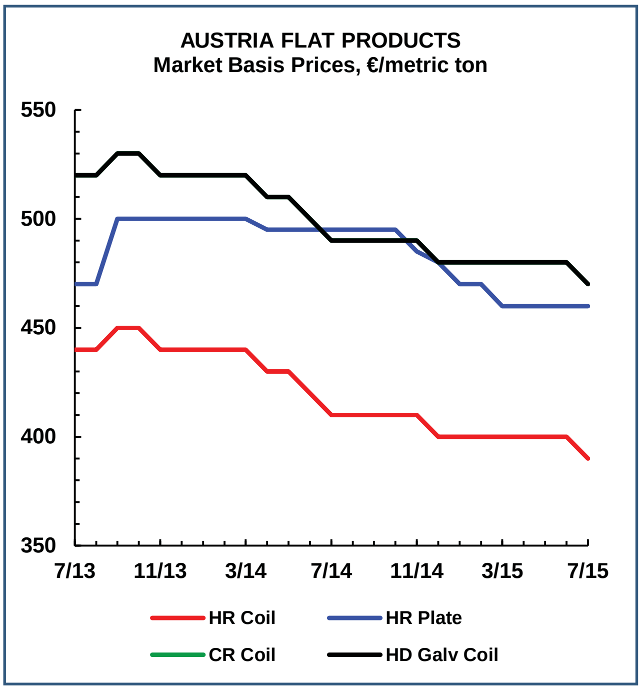
COATED SHEET AND COIL

Demand from the automotive sector remains healthy.

COMPARISON OF LOW MARKET DOMESTIC BASIS PRICES - COLD ROLLED COIL

	Local currency		US dollars	
price/ metric ton	Last Month	This Month	Last Month	This Month
Denmark	3650	3575	534	531
Sweden	4920	4920	573	589
Finland	540	530	590	588
Netherlands	480	470	524	521
Austria	480	470	524	521
Norway	4580	4450	575	564

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



Delivery lead times quoted to buyers in Denmark are lengthening. Some mills state that their third quarter rollings are fully booked. Prices are unchanged, in Sweden, this month. Sellers in Finland continue to record good order volumes from car makers in Sweden and Germany. Nevertheless, selling values decreased, in July. Similarly, in the Netherlands, decent sales to the auto supply chain have not prevented a softening in prices. Further cuts are not ruled out. Demand for building installation applications remains strong, in Austria. However, there has been a small, downward price adjustment, this month. Consumption is subdued, in Norway.

STAINLESS STEEL

In June, the basis value for type 304 cold rolled coils in Denmark increased by DKK70 per tonne, compared with the previous month. The basis number in Sweden was unchanged from four weeks earlier. In the Netherlands, the price, net of alloy surcharge, was €10 per tonne lower than in May.

In Finland, the alloy surcharge for grade 304 coils decreased by €40 per tonne, in July. Basis figures were unaltered. Stainless steel sales are quite steady despite the generally sluggish economy. Demand is expected to remain at the same level after the summer holiday season. Buyers in Austria report lengthening delivery lead times for some dimensions. Nevertheless, basis values have softened. There is very little margin, for traders, between ex-mill prices and the amount that end-users are prepared to pay. Consumption by the offshore energy sector is still slow, in Norway. There has been a small advance in basis figures, this month. With mill schedules becoming booked more fully, further basis hikes are likely in the coming months.

LONG PRODUCTS

WIRE ROD

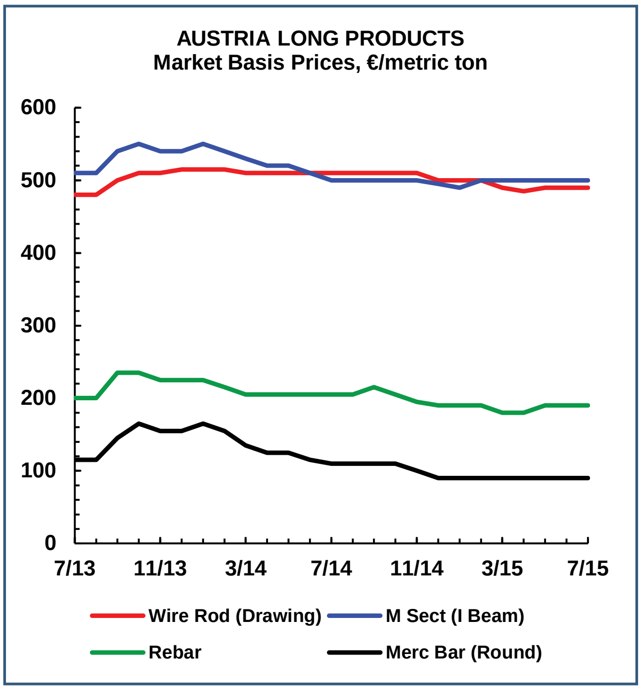
Drawing quality wire rod prices were rolled over from June to July, in all the countries surveyed. Business activity remains stable, at a reasonable level, as it has so far this year. Supply chain participants expect the same market conditions to persist, after the summer break. Consumption in the final quarter, though, is typically weaker.

MEDIUM SECTIONS AND BEAMS

Demand from the construction sector is quite subdued, in Denmark. This has been, to some extent, offset by the interruption in supply from Germany's Stahlwerk Thüringen. Prices are unchanged, since last month, in Sweden. Consumption is satisfactory and showing signs of improvement. In Finland, suppliers have suggested increased selling figures, for August. At the time of our research, buyers appeared unlikely to accept such proposals. In the Netherlands, order volumes from the construction sector have picked up since the spring and are greater than at the same time last year. Selling values are unchanged, this month, in Austria. Some mills have been seeking price increases, in Norway. These have not been accepted, so far. Buyers are unsure whether advances will be agreed, in the near term.

REINFORCING BARS

The market is quite stable, in Denmark. Demand is fair. Producers tried to secure small price increases in July but were not successful. Consumption is steady, in Sweden, driven by higher government spending on infrastructure. Raw material costs have decreased. Selling values are unchanged, so far. Scrap expenditure has reduced, in Finland. Furthermore, local suppliers are competing with cheaper imports from Russia. As a result, ex-mill rebar figures slipped by €10 per tonne, this month. A pre-holiday pickup in purchasing activity has been detected, in the Netherlands. Large consumers are expected to remain busy for the rest of the year.



Stockists' selling values to end-users have risen but the mills have not achieved the same advances as in some neighbouring countries. Transaction values were rolled over from the previous month, in Austria. Sales volumes have grown, in Norway. Demand from infrastructure and general construction projects has been supported by increased government investment. Market participants believe this upturn will continue.

MERCHANT BARS

Leading bar producer, Beltrame, announced new, increased size extras, effective from July 1. These have not been widely accepted. Bar consumption has increased, in Denmark, as agricultural machinery makers have widened their export markets. Demand from the automotive and other manufacturing industries is satisfactory, in Sweden. Prices have been rolled over from June. In Finland, the market is subdued. Overseas deals have declined. Sales volumes are reasonable, in the Netherlands. Delivery lead times, from the mills, remain quite short. Selling figures are unaltered, in Austria. Despite attempts to introduce new size extras, producers have been unable to achieve any increase in transaction values, in Norway.

CURRENCY EXCHANGE RATES

	US dollars (US$)		Euros (€)	
	1-Jun	**1-Jul**	**1-Jun**	**1-Jul**
Denmark (DKK)	6.836	6.731	7.459	7.461
Sweden (SEK)	8.587	8.349	9.369	9.255
Norway (NOK)	7.967	7.892	8.693	8.748
Eurozone (€)	0.916	0.902	-	-

LONG PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES

price/metric ton		Denmark		Sweden		Finland	Netherlands	Austria	Norway	
		(DKK)	(€)	(SEK)	(€)	(€)	(€)	(€)	(NOK)	(€)
Wire Rod (b)	High	4035	541	5350	578	610	520	520	4880	558
	Low	3660	491	4850	524	540	490	490	4480	512
Medium Sections and Beams (c)	High	4240	568	5335	576	580	545	545	5070	580
	Low	3990	535	4965	536	550	515	500	4670	534
Rebar (d)	High	2810	377	4680	506	395	210	210	5075	580
	Low	2610	350	4335	468	375	190	190	4775	546
Merchant Bar (e)	High	1625	218	2015	218	200	140	110	1870	214
	Low	1210	162	1910	206	185	90	90	1495	171

MONTH on MONTH % CHANGE

Wire Rod	Low	0.0	0.0	0.0	1.2	0.0	0.0	0.0	0.0	-0.6
Medium Sections	Low	0.0	0.0	0.0	1.1	0.0	0.0	0.0	0.0	-0.6
Rebar	Low	0.0	0.0	0.0	1.1	-2.6	0.0	0.0	0.0	-0.5
Merchant Bar	Low	0.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0	-0.6

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.

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	3424	459	4690	507	530	460	470	4125	472
	Low	3049	409	4305	465	455	410	410	3850	440
Hot Rolled Plate	High	3762	504	5154	557	530	535	575	4561	521
	Low	3512	471	4889	528	485	485	475	4281	489
Cold Rolled Coil	High	4062	544	5659	611	585	535	545	4981	569
	Low	3687	494	5059	547	545	485	485	4581	524
Hot Dipped Galvanised Coil	High	4562	611	5886	636	662	582	582	5315	608
	Low	4112	551	5586	604	622	542	542	5080	581
Electro-Zinc Coated Coil	High	4410	591	5776	624	639	599	569	5166	591
	Low	4165	558	5466	591	609	559	529	4966	568
Stainless CR Coil Type 304	High	8565	1148	10030	1084	1100	1050	1040	9700	1109
	Low	7615	1021	9630	1041	1050	1000	990	9250	1057
Stainless CR Coil Type 430	High	——	——	——	——	——	——	——	——	——
	Low	——	——	——	——	——	——	——	——	——

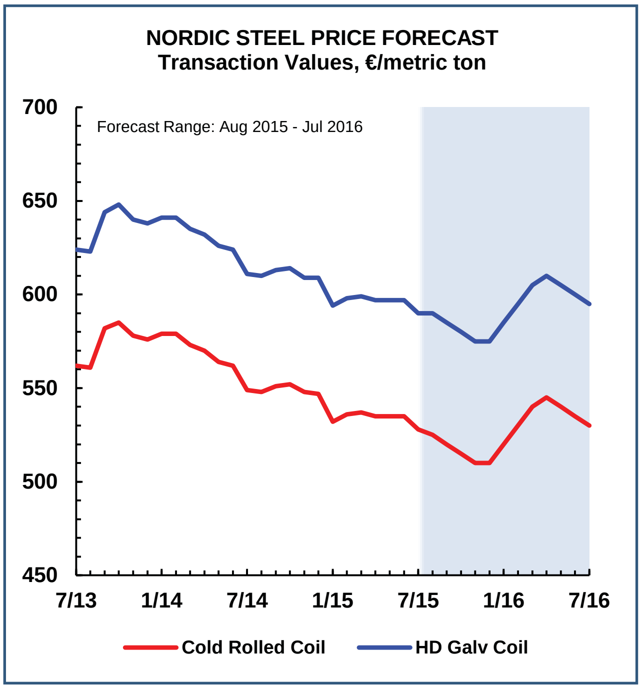
LONG PRODUCTS price/metric ton		Denmark		Sweden		Finland	Netherlands	Austria	Norway	
		(DKK)	(€)	(SEK)	(€)	(€)	(€)	(€)	(NOK)	(€)
Wire Rod (Drawing Quality)	High	4035	541	5350	578	628	538	538	5037	576
	Low	3660	491	4850	524	558	508	508	4637	530
Wire Rod (Mesh Quality)	High	——	——	——	——	——	——	——	——	——
	Low	——	——	——	——	——	——	——	——	——
Medium Sections (I Beam)	High	4240	568	5335	576	580	545	545	5070	580
	Low	3990	535	4965	536	550	515	500	4670	534
Medium Sections (H Beam)	High	4538	608	5705	616	620	585	585	5420	620
	Low	4288	575	5335	576	590	555	540	5020	574
Reinforcing Bar	High	2810	377	4680	506	395	450	450	5075	580
	Low	2610	350	4335	468	375	430	430	4775	546
Merchant Bar (Round)	High	4684	628	5810	628	610	550	520	5457	624
	Low	4269	572	5705	616	595	500	500	5082	581
Merchant Bar (Equal Angle)	High	4684	628	5810	628	610	550	520	5457	624
	Low	4269	572	5705	616	595	500	500	5082	581

MEDIUM TERM PRICE FORECASTS

MEPS - Nordic Average Cold Rolled and Hot Dipped Galvanised Coil prices declined by €7 per tonne in July, compared with the previous month.

We forecast a downward price trend during the second half of 2015. Competitive third country offers and low raw material costs are likely to prevent the mills from implementing price increases. Oversupply is likely to remain a feature of the market. Furthermore, we expect a traditional slowdown in end-user consumption during the summer.

We anticipate that supply will reduce towards the end of 2015. Selling figures are expected to rebound at the start of 2016 as restocking programmes commence. The upturn is expected to continue into the early part of the second quarter. There is the potential for steel selling figures to come under negative pressure later in the second trimester as purchasing activity usually slows ahead of the holiday period.



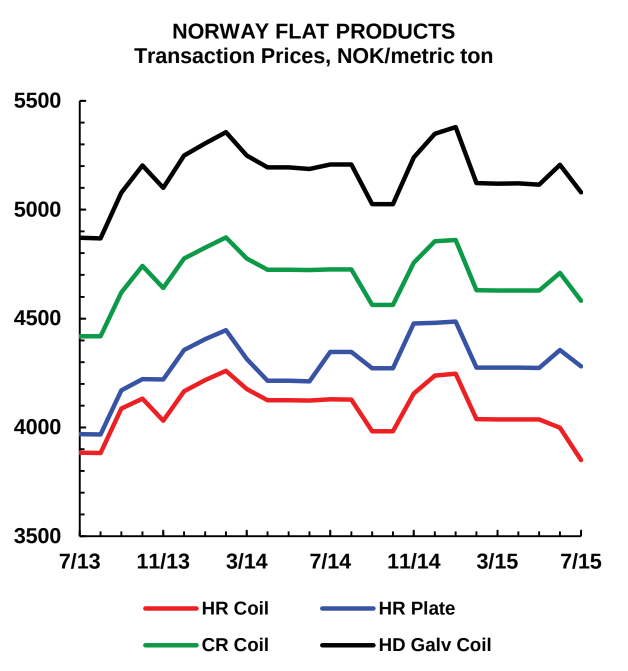
NORDIC AVERAGE DOMESTIC TRANSACTION PRICE FORECASTS

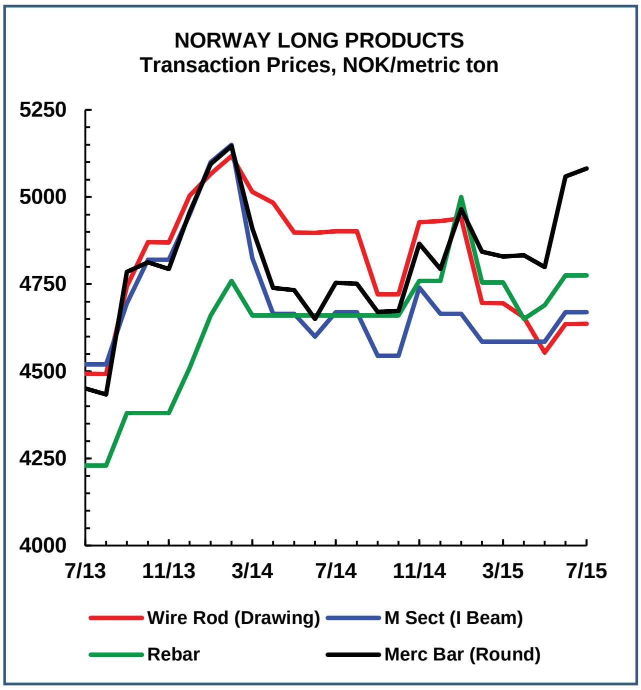
Euro/metric ton	Actual	Forecast					
	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16
Hot Rolled Coil	442	440	435	430	425	425	435
Hot Rolled Plate	493	490	485	480	475	470	480
Cold Rolled Coil	528	525	520	515	510	510	520
HD Galv Coil	590	590	585	580	575	575	585
EZ Coated Coil	582	580	575	570	565	565	575
Wire Rod	526	525	525	525	520	520	530
Medium Sections	539	535	530	525	515	515	525
Reinforcing Bar	435	435	430	425	420	420	430
Merchant Bar	591	590	585	585	580	580	585

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.





NEGOTIATED DOMESTIC TRANSACTION PRICES - MONTH ON MONTH % CHANGE
July 2015 versus June 2015

		Denmark		Sweden		Finland	Netherlands	Austria	Norway	
		(DKK)	(€)	(SEK)	(€)	(€)	(€)	(€)	(NOK)	(€)
Hot Rolled Coil	**Low**	-2.4	-2.4	0.0	1.1	-2.2	-2.4	-2.4	-3.7	-4.3
Hot Rolled Plate	**Low**	-2.1	-2.1	0.0	1.1	-2.0	0.0	0.0	-1.7	-2.4
Cold Rolled Coil	**Low**	-2.0	-2.0	0.0	1.3	-1.8	-2.0	-2.0	-2.7	-3.3
HD Galv Coil	**Low**	-1.8	-1.8	-0.2	1.2	-1.6	-1.8	-1.8	-2.4	-3.0
EZ Coated Coil	**Low**	-1.8	-1.8	-0.1	1.2	-1.6	-1.8	-1.9	-2.5	-3.1
SS CR Coil 304	**Low**	0.9	0.9	0.0	1.3	0.0	-1.0	-2.0	1.1	0.4
SS CR Coil 430	**Low**	-	-	-	-	-	-	-	-	-
Wire Rod (Drawing)	**Low**	0.0	0.0	0.0	1.2	0.0	0.0	0.0	0.0	-0.5
Wire Rod (Mesh)	**Low**	-	-	-	-	-	-	-	-	-
M Sect (I Beam)	**Low**	0.0	0.0	0.0	1.1	0.0	0.0	0.0	0.0	-0.6
M Sect (H Beam)	**Low**	0.0	0.0	-0.1	1.1	0.0	0.0	0.0	0.0	-0.5
Reinforcing Bar	**Low**	0.0	0.0	0.0	1.1	-2.6	0.0	0.0	0.0	-0.5
Merc Bar (Round)	**Low**	0.0	0.0	-0.8	0.3	0.0	0.0	0.0	0.5	-0.2
Merc Bar (Eq Angle)	**Low**	0.0	0.0	-0.8	0.3	0.0	0.0	0.0	0.5	-0.2

MEPS do not carry out research on steel prices in August because of the difficulties in contacting respondents during summer vacations. Moreover, very few deals are concluded during this period because of holidays. In next month's issue, we take the opportunity to review the trends over the past twelve months. The August issue of the European Steel Review Supplement will be dispatched by post & PDF on 20 August, 2015. Express Price Tables will be dispatched by e-mail in excel format on 11 September, 2015.

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/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

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.