



DEVELOPING MARKETS' STEEL REVIEW

INCORPORATING BRIC COUNTRY DATA

COMPARISON OF TRANSACTION PRICES (\$US/tonne)

		HR Coil	HR Plate	CR Coil	HD Galv	W Rod	M Sect	R Bar	M Bar
Brazil	Low:	918	-	1066	1125	918	1125	1036	1066
Russia	Low:	581	649	695	827	604	770	606	630
India	Low:	717	739	789	874	629	685	620	642
China	Low:	598	614	688	708	490	601	616	581
BRIC Avg.	Low:	704	-	810	884	660	795	720	730
Ukraine	Low:	582	635	699	793	587	750	666	673
Turkey	Low:	730	750	870	890	710	775	700	725
UAE*	Low:	720	720	780	850	720	740	730	760
South Africa	Low:	783	929	928	994	778	1018	756	811
Mexico	Low:	711	858	803	810	760	792	711	833
D. Markets' Avg.	Low:	718	754	829	895	713	832	728	768

MONTH on MONTH % CHANGE

Brazil	Low:	0.9	-	0.9	-1.7	-5.3	-1.7	-4.6	-1.8
Russia	Low:	2.5	13.3	3.4	2.2	8.1	5.8	8.0	7.7
India	Low:	4.8	5.1	6.2	9.3	10.7	8.9	10.7	9.7
China	Low:	5.1	5.5	3.6	4.0	1.4	3.4	3.4	3.2
BRIC Avg.	Low:	3.2	-	3.4	3.0	2.5	3.2	2.9	3.7
Ukraine	Low:	9.4	0.6	2.6	0.1	3.5	0.1	15.2	6.0
Turkey	Low:	10.6	7.1	10.1	7.9	10.9	8.4	12.0	9.8
UAE	Low:	9.1	4.3	2.6	3.7	11.6	5.7	12.3	8.6
South Africa	Low:	4.5	6.1	3.6	7.0	-5.6	2.7	0.7	6.9
Mexico	Low:	7.4	1.3	6.9	3.4	7.0	3.3	7.4	6.4
D. Markets' Avg.	Low:	5.9	5.2	4.4	3.7	4.1	3.6	6.4	6.1

*Import prices

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MARKET HIGHLIGHTS

HIGHER INPUT COSTS PUSH UP STEEL PRICES IN THE BRIC COUNTRIES

Difficult trading conditions persisted in Brazil. Local producers have begun reviewing production targets for the first quarter. Adverse weather conditions at the Praia Mole's coal terminal have disrupted supplies, and this is expected to reduce February's production schedules.

Russian finished steel prices have been influenced by higher export prices and rising production costs. Last month's discounts have been lowered. Distributor trade has been firmer than expected. The majority have opted to secure material ahead of February's price increase. Expectation is rife that the steelmakers intend to harmonize local and export offers.

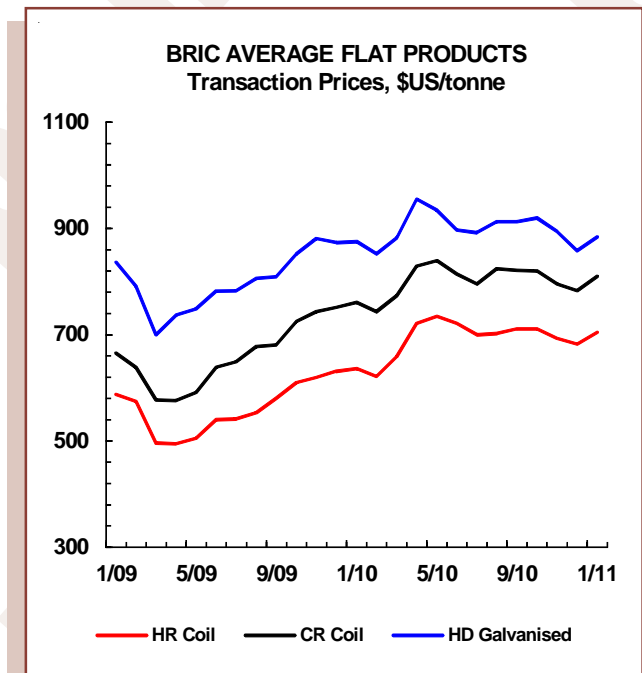
Indian finished steel product quotations have increased sharply in January. The price surge has been attributed to the cost of raw materials, particularly coking coal. The steel industry may be forced to downgrade production in the second quarter. Coking coal shipments from Queensland, Australia have been stopped under force majeure clauses. Mines affected by the floods are unlikely to resume commercial production for 10 weeks. April-June contracts could rise by as much as 30 percent, compared to the current price of \$US225 per tonne.

Chinese steelmakers have successfully managed to lift their January prices. The increase has been mainly driven by higher input costs and the expectation of re-stocking activity by the distribution network. The steel industry has been stock piling raw materials. Several mills are planning to release higher basis prices in February. End-user demand, however, has declined ahead of the Chinese New Year festival.

Average transaction prices in the BRIC countries increased in January for all product forms researched in this report. The size of the gains varied between \$US21 for hot rolled coil and \$US94 per tonne for hot rolled plate. Further substantial hikes are anticipated in February and beyond as mill input costs rise.

In Ukraine, domestic producers have issued higher quotations. The steel industry has signalled its intention to narrow the price differential between domestic and export prices. Long product steel buyers have witnessed weekly increases. End-user trade has surged as customers have attempted to procure material in advance of February's price rise.

Effective prices for flat products increased sharply in Turkey. However, business has fallen due to the price



volatility. Merchants issued higher selling figures. The long product mills have struggled to hold on to their price gains. Several lowered both their domestic and export selling figures to stimulate buyer interest. So far, most clients found the new levels unacceptable.

Price volatility has returned to the United Arab Emirates. Foreign suppliers have issued higher quotations in January. Distributors reacted cautiously to the new offers. Material is only being purchased on a requirement basis due to lacklustre demand. Domestic steelmakers have also issued higher prices in response to the rising raw material costs.

Tough business conditions persisted in South Africa. Domestic steel consumption is not expected to improve until the second half of 2011. AMSA has begun operating its new price list and quarterly rebate scheme. Distributors have transferred the burden of the steelmaker's new model on to their retail customers.

The business environment in Mexico remains arduous. Shipments to the construction sector failed to live up to the steel industry's expectations. Domestic steelmakers issued higher basis figures in January. The adjustment has been ascribed to rising input costs, particularly iron ore and coking coal. Distributors are unsure if the new figures will be accepted due to weak demand and the availability of lower cost imports.

FLAT PRODUCTS

HOT ROLLED COIL

In Brazil, the difficult trading environment inhibited the ability of internal producers to lift domestic quotations. Discounts continue to be granted. MEPS understand that production targets for the first quarter are now being reviewed due to a tightening of raw material supplies. Offers from Asia have risen to \$US610/630 per tonne CFR Santos (excluding import duty).

Russian mills lowered their discounts in January. Several have already informed their customers of a February price increase. The upward movement is widely attributed to firmer export and the spike in the cost of feedstock. Kazakhstan's JSC ArcelorMittal Temirtau has raised its export figures, on average, by RUB770 per tonne DAF Russian border.

Effective prices have risen sharply in India, due to supply shortages and rising raw material costs. Expectation is

rife that the majors will issue higher quotations in February. Although the cost of domestic coil has risen sharply, so far, Indian buyers have preferred this material to imports. The length of delivery lead times has been an influential factor.

In January, the MEPS BRIC hot rolled coil average price increased by 3.2 percent. The upward movement was primarily influenced by market developments in China and India. Last month this indicator declined by 1.6 percent.

Ukrainian domestic quotations have risen sharper than expected. Distributors procured more material this month. The mills are expected to harmonize local and export bids in the first quarter.

Turkish steelmakers have dictated price negotiations this month. Their position has been strengthened by reduced capacity utilisation rates, improved distributor trade and rising CIS import quotations. Erdemir has announced that

FLAT-ROLLED PRODUCTS - TRANSACTION PRICES

price/tonne		Brazil (R\$)	Russia (RUB)	India (Rs)	Ukraine (UAH)	Turkey (\$US)	UAE* (\$US)	S Africa (R)	Mexico (MEX\$)
Hot Rolled Coil	High:	1680	20680	33482	5400	760	750	5740	8793
	Low:	1550	17840	32382	4700	730	720	5315	8707
Hot Rolled Plate	High:	-	20630	35382	5540	780	750	6610	11000
	Low:	-	19930	33382	5125	750	720	6311	10500
Cold Rolled Coil	High:	1920	24555	38830	6000	880	800	6632	9914
	Low:	1800	21330	35630	5640	870	780	6304	9828
Hot Dipped Galvanised Coil	High:	2350	26860	41915	7465	910	900	7010	10345
	Low:	1900	25410	39505	6400	890	850	6750	9914

MONTH on MONTH % CHANGE

Hot Rolled Coil	Low:	0.0	0.2	4.5	9.3	10.6	9.1	1.7	6.2
Hot Rolled Plate	Low:	-	10.7	4.8	0.5	7.1	4.3	3.2	0.0
Cold Rolled Coil	Low:	0.0	1.1	5.9	2.5	10.1	2.6	0.9	5.7
H.D. Galv Coil	Low:	-2.6	0.0	9.0	0.0	7.9	3.7	4.2	2.2

PRODUCT DEFINITIONS

Hot-Rolled Wide Coil - 2-3mm thickness, width over 1.1 metres.

Hot-Rolled Plates - 15-40mm thickness, width over 2.0 metres.

Cold-Rolled Coils - 1mm thickness, width over 1.3 metres. - except India 0.8mm thickness.

Hot Dipped Galvanised Coils - 1mm thickness, width over 1.1 metres, coating thickness 275 gm/m². - except India: 0.63-0.8mm, Russia 1.0-1.4mm and Ukraine: 1.0-1.5mm thickness.

it planned to sell April's production at \$US800/820 per tonne. Further price adjustments have not been ruled out. Isdemir, Colakoglu and Tosyali Holding have responded with identical figures for their March rolling campaigns. End users are now concerned that the steel makers will continue to lift their selling figures. Delivery lead times have settled at around 18 days.

The distribution network in the United Arab Emirates has been slow to procure material. There is little evidence that end user business has improved. In early trading, Ukraine's Ilyich and Zaporizhstal priced January offers at \$US680/700 per tonne CFR. These figures were quickly withdrawn and higher quotations issued.

South Africa distributors are still mulling over the full implications of AMSA's pricing structure. Purchasing managers are now reviewing their buying policy. Previously importing material was unworkable.

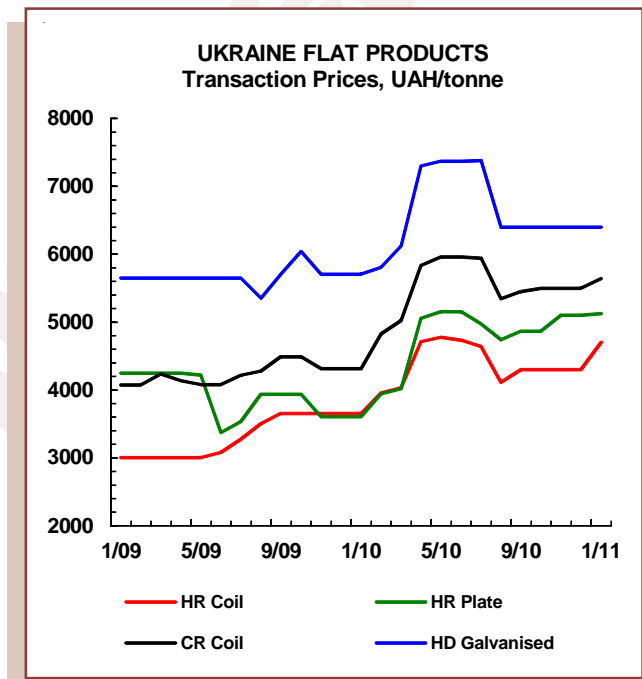
HOT ROLLED PLATE

Russian producers are planning to lift basis prices in February. Large volume buyers have been able negotiate favourable payment terms with their suppliers. Smaller and medium sized industrial companies are faced with of increase in the region of RUB2,000 per tonne.

Indian consumption remains modest. The absence of Ispat Industries' production has tightened supply. Ukrainian mills have offered commercial grade material at \$US720/740 per tonne CFR, excluding a 5 percent duty.

The MEPS January BRIC average hot rolled plate price has gained ground on the back of a combination of firmer distributor trade and rising raw material costs. Strong price gains were noted in China, Russia and India.

Ukraine's Ilyich and Metinvest operated at reduced capacity. Effective domestic prices increased in January



and are expected to be brought into line with export offers in February. Distributors have undertaken forward booking to minimise their price risk exposure.

In Turkey, distributor and end-user business has slowed down. Material is now only being purchased on a requirement basis. This has not deterred Erdemir from raising plate quotations for its April campaign. Colakoglu has responded by issuing \$US820/840 per tonne for its March production. Merchants have reacted to the figures by increasing their offers by 22.2 percent. The majority of CIS suppliers have been inactive in January.

Arduous trading conditions have continued in South Africa. The main steelmaker has revealed that February's basis price will increase by R340 per tonne. It is reported that Highveld has still not filled its next rolling schedule for heavy plate.

FLAT PRODUCTS TRANSACTION PRICE FORECASTS - MIDDLE EAST AVERAGE (\$US/tonne)

Based on low values	Actual	Forecast					
	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11
Hot-rolled Coils	720	800	870	930	950	950	915
Hot-rolled Plates	720	820	900	950	970	970	950
Cold-rolled Coils	780	860	930	990	1010	1010	975
H.D. Galv Coils	850	940	1010	1080	1120	1135	1100

CURRENCY EXCHANGE RATES January 6 - 2011

		Units/ US\$
Brazil	(R\$)	1.689
Russia	(RUB)	30.71
India	(Rs)	45.18
Ukraine	(UAH)	8.072
Turkey	(TL)	1.549
UAE	(AED)	3.673
S Africa	(R)	6.790
Mexico	(MEX\$)	12.24
China	(RMB)	6.627
Eurozone	(€)	0.768

COLD ROLLED COIL

Brazilian producers are now focusing on supplying the domestic market. Distributors find themselves in a precarious position. The majority are facing significant losses if ex-mill prices do not rise. Inventory levels currently stand at over 4 months. They are under pressure to lower their selling figures to end users. Sales to local industry remain modest.

Russian producers are expected to bring domestic prices into line with export bids in the near future. Distributors have undertaken forward booking to minimise their price risk. MMK has raised its offers. In contrast, Severstal's ex-mill basis price is unchanged. ArcelorMittal Temirtau has lifted its quotes to Russian clients by 2.9 percent.

Restocking activity has taken place in India even though the majors have incrementally lifted basis prices in January. Traditionally, shipments to the consuming industries pick up in the January-February period. Low cost Chinese and Russian coil, however, is still available.

The MEPS BRIC average cold rolled coil price in January advanced to above \$US800 per tonne. The gains in Brazil and Russia in US dollars are the result of currency movements. Chinese and Indian selling values improved significantly.

Turkish quotations have risen sharply in January. The upward movement was the result of a combination of stronger demand, rising inputs and lower production capability. Delivery lead times have risen to around 20 days.

HOT DIPPED GALVANISED COIL

Brazilian ex-works selling figures have been steady in January. However, there are concerns that the local mills will push for higher prices in February. Import offers from Asia have risen by \$US30 to \$US820/840 per tonne CFR Santos.

Domestic demand for galvanised steel in Russia is stable. Producers have left basis prices for January unchanged. Kazakhstan's ArcelorMittal Temirtau has prices similar to last month's figures.

Indian producers incrementally raised their basis prices in January. The upward movement has been attributed to the cost of feedstock. Bhushan Steel and Uttam Galva are expected to lift their quotations again in February. The adjustment is expected to be around Rs1,000 per tonne.

The MEPS BRIC average hot dipped galvanised coil price gained 3 percent in January. India was the most influential, with a rise of 9.3 percent.

Ukrainian mills have left basis prices for January unchanged. Trading activity is slow and not expected to pick up in the interim period.

Turkish producers issued higher domestic and export quotations in January. The new levels were introduced even though end user trade remains slow. Further increases have not been ruled out. Discounts are obtainable but depend on order volumes and payment terms.

In the United Arab Emirates, Al Ghurair Iron & Steel is quoting increased domestic and export prices for coil produced in February. The \$US30 per tonne adjustment has been blamed on the rising cost of raw materials. South Africa's AMSA has revealed it will be lifting its selling figures in February by 3.9 percent.

LONG PRODUCTS

WIRE ROD

In Brazil, adverse weather conditions disrupted finished steel trade. Local producers kept basis selling figures unchanged. Discounts have been granted to stimulate

deals. Ideally the steel industry would like to issue higher prices due to rising raw material costs. However, this will prove to be difficult until the country's demand-supply imbalance is rectified. Distributors have taken a break from purchasing Turkish and Asian imports. There are

concerns that Rousseff's new government will cut back infrastructure spending in 2011.

Russian steelmakers are expected to return to the market with higher quotations in February. Evraz has filled its wire rod order book for January and February. Severstal's basis price has been raised by 3 percent. Export offers have risen to \$US680/690 per tonne FOB Black Sea.

The MEPS BRIC average wire rod transaction figure advanced to \$US660 per tonne in January. Substantial price hikes were obtained by Indian and Russian steelmakers. This positive gain was restrained by the decline witnessed in Brazil.

Ukrainian producers issued higher wire rod quotations in January. Makeevka Metallurgical Plant has attributed the increase to rising raw material costs and tight supply in the domestic market. Traders are worried that effective price in February may rise by a further UAH800/1,000 per tonne.

Demand for construction steel in the United Arab Emirates

remains weak. Buyers continue to prefer purchasing local material due to shorter delivery lead times. In early trading, Emirates Steel Industries increased its January selling figures to AED2,550 per tonne, a rise of 3.9 percent compared to December levels. The rising cost of imported billet has forced the company to lift its selling price by 9.8 percent for March rollings.

Effective wire rod prices have softened in South Africa. This month, AMSA has discontinued its annual rebate (up to 6.5 percent). The country's DTI viewed it as being "anti-competitive". The steelmaker is now operating a quarterly rebate of 1.5 percent. The availability of low-cost imports from other Southern African countries has constrained mill price demands. AMSA's basis price will be increased by R340 per tonne in February.

MEDIUM SECTIONS AND BEAMS

The trading environment remained stable in Russia. Evraz's OAO NTMK started offering material at between RUB23,650 and 27,650 per tonne. The steelworks' export

LONG PRODUCTS - TRANSACTION PRICES

price/tonne		Brazil (R\$)	Russia (RUB)	India (Rs)	Ukraine (UAH)	Turkey (\$US)	UAE* (\$US)	S Africa (R)	Mexico (MEX\$)
Wire Rod	High:	1810	21485	31250	5330	725	730	5556	9700
	Low:	1550	18550	28400	4740	710	720	5280	9300
Med. Sections and Beams	High:	2100	25350	32936	6160	810	760	7124	10200
	Low:	1900	23650	30936	6050	775	740	6911	9700
Reinforcing Bar	High:	2000	21570	32750	5570	745	750	5160	9000
	Low:	1750	18600	28000	5375	700	730	5130	8700
Merchant Bar	High:	1950	22300	32900	5600	740	770	5662	10500
	Low:	1800	19350	29000	5430	725	760	5504	10200

MONTH on MONTH % CHANGE

Wire Rod	Low:	-6.1	5.7	10.4	3.5	10.9	11.6	-8.1	5.7
Sect. & Beams	Low:	-2.6	3.5	8.5	0.0	8.4	5.7	0.0	2.1
Rebar	Low:	-5.4	5.7	10.4	15.1	12.0	12.3	-2.1	6.1
Merchant Bar	Low:	-2.7	5.4	9.4	5.8	9.8	8.6	3.9	5.2

PRODUCT DEFINITIONS

Wire Rod (Mesh Quality) - 8-12mm diameter.

Medium Sections and Beams - 240mm x 240mm H Beam. - except Turkey: IPE-NPI (220mm-250mm)

Reinforcing Bar (Deformed) - 16-20mm diameter.

Merchant Bar - 50 x 50mm x 6mm equal angle. - except Ukraine: 50 x 50 x 3-5mm and Turkey: 50 x 50 x 5mm

selling figure to Kazakhstan and central Asia was unchanged at \$US645/685 per tonne FCA. Discounts are still available for orders made on pre-payment terms.

Market sentiment remains mixed in Ukraine. Demand is weak. However, merchants have reported that they have sold more material in January than in December. This has been attributed to the projections of higher prices in February and March.

The MEPS BRIC average price for structural shapes in January advanced to \$US795 per tonne. Indian and Russian customers witnessed the largest price gains.

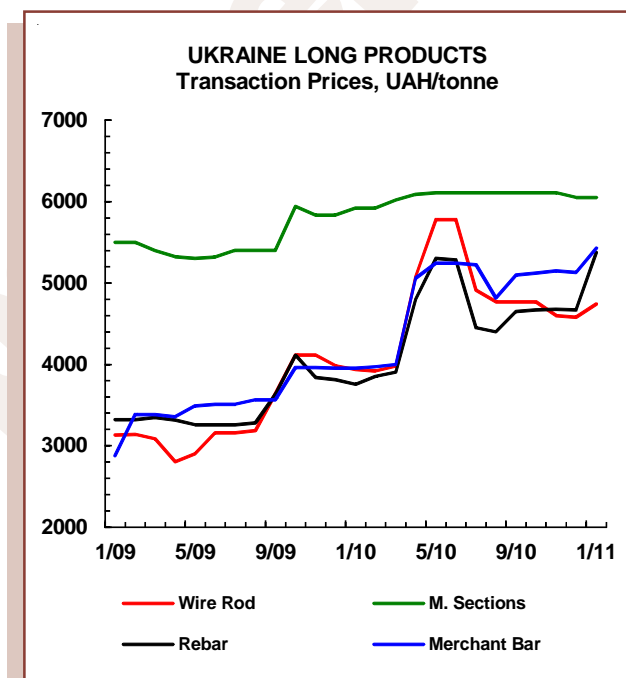
Rising input costs have forced Turkish steelmakers to issue higher January selling figures. Deals priced in Euros have risen by €50 per tonne. When converted into US dollars, transaction values have grown by approximately 8 percent.

Foreign suppliers operating in the United Arab Emirates have continued to experience challenging market conditions. In early trading, structural steel was being sold in the range \$US740/760 per tonne CFR. These figures were quickly withdrawn and higher quotations were issued.

South Africa's Highveld is still manufacturing H-beams, on average, once every eight weeks. Low cost imports are limiting local mill's potential to lift prices.

REINFORCING BAR

In Brazil the local producers left their basis quotations unchanged in January. Discounts are obtainable but depend on order volumes and payment terms. Production is forecast to be disrupted by raw material shortages. However, this is not expected to have a significant impact on transaction values due to high inventory levels. Rising import values are deterring end users from placing bookings.



In Russia, Mechel is planning to cut domestic deliveries by up to 14 percent. The company plans to redirect production to overseas customers. Developments within the export markets are expected to push domestic prices upwards in February. Severstal has increased its official ex-works basis selling figure by 3 percent.

The Indian majors and re-rollers have incrementally raised their domestic quotations. The price movement was in reaction to rising raw material costs. Further selling price gains are probable in the coming months.

The MEPS BRIC average reinforcing bar transaction price this month has recovered a substantial portion of the losses incurred in late 2010. January's positive adjustment was supported by the bullish pricing strategies undertaken by Indian and Russian steelmakers.

LONG PRODUCTS TRANSACTION PRICE FORECASTS - MIDDLE EAST AVERAGE (\$US/tonne)

Based on low values	Actual	Forecast					
	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11
Wire Rod	720	780	830	870	890	890	870
Medium Sections	740	820	880	950	990	990	960
Rebar	730	810	880	950	970	970	940
Merchant Bar	760	825	870	920	930	930	910

Ukrainian steelmakers have signalled their intension to harmonize domestic and export bids. Quotations were lifted in two phases. This staggered approach has been attributed to the firming of export prices and rising feedstock costs, particularly billet. Makeevka Metallurgical Plant has responded with a 5 percent increase. Traders suspect that February selling figures will be lifted by a further UAH500/600 per tonne. Metinvest has temporarily suspended sales of long products.

Turkish transaction values have been rising on a weekly basis in January. Producers have ascribed the upward movement to firmer demand, coupled with a spike in the purchasing cost of scrap and billet. Mid-month, a small proportion of the gains were given up when scrap quotations eased. Exporters have lifted their prices at the expensive of sales.

Procurement activity in the United Arab Emirates has remained modest. Turkish suppliers issued higher export prices for the region in January. However, a lack of deals resulted in these offers falling to \$US700/720 per tonne CFR. Growing import billet costs have forced Emirates Steel Industries to increase its January selling figures to AED2,580/2,600 per tonne, a rise of 6.6 percent compared to December. The mill has announced a further 6.4 percent escalation for March rollings.

MARKET AND INDUSTRY ISSUES

Russia's Severstal has signed a memorandum of understanding with India's NMDC Ltd to create a 50/50 joint venture integrated steel unit in Karnataka State, the facility will have an annual capacity of 2 million tonnes.

UAE's VMK Steel Bars MFG has announced that it will be starting commercial production of reinforcing bar in the first half of 2011. Production at the 200,000 tonne per year unit was initially scheduled to begin in 2009 but the start date was postponed.

The Evraz Group has acquired a 75 percent stake in Russia's biggest metal trader, Inprom. The takeover was approved last month by the country's anti-monopoly service (FAS).

Ukraine's Alchevsk Steelworks has temporarily suspended production at its mill 600. This action was taken due to a shortage of raw materials and profitability issues.

In Russia, NLMK has revealed plans to launch a new mini-mill in Kaluga by 2012. The steelmaker has begun to install the equipment at the proposed site.

MERCHANT BAR

Russian steelmakers have reported a rise in trader procurement activity. This has been motivated by the desire to avoid February's price increase. MMK has reduced its selling figures, on average, by RUB300 per tonne. In contrast, Severstal has raised its ex-mill basis offers by 3 percent.

The January MEPS BRIC average selling price for merchant bar has advanced to above \$US730 per tonne. Indian and Russian mills passed on the burden of rising raw material costs. So far, this has not been practical in Brazil. Price gains were also made in China.

In Ukraine, the mills lifted quotations for January by between 1 percent and 4.8 percent. These offers were driven by higher raw material costs, particularly billet. Local steelmakers are expected to push up selling values again in February by UAH700/800 per tonne.

Demand for structural products has decreased in Turkey. The distribution network made large purchase in December, which has allowed steel merchants to avoid the latest price surge. The recent upward movement been driven by a hike in the cost of billet. The new levels are not supported by real demand. Exporters have struggled to sell material in the MENA region. Traditional customers have found the new export offers unattractive.

Emirates Steel Industries has postponed commercial production at its second DRI unit. The start date is now scheduled for March 2011. The project would raise the facility's annual capacity by 58 percent to 1.36 million tonnes.

Brazil's CSN has acquired a 4.9 percent interest in rival Usiminas. The investment was undertaken through affiliated companies.

Ukraine's Petrovsky is planning to construct a continuous casting facility, which includes a six strand billet coticaster and a ladle furnace. The project is scheduled to be completed in 2014.

ArcelorMittal Kryvyi Rih has revealed plans to construct a sintering plant by 2016. Construction will start in 2011. The total of financing will amount to UAH4.5 billion.

Izdemir in Turkey has revealed plans to commission a 400,000 per annum medium sections unit. Construction work will commence this year, and the facility is scheduled to be operational by late 2012.

REGIONAL AVERAGE TRANSACTION PRICES (\$US/tonne)

		BRIC		LATIN AMERICA		C.I.S.		MIDDLE EAST	
		Last Month	This Month	Last Month	This Month	Last Month	This Month	Last Month	This Month
Hot Rolled Coils	:High	714	758	832	857	599	671	700	750
	:Low	682	704	786	815	550	582	660	720
Hot Rolled Plates	:High	-	-	-	-	631	679	710	750
	:Low	-	-	-	-	602	642	690	720
Cold Rolled Coils	:High	841	878	947	974	718	772	790	800
	:Low	783	810	904	935	677	697	760	780
Hot Dipped Galvanised Coils	:High	953	983	1108	1118	835	900	840	900
	:Low	858	884	964	968	801	810	820	850
Wire Rod	:High	722	744	933	932	616	680	660	730
	:Low	644	660	840	839	563	596	645	720
Medium Sections and Beams	:High	832	856	1027	1038	777	794	730	760
	:Low	770	795	956	959	739	760	700	740
Rebars	:High	783	813	960	960	627	696	680	750
	:Low	700	720	874	874	570	636	680	750
Merchant Bars	:High	756	804	991	1007	632	710	720	770
	:Low	704	730	935	950	610	652	700	760

BRIC prices are an arithmetic average of the transaction values identified in Brazil, Russia, India and China, converted into US dollars in accordance with exchange rates in this issue. Latin America average prices are derived from an arithmetic average of the low values identified in Brazil and Mexico. CIS average prices are derived from an arithmetic average of the low values identified in Russia and Ukraine. Middle East average prices are derived from the low values identified in UAE.

REGIONAL AVERAGE TRANSACTION PRICE INDICES

January 2009=100	BRIC		LATIN AMERICA		C.I.S.		MIDDLE EAST	
	Last Month	This Month	Last Month	This Month	Last Month	This Month	Last Month	This Month
Hot Rolled Coils	116.2	119.9	106.5	110.4	143.6	152.0	154.6	168.7
Hot Rolled Plates	-	-	-	-	118.7	126.6	115.5	120.6
Cold Rolled Coils	117.7	121.8	110.8	114.6	133.3	137.2	152.6	156.6
H. D. Galv. Coils	102.6	105.7	93.9	94.3	106.9	108.1	135.1	140.0
Wire Rod	129.3	132.5	131.7	131.5	170.6	180.6	134.4	150.0
M.Sections & Beams	115.4	119.2	126.3	126.7	110.6	113.8	116.7	123.3
Rebars	140.0	144.0	155.5	155.5	168.6	188.2	139.8	157.0
Merchant Bars	133.6	138.5	134.7	136.9	177.8	190.1	134.6	146.1

Price indices are calculated using the low figures in the above table - January 2009=100.

WORLD/REGIONAL AVERAGE TRANSACTION PRICES (\$US/tonne)

		WORLD		E.U.		N. AMERICA		ASIA	
		Last Month	This Month	Last Month	This Month	Last Month	This Month	Last Month	This Month
Hot Rolled Coils	:High	717	797	728	762	733	887	691	741
	:Low	663	742	671	708	671	825	647	694
Hot Rolled Plates	:High	832	894	851	887	878	977	767	817
	:Low	782	841	811	841	817	916	717	767
Cold Rolled Coils	:High	828	910	849	892	813	971	821	866
	:Low	772	853	791	835	743	901	781	824
Hot Dipped Galvanised Coils	:High	927	1011	909	944	936	1089	937	999
	:Low	863	946	851	888	857	1010	880	940
Wire Rod	:High	734	817	661	758	830	930	711	762
	:Low	688	770	630	727	760	860	674	724
Medium Sections and Beams	:High	846	907	859	917	894	961	785	842
	:Low	794	855	800	859	833	901	749	806
Rebars	:High	689	776	637	745	755	849	674	735
	:Low	653	740	608	715	712	806	640	700
Merchant Bars	:High	799	860	778	857	876	929	742	795
	:Low	759	824	734	816	838	893	704	764

The World prices are an arithmetic average of the transaction values identified in three regions (EU, Asia, and North America), converted into US dollars in accordance with exchange rates in this issue. EU average prices are computed from a weighted average (based on consumption) of the low values identified in Germany, France, Italy, UK and Spain. North American average prices are computed from a weighted average of the low prices identified in USA and Canada. Asian average prices are derived from an arithmetic average of the low transaction values identified in Japan, Taiwan, South Korea and China. Individual product price forecasts are available. Please visit <http://www.mepps.co.uk/world-price.htm>.

WORLD/REGIONAL AVERAGE TRANSACTION PRICE INDICES

January 1997=100	WORLD		E.U.		N. AMERICA		ASIA	
	Last Month	This Month	Last Month	This Month	Last Month	This Month	Last Month	This Month
Hot Rolled Coils	188.4	210.8	207.1	218.5	167.8	206.3	195.5	209.7
Hot Rolled Plates	199.0	214.0	227.2	235.6	179.6	201.3	195.4	209.0
Cold Rolled Coils	162.5	179.6	175.0	184.7	144.3	175.0	170.2	179.5
H. D. Galv. Coils	148.8	163.1	148.8	155.2	143.6	169.2	154.1	164.6
Wire Rod	221.9	248.4	214.3	247.3	245.2	277.4	206.1	221.4
M.Sections & Beams	185.1	199.3	184.8	198.4	189.3	204.8	181.4	195.2
Rebars	214.1	242.6	215.6	253.5	215.8	244.2	211.2	231.0
Merchant Bars	226.6	246.0	229.4	255.0	261.9	279.1	192.9	209.3

Price indices are calculated using the low figures in the above table - January 1997=100. Please note, EU price indices in this table are calculated using dollar values and will differ from the euro figures listed on our website.

TRANSACTION PRICE INDICES (based on local currency per tonne values)

	Brazil	Russia	India	China	Ukraine	Turkey	UAE	S Africa	Mexico
HR Coil	79.5	133.8	115.2	125.9	156.4	153.9	168.7	89.8	104.9
HR Plate	-	119.6	101.9	135.8	120.6	97.0	120.6	79.3	87.5
CR Coil	83.7	122.9	117.2	131.8	138.4	168.7	156.6	93.4	106.6
H.D. Galv Coil	65.5	94.6	125.4	130.9	113.3	132.9	140.0	90.2	95.0
Wire Rod	110.7	193.2	93.3	112.9	151.5	165.9	150.0	85.3	103.9
Med. Sections	105.6	105.8	96.1	124.9	110.0	114.7	123.3	98.7	99.6
Rebar	125.0	197.2	94.5	131.6	161.9	160.1	157.0	86.9	126.8
Merchant Bar	116.1	171.2	99.2	128.3	188.9	140.0	146.1	89.5	106.6

Price indices are calculated using the low figures in the transaction price tables - January 2009=100.

The February issue of the **MEPS DEVELOPING MARKETS' STEEL REVIEW** will be dispatched on 23 February, 2011.

PRICE DEFINITIONS

The transaction prices in this publication relate to those agreed by steelmakers and service centres for prime material in the specified products defined in the relevant tables. The prices are for regular business transactions between customers and their local steel mills, negotiated during the current month for delivery in the future. United Arab Emirates is an exception to this rule. *These values are import prices cfr, local port. The transaction prices include all extras for the lowest priced grade of steel in the selected product form - sold ex mill.

Delivery charges and local taxes are not included in the quoted prices. Long term contract deals arranged in the domestic market, or agreements for lots of imported steel, are specifically excluded from our price evaluation.

All price and market data is researched by MEPS staff and its local correspondents. High and low values are provided to reflect the range of prices in the market between major and minor customers. Research is conducted during the early weeks of each month. Changes in the latter part of the month would be incorporated in the next issue.

Please note the transaction references in the different geographic areas:-

Russia - Flat Products - Volga region

Russia - Long Products - Volga & North Caucasus

Ukraine - Long Products - Dnepropetrovsk

India - Flat Products - Delhi

India - Long Products - Mumbai

China - Spot transactions between the mills first tier distributors or consumers in the Guanqzhou region

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.

MEPS REGULAR REPORTS

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.



EUROPEAN STEEL REVIEW SUPPLEMENT (monthly)

A sister publication to the European Steel Review. The range of data is extended in this report. Price and market information is supplied for a further six nations, including - Denmark, Sweden, Finland, Holland, Austria and Norway. Euro comparisons are also included. Details of Nordic 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.



STAINLESS STEEL REVIEW (monthly)

This publication provides stainless steel price and market information for hot rolled plate, hot and cold rolled strip, plus two bar products. Two austenitic and ferritic grades are assessed in thirteen countries around the world covering 65% of global consumption. Details of basis price negotiations and alloy surcharge values, where applicable, are incorporated. Transaction price forecasts are included. Estimates of alloy surcharges three months ahead are also included in each issue.



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