

EUROPEAN STEEL REVIEW

KEYNOTE

JANUARY 2011

RAMPANT STEEL PRICE RISES IN EU MARKET

Although consumption has changed very little, domestic producers are poised to lift second quarter offers because of raw material price developments and energy cost increases. Outlay on iron ore is forecast to rise and coking coal shipments from Australia are being affected by the floods. Steel output has been curbed and some restocking is expected to get underway shortly. Exchange rates are favourable for the European mills. Third country influence is lacking since import prices have risen considerably of late. Moreover, customers are still loathe to commit to long delivery lead times.

German distributors report that there has been a turnaround in market sentiment since the

Christmas/New Year holidays, with some small but steady improvement in demand. Late period one business has been finalised at higher prices than those published in our December issue. Buyers are looking for tonnages for March because they expect basis values to continue to climb in the second trimester. Service centres reduced stocks towards the end of 2010 and now need to rebuild them.

In France, demand has been improving somewhat but remains quite moderate. Activity in the auto industry is still flat. Buyers ordered first quarter production, at the end of last year, at figures above those agreed earlier in December. Order books for period one are now

TABLE 1. FLAT ROLLED PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES - GERMANY

price/tonne	2010					2011	
	AUG	SEP	OCT	NOV	DEC	JAN	
Hot-Rolled Coil	High:	630	600	560	540	530	570
	Low:	580	550	510	490	480	520
Hot-Rolled Plate	High:	680	690	690	630	620	660
	Low:	650	660	660	610	600	630
Cold-Rolled Coil	High:	700	670	640	630	620	660
	Low:	660	630	600	590	580	620
Hot Dipped Galvanised Coil	High:	720	690	650	630	620	650
	Low:	670	640	600	590	580	610
Electro-Zinc Coated Coil	High:	710	690	650	640	630	680
	Low:	660	640	600	590	580	630
Stainless Steel Type 304	High:	1260	1260	1260	1260	1260	1230
	Low:	1160	1160	1160	1160	1160	1130
Stainless Steel Type 430	High:	1160	1160	1160	1080	1080	1080
	Low:	1110	1110	1110	1030	1030	1030

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closed but mills are not yet quoting prices for the second trimester.

Today's Italian pricing environment is described as "dynamic and fast moving". Domestic selling values continued their positive developments during the course of December. European suppliers have yet to present their new pricing policies but expectations are for more hikes of €30/50 per tonne, depending on product. Traders have some stock now arriving at the ports which was bought in November/December, in some instances €50/70 per tonne below current figures.

In the UK, the major mills are out of the market for the remainder of period one, having sold January/February material at relatively low prices. They have still to produce new basis values for the second trimester. Traders have very little stock and third country import quotations are scarce. These facts, together with the escalation in mill input costs, have led to the anticipation of much more expensive steel for April. Distributors report that resale prices had already hardened by around £20 per tonne in the first few working days of 2011 and that business

levels are satisfactory.

In Belgium, basis figures are moving up because suppliers have higher production costs. However, the increases are not justified by any real growth in sales. Independently owned distributors, having rebuilt some of their inventories at the end of last year, are not desperate to reorder yet. There are few new non-EU offers because local selling values are still below international levels. Moreover, the extended delivery lead times are not attractive to buyers in the current climate.

In Spain, the start of the new year has been quiet, so far. In the period between our December research and the end of 2010, basis numbers continued to expand. Consumption is still low but service centres have been ordering a little more as they see that the trend is upwards. Although the major European producers have yet to publish official prices, buyers believe it is likely that they will boost them by €20/30 per tonne as the first quarter progresses, followed by a more substantial hike in April. Domestic mills have very little tonnage still available for January/February.

FLAT PRODUCTS

HOT ROLLED COIL

In Germany, the mills failed to implement any large increases for the early part of the first quarter but customers have settled business for February/March production at higher prices than those negotiated for January business. The likelihood is that they will pay even more in period two because of a lack of capacity in Europe. In addition, there are few third country offers because the weakness of the euro continues to discourage overseas suppliers. Demand has improved

slightly in France, where producers have secured a small advance for March output. They will look for further growth in April. The upward price momentum continues in Italy. Mills implemented another €40 per tonne hike between early and late December. Currently, non-EU offers are very high - ranging from €570 per tonne from China to €620 per tonne from South Korea and Turkey.

Although deliveries to the tubemakers have picked up a little, there are few signs of any significant recovery in UK general consumption. Very little additional purchasing

TABLE 2. LONG PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES - GERMANY (€/tonne)

		2010					2011
		AUG	SEP	OCT	NOV	DEC	JAN
Wire Rod	High:	580	520	520	500	500	570
	Low:	560	500	500	480	480	550
Medium Sections and Beams	High:	660	660	610	580	590	640
	Low:	600	600	550	520	530	580
Rebars	High:	250	310	280	280	310	400
	Low:	230	290	260	260	290	380
Merchant Bars	High:	280	295	275	255	295	380
	Low:	235	250	230	210	250	340

**MEPS - API LINEPIPE STEEL PRICE INDEX
X60/65 COMPOSITE**

	Hot Rolled Plate		Hot Rolled Coil	
	Q3/10	Q4/10	Q3/10	Q4/10
EU Average				
Non Sour	122.1	119.6	143.4	137.7
Sour	121.9	121.1	145.2	140.5

* Q4/06 = 100 - based on Euro values
** p = Provisional e = Estimate

**MEPS - STEELPPI - AUTOMOTIVE
Auto Body Parts Composite Index**

	Nov-10	Dec-10	Jan-11
EU Average	83.8	83.8	87.4
Year-on-year % +/-	8.1	9.3	23.3

* Jan 07 = 100 - based on transaction prices
** STEELPPI - Steel Purchasing Price Index

took place before Christmas, despite expectations of basis rises for February/March. Third country imports are not influencing the market since customers feel that such contracts are rather risky. In Belgium, the mills have now achieved the advance they required in early December. Spanish numbers hardened in the run up to Christmas as buyers went on a purchasing spree. There are no real new import opportunities, with third country suppliers quoting at €605 per tonne, effective. However, some quantities of hot rolled coil are arriving at the docks at €570/585 per tonne effective.

HOT ROLLED PLATE

European commercial grade plate prices picked up rapidly during the second half of December, driven by higher input costs and some restocking by distributors. Both rerollers and the integrated producers benefited from the increases. Third country values are also soaring, making material from those sources quite unattractive. The demand outlook is very good for the higher specifications, with the energy sector performing particularly well. There is a great deal of investment at present in the offshore and linepipe markets.

In Germany, stocks of commodity plate are rather low, perhaps not sufficient for current demand. Consequently, distributors need to buy. As slab and coking coal are becoming scarce, it could well become a seller's market. Prices could easily rise to well above €700 per tonne in the second quarter, especially as slab is going up more quickly than plate at present. Basis numbers are on the rise in France. At least part of the anticipated €30 per tonne hike has already been achieved. Although a small recovery in project work is forecast, Italian demand is still relatively low and there is no lack of plate availability. Nevertheless, local mills have successfully targeted higher prices as import pressure has eased. They will be looking to boost them further in the near future.

Activity levels are reviving in the UK, although the high quality specifications are performing much better than the commodity grades. Yellow goods, boiler making and offshore related processing are particularly healthy. There

is little, or no, import pressure, since overseas offers reflect the recent £40 per tonne hike announced by Tata Steel for deliveries from January 1. The proposed advance is mainly driven by input costs. However, prices are already demonstrating some upward movement. Basis figures for the lower grades have been lifted in the Belgian market. Spanish sales are flat with 2011 likely to be another tough year. Most customers have sufficient stock to see them through to February before they need to reorder. ArcelorMittal's facility in the north of the country did not reopen until January 10 after an extended holiday stoppage. However, the market is picking up from a pricing point of view.

COLD ROLLED COIL

An already tight supply situation in the European cold rolled coil market is expected to be exacerbated by the recent fire at a picking line at Tata's IJmuiden works. In Germany, auto demand is relatively strong with cold rolled availability quite limited. Activity in the general market is also a little better than of late as buyers are ordering greater than normal quantities ahead of planned

**TABLE 3. COMPARISON OF LOW MARKET
DOMESTIC BASIS PRICES - COLD ROLLED COIL**

	Local Currency		US\$/Tonne	
	last month	this month	last month	this month
Germany	580	620	763	807
France	580	630	763	820
Italy	590	630	776	820
UK	515	515	802	797
Belgium	590	640	776	833
Spain	580	650	763	846

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

TABLE 4. FLAT ROLLED PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES

		Germany (€)	France (€)	Italy (€)	UK (£)	UK (€)	Belgium (€)	Spain (€)
Hot Rolled Coil	High:	570	560	570	460	547	560	570
	Low:	520	520	530	430	511	520	540
Hot Rolled Plates	High:	660	690	660	580	690	690	640
	Low:	630	640	630	550	654	650	590
Cold Rolled Coil	High:	660	680	680	550	654	690	690
	Low:	620	630	630	515	612	640	650
Hot Dipped Galvanised Coil	High:	650	650	660	545	648	680	690
	Low:	610	600	610	515	612	630	650
Electro-Zinc Coated Coil	High:	680	700	690	560	666	690	720
	Low:	630	660	650	520	618	640	680
Stainless Cold (a) Rolled Type 304	High:	1230	1120	1130	1015	1207	1180	1076
	Low:	1130	1070	1080	945	1124	1130	1026
Stainless Cold (a) Rolled Type 430	High:	1080	1030	1050	1005	1195	—	1077
	Low:	1030	980	1000	980	1165	—	1047
MONTH on MONTH % CHANGE								
Hot Rolled Coil	Low:	8.3	4.0	8.2	0.0	0.4	8.3	12.5
Hot Rolled Plates	Low:	5.0	3.2	6.8	5.8	6.3	8.3	1.7
Cold Rolled Coil	Low:	6.9	8.6	6.8	0.0	0.5	8.5	12.1
H.D. Galv Coil	Low:	5.2	5.3	10.9	0.0	0.5	8.6	12.1
E.Z. Coated Coil	Low:	8.6	8.2	8.3	0.0	0.5	8.5	11.5
S/S CR Type 304	Low:	-2.6	-4.5	0.0	0.0	0.5	-2.6	-3.4
S/S CR Type 430	Low:	0.0	-2.0	0.0	0.0	0.4	—	1.7

BASIS PRICE AND PRODUCT DEFINITIONS

Negotiated basis price ranges pertain to new purchases for mainstream business agreed 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 unless otherwise stated.

Extras for size cutting, testing, transport etc. are excluded except where specified.
Notes: (a) Basis - 1.5mm thick.

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

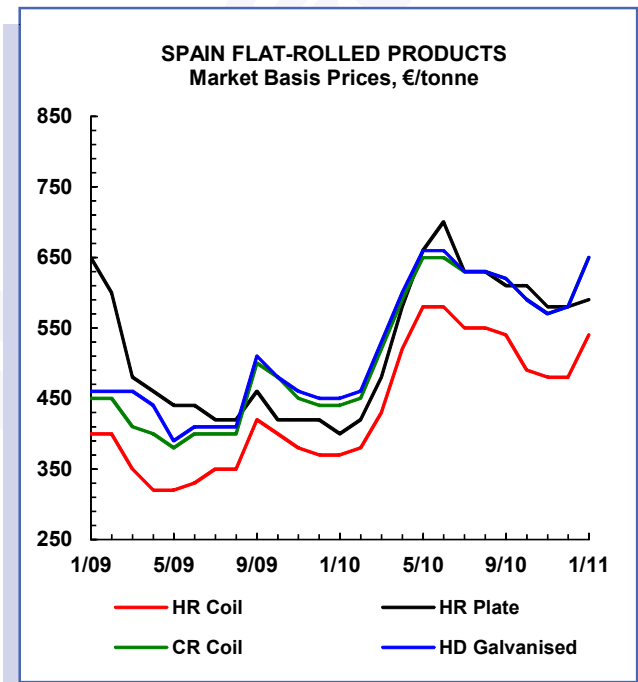
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price hikes. French end-users are starting to purchase more material. Buyers have agreed a €50 per tonne advance for late first quarter business. They expect to pay substantially more per tonne in April. Italian customers conceded another increase in the run-up to Christmas. Current import prices are €700 per tonne from Turkey on eight weeks delivery lead time and €620 per tonne from China.

In early 2011, UK stockists report that they are quite busy. Third country imports, for delivery in April, are now £70 per tonne above the equivalent quotations in November. European supplies are restricted. Basis numbers are climbing rapidly in Belgium as many factors favour an increase. However, service centres are still wary of ordering too much material. In Spain, availability is scarce from both domestic and overseas sources. Customers conceded a €70 per tonne advance during late fourth quarter negotiations for January/February delivery.

COATED COILS

Hot dipped galvanised coil figures in the German general market are €30 per tonne above those reported four weeks ago. The carmakers have good order books for the start of this year. French values have been under pressure due to the arrival at the end of 2010 of substantial amounts of Turkish material. Nevertheless, current domestic basis numbers are more expensive than those quoted at the start of December and customers envisage further significant hikes in the second trimester. Sales to the Italian auto industry continue to be disappointing, with no signals for any revival this year. Demand from the construction sector is also muted. However, cost factors helped the mills to secure a €60 per tonne rise during mid/late December. In the UK, non-EU supply is hard to locate at attractive prices. Chinese producers are quoting £640 per tonne, effective delivered, for 0.8mm thickness for arrival June. In addition, traders have limited tonnages of unsold stock. In Belgium, the vehicle manufacturers still have good order books. Customers have agreed to pay more during recent settlements. The outlook for auto production during 2011 is not optimistic in Spain. Domestic coated steel sales have been concluded at €70 per tonne above our December



numbers. Third country material is starting to arrive at the ports at €680/690 per tonne, effective.

In Germany, customers have agreed a substantial increase on electro-zinc coated coil for March delivery. We have also noted a similar upward development in France. Italian sales are considered to be satisfactory. Basis numbers have gained €50 per tonne since our early December report. The UK market is fairly dull. Basis figures are firm. Belgian buyers accepted an advance in the run-up to the winter vacation. Spanish suppliers ramped up prices again for period one business.

STAINLESS COLD ROLLED COIL

In December, ex-mill basis values for austenitic stainless steel fell in Germany, France and Belgium as suppliers engaged in the annual scramble to reduce year-end stock levels. Transaction figures were lower in all six countries under review because the alloy surcharge decreased. Ferritic basis numbers were generally steady with the exception of France, where a small downward movement was noted.

LONG PRODUCTS

Long product values are currently rising very fast in the European market, following a concerted push by producers, due to the continuous surge in scrap prices. Most distributors only purchased relatively small quantities at the end of last year and now need to buy in order to increase their stock levels. End-user activity has improved slightly but remains subdued.

WIRE ROD

In Germany, prices for low carbon wire rod are considerably higher than in December. Although sales of recoil are still quite difficult to conclude, producers have lifted selling values by over €100 per tonne as they fight to claw back their soaring input costs. We can

report a more positive pricing situation in the French drawing rod market, whilst mesh quality values are now quoted at €510/540 per tonne - an advance of €30 per tonne. Italian numbers for low carbon wire rod have gained €70 per tonne, despite sluggish consumption by the wire drawing sector. Although buyers are only purchasing small amounts of recoil, domestic prices have moved up by a similar amount.

In the UK, Tata Steel has proposed a £50 per tonne hike for first quarter carbon wire rod business. A proportion of this has been secured for the basic drawing qualities. The full amount may be easier to achieve for sales of the higher specifications. Demand

is still very flat with few real customers left in the UK. Values for the mesh material have climbed substantially. Prices of the drawing grades are increasing in Belgium and Spain due to greater input costs. Further hikes are anticipated for the second trimester. In the latter country, demand for recoil is lacklustre. Nevertheless, the mills have forced through another massive advance.

MEDIUM SECTIONS AND BEAMS

Both Gallardo and ArcelorMittal have tabled proposals for substantial increases on February deliveries, which will see effective prices for Category 1 beams go up to

TABLE 5. LONG PRODUCTS - NEGOTIATED DOMESTIC BASIS PRICES

price/tonne		Germany	France	Italy	UK+	UK+	Belgium	Spain
		(€)	(€)	(€)	(£)	(€)	(€)	(€)
Wire Rod (b)	High:	570	550	580	490	583	550	570
	Low:	550	520	560	460	547	520	550
Medium Sections & Beams* (c)	High:	640	660	655	540	642	700	660
	Low:	580	630	635	520	618	650	610
Rebar (d)	High:	400	370	345	480	571	350	380
	Low:	380	350	325	450	535	320	350
Merchant Bar (e)	High:	380	355	300	520	618	340	320
	Low:	340	330	280	500	595	320	270
MONTH on MONTH % CHANGE								
Wire Rod	Low:	14.6	8.3	14.3	7.0	7.5	4.0	11.1
M.Sect. & Beams	Low:	9.4	12.5	6.7	6.1	6.6	8.3	13.0
Rebar	Low:	31.0	34.6	41.3	8.4	9.0	18.5	29.6
Merchant Bar	Low:	36.0	32.0	27.3	4.2	4.8	28.0	28.6

BASIS PRICE AND PRODUCT DEFINITIONS

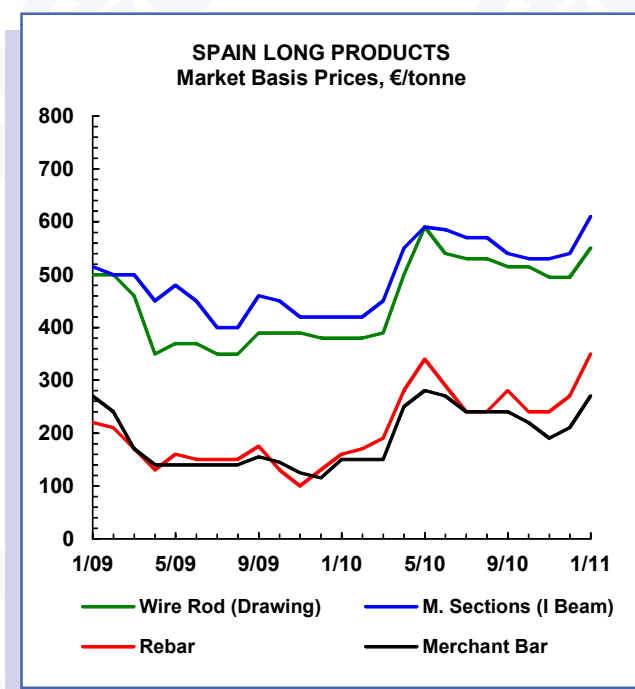
* Due to the suspension of scrap surcharges by all major European producers from June 2010, MEPS basis prices for Medium Sections & Beams are now equivalent to transaction prices for category C1 beams.

Negotiated basis price ranges 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 unless otherwise stated.

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

- Notes:
- + All UK prices include size extra
 - (b) Drawing quality. This product incorporates a quality extra.
 - (c) Category C1. Includes size extras.
 - (d) High Yield - deformed.
 - (e) Round Bar.

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



€650 per tonne, as they are confronted with sharply climbing input costs.

German consumption is expected to be stable in 2011 at the relatively low levels experienced last year. This has not stopped suppliers trying to lift effective prices. In France, sales to end-users are quite weak. Some construction companies are in financial difficulties. Business for February, which is now closed, has been concluded at significantly higher levels. Mills say they are aiming to achieve €670 per tonne, effective, for March. Supply has been slightly limited by Gallardo's closure of several weeks. Italian demand is so low that some producers are extending their December shutdowns into January/February. The government continues to proceed very slowly with the introduction of new infrastructure projects. Nevertheless, the producers have clawed back at least a part of their escalating input costs.

The January £50 per tonne hike announced by Tata Steel has been, at least partially, implemented in the UK and is supported by the mainland European mills. Some service centres report that market activity has been worse since the holidays than it was in December. 2011 is likely to be very tough with relatively low consumption. The postponement of the school building programme will have a detrimental effect on demand. Moreover, new warehouse, hotel and shopping centre projects have been badly hit by the poor financial climate. Currently, stocks of beams are depleted and buyers will need to start ordering at some point. The steelmakers have secured a price of €650 per tonne, effective, for new business in Belgium - a rise of €50 per tonne since our

last report. The situation in Spain is dismal due to a shortage of construction projects. Even so, prices have hardened further this month.

REINFORCING BARS

Market values, having continued to shoot up during the latter half of December 2010, gained as much as €50/60 per tonne in the first two weeks of January. The mills are being compelled to pay more and more for their scrap supplies and must base their steel prices on their latest costs or lose money. Several producers are being extremely cautious by only taking orders once they have secured the scrap.

German demand at the start of January was slow, with many customers still to return to normal working after the holidays. Since then, activity has steadily improved. Buyers are surprised by the amount of the price increases but they are being accepted. Indeed, more hikes are expected in the second half of the month. In France, rebar has gone up by €90 per tonne since the beginning of December and could soon reach €400 per tonne, basis. The hikes certainly cannot be justified by the current level of activity. Italian mills have firm order books for January and into February, based on reduced output. As their costs have soared, they are determined to recoup some of the expense from their customers by means of massive upward price adjustments.

The UK market remains quiet after the winter vacation. However, selling values continued to advance quite rapidly during mid/late December. The mills are now quoting much higher numbers than pre-Christmas. Buyers are, initially, putting up some resistance as they try to come to terms with such huge increases whilst demand is so flat. Even though rebar figures have been boosted quite significantly in Belgium, scrap is heading upwards even quicker. Spanish prices maintain their relentless positive trend whilst domestic sales are poor, although activity is expected to rebound somewhat later in the month. Local rebarmakers resumed output in the second week of January after an extended Christmas/New Year stoppage. They are exporting at €520/530 per tonne, fob - the main destinations being north and west Africa.

MERCHANT BAR

Although German construction activity remains dull, sales to the mechanical engineering sector are improving. Basis numbers are well above the December level. Buyers are more keen to place orders now that the market is firming. Suppliers have ramped up selling values in France. Having reached €330/355 per tonne at the beginning of this month, they are expected to make further gains quite soon, despite subdued sales. Demand

from Italian consumers remains sluggish. However, steelmakers have negotiated a considerable cost related increase.

Following a successful early December hike, UK mills have secured another £20 per tonne in early January. Further sizeable scrap driven increases are expected before the end of the month. The advances are certainly not demand led. Producers complain that they have been losing money due to raw material developments

and see no alternative but to instigate higher prices. Import offers, mainly from Continental Europe, are few and far between. Mills supplying the Belgian market report excellent order books relative to their constrained capacities. As anticipated in our last report, basis figures have climbed to €320/340 per tonne - an advance of €70 per tonne. There is no import pressure at present. Despite weak consumption, suppliers serving Spanish clients have successfully made further upward price adjustments.

MARKET/INDUSTRY SCENE

AUTOMOTIVE

According to data released by ACEA, the European Automobile Manufacturers' Association, new passenger car registrations in the EU27 + EFTA fell by 4.9 percent in 2010, compared to the previous year. This follows a decline of 1.6 percent in 2009. Considerable increases of over one quarter were recorded in Denmark, Ireland, Portugal and Sweden. Conversely, significant reductions have been noted in Bulgaria, Germany, Greece and Hungary. The total number of cars registered in the

EU27 + EFTA region in the January/December 2010 period was 13,785,698.

EU PRODUCTION

MEPS forecasts steel output in the European Union at near 173 million tonnes in 2010 - up 24.2 percent over the previous year's outturn. The UK is expected to be one of only four countries across the globe whose steel output will be down in the twelve month period. Modest growth is anticipated in the region in 2011 and 2012.

MEDIUM TERM PRICE FORECASTS

CARBON STEEL HOT FLAT PRODUCTS

The MEPS - EU Average Hot Rolled Coil transaction value climbed by over €30 per tonne in January. A similar increase was noted for hot rolled plate. Escalating raw material costs pushed prices higher, despite muted end-user demand.

We have made significant upgrades to our forecasts this month. Iron ore costs have already risen by over 13 percent since the end of the last reference period for the quarterly contracts, with increases of over 16 percent anticipated for second period settlements. Coking coal prices are also expected to soar due to recent flooding in Australia. An upsurge in steel purchasing activity is predicted over the next few months as distributors look to re-fill depleted inventories. Consumption should also improve this year. Consequently, MEPS forecasts steel prices to advance considerably during the first half of 2011.

The anticipated high price rises may not be sustainable under current economic conditions. Weakening end-user demand could restrict the potential for further increases in transaction values later this year. The recent upturn in raw material costs is likely to falter in the third quarter,

restricting the upward momentum in steel selling figures around the middle of the year. A slowdown in purchasing activity during the second half of 2011 is likely to result in downward movement in transaction values over this period.

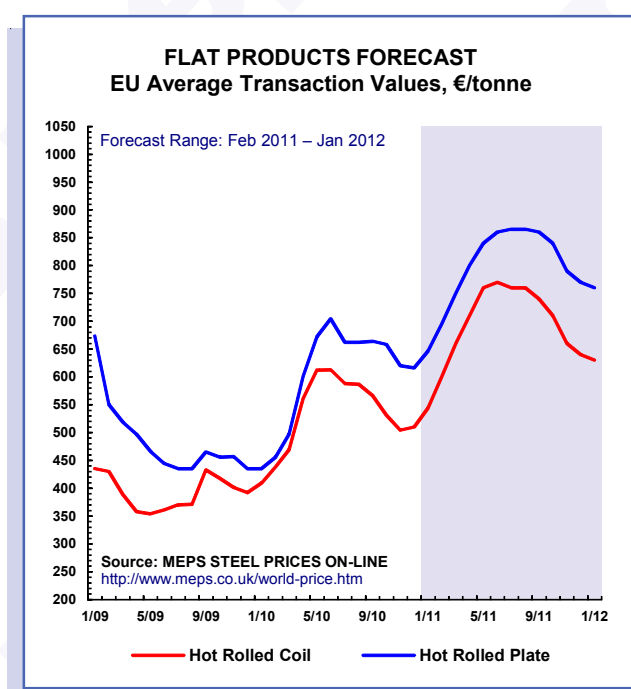


TABLE 6. EU AVERAGE DOMESTIC TRANSACTION PRICE FORECASTS

Euro/tonne	Actual	Forecast					
	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11
Hot Rolled Coil	544	600	660	710	760	770	760
Hot Rolled Plate	646	695	750	800	840	860	865
Cold Rolled Coil	641	690	750	800	845	850	840
H.D. Galv Coil	682	735	795	845	890	900	890
E.Z. Coated Coil	701	750	805	855	900	905	895
Wire Rod	558	605	650	685	695	700	695
M. Sect. & Beams	660	720	775	820	835	845	840
Rebars	549	600	650	690	700	705	695
Merchant Bar	627	680	735	775	790	800	790

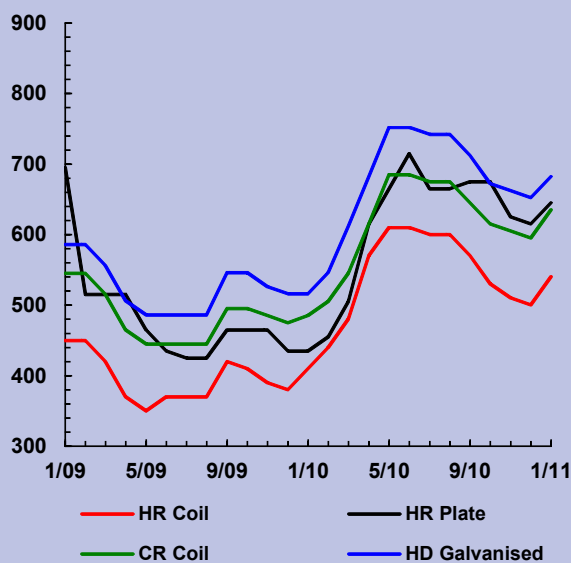
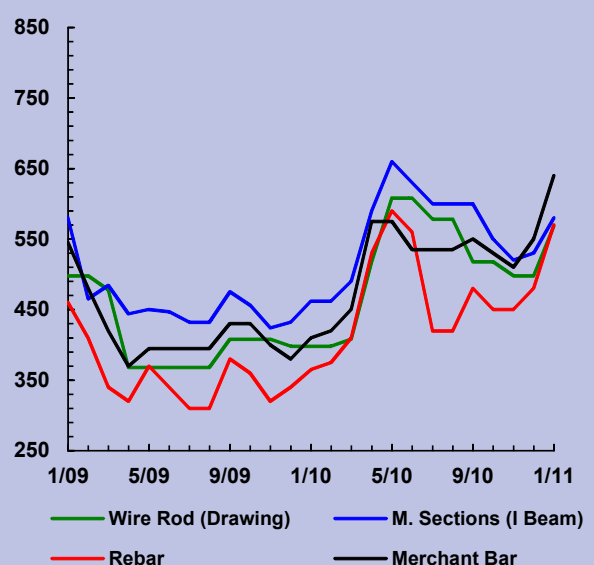
PRICE AND PRODUCT DEFINITIONS

Wire Rod - Mesh Quality

Medium Sections and Beams - H Beam

Merchant Bar - Equal Angle

Steel prices are computed from a weighted average (based on consumption) of the low values identified in the top five consuming countries for each product in the relevant period - collected in national currencies and converted into Euros using currency exchange rates effective at the start of each month to provide a basis for comparisons.

GERMANY FLAT-ROLLED PRODUCTS
Transaction Prices, €/tonneGERMANY LONG PRODUCTS
Transaction Prices, €/tonne

Transaction Price Data Sheet

TABLE 7. NEGOTIATED DOMESTIC TRANSACTION PRICES

FLAT PRODUCTS		EUAVG.	Germany	France	Italy	UK	UK	Spain
price/tonne		(€)	(€)	(€)	(€)	(£)	(€)	(€)
Hot Rolled Coil	High:	585	590	580	590	476	566	590
	Low:	544	540	540	550	446	530	560
Hot Rolled Plates	High:	681	675	705	670	594	706	654
	Low:	646	645	655	640	564	671	604
Cold Rolled Coil	High:	685	675	695	695	563	669	705
	Low:	641	635	645	645	528	628	665
Hot Dipped Galvanised Coil	High:	725	722	722	732	598	711	762
	Low:	682	682	672	682	568	675	722
Electro-Zinc Coated Coil	High:	745	739	759	749	603	717	779
	Low:	701	689	719	709	563	669	739
Stainless Cold (a) Rolled Type 304	High:	1172	1230	1120	1130	1015	1207	1076
	Low:	1099	1130	1070	1080	945	1124	1026
Stainless Cold (a) Rolled Type 430	High:	1079	1080	1030	1050	1005	1195	1077
	Low:	1034	1030	980	1000	980	1165	1047
LONG PRODUCTS		EUAVG.	Germany	France	Italy	UK	UK	Spain
price/tonne		(€)	(€)	(€)	(€)	(£)	(€)	(€)
Wire Rod (Drawing quality) *	High:	580	588	550	580	502	597	570
	Low:	557	568	520	560	472	561	550
Wire Rod (Mesh quality)	High:	582	610	540	560	490	583	600
	Low:	558	590	510	540	460	547	570
Medium Sections and Beams (I beam)	High:	649	640	660	655	540	642	660
	Low:	608	580	630	635	520	618	610
Medium Sections and Beams (H beam)	High:	704	690	710	740	580	690	710
	Low:	660	640	670	705	540	642	670
Reinforcing Bars	High:	572	590	580	555	480	571	590
	Low:	549	570	560	535	450	535	560
Merchant Bars (50mm diameter)	High:	641	680	655	600	520	618	620
	Low:	610	640	630	580	500	595	570
Merchant Bars (Equal Angle)	High:	658	700	675	620	520	618	640
	Low:	627	660	650	600	500	595	590

* Includes supplementary surcharge in the UK.

CURRENCY EXCHANGE RATES

January 6 - 2011

		Units/ US\$	Units/ Euro
Eurozone	(€)	0.768	1
UK	(£)	0.646	0.841

NEXT MONTH'S ISSUE

The February issue of the European Steel Review will be dispatched by post & PDF on 16 February, 2011.

Express Price Tables will be dispatched by e-mail in excel format on 9 February, 2011.

Copies of our main price tables can be supplied by email direct to your desktop. These are available within hours of completing our research. They will reach you approximately one week before the publication dispatch date.

**TRANSACTION PRICE INDEX - E.U. AVERAGE
JANUARY 1997 = 100**

<i>Based on Euro values</i>	<i>Dec-2010</i>	<i>Jan-2011</i>
Hot Rolled Coil	195.4	208.4
Hot Rolled Plate	214.6	225.1
Cold Rolled Coil	165.1	176.1
H.D. Galvanised Coil	140.3	147.9
Electro Zinc Coated Coil	155.6	166.5
Stainless Steel Type 304	91.4	89.5
Stainless Steel Type 430	92.0	91.8
Wire Rod	186.8	210.2
M. Sections & Beams	180.8	198.0
Reinforcing Bar	203.5	241.9
Merchant Bar	203.4	229.3

Note:-

Wire Rod (Drawing Quality) - 5.5mm diameter.
Medium Sections and Beams - Category C1. I Beam.
Merchant Bar - 50mm diameter.
Stainless Steel - Excluding alloy surcharge.

TRANSACTION PRICE AND PRODUCT DEFINITIONS

Transactions prices are the realised values obtained by the mills for the cheapest grade of steel in the size range specified for each product. These are determined by adding the relevant size extras to the negotiated ex-mill basis price for the selected product.

Transaction values relate to those paid by consumers and stockholders for prime material. The prices are for regular business between customers and their domestic steel mills, negotiated during the current month for delivery in the future. 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.

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.

Hot Dipped Galvanised Coils - 1mm thickness, width over 1.1 metres, coating thickness 275gm/m²

Electro-Zinc Coated Coils - 1mm thickness, width over 1.1 metres, standard coating.

Stainless Type 304 and 430 - 1.5mm thickness, width over 1.25 metres. - (excluding alloy surcharges).

Wire Rod (Drawing Quality) - 5.5mm diameter.

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

Medium Sections and Beams - Category C1. I Beam.

Medium Sections and Beams - 240 x 240mm H Beam.

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

Merchant Bar - 50mm diameter.

Merchant Bar - 50 x 50mm x 6mm equal angle.

MEPS REGULAR PUBLICATIONS

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.

DEVELOPING MARKETS' STEEL REVIEW (monthly)

This is a new report from MEPS outlining steel market trends in the increasingly important emerging markets around the world. Each edition carries steel prices in eight countries - India, UAE, Turkey, South Africa, Russia, Ukraine, Mexico and Brazil. Details of eight steel prices in the flat and long products sectors are available. Comprehensive commentaries are included.

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