



EUROPEAN STEEL REVIEW

KEYNOTE

JUNE 2009

THE MEPS - EU AVERAGE FLAT PRODUCTS PRICE STABILISES IN JUNE - ENDING NINE CONSECUTIVE MONTHLY DECREASES

End-user demand for flat products remains weak and the traditionally slow summer season is approaching. However, buyers are coming back to the market, albeit only for relatively small quantities to replenish their dwindling stocks. Although EU producers have lifted their latest domestic offers, customers are hesitant to accept the increases. With the US dollar weakening against the euro and sterling, imported material is becoming more competitive. However, many purchasing executives still lack the confidence to order significant tonnages on such comparatively long delivery lead times, bearing in mind the woeful state of real consumption.

In Germany, Salzgitter plans to implement a price rise of €20 per tonne from July 1, citing a noticeable pick up in order intake due to inventory reductions. Lead times have in fact extended slightly to five/six weeks. Some purchasing is taking place but the majority of this is customers looking for small amounts of particular qualities/dimensions. There is virtually no buying to rebuild inventories. It is difficult to establish an indicative price level because the producers are dealing with each enquiry on an individual basis. Mill stocks are down but the steelmakers have tonnage that was rolled to order and is still awaiting call-off by the client. Service centres continue to lose

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

price/tonne		2009					
		JAN	FEB	MAR	APR	MAY	JUN
Hot-Rolled Coil	High:	500	480	450	420	400	400
	Low:	430	430	400	350	330	350
Hot-Rolled Plate	High:	730	550	550	550	480	450
	Low:	680	500	500	500	450	420
Cold-Rolled Coil	High:	580	580	550	500	480	480
	Low:	530	530	500	450	430	430
Hot Dipped Galvanised Coil	High:	580	580	550	500	480	480
	Low:	530	530	500	450	430	430
Electro-Zinc Coated Coil	High:	580	580	550	500	480	480
	Low:	530	530	500	450	430	430
Stainless Steel Type 304	High:	990	940	829	950	1000	1050
	Low:	890	840	729	850	900	950
Stainless Steel Type 430	High:	1130	1080	1080	1080	1130	1130
	Low:	1080	1030	1030	1030	1080	1080

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money on resale prices. The mills' integrated distribution networks are blamed for failing to support their owners' moves to lift values because of their aggressive sales techniques.

As demand remains weak in the French market, producers have been struggling to implement price rises. Nevertheless, values seem to have reached the bottom. However, buyers feel that further hikes will be limited to the level of real consumption. Generally, stocks are said to be at normal levels but there are disparities between warehouses and products. Strip mill prices have moved up by €10/15 per tonne but poor sales hamper further increases.

In Italy, the mills report that any significant recovery is still some way off. They continue to work at vastly reduced rates of capacity utilisation. The market is flat and the situation uncertain. There are tentative moves by some steelmakers to boost prices but buyers believe there is no likelihood of success at present. Stock levels at the service centres are in surplus. Importers are putting up their quotations but this does not reflect any improvement in Italian demand.

The effects of the mills' severe output cuts are starting

to become apparent in the UK, although tighter supply has yet to translate into positive price movements. Underlying demand remains poor but buyers are more confident to order forward, albeit only modest tonnages, mainly reflecting the need to plug holes that have appeared in their inventories. The consensus view is that prices have now sunk as low as they can get, with the possibility of marginally higher figures during the third quarter. Resale values in several instances are still not realistic, despite better adjusted stocks.

There are conflicting signals in the Belgian market. On a positive note, mill prices have stabilised, service centre inventories are becoming more in line with demand and credit insurers are less aggressive than earlier in the year. However, real consumption has not recovered, with some end-users seeing very little work in hand beyond August.

Suppliers in Spain report that enquires have stepped up over the last four weeks. Consumers are getting seriously low on stock and therefore require more material from the distributors. Service centre inventories are at a more comfortable tonnage now and should be harmonised with the reduced level of sales by the beginning of September.

FLAT PRODUCTS

HOT ROLLED COIL

We have noted a small pick up in purchasing activity in several EU countries, mainly due to stock replenishment. However, it seems unlikely that real consumption is firming. Local mills have now to deal with the threat of cheaper third country import offers.

The German market is quiet. Prices have reached the

bottom, with a number of customers agreeing to pay a €20 per tonne rise during recent negotiations. Whether the increase will hold throughout period three remains to be seen. Buyers are receiving foreign offers but few are tempted. These prices are roughly on a level with domestic ones and local material can be delivered within four/five weeks. Business activity in France has recorded some modest improvement, although customers are not placing orders far ahead, as yet.

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

		2009					
		JAN	FEB	MAR	APR	MAY	JUN
Wire Rod	High:	500	500	480	370	370	370
	Low:	480	480	460	350	350	350
Medium Sections and Beams	High:	520	460	460	420	445	420
	Low:	460	400	400	360	385	360
Rebars	High:	320	270	200	180	230	200
	Low:	270	220	150	130	180	150
Merchant Bars	High:	270	250	190	140	140	140
	Low:	250	230	170	120	120	120

Inventories are dwindling, which should lead to higher demand quite soon. Sales have not picked up so far in Italy but values are no longer under pressure - remaining stable for the third successive month. Turkish steel mills are quoting at €315 per tonne, cif.

In the UK, stock drawdown is almost complete with shortages developing of certain grades/sizes, thus providing some orders for domestic steelmakers. Hot rolled coil, the strongest of the strip mill products at present, has definite potential for an upward price movement in the near future. Belgian prices have strengthened, following last months stabilisation. Spanish buyers have agreed to a small price advance, albeit nowhere near as much as the producers are proposing. Fluctuations in US dollar exchange rates helped traders to sell US and Mexican material, for September arrival, at €330/340 per tonne, effective.

HOT ROLLED PLATE

Even the higher specifications of heavy plate are now adversely affected by the economic downturn. Commodity material is probably the weakest steel product in Germany right now. The market is described as "terrible" with huge stocks still to be run down. Offers from Italian re-rollers are reportedly depressing prices and Ukrainian mills are selling under €400 per tonne. Distributors' resale values are extremely poor. Inventory depletion is very protracted in France, where end-user demand is slow to recover. Selling values remain under pressure. Import quotations into Italy are uncompetitive. A number of infrastructure projects are helping to lift consumption. Distributors' stocks are no longer in surplus and local re-rollers have held prices at the May figures.

UK values have fallen further this month - some of the discounting could be a reaction to a potential import threat as sterling strengthens against both the US dollar and the euro. Moreover, demand is very poor and expected to remain so until the restocking cycle begins. Inventories are lower now because customers have held off purchasing for some time, waiting for prices to bottom out. Delivery lead times from the mills are already starting to extend because capacity closures have severely dented availability. Commercial grades of plate are the worst hit, with demand for the higher specifications holding up better. Belgian suppliers have been forced to concede another discount. Spanish values are now touching the floor. Sales to the wind tower sector are just about reasonable but many approved projects have been postponed because of a lack of immediate finance. Material, already produced for some of these, is now lying around waiting for the developments to restart.

COLD ROLLED COIL

German stocks are declining but still buyers are only ordering just what they need. They want to purchase the minimum quantities and have them delivered as quickly as possible. No pick up in real consumption is envisaged until the end of the year at the earliest. In the current economic climate, a price hike does not appear feasible. There is some re-ordering underway in France, albeit limited. A number of end-users are buying and several distributors are refilling gaps in stocks, which gives grounds for optimism. In contrast, other service centres say they are not yet in a position to purchase anything. Italian domestic values have moved down marginally. There are still problems in the distribution sector because demand from the final customer is slow to improve. Turkish suppliers are quoting limited quantities at €360 per tonne, cif, which some customers find attractive. Since their local market is now showing renewed signs of life, this has affected the export potential of the Turkish producers. Egyptian mills are also active in Italy but Far Eastern exporters are not competitive.

May figures could not be sustained in the UK. EU mills have offered further discounts in this weak market climate. We have reports of import offers from dollar denominated sources at £360 per tonne, effective delivered. Belgian demand is not sufficiently strong to support a price advance at present. Spanish values are now more in line with those in the rest of Southern Europe as the mills were able to secure a small rise during recent negotiations, but some distributors question whether the improvement can be sustained for long. Third country imports are being quoted at

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

	Local Currency		US\$/Tonne	
	last month	this month	last month	this month
Germany	430	430	575	606
France	430	440	575	621
Italy	410	400	548	564
UK	380	340	574	552
Belgium	440	440	588	621
Spain	380	400	508	564

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

TABLE 4. FLAT ROLLED PRODUCTS - NEGOTIATED BASIS PRICES

		Germany	France	Italy	UK	UK	Belgium	Spain
		(€)	(€)	(€)	(£)	(€)	(€)	(€)
Hot Rolled Coil	High:	400	410	360	320	368	380	380
	Low:	350	380	320	300	345	350	330
Hot Rolled Plates	High:	450	510	430	440	506	510	520
	Low:	420	460	400	410	472	460	440
Cold Rolled Coil	High:	480	480	440	370	426	480	430
	Low:	430	440	400	340	391	440	400
Hot Dipped Galvanised Coil	High:	480	490	420	400	460	490	450
	Low:	430	440	380	370	426	450	410
Electro-Zinc Coated Coil	High:	480	490	460	420	483	490	470
	Low:	430	450	420	400	460	450	410
Stainless Cold (a) Rolled Type 304	High:	1050	1000	1030	895	1030	1050	1026*
	Low:	950	950	980	825	949	1000	976*
Stainless Cold (a) Rolled Type 430	High:	1130	1030	1080	905	1041	—	1090*
	Low:	1080	980	1030	880	1013	—	1060*
MONTH on MONTH % CHANGE								
Hot Rolled Coil	Low:	6.1	2.7	0.0	-3.2	-1.4	9.4	3.1
Hot Rolled Plates	Low:	-6.7	-6.1	0.0	-6.8	-5.0	-8.0	0.0
Cold Rolled Coil	Low:	0.0	2.3	-2.4	-10.5	-8.9	0.0	5.3
H.D. Galv Coil	Low:	0.0	2.3	-2.6	-5.1	-3.4	0.0	5.1
E.Z. Coated Coil	Low:	0.0	2.3	-2.3	0.0	1.8	0.0	5.1
S/S CR Type 304	Low:	5.6	5.6	8.9	6.5	8.3	11.1	28.8
S/S CR Type 430	Low:	0.0	0.0	5.1	0.0	1.9	—	11.6

BASIS PRICE AND PRODUCT DEFINITIONS

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: (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.

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.

* Notional basis figures - calculated from negotiated transaction prices.

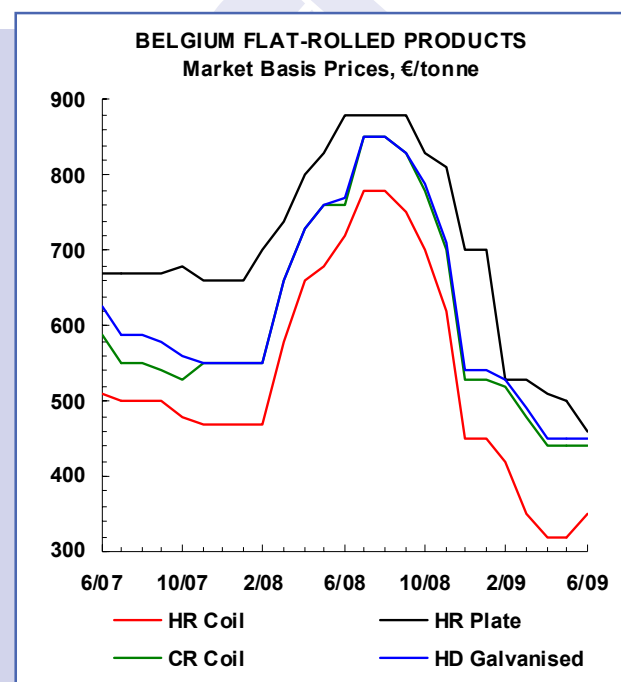
€395/400 per tonne, effective, although there are not many players offering just now.

COATED COILS

In Germany, the market climate for hot dipped galvanised coil is slightly better because of government schemes to support the car industry. Demand from the auto sector is also improving in France, with ongoing discussions for annual contracts starting from July 1. Although vehicle output remains depressed in Italy, the market is responding to the low emission car incentive scheme. However, there is no sign of any immediate pick up in hot dipped consumption. Domestic basis figures have slipped a little since our last report. Traders say it is difficult to source any third country material. The Indian domestic market is doing quite well and, therefore, the mills have very little steel for export.

In the UK, schedules from the auto companies have started to revive, albeit from a very low point. Construction demand is poor. Stocks are now under control but service centre values remain depressed. Belgian suppliers have held prices at the May level. Despite a small recovery in vehicle sales in Spain, this has still to filter through to the steelmakers in the form of coated sheet demand. Nevertheless, domestic basis numbers have climbed this month. Import offers are restricted – the cheapest being from the US mills at €420/480 per tonne, effective, for thicker gauge material.

The recent negative price trend for electrozinc coated coil has been halted in Germany, although demand continues to be subdued. A small upward movement has been monitored in the French market. Italian figures have dropped by €10 per tonne as very little business is being concluded. In the UK, this product is under less pressure than the other strip mill items because availability from EU sources is more restricted. There have been offers of relatively small quantities from South America for delivery towards the end of the third



quarter. Demand from the main end-user sectors is low. Basis values have held up in Belgium. Spanish customers have accepted the steelmakers' proposition to lift basis figures to a level more on a par with those in the rest of Southern Europe.

STAINLESS COLD ROLLED COIL

In May, the European mills' proposed hikes in basis prices for austenitic steel met with little resistance from distributors. Consumption, though, remained weak. Ferritic basis values were unchanged in most countries but are expected to follow the uptick soon. Market participants in Spain continued to negotiate their stainless steel requirements using effective figures as the Acerinox alloy surcharge remained out of step with those of the other main European producers, due to the difference in the reference period. Consequently, our Spanish basis figures were calculated from the transaction values and are, therefore, notional.

LONG PRODUCTS

WIRE ROD

In Germany, the mills are asking buyers to pay more for their drawing quality wire rod supplies, so far without success. Recoil inventories remain high as customers only buy small parcels to fill gaps in their stocks. Although prices continued to improve, following our May research, more recently producers have offered discounts because they are struggling to secure orders.

French drawing rod figures are stable. The mills making mesh grade material continue to benefit from their output cuts, maintaining the small advance achieved in May. Italian selling values for the low carbon qualities are unchanged from our earlier report, amidst sluggish demand. Recoil producers have also hung on to the €30 per tonne rise implemented last month. Buyers are still only purchasing small amounts at any one time, even though stocks are much better adjusted.

UK drawing rod demand is poor with prices described as "stuck in a quagmire". Inventories of mesh grade material are plentiful. Market prices have suffered as a result. No price developments have been noted in Belgium and Spain for the drawing specifications. In the latter country, hardly any mesh quality wire rod transactions are being concluded. The construction sector is very slow. Further small price gains were achieved in late May but these could not be sustained.

MEDIUM SECTIONS AND BEAMS

ArcelorMittal and Peiner Trager have both increased their June scrap surcharges to €87 per tonne, a rise of

€19 and €22 per tonne, respectively. The former company has also announced another €40 per tonne hike on basis figures and its German rival a €25 per tonne rise. These have not been taken on board by the market, as yet.

German demand is incredibly low. Mills are keen to do deals. The increase reported last month was only briefly implemented and basis figures are now back to the April level. It is still possible to obtain discounts when placing orders in France. The producers are not applying any rises firmly. Demand is insufficient and for some suppliers the priority is to fill their order books. Italian market recovery is slow due to poor

TABLE 5. LONG PRODUCTS - NEGOTIATED BASIS PRICES

price/tonne		Germany	France	Italy	UK+	UK+	Belgium	Spain
		(€)	(€)	(€)	(£)	(€)	(€)	(€)
Wire Rod (b)	High:	370	400	390	350	403	400	390
	Low:	350	370	370	330	380	370	370
Medium Sections & Beams (c)	High:	420	420	370	460	529	405	500
	Low:	360	375	350	440	506	355	450
Rebar (d)	High:	200	160	150	350	403	210	180
	Low:	150	140	130	320	368	180	150
Merchant Bar (e)	High:	140	170	150	430	495	200	190
	Low:	120	130	130	410	472	180	140
MONTH on MONTH % CHANGE								
Wire Rod	Low:	0.0	0.0	0.0	-2.9	-1.0	0.0	0.0
M.Sect. & Beams	Low:	-6.5	-1.3	0.0	-4.3	-2.7	-6.6	-6.3
Rebar	Low:	-16.7	-17.6	-23.5	-3.0	-1.3	-10.0	-6.3
Merchant Bar	Low:	0.0	-18.8	0.0	5.1	7.0	0.0	0.0

BASIS PRICE AND PRODUCT DEFINITIONS

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 incorporates a quality extra.

(c) Category C1. Includes size extras. Excluding surcharges except for UK and Spain.

(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.

consumption and high stock levels. Buyers have agreed to roll over the prices negotiated a month ago.

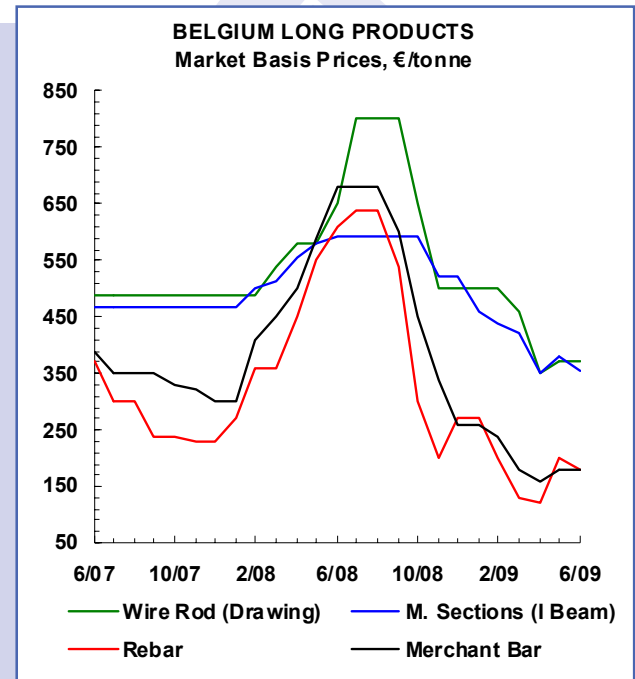
Inventories in the UK distribution system are clearly still too high, keeping resale values artificially depressed, with a number of service centres selling below replacement costs. Orders on the mills are scarce but some business is now underway as stockists replenish gaps in their supply. Domestic market prices have come off by around £20 per tonne since last month. However, the bottom may well have been reached. There is third country material at the dockside but very little in the way of new offers. Belgian demand has not been sufficiently firm to support the whole of the advance secured by the mills in May. Similarly, in Spain, buyers have failed to accept the €30 per tonne tabled four weeks ago and they are staying out of the market. Stock in the supply chain and at the ports is plentiful.

REINFORCING BARS

EU export activity has slowed, with Egyptian clients in particular purchasing less tonnage. Therefore, offers from the European mills have fallen from €360/380 per tonne, fob, a month ago to €320/340 per tonne, fob, today. Domestic demand remains depressed with few forward orders being placed. Prices have fallen back as a result. It is expected that July/August will be quieter still. If scrap starts to decline, rebar values could lose another €10/20 per tonne. Import offers are scarce.

There are few new projects in the pipeline in Germany. The significant hikes which were implemented last month in France did not stick. The Italian market is quiet. Basis figures continued to firm during May but have softened since then. However, steelmakers have recently, successfully, applied a new extras list which carries an increase of €20 per tonne. Producers continue to target export markets in Egypt and Algeria, since domestic demand is so dull but sales are not huge. They will stop output for a few days during June.

In the UK, the proposed £25 per tonne May increase has been "rolled back" and, in reality, current numbers are marginally below those reported last month. Sales have not improved because when existing projects are finished there are no new ones to replace them. However, stocks are generally reaching a satisfactory level for today's work load. Nervousness on the part of buyers appears to have prevented recent Turkish offers from being taken up. Many Belgian building companies extended the May Day holiday to a full week, causing rebar sales to plummet. A part of the price rise gained



earlier in the month was lost in the second half. Spanish demand remains weak with stocks still overfull. Following improvements at the beginning of May, values fell back towards the end of the month as suppliers became more flexible. With scrap prices decreasing, further fluctuations may be on the cards.

MERCHANT BARS

Enquiry levels are very low in Germany, where the mills are trying to boost prices by €30 to €50 per tonne, depending on producer and product. However, customers are resisting the moves. French demand is steady at a poor level. Basis figures have come back down to €130/150 per tonne but the €25 per tonne increase on extras remains in place for now, although the rise is still fragile. Many Italian companies have run down their stocks and need to start re-ordering. However, they are proceeding with a great deal of caution. The small improvement negotiated in May has been maintained and prices look poised to firm further. Producers will proceed with their output curbs until demand strengthens.

UK mills have tabled mid May/early June hikes of £20 per tonne to reflect firming scrap costs and higher values in mainland Europe. The initiative has been accepted by a number of distributors but there are fears that it may prove difficult to pass on to resale customers. Sales remain relatively stable at a low level. Stocks are reasonably controlled. Imports are only coming in from traditional, near European, sources at present but with exchange rate fluctuations the domestic mills need to be vigilant. Following the small May rise, producers

were hoping to boost values to €200 per tonne basis in Belgium but this has proved impossible. In Spain,

suppliers are still unable to secure any basis improvement, due to a lethargic trading environment.

MARKET/INDUSTRY SCENE

CAPACITY

Italy's Riva is installing a fourth galvanising line at its Cornigliano plant which will have an annual capacity of half a million tonnes. It is part of an investment to upgrade the facility which is close to Genoa. Completion is scheduled for the third quarter of this year. A service centre will also be added at the site.

Corus Strip Products has started up a new hot-dip galvanising line at its facility at Ijmuiden in the Netherlands. The No 3 line, which has an annual capacity of 550,000 tonnes began operating in April this year.

PRODUCTION

According to recent press reports, Corus will carry on producing steel at its threatened Redcar plant in the

short term after securing new orders. This business will ensure continued manufacturing until at least August. This will cover the staff 90 day consultation period which began in May over the plants possible mothballing. The company has identified additional sales opportunities with slab buyers around the world which they are pursuing. New orders are essential to ensure continuing production.

EUROZONE ECONOMY

The Spanish economy declined again in the first quarter of this year. Real GDP fell by 1.9 percent from the previous quarter and 3 percent on an annual basis. Reductions in fixed investment and household consumption were cited as the main reasons. Unemployment is rising and companies' confidence levels are weak. As a result, the country's economy will likely remain in recession throughout 2009.

MEDIUM TERM PRICE FORECASTS

COATED FLAT PRODUCTS

The MEPS EU Average Hot Dipped Galvanised Coil transaction price was stable in June. This brought nine months of continued declines to an end. Sales to the automotive industry improved due to the positive impact of the car scrapping schemes. We believe that this will be the bottom of the market, with the possibility of a modest increase before the summer period.

Electro-zinc coated coil values moved up by approximately €5 per tonne over the last four weeks as restricted supply helped mills to push through advances - despite low end-user consumption. Prices are expected to climb higher in the short term, staying above those of the other coated product.

Inventory reduction is almost complete. Demand from the car manufacturers is likely to grow further as the year progresses. Consequently, distributors are expected to increase purchase volumes in the second half of 2009. Output restrictions are forecast to remain in place over this period, resulting in some shortages. This will, almost certainly, lead to price rises by the fourth quarter. However, only modest advances are predicted due to poor end-user demand across many steel consuming sectors.

The economic climate is likely to improve during early 2010. Credit restrictions should ease giving many companies the ability to make larger purchases. Coated steel prices are, therefore, forecast to record larger gains during the first half of next year.

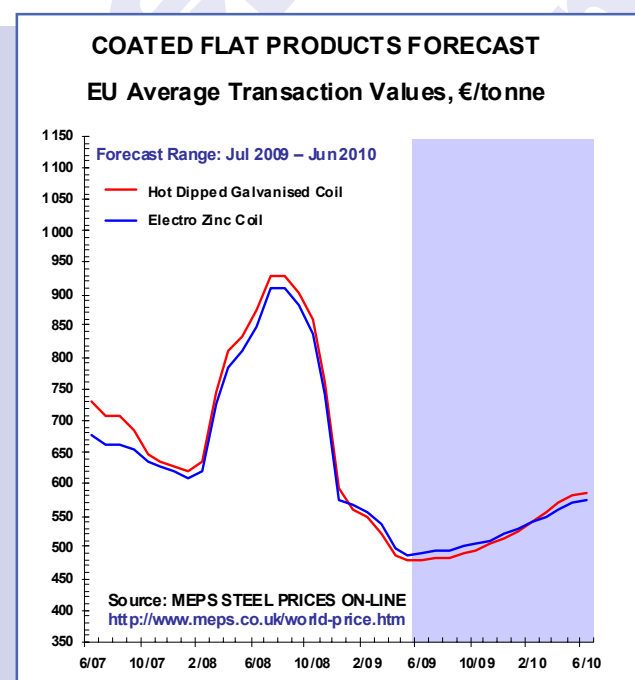


TABLE 6. EU AVERAGE TRANSACTION PRICE FORECASTS

Euro/tonne	Actual	Forecast					
	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
Hot Rolled Coil	361	365	365	370	375	385	395
Hot Rolled Plate	444	430	430	430	440	450	460
Cold Rolled Coil	432	435	435	440	445	450	460
H.D. Galv Coil	478	485	485	490	495	505	515
E.Z. Coated Coil	492	495	495	500	505	510	520
Wire Rod	349	350	350	355	365	375	385
M. Sect. & Beams	513	510	510	515	520	530	535
Rebars	341	340	340	350	360	370	380
Merchant Bar	421	425	425	430	435	440	445

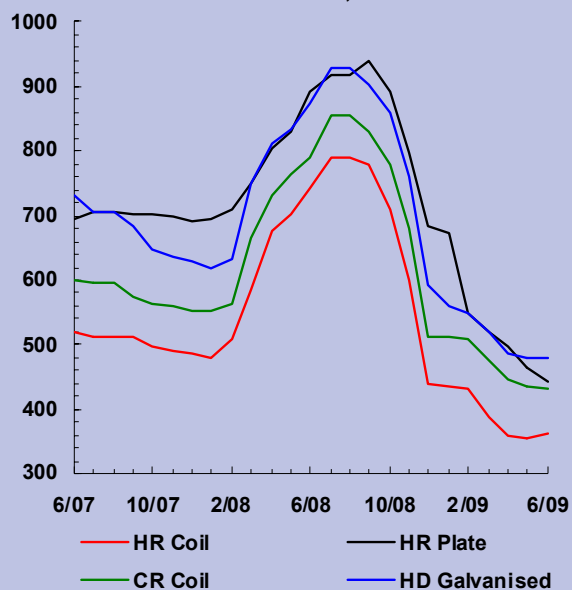
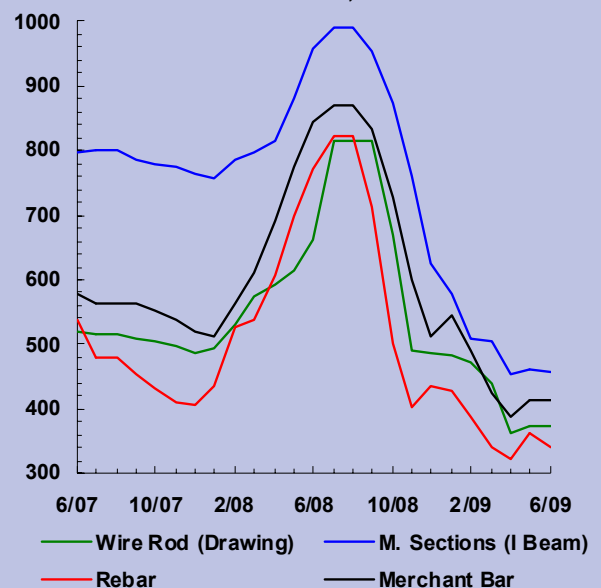
PRICE AND PRODUCT DEFINITIONS

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.

EU FLAT-ROLLED PRODUCTS
Transaction Prices, €/tonneEU LONG PRODUCTS
Transaction Prices, €/tonne

Transaction Price Data Sheet

TABLE 7. NEGOTIATED TRANSACTION PRICES

FLAT PRODUCTS		EU AVG.	Germany	France	Italy	UK	UK	Spain
price/tonne		(€)	(€)	(€)	(€)	(£)	(€)	(€)
Hot Rolled Coil	High:	401	420	430	380	336	387	400
	Low:	361	370	400	340	316	364	350
Hot Rolled Plates	High:	481	465	525	440	454	522	534
	Low:	444	435	475	410	424	488	454
Cold Rolled Coil	High:	474	495	495	455	383	441	445
	Low:	432	445	455	415	353	406	415
Hot Dipped Galvanised Coil	High:	524	536	546	476	454	522	506
	Low:	478	486	496	436	424	488	466
Electro-Zinc Coated Coil	High:	535	537	547	517	463	533	527
	Low:	492	487	507	477	443	510	467
Stainless Cold (a) Rolled Type 304	High:	1030	1050	1000	1030	895	1030	1026*
	Low:	957	950	950	980	825	949	976*
Stainless Cold (a) Rolled Type 430	High:	1083	1130	1030	1080	905	1041	1090*
	Low:	1038	1080	980	1030	880	1013	1060*
LONG PRODUCTS		EU AVG.	Germany	France	Italy	UK	UK	Spain
price/tonne		(€)	(€)	(€)	(€)	(£)	(€)	(€)
Wire Rod (Drawing quality) *	High:	393	388	400	390	362	417	390
	Low:	372	368	370	370	342	394	370
Wire Rod (Mesh quality)	High:	372	370	380	370	315	362	380
	Low:	349	350	350	350	295	339	350
Medium Sections and Beams (I beam) ☼	High:	502	507	507	457	460	529	500
	Low:	458	447	462	437	440	506	450
Medium Sections and Beams (H beam) ☼	High:	577	557	557	552	595	685	550
	Low:	513	507	507	512	460	529	515
Reinforcing Bars	High:	371	390	350	360	350	403	370
	Low:	341	340	330	340	320	368	340
Merchant Bars (50mm diameter)	High:	439	415	445	425	430	495	465
	Low:	412	395	405	405	410	472	415
Merchant Bars (Equal Angle)	High:	448	425	455	435	430	495	475
	Low:	421	405	415	415	410	472	425

* Includes supplementary surcharge in the UK.

☼ Includes scrap surcharge in Germany, France and Italy.

* Notional basis figures - calculated from negotiated transaction prices.

CURRENCY EXCHANGE RATES

June 4 - 2009

		Units/ US\$	Units/ Euro
Eurozone	(€)	0.709	1.0
UK	(£)	0.616	0.869

NEXT MONTH'S ISSUE

The July issue of the European Steel Review will be dispatched by post & PDF on 21 July, 2009.

Express Price Tables will be dispatched by e-mail in excel format on 14 July, 2009.

Copies of our main basis 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>May-2009</i>	<i>Jun-2009</i>
Hot Rolled Coil	135.6	138.3
Hot Rolled Plate	162.4	154.7
Cold Rolled Coil	119.5	118.7
H.D. Galvanised Coil	103.7	103.7
Electro Zinc Coated Coil	115.9	116.9
Stainless Steel Type 304	72.1	77.9
Stainless Steel Type 430	90.4	92.2
Wire Rod	140.4	140.4
M. Sections & Beams	150.2	149.2
Reinforcing Bar	159.0	150.2
Merchant Bar	155.3	154.9

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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