



EUROPEAN STEEL REVIEW

KEYNOTE

JANUARY 2007

EU FLAT PRODUCTS STEEL PRICES UNDER THREAT

The EU steel market is quiet. Buyers are holding back from placing business because they sense that prices may fall further during the first quarter as commercial quality material is readily available from a number of sources at highly competitive prices.

The 2007 outlook for Germany's steel using industries is very positive with current consumption at a satisfactory level. However, the proposed first trimester increase has been rejected by customers, who are anticipating the arrival of large quantities of third country imports early in the year. Service centre stocks are rising although end-users' inventories are normal. Lead times from EU

mills are shortening.

Basis prices are generally down in the French market at the beginning of January as a consequence of lower import offers. More third country material is due to arrive in the coming 2 to 3 months but is unlikely to flood the market.

The downward price trend that started in Italy at the end of Summer 2006 continues as domestic mills drop prices in reaction to escalating volumes of imports. Stock levels at most distributors will cover them until February/March. Buyers are loathe to speculate until they can see the direction of the market for

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

price/tonne		2006					2007
		AUG	SEP	OCT	NOV	DEC	JAN
Hot-Rolled Coil	High:	490	490	510	510	510	510
	Low:	460	460	480	480	480	480
Hot-Rolled Plate	High:	660	700	700	700	700	700
	Low:	630	670	670	670	675	675
Cold-Rolled Coil	High:	610	610	620	620	620	620
	Low:	580	580	590	590	590	590
Hot Dipped Galvanised Coil	High:	660	660	660	660	660	660
	Low:	600	600	620	620	620	620
Electro-Zinc Coated Coil	High:	630	630	630	630	630	630
	Low:	580	580	580	580	580	580
Stainless Steel Type 304	High:	1410	1510	1590	1730	1830	1930
	Low:	1360	1460	1540	1680	1780	1880
Stainless Steel Type 430	High:	1210	1310	1380	1430	1430	1430
	Low:	1180	1280	1330	1380	1380	1380

MEPS (INTERNATIONAL) LTD

263 Glossop Road, Sheffield S10 2GZ, England
Tel: (0114) 275 0570 Fax: (0114) 275 9808
E-mail: subs@meps.co.uk Web Site: <http://www.meps.co.uk>

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2007. Currently, there are too many offers compared to demand. Underlying consumption, however, is quite satisfactory.

In the UK, activity slowed quite early in the run up to Christmas but real demand is still reasonable. Stocks are not excessive. Both suppliers and service centres are optimistic about business from period two onwards. There will be third country import pressure on prices of standard material during the first quarter because of orders placed last year. But new offers are at higher figures and, therefore, may not be attractive to local buyers. We have noted some negative price movements since early December.

In Belgium, EU mills are no longer claiming basis price increases for period one. In fact, some products

have suffered a downward correction. Third country imports, ordered in the fourth quarter, are now arriving and putting further negative pressure on values. However, new foreign offers are not so interesting. Stocks are at a reasonable level throughout the supply chain. Service centre business is brisk.

Considerable volumes of non-EU imports continue to undermine the Spanish market, despite a positive business climate. This has impacted particularly on resale values, which have dropped sharply over the last month, as distributors fight for orders and try to rid themselves of excess stock. Real consumption has moved very little. Construction is slowing, albeit from a high point. With the exception of major projects in the Madrid area, investment in public works is quite low.

MARKET SCENE

ECONOMY

Business confidence in the European Union has overtaken that in the US, according to Grant Thornton's latest International Business Report. It states that growing optimism in Germany and France helped lift confidence across the EU. The rise is drawn from economic growth and reforms in the past year, particularly in Germany and Italy.

During 2006, the German economy grew at its fastest pace in six years, according to figures from the Federal Statistics Office. GDP increased by 2.5 percent driven by domestic and overseas demand. In the previous year (2005) the growth rate was 0.9 percent. Although

demand for exports has helped to drive output and corporate profits, wage growth has been limited. As a result, consumer spending has failed to pick up as quickly. Despite signs of an improvement in Germany's fortunes, experts maintain a cautious outlook amid concerns that the increase in VAT to 19 percent from 16 percent may hamper expansion this year.

AUTO

Spanish auto output in 2006 is estimated at around 2,820,000 units, according to Anfac. This is higher than expected - fuelled by strong demand in Germany, Italy and Spain. German customers have been actively buying to avoid the higher VAT.

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

		2006					2007
		AUG	SEP	OCT	NOV	DEC	JAN
Wire Rod	High:	500	500	510	510	510	510
	Low:	480	480	490	490	490	490
Medium Sections and Beams	High:	455	475	485	510	530	530
	Low:	415	435	445	470	480	480
Rebars	High:	330	330	330	330	280	270
	Low:	315	315	315	315	260	250
Merchant Bars	High:	350	350	350	340	340	340
	Low:	330	330	330	320	320	320

FLAT PRODUCTS

HOT ROLLED COIL

In the EU, imports of Chinese hot rolled coil have risen substantially and licence applications indicate that the trend is continuing unabated. The German mills have given up their fight to secure €510/520 per tonne basis for January/March business in commodity grade material. The majority of deals have been settled at fourth quarter figures. We have isolated reports of Italian producers offering at €460 per tonne. Prices have readjusted downwards again in France. Imports are causing pressure as dealers bought cheaper material from China and Iran. In Italy, Riva continues to reduce prices, albeit only marginally this month, in order to combat third country competition. Turkish material, for arrival February, is quoted at €440 per tonne c+f basis plus Turkish extras. Demand is weak amidst growing oversupply.

EU mills have maintained prices in the UK at the lower level established in early December. The majority of price quotations from third countries are around £340 per tonne, effective delivered. It is anticipated that foreign suppliers will push for more quite soon.

The Belgian market in early January is quiet. Attractively priced imports are available from Turkey, Indonesia, China and Pakistan. In Spain, volumes of Chinese material continue to soar. However, reports suggest that suppliers from that country have been selling less aggressively over the last few weeks. Now that the year end stocktaking is completed, companies will want to go back to more normal inventory levels and, therefore, purchasing activity should improve.

HOT ROLLED PLATE

European demand remains strong and continues to exceed production capability in many countries. End users in the hydro electric, construction, energy and shipbuilding sectors are all consuming vast quantities of higher specification plate. Although significant tonnages of commodity plate have arrived at EU ports, so far they are making less of an impact on prices than was initially feared.

German buyers of higher specification plate are still struggling to secure supplies. Commodity material is more easily sourced from Chinese importers at offers €100/150 per tonne below domestic ones. Up to now, this has not posed a serious threat to local market values, partly because dimensions are limited. The

price trend in France is fairly flat with some negative pressure which could reduce values next month. Although there is still a build up of foreign material at several Italian ports, new offers are not so attractive. Demand is steady, with re-rollers reporting solid forward order books. Domestic values are firm and producers are contemplating a small rise soon.

The UK commodity plate market is probably less buoyant than its mainland Europe counterparts. Imports are hovering around the £400 per tonne mark, effective delivered. Nevertheless, domestic prices did not go into freefall as market participants feared and are currently similar to those in our last issue. Shortages of shipbuilding and higher specification material are underpinning the more commercial products. We have no price developments to report in Belgium. Excessive quantities of Chinese commodity type plate, standing at the quayside and also due to arrive towards the end of this quarter, are a cause for concern in Spain. Some of this is priced around €200 per tonne below domestic figures. However, foreign suppliers are now attempting to lift values for new orders scheduled for second quarter arrival. In contrast, demand for higher quality plate for applications in shipbuilding and wind farms is excellent, with local producers concentrating on these markets. They have announced a €10 per tonne advance for period one.

COLD ROLLED COIL

In Germany, domestic suppliers have not gained the

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

	Local Currency		US\$/Tonne	
	last month	this month	last month	this month
Germany	590	590	787	766
France	570	560	760	727
Italy	530	520	707	675
UK	390	370	772	718
Belgium	580	570	773	740
Spain	565	565	753	734

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:	510	495	470	350	522	510	535
	Low:	480	460	430	320	478	460	475
Hot Rolled Plates	High:	700	710	640	470	701	710	680
	Low:	675	680	620	450	672	670	650
Cold Rolled Coil	High:	620	610	580	390	582	620	605
	Low:	590	560	520	370	552	570	565
Hot Dipped Galvanised Coil	High:	660	660	620	460	687	640	645
	Low:	620	610	570	440	657	590	575
Electro-Zinc Coated Coil	High:	630	620	590	460	687	610	630
	Low:	580	580	550	420	627	570	560
Stainless Cold (a) Rolled Type 304	High:	1930	1910	1810	1220	1821	1900	1880
	Low:	1880	1860	1760	1160	1731	1830	1820
Stainless Cold (a) Rolled Type 430	High:	1430	1440	1430	1120	1672	—	1400
	Low:	1380	1410	1380	1070	1597	—	1370
MONTH on MONTH % CHANGE								
Hot Rolled Coil	Low:	0.0	-4.2	-2.3	0.0	0.6	0.0	0.0
Hot Rolled Plates	Low:	0.0	0.0	0.0	0.0	0.4	0.0	0.0
Cold Rolled Coil	Low:	0.0	-1.8	-1.9	-5.1	-4.7	-1.7	0.0
H.D. Galv Coil	Low:	0.0	-1.6	-1.7	-4.3	-3.9	-1.7	0.0
E.Z. Coated Coil	Low:	0.0	-2.5	-1.8	-4.5	-4.1	-1.7	0.0
S/S CR Type 304	Low:	5.6	4.5	0.0	0.0	0.4	5.8	2.8
S/S CR Type 430	Low:	0.0	0.0	0.0	0.0	0.4	—	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 (usually 2 or 3 months ahead). 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.

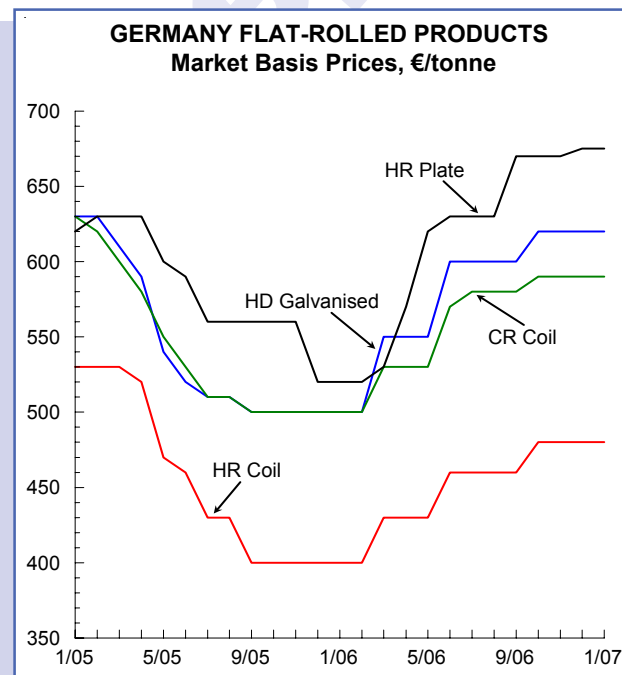
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proposed small price rise for first trimester business. In fact, values are under some pressure, although for the moment, we have left our tabled figures unchanged. Customers in the French general market have persuaded steel makers to agree a small rebate for late period one supplies. Turkish producers are becoming more active in the Italian market. Deals have been finalised for February delivery at €500 per tone c+f, plus Turkish extras - €20 per tonne below the price for January arrival. We have noted a small downward correction in local values but this may only be temporary.

UK domestic suppliers have reacted to cheap third country imports by knocking £20 per tonne off basis prices during recent settlements. Brazilian material is currently prevailing around £365 per tonne, effective delivered. A downward price drift is apparent in Belgium. As expected, now that first quarter negotiations are completed, basis values are slightly lower than in period four. Spanish numbers are unchanged from four weeks ago.

COATED COILS

In Germany, the mills failed to secure the €30 per tonne basis hike on hot dipped galvanised coil. In some instances, Arcelor Mittal has offset the new higher extras by reducing basis values. Poor performance by France's domestic carmakers has impacted on coated steel sales and basis values in the general market are suffering as a result. In Italy, demand is strong. Indian material is being sold at €625 and €605 per tonne, c+f for 0.5/0.7mm and 0.8/1.2mm thickness, respectively. Chinese offers are cheaper. Local prices have slipped again by €10 per tonne. UK basis values have not held up. There is availability from the Far East. Despite high demand from the construction sector, first trimester basis price discussions in Belgium have resulted in figures slightly below those of period four. Spanish auto demand is poor and likely to decline further during 2007. Large volumes of third country imports have caused service centres to reduce their resale values substantially. Mill basis prices are unaffected.



Electro-zinc coated coil sales remain subdued in Germany. Period one deals have been concluded on a "no change" basis from the final quarter 2006. This market in France is now quite small. Customers have successfully pushed for a €15 per tonne basis reduction. Italian values have lost €10 per tonne after two consecutive months of stabilisation. Now that late first quarter deals have been struck in the UK, basis numbers have softened further. We have reduced our Belgian basis figures by €10 per tonne. Spanish prices are firm at the lower level reached in early December.

STAINLESS COLD ROLLED COIL

Generally, availability in the West European market continued to be constrained in December. However, although alloy surcharges were still rising, not all countries registered basis price increases. Demand remained at a good level and the EU mills did not have enough capacity to meet all customer requirements. Supply from Far East sources was easier. December alloy surcharges for grade 304 were up by around 4 percent, whilst those for type 430 gained an average of €5 per tonne.

LONG PRODUCTS

WIRE ROD

The major European producers of drawing quality are hoping to implement a €15/20 per tonne rise during the first trimester. The German drawing grade market is firm with good demand. Stocks of recoil are normal.

There is very little third country competition. Overseas arrivals of drawn wire have failed to undermine rod prices in France. Recoil values are also firm. Sales of drawing grade material are still quite good in Italy. Prices are solid at the figures reported in December. The import threat from Chinese mesh quality rod is

preventing recoil prices from rising.

UK wire drawers continue to have a tough time because of large quantities of drawn wire imports. Consequently, the drawing grade rod market is contracting in terms of tonnage. Suppliers have rolled over prices. In the latter part of 2006, they were under constant pressure because there is more competition at a local level. Our Belgian numbers are unchanged. In Spain, the markets for both drawing and mesh quality rod are suffering from an inflow of Turkish imports. Although drawing grade prices are steady for now, they could weaken as the quarter progresses. Recoil values have softened further, losing another

€10 per tonne since our last report.

MEDIUM SECTIONS AND BEAMS

Demand generally is still firm. Peine Trager and Arcelor Mittal's January scrap surcharges are hardly changed from December at €123 and €114 per tonne, respectively. Size extras will increase for first quarter deliveries by €20/30 per tonne, depending on category and supplier.

German end-user demand remains strong with domestic mill order books continually expanding, thanks to a significant turnaround in the construction

TABLE 5. LONG PRODUCTS - NEGOTIATED BASIS PRICES

price/tonne		Germany	France	Italy	UK+	UK+	Belgium	Spain
		(€)	(€)	(€)	(£)	(€)	(€)	(€)
Wire Rod (b)	High:	510	510	485	330	493	490	490
	Low:	490	480	455	320	478	460	470
Medium Sections & Beams (c)	High:	530	490	525	520	776	470	585
	Low:	480	440	515	480	716	450	535
Rebar (d)	High:	270	310	295	350	522	335	340
	Low:	250	260	285	330	493	300	315
Merchant Bar (e)	High:	340	350	310	405	604	350	330
	Low:	320	300	290	385	575	320	295
MONTH on MONTH % CHANGE								
Wire Rod	Low:	0.0	0.0	0.0	0.0	0.6	0.0	0.0
M.Sect. & Beams	Low:	0.0	-2.2	0.0	6.7	7.0	0.0	3.9
Rebar	Low:	-3.8	-7.1	0.0	-2.9	-2.4	7.1	1.6
Merchant Bar	Low:	0.0	0.0	0.0	0.0	0.5	0.0	-9.2

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 (usually 2 or 3 months ahead). 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.
 - (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.

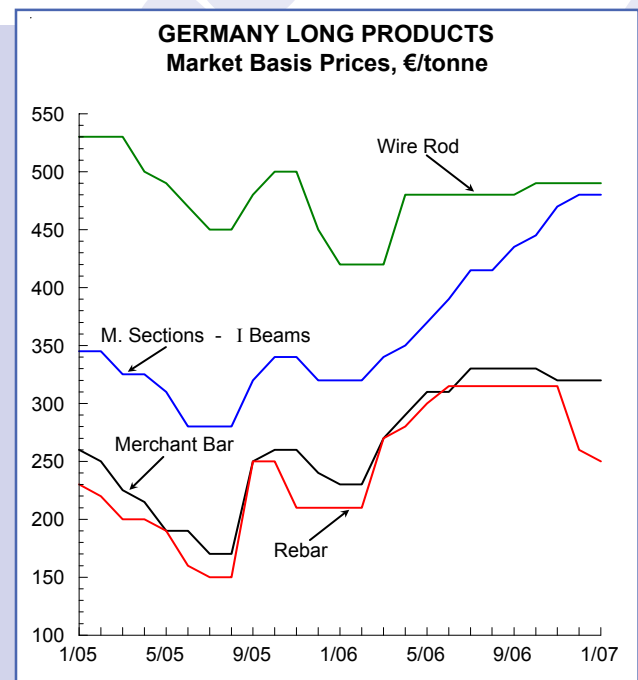
sector. There are virtually no third country imports. Basis prices are unchanged from December. The French market is still very buoyant as the rises of €20/30 per tonne on extras have just been implemented. However, some sources claim that basis values are slightly down. Italian real consumption is satisfactory but sales fell prior to the holiday period and have yet to recover. Nevertheless, in a climate of short supply, there is no downward pressure on basis figures.

Stock levels are low in the UK and need to be replenished. Supply is adequate. Third country importers do not present any competition. There are few offers from USA or Russia. Small quantities are available from Brazil and South Korea as well as traditional tonnage from South Africa. Overall demand is very robust. Buyers have accepted the Corus £30 per tonne hike for first quarter deliveries. Belgian customers have agreed to pay the new extras, which add €25 per tonne to transaction numbers. There are still problems sourcing material. No threat exists from third country importers, who are only offering small quantities and a limited range of sizes. The Spanish market is strong. Availability is restricted, particularly as Arcelor Mittal has temporarily suspended production at its Zaragoza plant. The new extras have been fully accepted. Suppliers have successfully implemented a €20 per tonne basis rise.

REINFORCING BARS

In Germany, buyers were reluctant to place business as the holidays approached. However, since the outlook for construction in the first six months of 2007 is excellent, demand is expected to pick up sharply. There was a natural decline in domestic values at the end of 2006 with figures falling to €250 per tonne basis. Import transaction prices dropped by €10/15 to €365/370 per tonne c+f. However, no significant import contracts were signed during December, although material already ordered from Turkish and Latvian sources arrived at Antwerp and Rotterdam. French values are down by €10/20 per tonne due to a decrease in activity related to the Winter weather.

Italian mills want to lift prices by €30 per tonne during period one. Stocks are normal. Customers are purchasing virtually on a daily basis at present but activity is expected to pick up now that the holidays are over. In the UK, prices are slightly lower than pre-Christmas. The market is flat but expected to improve as January progresses. There are short-term difficulties regarding the implementation of any price rises because of import competition. However, Turkish suppliers have reportedly lifted their price offers recently. Construction activity continues apace in



Belgium, where the outlook for 2007 is very good. End users, who postponed purchasing because they anticipated lower prices ahead, now need to order and have accepted a €20 per tonne basis hike.

Spanish demand is high from construction in both the public and private sectors. However, the weak price tendency continued into late December with basis numbers falling to €305/310 per tonne. The mills announced a €50 per tonne increase for January 1, to be followed by another €15 later in the month. So far, customers have agreed to pay around €10 per tonne.

MERCHANT BARS

During the course of December, LME announced a change to their size extras, for sales in mainland Europe, adding another €20/25 per tonne on average to effective prices.

German demand is quite robust. There is virtually no third country import penetration. Prices are steady. In France, the mills have stabilised values following last months decrease. Despite cheaper offers from Turkish mills, local suppliers in Italy have been able to maintain prices.

The higher extras in mainland Europe have added some impetus to the UK market so that customers are no longer expecting discounts. Celsa has yet to react officially and current values are unchanged from last month. Demand is described as quiet. There are a few third country offers but no large quantities at

present. Belgian basis figures, which slipped a little towards the end of December, have now recovered. Suppliers are applying the new extras. Buyers are optimistic about the medium term. Many have firm order books six months forward. Spanish demand is

stable. Prices weakened during December. The mills are trying to lift basis values by €25 per tonne during January but it is too early to judge the outcome of this initiative. However, customers will accept the revised extras list for January business.

INDUSTRY SCENE

CAPACITY/INVESTMENTS

Celsa inaugurated the new electric arc furnace installation at its Tremorfa works in the UK on 8 December. It will replace the existing facility, which had an annual capacity of 850,000 tonnes. The company's production potential in the UK will be lifted to over 1.2 million tonnes per year.

Ugitech the French speciality steels long products producer, which is part of the Schmolz+Bickenbach group, is to build a new wire drawing plant at Brumby, in eastern Germany. It will produce about 5,000 tonnes per year and is scheduled to start up early in 2008.

Metas, the Turkish mini-mill operator owned by Cer Çelik Endüstri, will restart billet production at the end of this month. The facility, has been out of operation for eight years. Annual capacity, which has been increased to 820,000 tonnes, should be achieved early in 2008. The 400,000 tonne per year bar and rod mill will be up and running by the end of 2007.

Arcelor Mittal recently started up a modernised slab caster at its Dunkirk facility in France. It is the first of three caster upgrades at the works. The second should be operating at the end of this year and the third twelve months later. The remaining unit will be taken out of use.

MEDIUM TERM PRICE FORECASTS

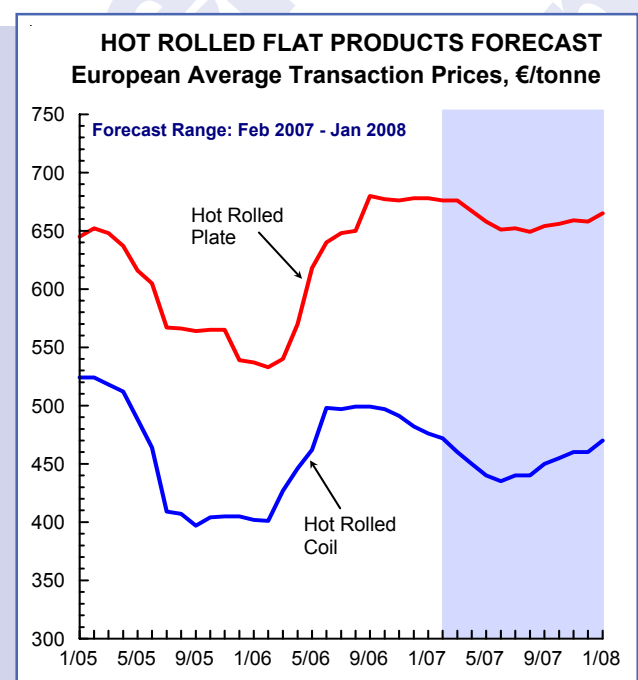
HOT ROLLED COIL

The MEPS EU Average Hot Rolled Coil price continued to slip in January, with more declines anticipated up to the summer months. Inventory levels remain high and import volumes are still substantial. The strong Euro and inflated market prices in Europe may attract even more third country supplies in the first quarter. Capacity cuts at European mills could ease the price erosion slightly, but with the large quantities of imports arriving from China this is unlikely to be sufficient to stop oversupply developing and transaction values falling further. From July onwards the lower prices should make the EU market less attractive to importers. Prices are then forecasted to start a recovery as demand on the mills increases.

HOT ROLLED PLATE

In contrast to Hot Rolled Coil, the MEPS EU Average Hot Rolled Plate price was steady this month and is expected to stay at a similar level for the remainder of the first quarter. Availability is still tight and this situation is predicted to continue in the near term. However this should begin to ease somewhat over the coming months. Some price erosion may then begin to set in throughout

the second period as importers become increasingly attracted to the high European values. Figures are estimated to decline by approximately 4.5%. A modest recovery is then forecast to take place during the second half of the year.



Transaction Price Data Sheet

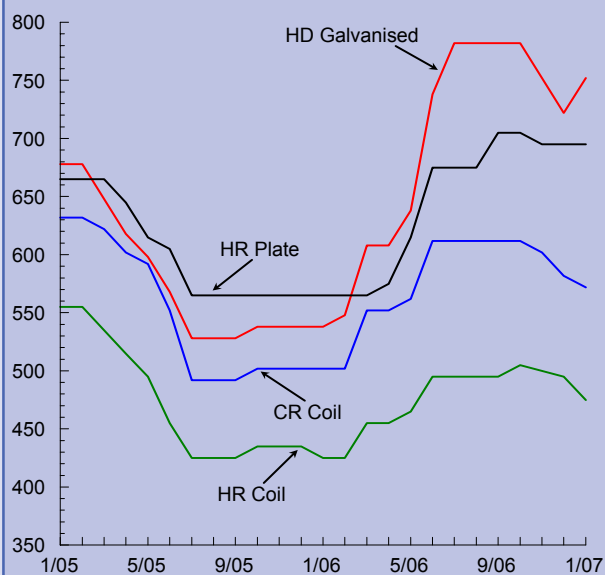
TABLE 6. NEGOTIATED TRANSACTION PRICES

FLAT PRODUCTS price/tonne		EU AVG. (€)	Germany (€)	France (€)	Italy (€)	UK (£)	UK (€)	Spain (€)
Hot Rolled Coil	High:	516	525	510	487	365	545	548
	Low:	476	495	475	447	335	500	488
Hot Rolled Plates	High:	704	715	725	650	484	722	694
	Low:	678	690	695	630	464	693	664
Cold Rolled Coil	High:	618	638	622	591	402	600	618
	Low:	576	608	572	531	382	570	578
Hot Dipped Galvanised Coil	High:	788	802	802	762	507	757	787
	Low:	743	762	752	712	487	727	717
Electro-Zinc Coated Coil	High:	684	685	677	635	503	751	685
	Low:	635	635	637	595	463	691	615
Stainless Cold (a) Rolled Type 304	High:	1886	1930	1910	1810	1220	1821	1880
	Low:	1829	1880	1860	1760	1160	1731	1820
Stainless Cold (a) Rolled Type 430	High:	1464	1430	1440	1430	1120	1672	1400
	Low:	1416	1380	1410	1380	1070	1597	1370
LONG PRODUCTS price/tonne		EU AVG. (€)	Germany (€)	France (€)	Italy (€)	UK (£)	UK (€)	Spain (€)
Wire Rod * (Drawing quality)	High:	507	528	510	485	342	510	490
	Low:	483	508	480	455	332	496	470
Wire Rod (Mesh quality)	High:	426	410	410	445	305	455	420
	Low:	403	380	400	430	280	418	400
Medium Sections and Beams (I beam) ⊕	High:	810	848	804	803	520	776	770
	Low:	765	798	754	793	480	716	720
Medium Sections and Beams (H beam) ⊕	High:	829	845	794	882	555	828	773
	Low:	779	795	754	847	500	746	733
Reinforcing Bars	High:	440	408	447	429	350	522	472
	Low:	421	388	397	419	330	493	447
Merchant Bars (50mm diameter)	High:	560	560	570	530	405	604	550
	Low:	532	540	520	510	385	575	515
Merchant Bars (Equal Angle)	High:	568	570	580	540	405	604	560
	Low:	540	550	530	520	385	575	525

* Includes supplementary surcharge in the UK.

⊕ Includes scrap surcharge in Germany, France and Italy.

FRANCE FLAT-ROLLED PRODUCTS
Transaction Prices, €/tonne



FRANCE LONG PRODUCTS
Transaction Prices, €/tonne

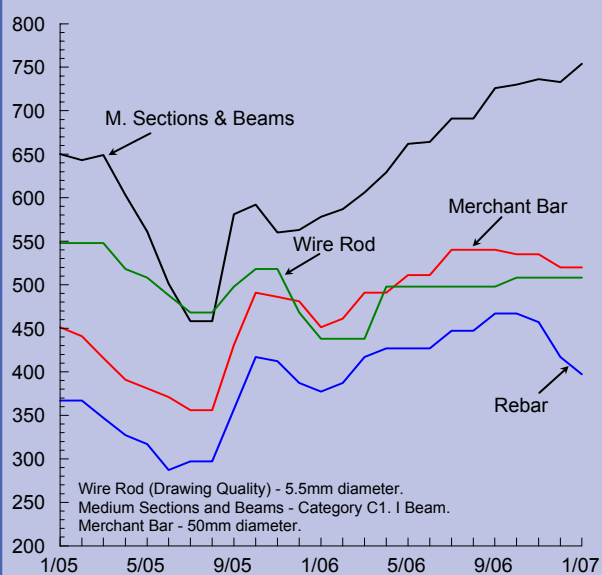


TABLE 7. FLAT & LONG PRODUCTS - EU AVERAGE TRANSACTION PRICES

Euro/tonne		2006					2007
		AUG	SEP	OCT	NOV	DEC	JAN
Hot-Rolled Coil	High:	538	538	537	531	521	516
	Low:	499	499	497	491	482	476
Hot-Rolled Plate	High:	681	707	703	704	704	704
	Low:	650	680	677	676	678	678
Cold-Rolled Coil	High:	648	647	642	633	625	618
	Low:	606	606	601	592	584	576
Hot Dipped Galvanised Coil	High:	789	788	786	779	765	788
	Low:	736	735	740	731	716	743
Electro-Zinc Coated Coil	High:	711	710	704	702	693	684
	Low:	663	662	656	654	644	635
Stainless Steel Type 304	High:	1427	1522	1634	1740	1824	1886
	Low:	1374	1467	1580	1684	1768	1829
Stainless Steel Type 430	High:	1242	1326	1408	1464	1463	1464
	Low:	1204	1289	1359	1405	1415	1416
Wire Rod (Mesh quality)	High:	455	468	462	454	425	426
	Low:	435	446	440	429	402	403
Medium Sections and Beams (H beam)	High:	737	763	770	794	797	829
	Low:	691	713	720	744	747	779
Rebars	High:	472	491	481	471	443	440
	Low:	455	474	464	453	424	421
Merchant Bars (Equal Angle)	High:	560	562	569	565	555	568
	Low:	532	534	541	537	526	540

CURRENCY EXCHANGE RATES

January 9 - 2007

		Units/ US\$	Units/ Euro
Eurozone	(€)	0.770	1.0
UK	(£)	0.515	0.670

NEXT MONTH'S ISSUE

The February issue of the European Steel Review Supplement will be despatched by post & PDF on 16 February, 2007.

Express Prices Tables will be despatched by e-mail in excel format on 12 February, 2007.

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 7 days before the publication despatch date.

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

	Dec-2006	Jan-2007
Hot Rolled Coil	184.7	182.4
Hot Rolled Plate	236.2	236.2
Cold Rolled Coil	160.4	158.2
H.D. Galvanised Coil	155.3	161.2
Electro Zinc Coated Coil	153.0	150.8
Stainless Steel Type 304	144.0	148.9
Stainless Steel Type 430	125.7	125.8
Wire Rod	182.3	182.3
M. Sections & Beams	239.1	249.2
Reinforcing Bar	186.8	185.5
Merchant Bar	200.8	200.0

Note:-

Wire Rod (Drawing Quality) - 5.5mm diameter.

Medium Sections and Beams - Category C1. I Beam.

Merchant Bar - 50mm diameter.

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 transaction prices are determined by adding the relevant size extras to the negotiated ex-mill basis price for the selected product.

Transaction prices 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.

MEPS SUPPLEMENT TO EUROPEAN STEEL REVIEW

TABLE 6. FLAT ROLLED PRODUCTS - NEGOTIATED BASIS PRICES

Product	Region	Unit	Price	Unit	Price	Unit	Price
Hot Rolled Coil	EU	mm	1000	1000	1000	1000	1000
	US	mm	1000	1000	1000	1000	1000
Cold Rolled Sheet	EU	mm	1000	1000	1000	1000	1000
	US	mm	1000	1000	1000	1000	1000

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% of world consumption. Details of World and Regional Average Steel Prices are incorporated together with regular forecasts.

MEPS INTERNATIONAL STEEL REVIEW

COMPARISON OF TRANSACTION PRICES

Product	Region	Unit	Price	Unit	Price	Unit	Price
Hot Rolled Coil	EU	mm	1000	1000	1000	1000	1000
	US	mm	1000	1000	1000	1000	1000

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.

MEPS STAINLESS STEEL REVIEW

COMPARISON OF NEGOTIATED TRANSACTION PRICES

Product	Region	Unit	Price	Unit	Price	Unit	Price
Hot Rolled Plate	EU	mm	1000	1000	1000	1000	1000
	US	mm	1000	1000	1000	1000	1000

WORLD STEEL OUTLOOK (quarterly)

Crude steel and pig iron production forecasts are made for forty of the top steel producing nations. Also included is detailed analysis and future trends for the ten main rolled steel products (Hot Rolled Coil, Hot Rolled Plate, Cold Rolled Sheet, Coated Sheet, Wire Rod, Sections and Beams, Rebar and Merchant Bar) in the US, Canada, Brazil, EU, China, Taiwan, South Korea and Japan. From trade data we are also able to prepare apparent consumption estimates.



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