

# meps

## international ltd

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### Steel Price Forecasts To 2023 European Union

Price of report £1025

December 2018

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# Introduction

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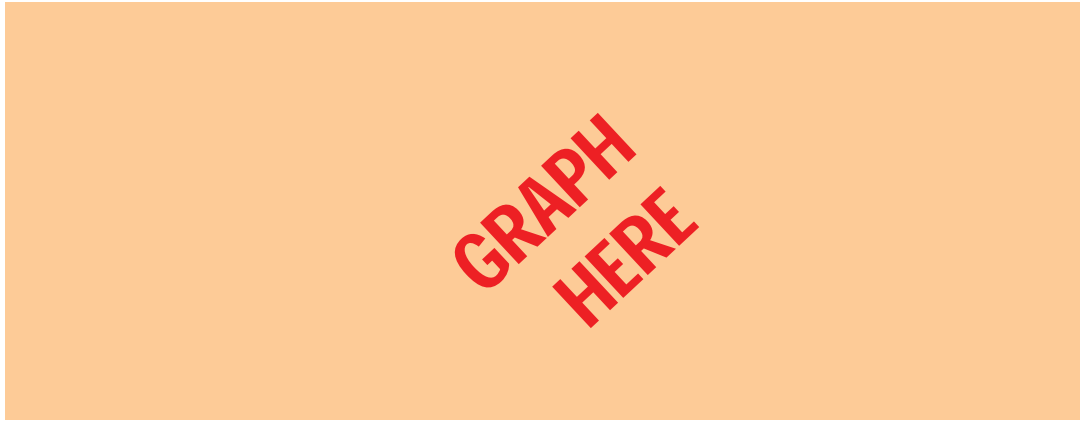
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# Executive Summary

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**MEPS - EU Average Carbon Steel Price Forecast  
All Products Composite Transaction Values, €/tonne**



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# Economic Overview

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Gross Domestic Product (GDP) - year-on-year percentage change										
	ACTUAL					FORECAST				
	2013	2014	2015	2016	2017 <sup>(e)</sup>	2018	2019	2020	2021	2022
<b>Eurozone</b>	??	??	??	??	??	??	??	??	??	??
<b>Germany</b>	??	??	??	??	??	??	??	??	??	??
<b>France</b>	??	??	??	??	??	??	??	??	??	??
<b>Italy</b>	??	??	??	??	??	??	??	??	??	??
<b>Spain</b>	??	??	??	??	??	??	??	??	??	??
<b>UK</b>	??	??	??	??	??	??	??	??	??	??

Source: EC, IMF, OECD, UN, World Bank & MEPS

# Steelmaking Raw Material Costs

US\$/tonne		Iron Ore Fines				Coking Coal	Ferrous Scrap
		Australia 62-63% Fe		Brazil 64% Fe		Australia FOB	HMS1 (E3)
		FOB	CFR China	FOB	CFR China		
<b>ACTUAL</b>	<b>2013</b>	???	???	???	???	???	???
	<b>2014</b>	???	???	???	???	???	???
	<b>2015</b>	???	???	???	???	???	???
	<b>2016</b>	???	???	???	???	???	???
	<b>2017<sup>(e)</sup></b>	???	???	???	???	???	???
<b>FORECAST</b>	<b>2018</b>	???	???	???	???	???	???
	<b>2019</b>	???	???	???	???	???	???
	<b>2020</b>	???	???	???	???	???	???
	<b>2021</b>	???	???	???	???	???	???
	<b>2022</b>	???	???	???	???	???	???

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**MEPS - Iron Ore Fines, Brazil  
Fe 64%, FOB, US\$/tonne**



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**MEPS - Coking Coal, Australia, FOB Queensland  
US\$/tonne**



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**COMMENTARY HERE**

**MEPS - HMS1 / E3, European Union  
US\$/tonne**

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# Flat Products Steel Price Forecasts

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European Union - Flat Products						
€/tonne	Hot Rolled Coil	Hot Rolled Plate	Cold Rolled Coil	Hot Dipped Galvanised	Flat Products Composite	
<b>ACTUAL</b>	<b>2013</b>	???	???	???	???	???
	<b>2014</b>	???	???	???	???	???
	<b>2015</b>	???	???	???	???	???
	<b>2016</b>	???	???	???	???	???
	<b>2017</b>	???	???	???	???	???
<b>FORECAST</b>	<b>2018</b>	???	???	???	???	???
	<b>2019</b>	???	???	???	???	???
	<b>2020</b>	???	???	???	???	???
	<b>2021</b>	???	???	???	???	???
	<b>2022</b>	???	???	???	???	???

Transaction Prices - Based On MEPS Low Values

**COMMENTARY HERE**

**MEPS - EU Average Carbon Steel Price Forecast  
Hot Rolled Coil Transaction Values, €/tonne**

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**MEPS - EU Average Carbon Steel Price Forecast  
Hot Rolled Plate Transaction Values, €/tonne**

**GRAPH  
HERE**

**MEPS - EU Average Carbon Steel Price Forecast  
Cold Rolled Coil Transaction Values, €/tonne**

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**MEPS - EU Average Carbon Steel Price Forecast  
Hot Dipped Galvanised Coil Transaction Values, €/tonne**

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**MEPS - EU Average Carbon Steel Price Forecast  
Flat Products Composite Transaction Values, €/tonne**

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# Long Products Steel Price Forecasts

**COMMENTARY HERE**

European Union - Long Products						
€/tonne	Wire Rod (Mesh)	Medium Sections & Beams	Rebar	Merchant Bar	Long Products Composite	
<b>ACTUAL</b>	<b>2013</b>	???	???	???	???	???
	<b>2014</b>	???	???	???	???	???
	<b>2015</b>	???	???	???	???	???
	<b>2016</b>	???	???	???	???	???
	<b>2017</b>	???	???	???	???	???
<b>FORECAST</b>	<b>2018</b>	???	???	???	???	???
	<b>2019</b>	???	???	???	???	???
	<b>2020</b>	???	???	???	???	???
	<b>2021</b>	???	???	???	???	???
	<b>2022</b>	???	???	???	???	???

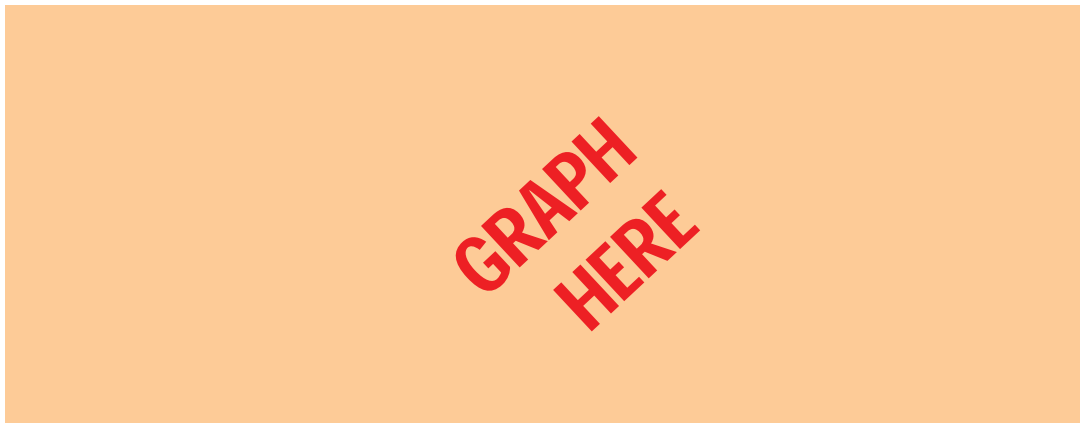
Transaction Prices - Based On MEPS Low Values

**COMMENTARY HERE**

**MEPS - EU Average Carbon Steel Price Forecast  
Wire Rod (Mesh) Transaction Values, €/tonne**



**MEPS - EU Average Carbon Steel Price Forecast  
Medium Sections & Beams Transaction Values, €/tonne**



**MEPS - EU Average Carbon Steel Price Forecast  
Rebar Transaction Values, €/tonne**

**GRAPH  
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**MEPS - EU Average Carbon Steel Price Forecast  
Merchant Bar Transaction Values, €/tonne**

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**MEPS - EU Average Carbon Steel Price Forecast  
Long Products Composite Transaction Values, €/tonne**

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# Risks

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## Appendix

### Forecast Data - US\$/Tonne

**Long Term Annual Forecast - Flat Products**  
**Long Term Annual Forecast - Long Products**

## Annual Forecasts - US Dollar Values

European Union - Flat Products						
US\$/tonne	Hot Rolled Coil	Hot Rolled Plate	Cold Rolled Coil	Hot Dipped Galvanised	Flat Products Composite	
<b>ACTUAL</b>	<b>2013</b>	???	???	???	???	???
	<b>2014</b>	???	???	???	???	???
	<b>2015</b>	???	???	???	???	???
	<b>2016</b>	???	???	???	???	???
	<b>2017</b>	???	???	???	???	???
<b>FORECAST</b>	<b>2018</b>	???	???	???	???	???
	<b>2019</b>	???	???	???	???	???
	<b>2020</b>	???	???	???	???	???
	<b>2021</b>	???	???	???	???	???
	<b>2022</b>	???	???	???	???	???

European Union - Long Products						
US\$/tonne	Wire Rod (Mesh)	Medium Sections & Beams	Rebar	Merchant Bar	Long Products Composite	
<b>ACTUAL</b>	<b>2013</b>	???	???	???	???	???
	<b>2014</b>	???	???	???	???	???
	<b>2015</b>	???	???	???	???	???
	<b>2016</b>	???	???	???	???	???
	<b>2017</b>	???	???	???	???	???
<b>FORECAST</b>	<b>2018</b>	???	???	???	???	???
	<b>2019</b>	???	???	???	???	???
	<b>2020</b>	???	???	???	???	???
	<b>2021</b>	???	???	???	???	???
	<b>2022</b>	???	???	???	???	???

Transaction Prices - Based On MEPS Low Values.

Dollar values based on a fixed exchange rate of 0.839 Euros per 1 US Dollar, for the forecast period 2018-2022.

# Definitions

Transaction 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 local 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 Coil - 2-3mm thickness, width over 1.1 metres.
- Hot Rolled Plate - 15-40mm thickness, width over 2.0 metres.
- Cold Rolled Coil - 1mm thickness, width over 1.3 metres.
- Hot Dipped Galvanised Coil - 1mm thickness, width over 1.1 metres, coating thickness 275gm/m<sup>2</sup>.
- Wire Rod (Mesh Quality) - 8-12mm diameter.
- Medium Sections and Beams - 240 x 240mm H Beam.
- Reinforcing Bar (Deformed) - 16-20mm diameter.
- Merchant Bar - 50 x 50 x 6mm equal angle.

## EU Average

Prices are computed from a weighted average (based on consumption) of the low transaction values identified in Germany, France, Italy, UK and Spain, collected in national currencies and converted into euros using currency exchange rates effective at the start of each month to provide a basis for comparison.

## Flat Products Composite

Prices are computed from a weighted average (based on consumption) of the low transaction values recorded in the relevant period for hot rolled coil and plate, cold rolled coil and hot dipped coated coil.

## Long Products Composite

Prices are computed from a weighted average (based on consumption) of the low transaction values recorded in the relevant period for wire rod, structural sections, reinforcing bar and merchant bar.

## All Products Composite

Prices are computed from a weighted average (based on consumption) of the low transaction values recorded in the relevant period for all carbon steel products in the flat and long categories.

## Disclaimer

*All price and market data is researched by MEPS staff and our local correspondents. The information has been obtained from respondents who we consider provide accurate intelligence on the steel market. We make our best endeavours to be assured that the information is correct and that our analysis is reliable. MEPS (International) Ltd cannot be made liable for any loss resulting from the use of our published data, however it may arise.*