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## MEPS see Nordic average steel price firm in June

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UK based MEPS said that flat products values in the Nordic region were largely unchanged in June 2009, suggesting that the bottom of the current price cycle has been reached. The exception is in hot rolled plate, where there may be scope for a further, small, downward adjustment. Delivery lead times for all flat products are stretching out to September and even October, as a result of the ongoing production curbs and the approaching summer shutdowns.

It added that "Although the major producers have been seeking higher selling figures, there has been no sign of an increase in underlying demand. However, most stockiest and end users have run their inventories very low and this is beginning to reveal shortages of certain items, particularly in coated products."

MEPS said that ArcelorMittal scrap surcharge for medium sections and beams rose by EUR 19 to EUR 87 per tonne in June. This increase was reflected in the effective prices of most long products in deals concluded at the beginning of June. However, reduced demand for scrap caused its value to fall away as the month progressed. As a result, lower transaction figures are forecast for long products in July 2009.

MEPS further added that "The traditional holiday periods in Scandinavia in July and elsewhere in Europe during August will result in a quiet couple of months, exacerbated by the current economic situation. Market participants are therefore looking to September to provide an indication of trends for the remainder of 2009. MEPS forecast a modest upturn in prices for third quarter deliveries."

(Sourced from MEPS - European Steel Review)

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