

**STEEL-INSIGHTS, LLC**  
*Metals, Mining & Manufacturing Strategic Consulting*

# *Global Pricing Round-Up Report*

A collection of raw material costs and finishing  
product prices.

By Becky E. Hites

June 21, 2015





Information included in this report is believed to be true and the author has exercised due diligence in obtaining the data from market and private sources. This report is not intended to be the sole basis for making an investment and the reader is cautioned to exercise additional independent due diligence before making any investment decision.

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# Cost & Pricing Heat Map and Data

## Raw Material Cost & Finished Steel Prices Heat Map-Month to Month Change

	2014												2015			
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
USA #1 Heavy Melt Scrap Spot Price	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
USA Shredded Scrap Spot Price	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
USA Busheling Scrap Spot Price	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
USA Spread Shredded to #1HM Scrap Spot Price	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
Iron Ore Spot Index 62% Fe Price, CFR Tianjin Port	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
Coking Coal Spot Price, FOB Australia	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
Met Coke Spot Price, FOB China	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
Scrap Metallic Comp - BF/BOF Raw Material Cost	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
Ratio Scrap to BF/BOF Metallics	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
HBI Spot Price, FOB South America	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
Pig Iron Spot Price, FOB N. Brazil	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
Slab Spot Price, FOB Port of Export	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
Billet Spot Price, FOB Port of Export	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
World Export Price, Hot-Rolled Band	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
USA Price, Hot-Rolled Band	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
Spread USA Price to World Export Price, Hot-Rolled Band	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
Spread USA HRB to #1 HM	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
China Price, Hot-Rolled Band	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
Spread World Export HRB to China HRB Price	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
USA Plate Price	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
USA Rebar Price	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green

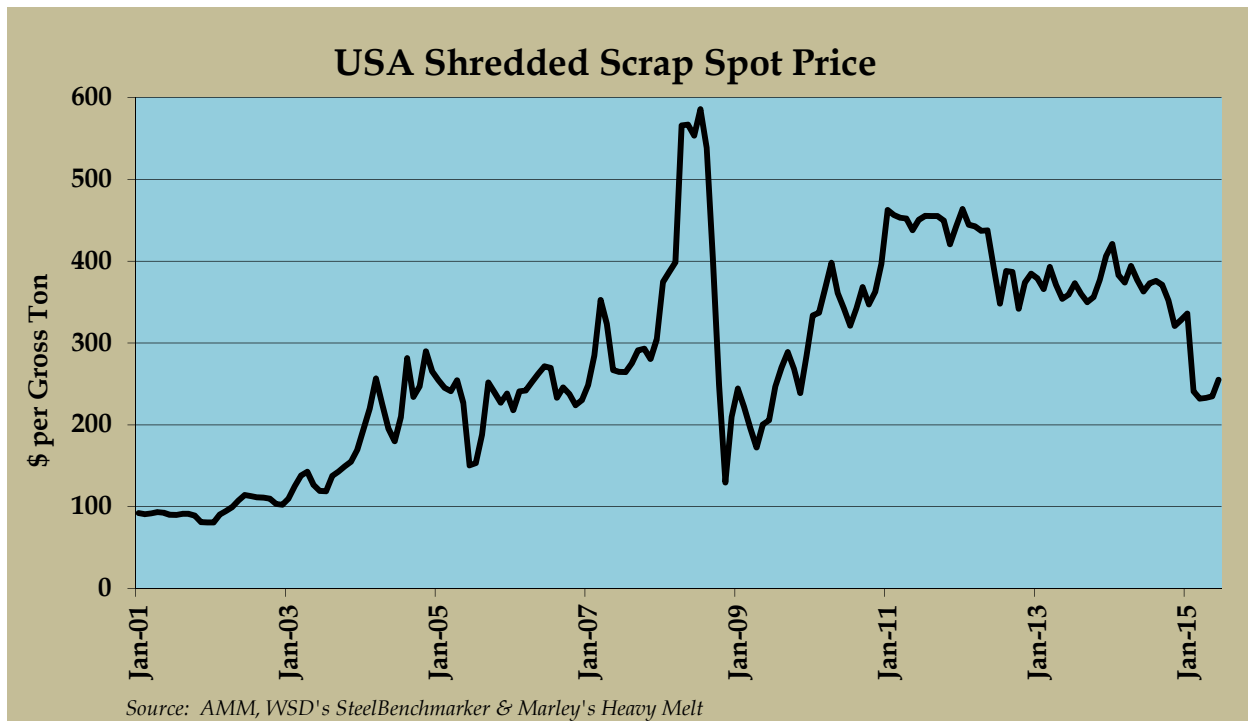
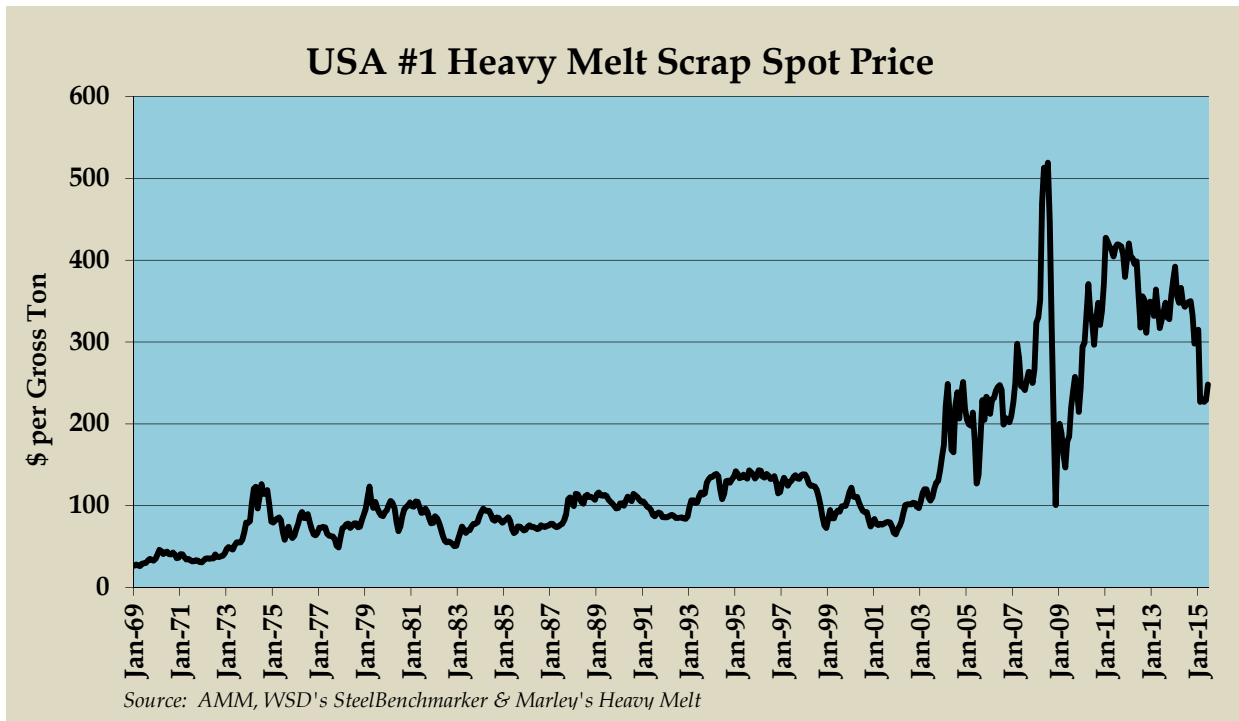
Code: red=down; green=up; grey=sideways; white=no new data yet

## Raw Material Cost & Finished Steel Prices Monthly Data

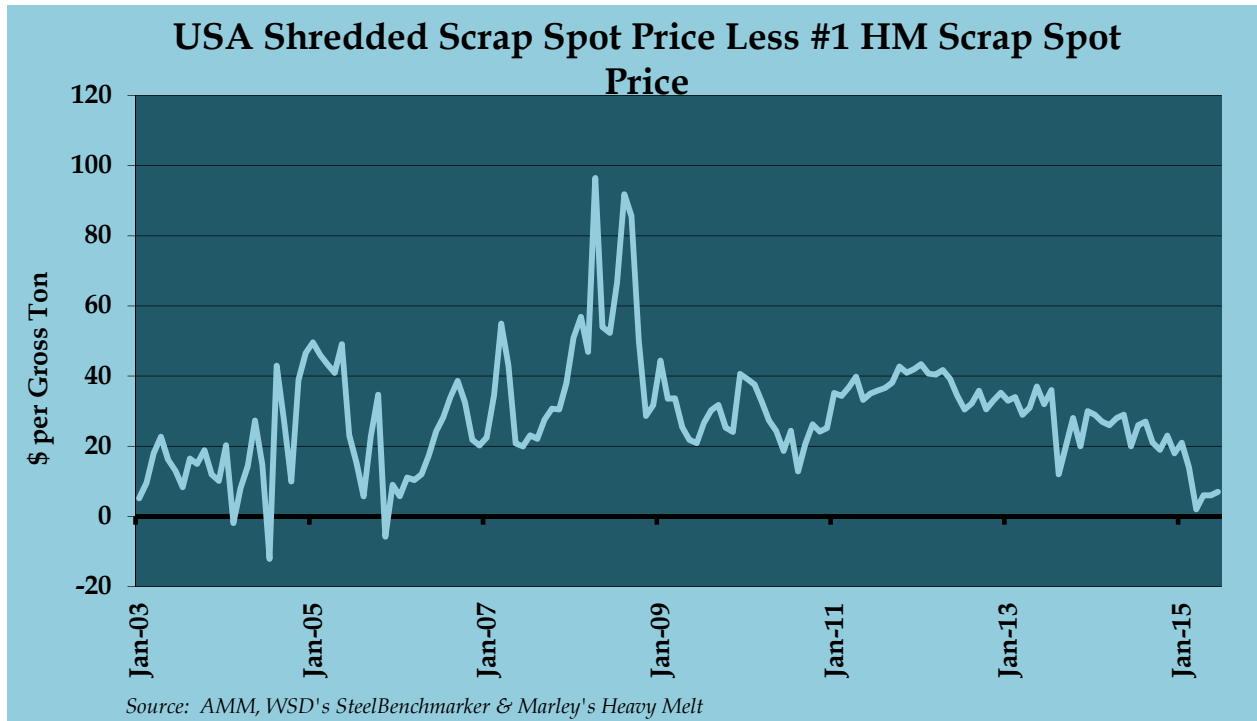
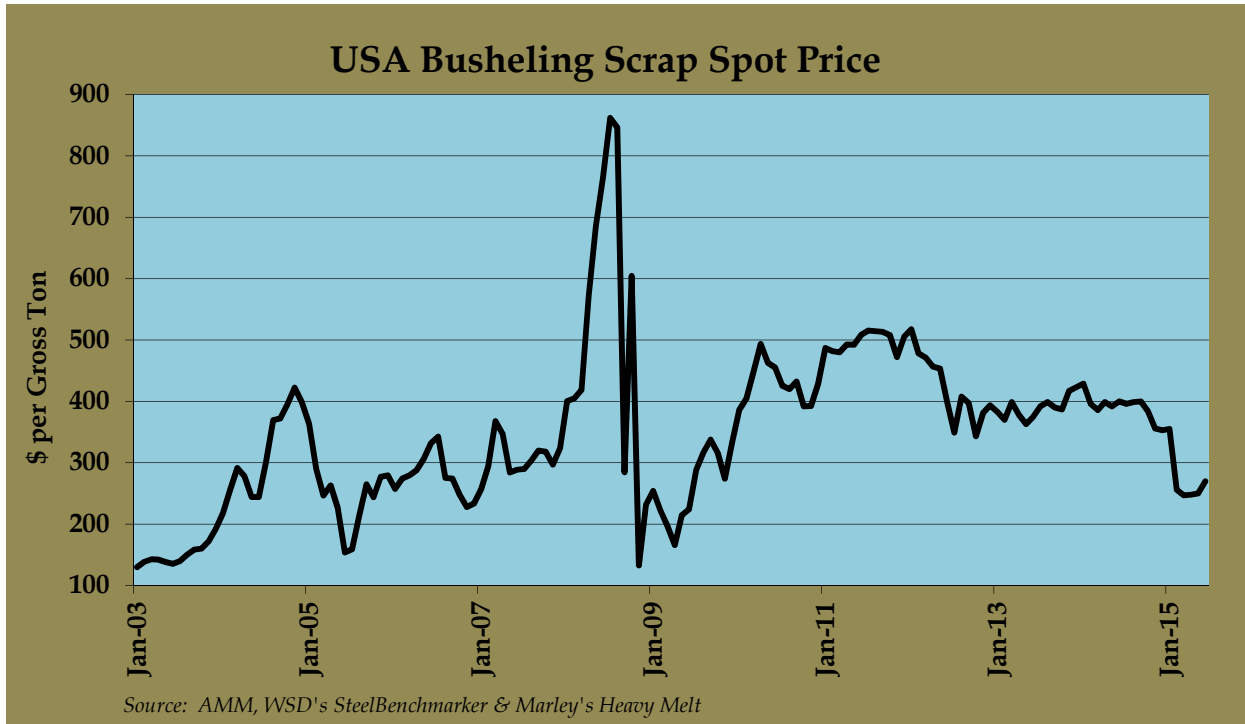
	2014												2015		
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
USA #1 Heavy Melt Scrap Spot Price	392	356	348	366	348	343	347	349	350	333	298	310	315	227	227
USA Shredded Scrap Spot Price	421	383	374	394	377	363	373	376	371	352	321	328	336	251	247
USA Busheling Scrap Spot Price	429	396	386	399	392	400	396	399	400	384	356	353	356	256	248
USA Spread Shredded to #1HM Scrap Spot Price	29	27	26	28	29	20	26	27	21	19	23	18	21	24	20
Iron Ore Spot Index 62% Fe Price, CFR Tianjin Port	128	121	112	112	101	93	96	92	78	83	69	71	62	65	58
Coking Coal Spot Price, FOB Australia	133	127	118	118	116	115	114	114	113	113	113	114	112	107	100
Met Coke Spot Price, FOB China	248	234	208	208	196	191	181	176	175	175	180	189	187	187	187
Scrap Metallic Comp - BF/BOF Raw Material Cost	325	309	285	285	265	252	255	250	227	234	212	216	200	201	182
Ratio Scrap to BF/BOF Metallics	1.21	1.15	1.22	1.22	1.31	1.36	1.36	1.40	1.54	1.42	1.40	1.44	1.57	1.13	1.25
HBI Spot Price, FOB South America	335	330	325	325	330	325	320	315	320	320	315	310	305	300	295
Pig Iron Spot Price, FOB N. Brazil	402	397	392	392	403	398	395	395	401	400	375	350	355	290	275
Slab Spot Price, FOB Port of Export	519	515	505	505	498	490	488	482	485	485	485	485	485	485	485
Billet Spot Price, FOB Port of Export	525	535	530	530	515	520	510	500	510	505	470	455	450	445	440
Hot-Rolled Band Prices															
World Export	564	560	550	553	552	556	551	554	533	532	512	502	484	453	421
USA	743	736	704	749	756	750	741	749	742	720	713	684	640	575	546
Spread USA to World Export	179	176	154	196	204	194	190	195	209	188	201	182	156	122	125
USA-\$ per net ton	674	668	639	679	686	680	672	679	673	653	647	621	581	522	495
USA #1 HM-\$ per net ton	350	318	311	327	311	306	310	312	313	297	266	277	281	203	203
Spread USA to #1 HM	324	350	328	353	375	374	362	368	361	356	381	344	299	319	293
China	475	474	448	459	454	452	450	452	436	414	407	405	361	350	349
Spread World Export to China	89	86	102	94	98	104	101	102	97	118	105	97	123	103	72
USA Plate Price-\$ per net ton	796	797	820	814	837	858	863	873	860	842	808	800	731	685	672
USA Rebar Prices-\$ per net ton	643	640	635	635	635	633	632	632	640	649	640	635	631	613	576

Source: Market Sources & Steel-Insights, LLC estimates

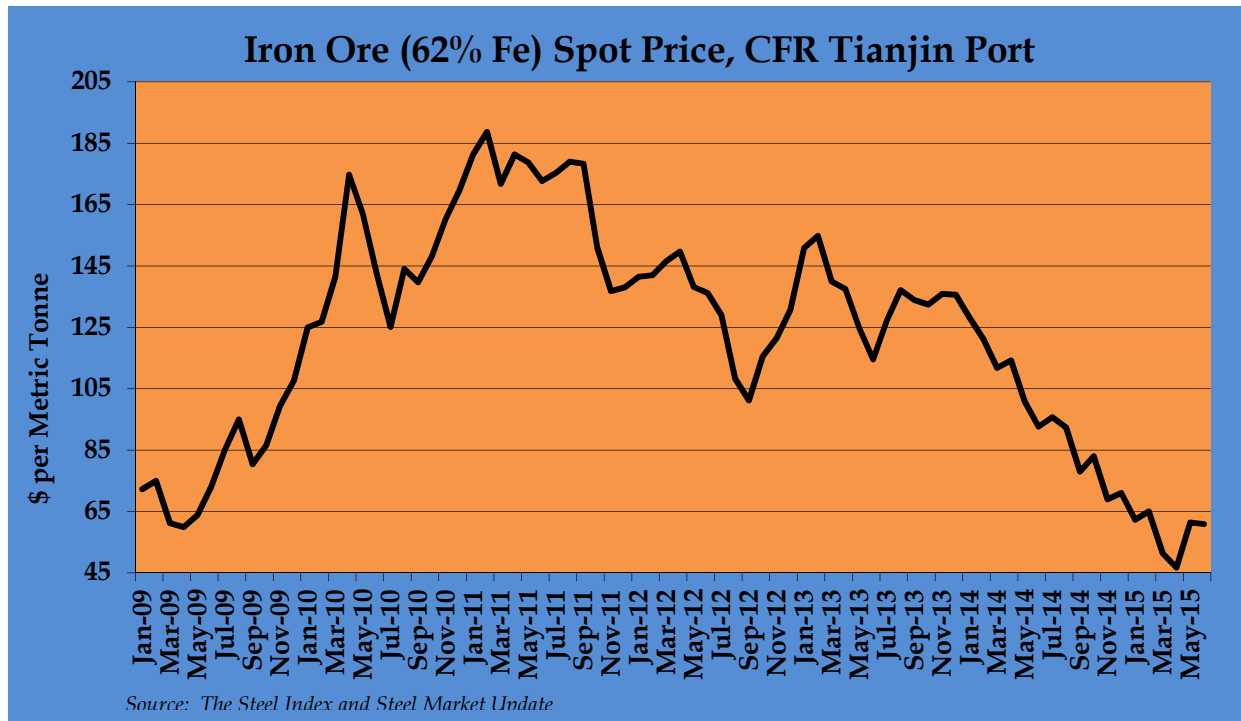
# USA #1 Heavy Melt & Shredded Scrap Prices



# USA Busheling Scrap Price, Spread Shredded to #1HM



# Iron Ore Prices, Spot, China



## Iron Ore Production By Leading Iron Ore Miners (million tonnes)

	FYE	2012	2013	2014	2015e	2016e	2017e	2018e	2019e
BHP	Jun	149	187	225	241	245	260	275	290
BHP Samarco	Jun	10	11	11	15	15	15	15	15
Fortescue	Jun	57	81	83	155	175	180	180	180
Rio Tinto	Dec	209	203	240	349	360	360	360	360
Rio IOC		18	20	21	22	23	26	26	26
Vale	Dec	258	265	327	340	376	411	453	459
<b>Total</b>		<b>702</b>	<b>766</b>	<b>906</b>	<b>1,122</b>	<b>1,194</b>	<b>1,252</b>	<b>1,309</b>	<b>1,330</b>
Increase			64	140	216	72	58	57	21
Percentage increase			9.1%	18.3%	23.8%	6.4%	4.9%	4.6%	1.6%

Source: Market sources & Steel-Insights, LLC estimates

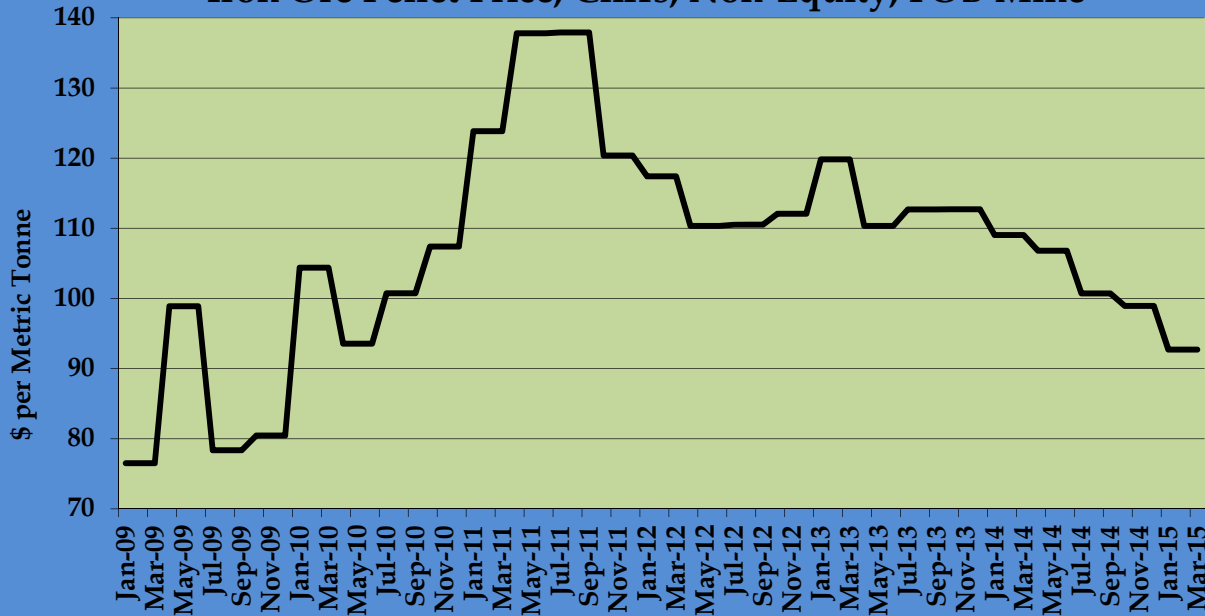
# Iron Ore Prices, Brazil & USA

## Iron Ore Pellet Price, Vale, Delivered



Source: Commanu Reports

## Iron Ore Pellet Price, Cliffs, Non-Equity, FOB Mine

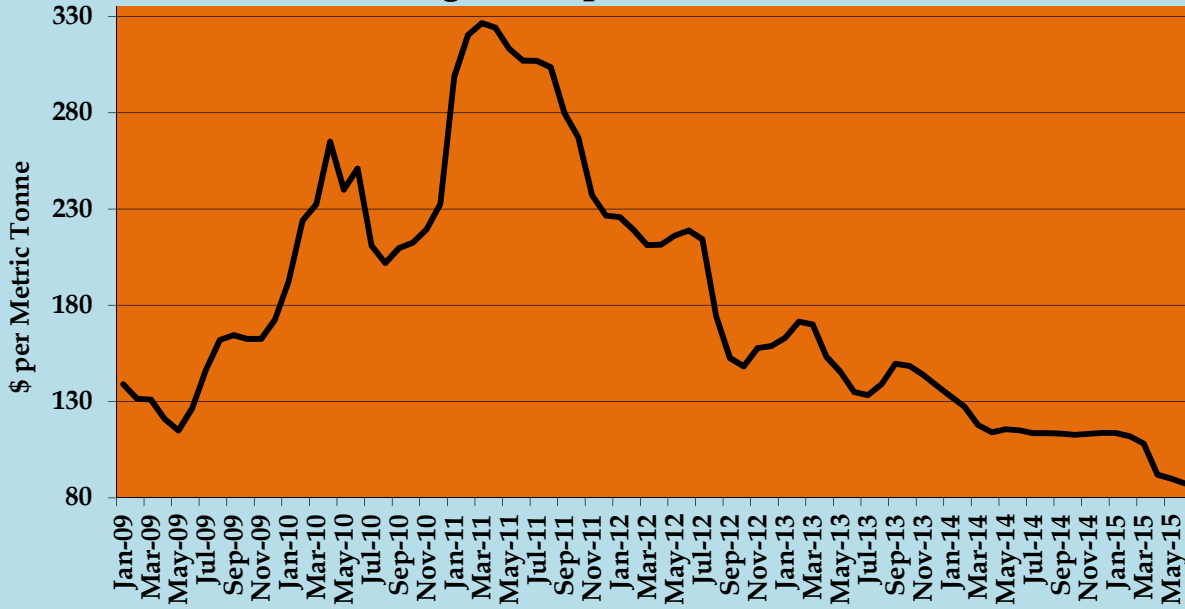


Source: Commanu Reports



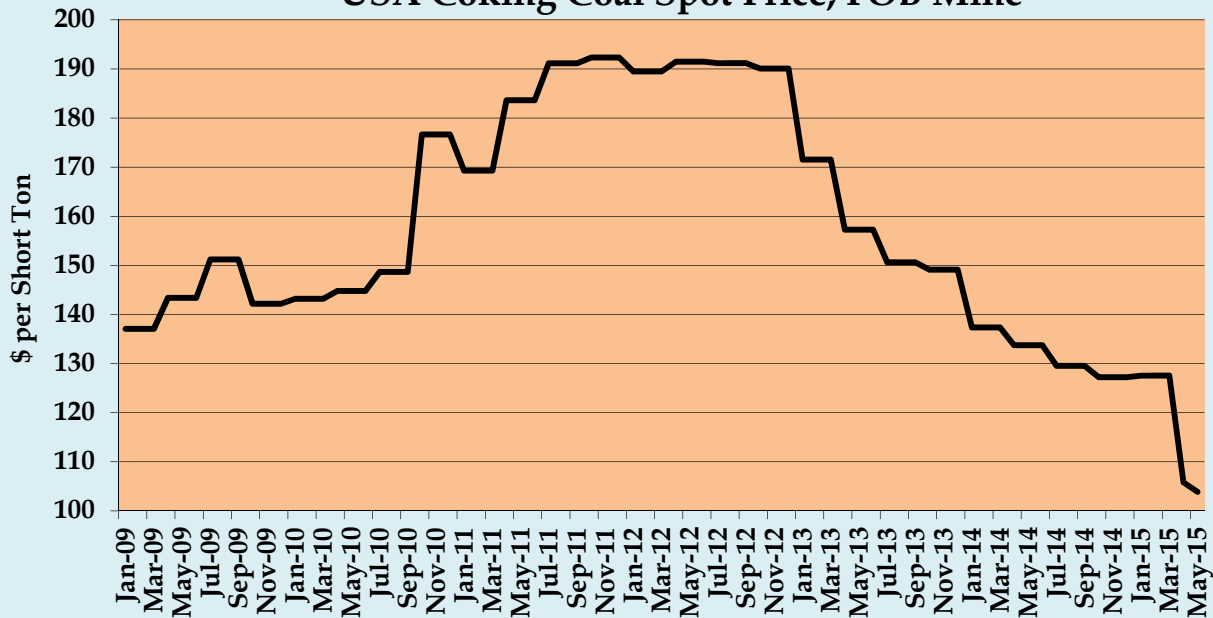
# Coking Coal Prices

## Coking Coal Spot Price, FOB Australia



Source: IHS McCloskey Group

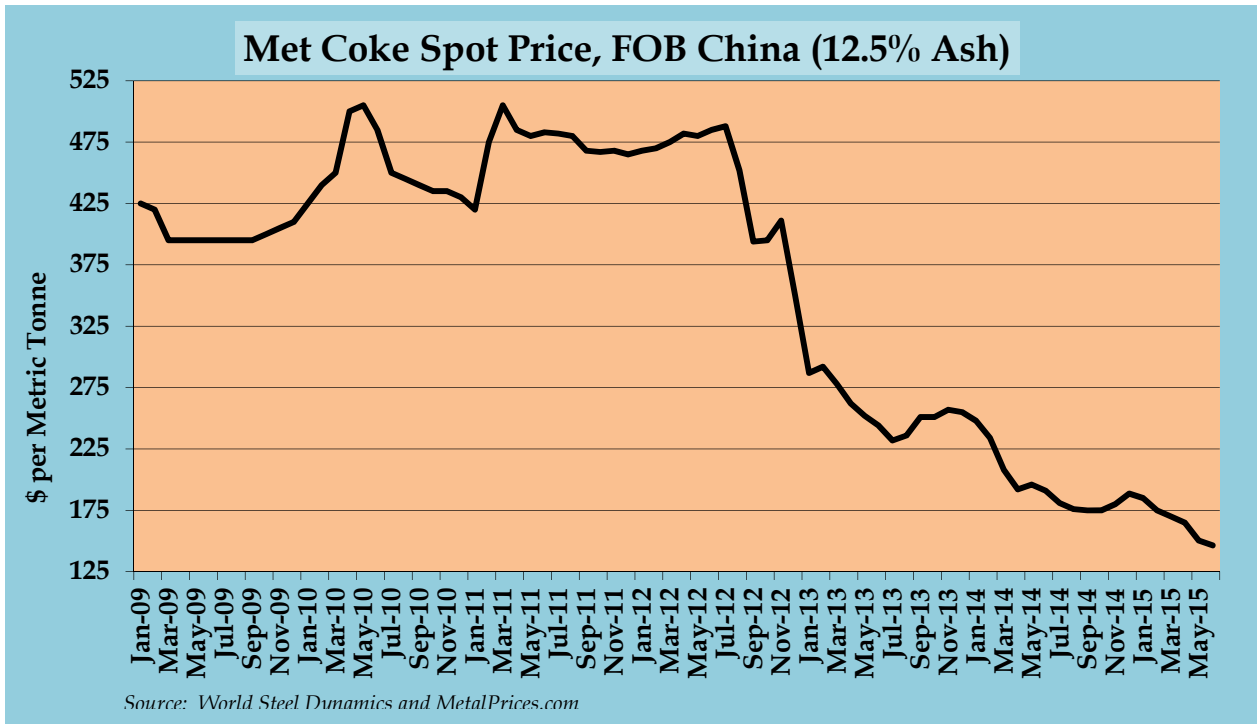
## USA Coking Coal Spot Price, FOB Mine



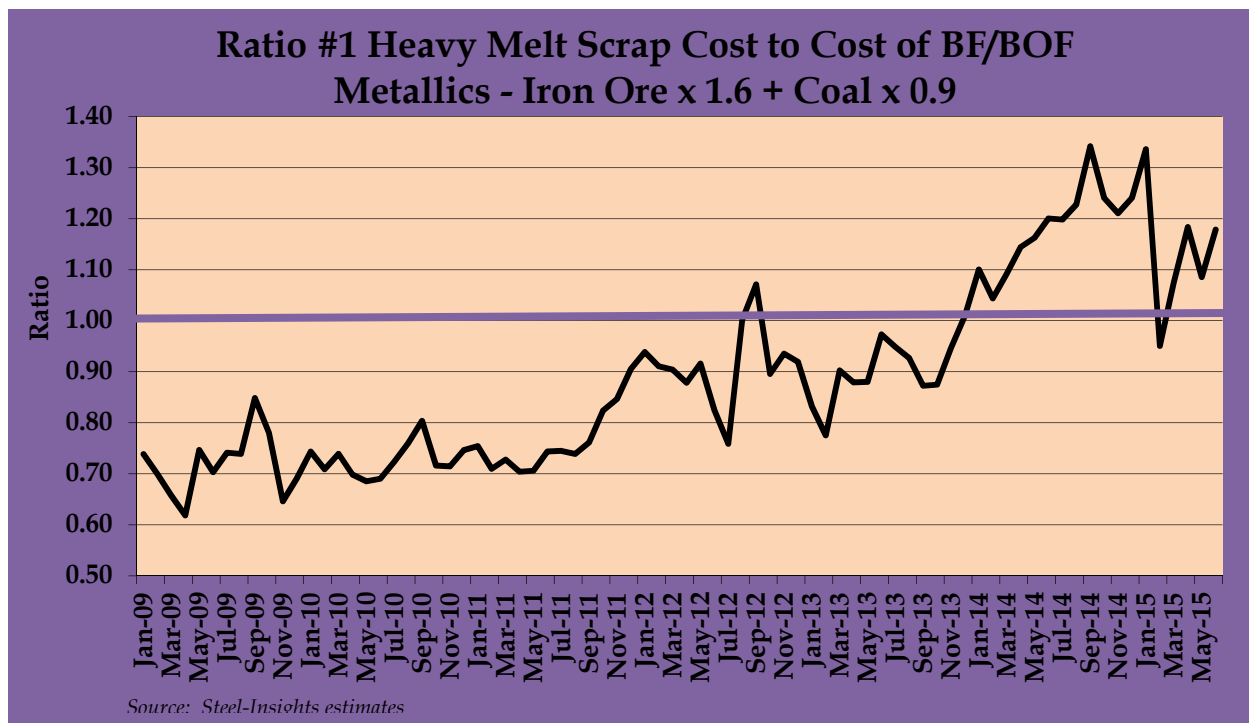
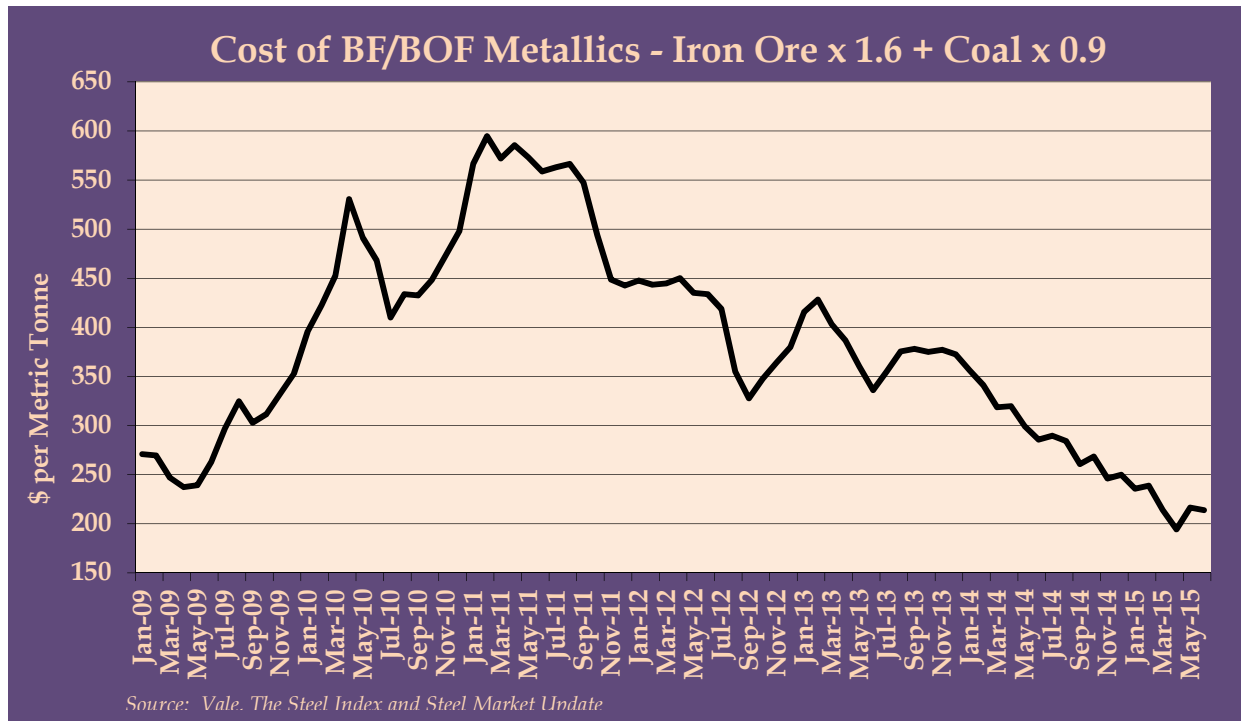
Source: EIA



# Metallurgical Coke Prices

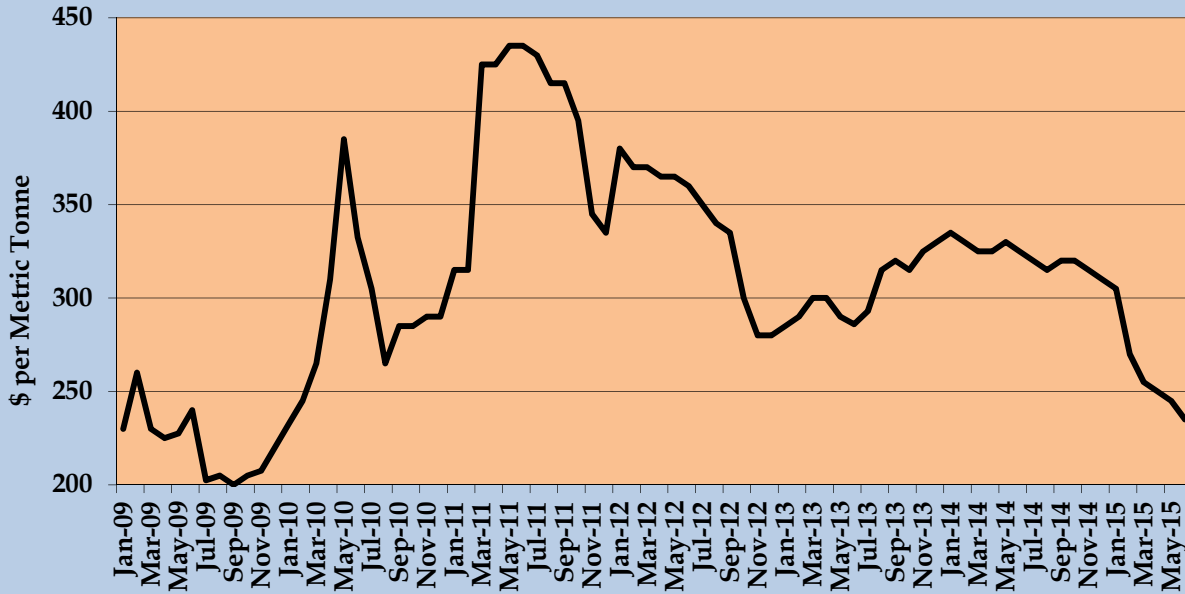


# Metallics Comparison – EAF vs BF/BOF Route



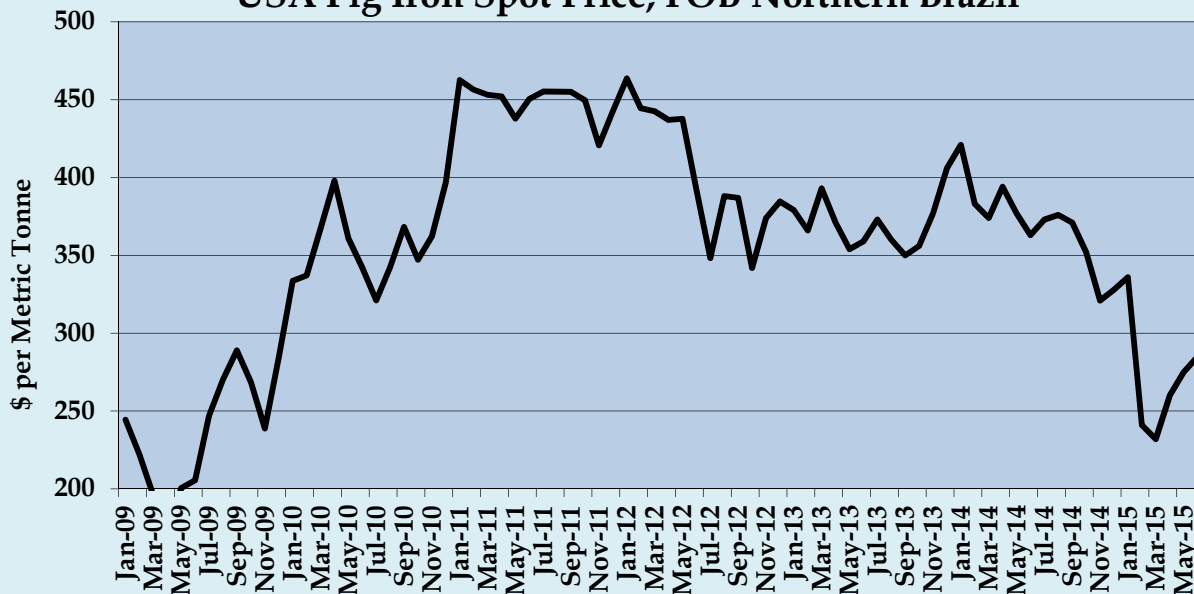
# HBI & Pig Iron Spot Prices

## HBI Spot Price, FOB South America



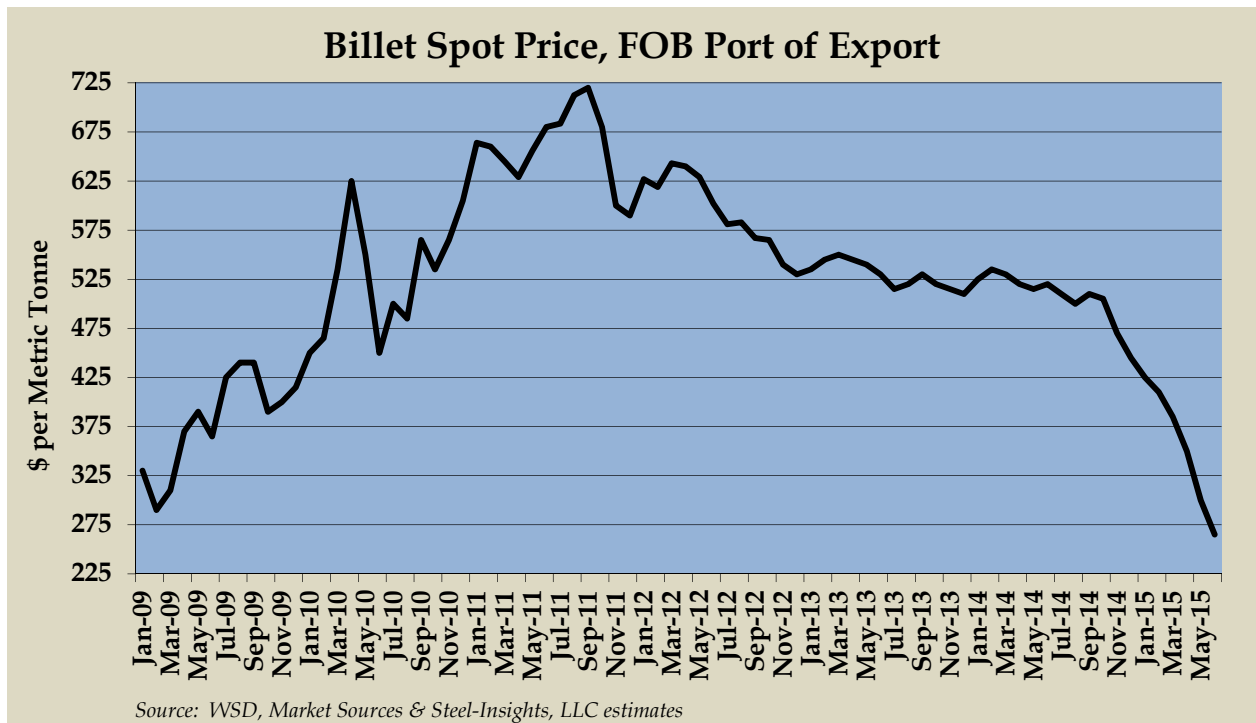
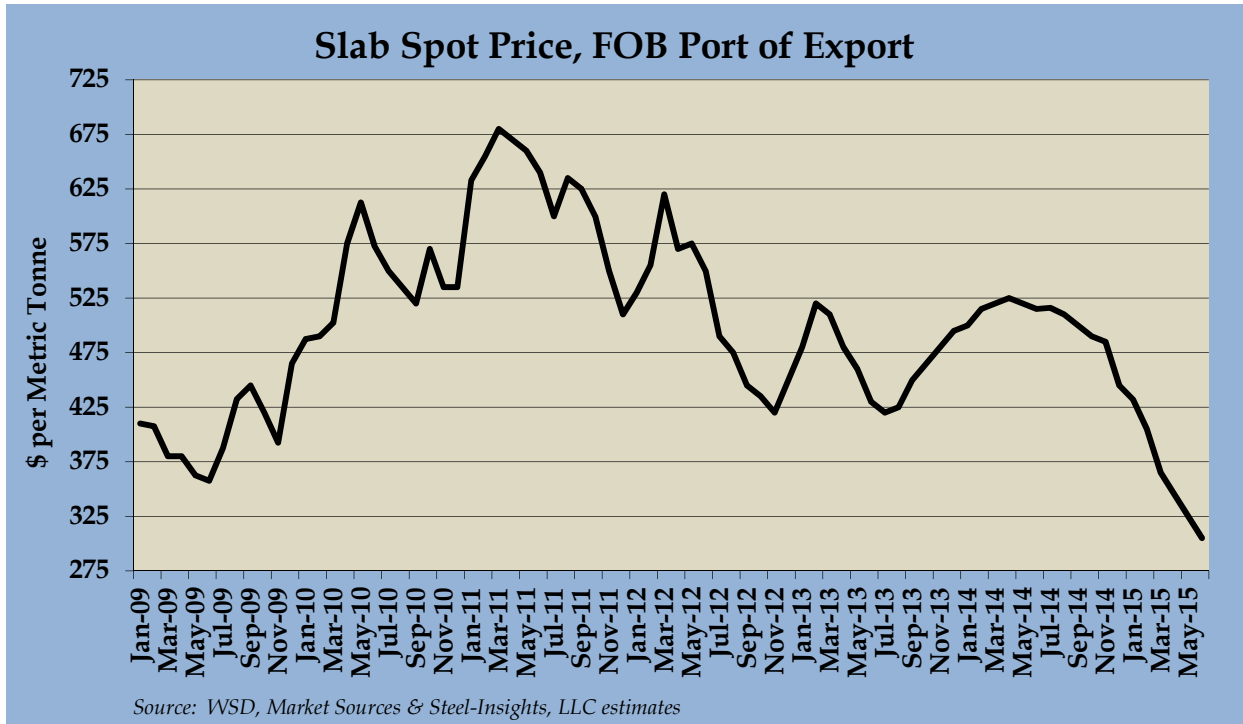
Source: WSD, Market Sources & Steel-Insights, LLC estimates

## USA Pig Iron Spot Price, FOB Northern Brazil

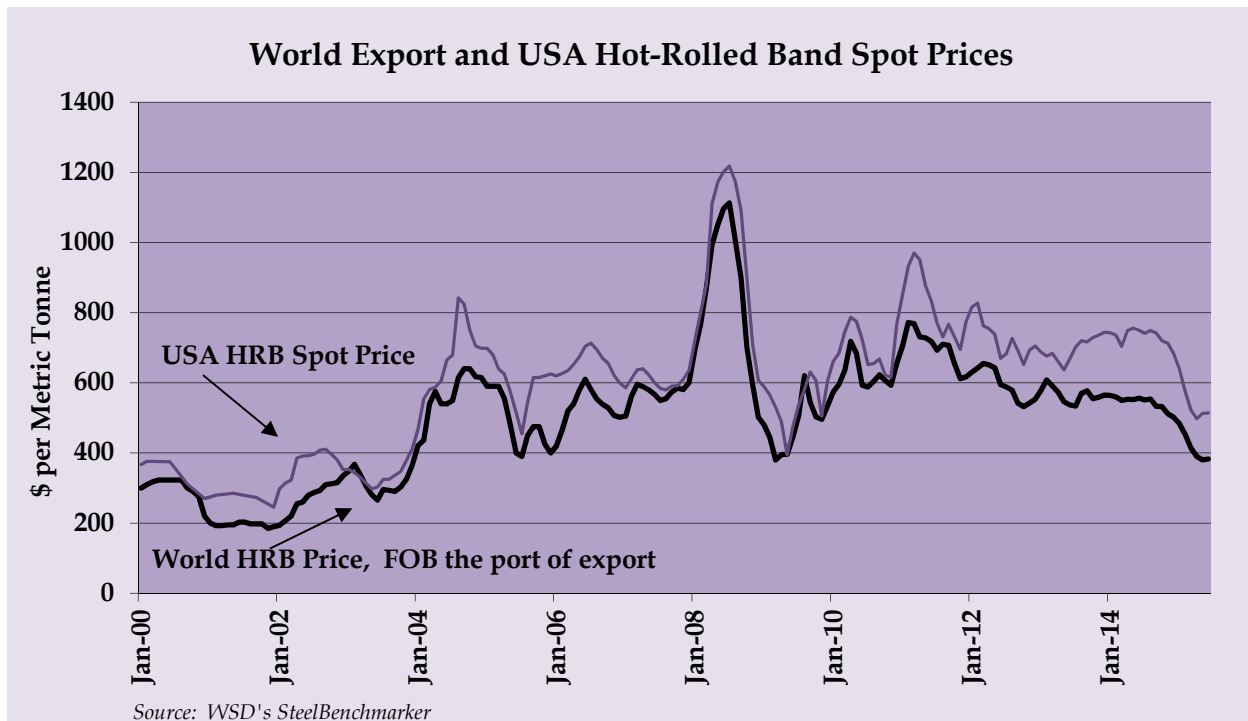
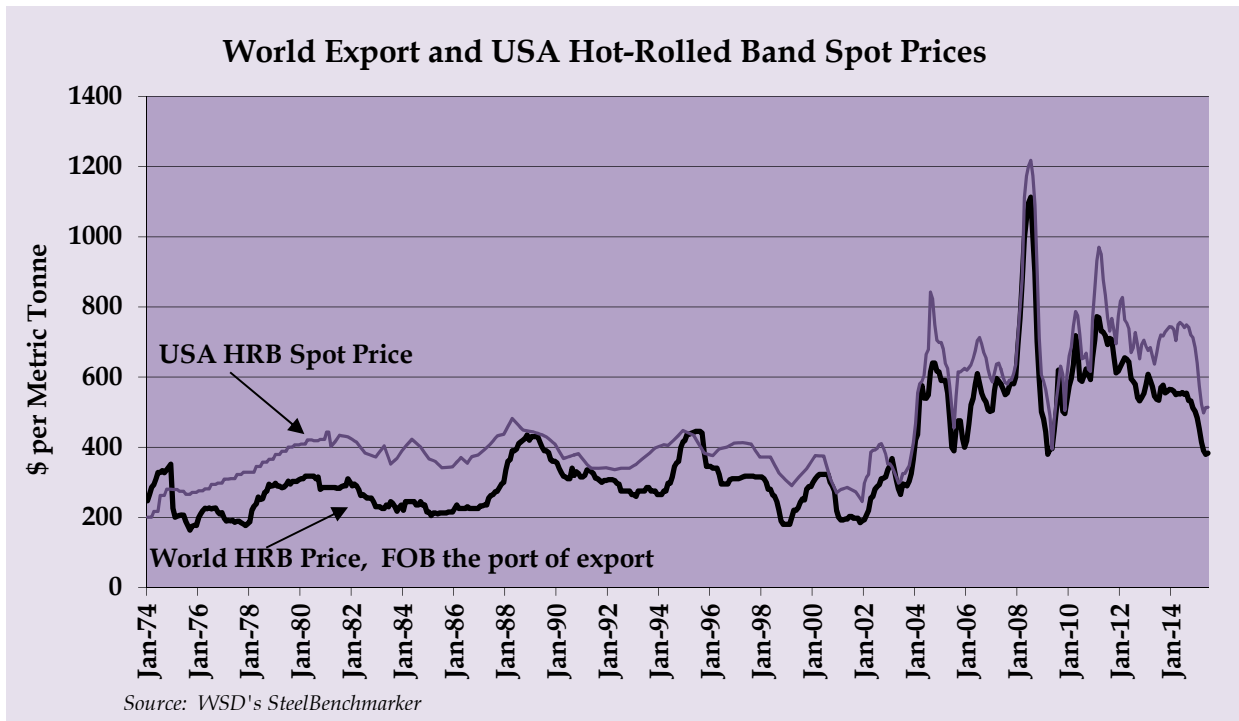


Source: WSD's SteelBenchmarker, Marley's Heavy Melt & Stemcor's Ferrosuorce

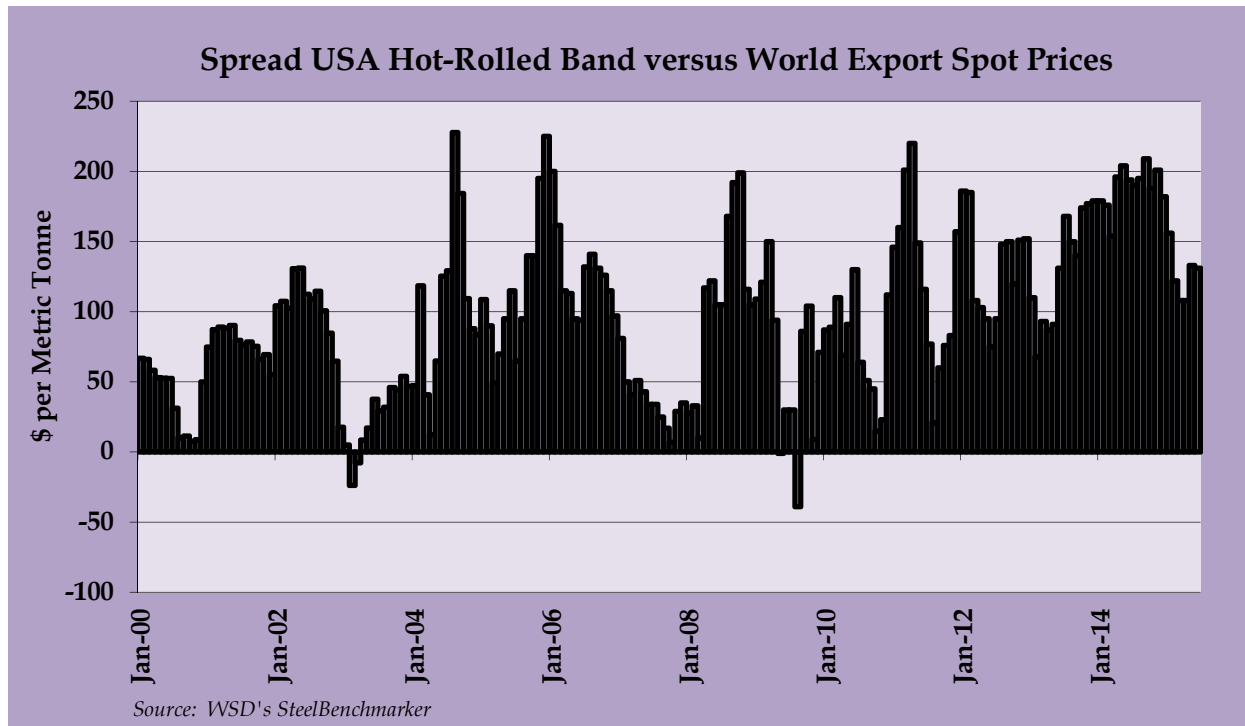
# Slab & Billet Prices



# World Export & USA Hot-Rolled Band Prices

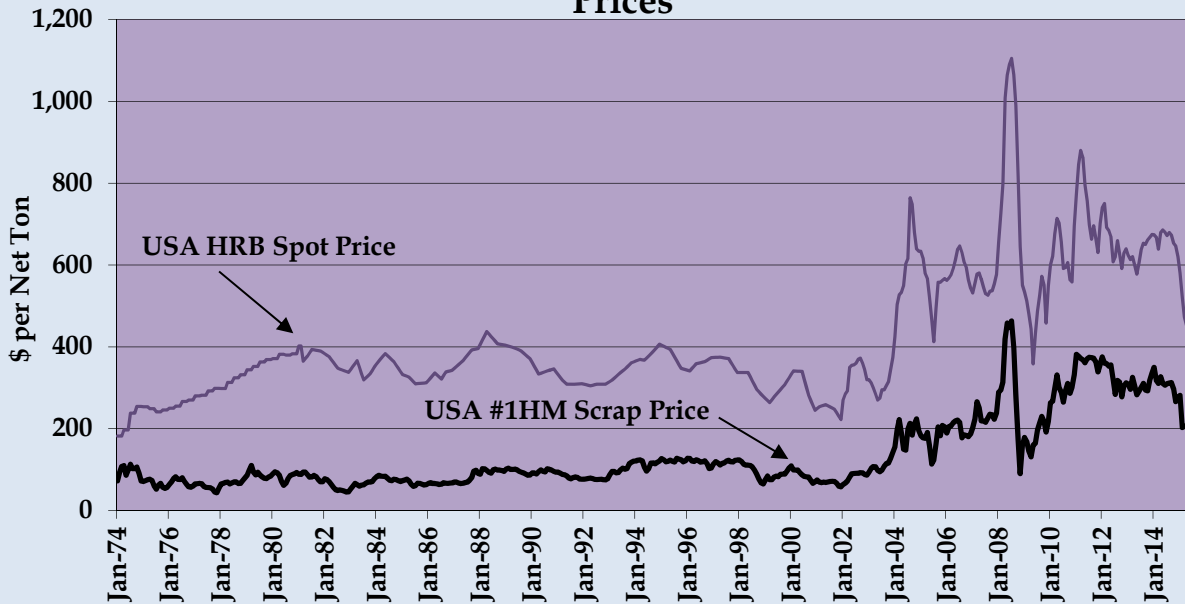


# USA HRB Premium to World Export Price



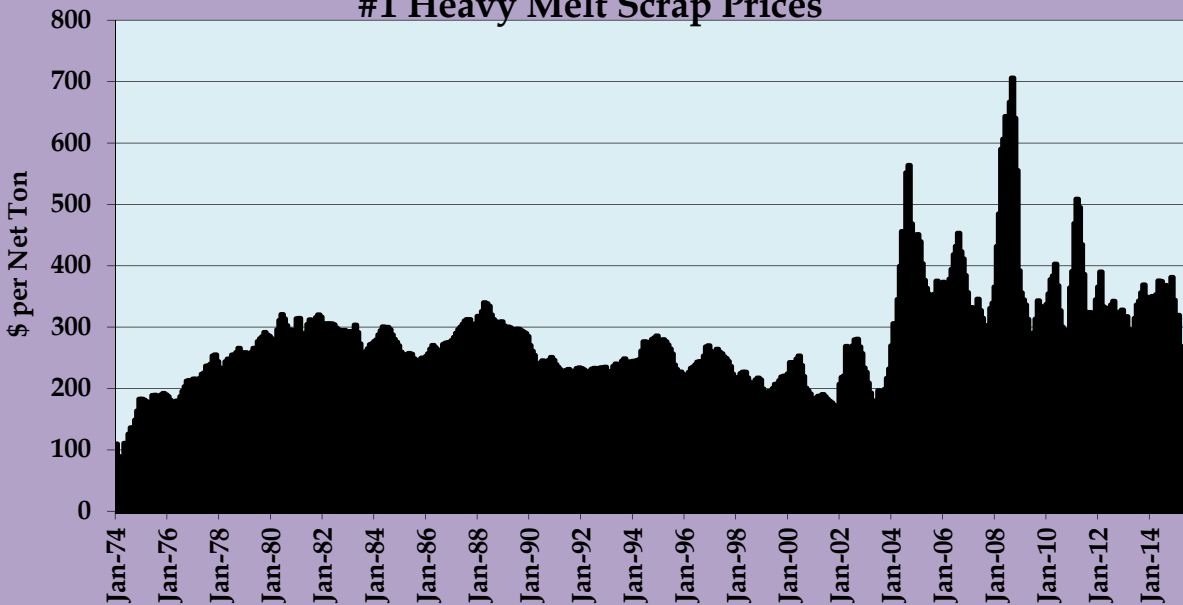
# USA Hot-Rolled Band Prices Versus #1 HM Scrap Price, Metal Margin

## USA Hot-Rolled Band & #1 Heavy Melt Scrap Spot Prices



Source: WSD's SteelBenchmarker

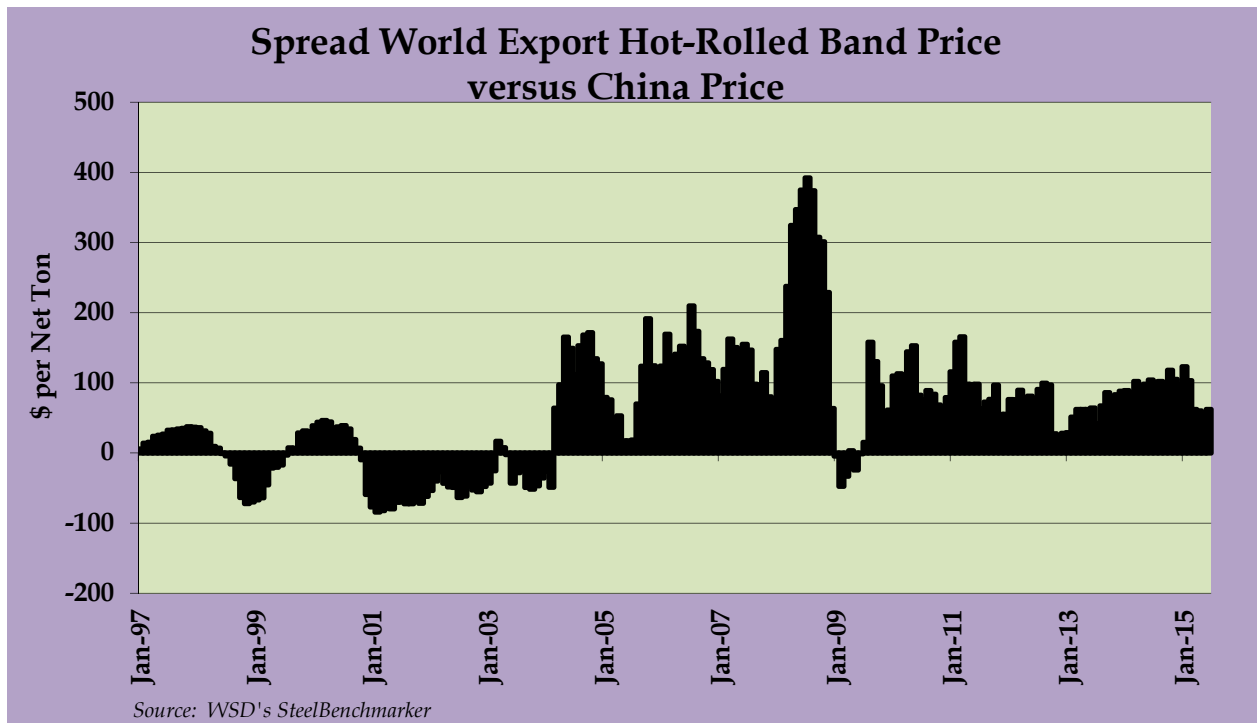
## Metal Margin: Spread USA Hot-Rolled Band versus #1 Heavy Melt Scrap Prices



Source: WSD's SteelBenchmarker

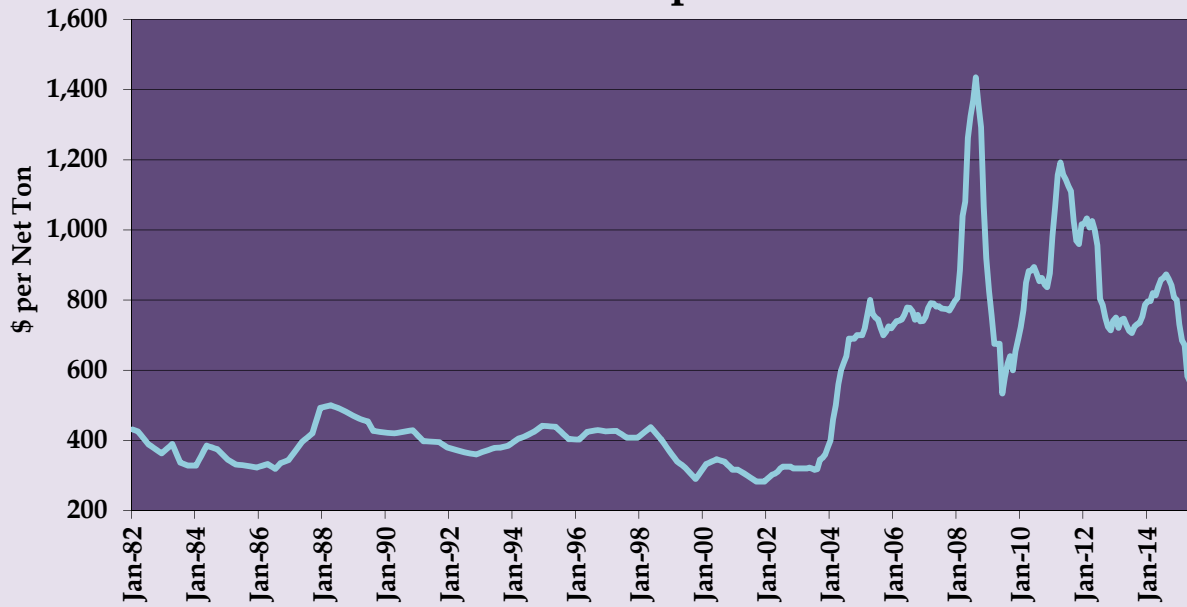


# China Hot-Rolled Band Price, World Export Price Spread



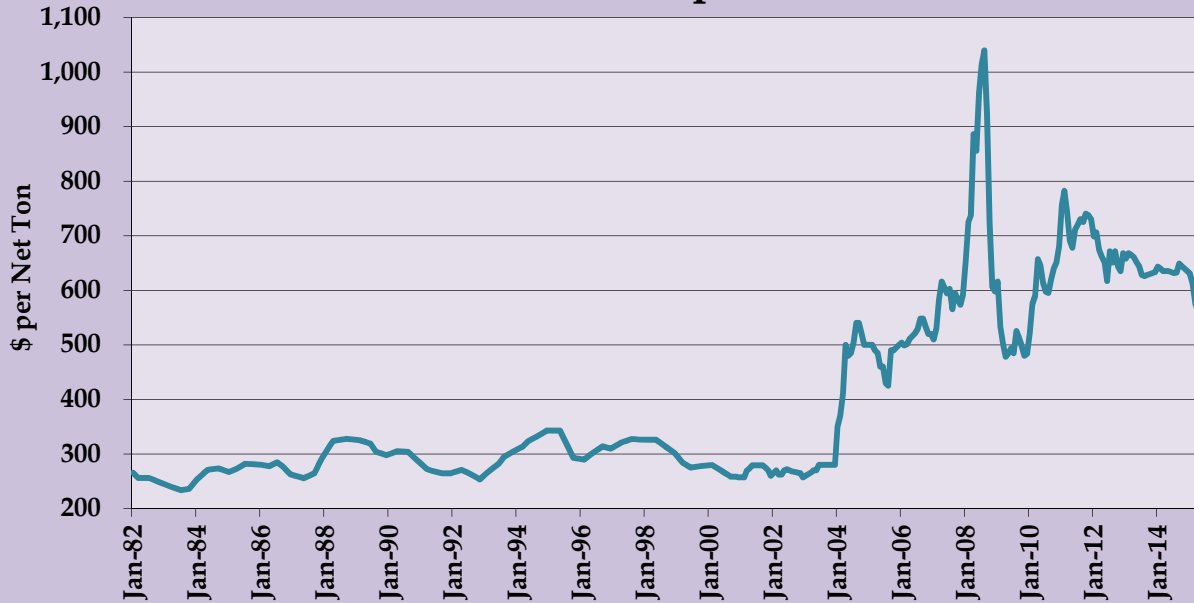
# Plate & Rebar Prices

## USA Plate Spot Prices



Source: WSD's SteelBenchmarker

## USA Rebar Spot Prices



Source: WSD's SteelBenchmarker

# Steel-Insights, LLC – “Seeing” What Others Don’t – Identifying & Harnessing Resources for Success

In WWII, American submarine commanders endured despite being outclassed by superior equipment and outgunned (fully functioning torpedoes weren’t available to them for the first 21 months of the Pacific War). In the fog of war, as often is the case in business, decisions with long impacting outcomes have to be made without the luxury of complete or definitive information.

Steel-Insights was formed to assist executive management teams navigate the “noise of battle” by more effectively managing the abundant resources available today and harnessing those resources to explore thought provoking and penetrating issues in order to magnify the pivotal decisions required for the long-term success of their companies in arguably tough industries that must survive challenging cycles, i.e. training and empowering submarine commanders.

