

Platts steel assessments currency and unit comparisons

December 03

	Eur/mt	\$/mt	\$/st	\$/CWT	Prior assessment		
					\$/mt	\$ change	% change
Hot-rolled coil							
Ex-works, Ruhr*	480.00	703.68	638.38	31.93	705.55	-1.87	-0.27%
FOB Black Sea*	388.81	570.00	517.10	25.86	570.00	0.00	0.00%
CIF Antwerp*	470.00	689.02	625.08	31.26	690.85	-1.83	-0.26%
Ex-works, Indiana**	405.14	594.14	539.00	26.95	590.83	3.31	0.56%
CIF, US Gulf states, basis Houston**	400.26	586.97	532.50	26.63	586.97	0.00	0.00%
Cold-rolled coil							
Ex-works, Ruhr*	550.00	806.30	731.48	36.58	808.45	-2.15	-0.27%
FOB Black Sea*	426.33	625.00	567.00	28.36	625.00	0.00	0.00%
CIF Antwerp*	515.00	754.99	684.93	34.26	757.00	-2.01	-0.27%
Ex-works, Indiana**	469.03	687.83	624.00	31.20	683.42	4.41	0.65%
CIF, US Gulf states, basis Houston**	466.03	683.42	620.00	31.00	683.42	0.00	0.00%
Plate							
Ex-works, Ruhr*	670.00	982.22	891.07	44.57	984.83	-2.61	-0.27%
CIF Antwerp*	655.00	960.23	871.12	43.57	962.78	-2.55	-0.26%
Ex-works, US Southeast**	590.05	865.30	785.00	39.25	865.30	0.00	0.00%
CIF, US Gulf states, basis Houston**	578.77	848.77	770.00	38.50	848.77	0.00	0.00%
Reinforcing bar							
Ex-works, Northwest Europe*	437.50	641.38	581.86	29.10	643.08	-1.70	-0.26%
East Mediterranean, basis Turkey*	393.93	577.50	523.91	26.20	577.50	0.00	0.00%
Ex-works, US Southeast**	439.72	644.84	585.00	29.25	644.84	0.00	0.00%
CIF, US Gulf states, basis Houston**	435.96	639.33	580.00	29.00	639.33	0.00	0.00%

*LN 16:30 Eur/\$ ex rate = 1.4660; **NY 16:30 \$/Eur ex rate = 0.6819. Bold denotes the primary assessments and have not been converted

News

With sale pending, Sparrows Point is building exports

Chicago—The sale of ArcelorMittal's Sparrows Point, Maryland, plant to a joint venture continues to be delayed by negotiations over retiree plan funding, but the mill has already begun building export programs that are expected to be a part of its future strategy.

Craig T. Bouchard, chairman and CEO

of E2 Acquisition Corporation, the joint venture of Esmark, Wheeling-Pittsburgh Steel, Brazil's Vale (formerly CVRD) and Ukraine's IUD Donbass, told Platts Monday that the plant is expecting to export a couple hundred thousand tons of tin mill products over the next one to two years.

"Exporting is a very definite key component of our strategy going forward along with producing more slab," said Bouchard, who is also co-founder and president of Illinois-based Esmark and president and vice-chairman of West Virginia-based Wheeling-Pittsburgh.

platts Steel Markets Daily

Volume 01 / Issue 214 / December 3, 2007

ISSN: 1935-7354

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"The dominant driver of the Esmark strategy is to produce a large volume of slab at Sparrows for the North American market, including for Wheeling-Pitt and for Esmark and then to grow the tin business and export," he said.

Bouchard noted the timetable for E2's purchase of the Sparrows Point plant, which at one time was expected to close in November, had shifted several times in recent weeks. "There is an issue outstanding between [Arcelor]Mittal and the United Steelworkers relative to the old Bethlehem Steel retirees, of which Sparrows is one piece," he said.

The E2 executive said the union and ArcelorMittal USA are debating how those retiree benefits will be funded when the Sparrows Point plant leaves the Voluntary Employee Beneficiary Association set up following the bankruptcy of Bethlehem Steel several years ago.

"We are waiting hopefully for them to

resolve that quickly so we can get finished," Bouchard said, adding that E2 had recently been hoping to complete the Sparrows Point acquisition within one or two weeks.

Spokesmen for ArcelorMittal and the USW did not return calls seeking updates on the status of their talks.

"E2 has completed substantially all the work, all the contractual work and all of the legal work," Bouchard said. "There are a couple of very small issues other than this one, but those would be things that would be cleared up pretty quickly once they give us the go ahead. We are basically ready to close."

Bouchard said E2 has for about two months had a transition team working cooperatively with ArcelorMittal at the Sparrows Point plant and has also been working under a slab supply agreement. "We're a substantial customer of [Arcelor]Mittal and we've always had a strong strategic relationship with them. So it has been a pretty

smooth process," he said.

Bouchard noted that ArcelorMittal has not historically exported much from the mill, but has started shipments in preparation for the transfer. "Where the dollar is right now, as weak as it is, it is a profitable activity to export tin and to some extent hot-rolled products out of Sparrows to Europe," he said.

He noted that tin mill product prices in Europe are currently higher than they are in the United States. "So when you combine that with the weak dollar it's a pretty attractive opportunity to export tin into the European market," Bouchard said. Even with transportation costs, US tin mill product prices are still below certain European markets such as Ukraine, he added.

In addition to the planned tin mill product export growth, E2 is contracted to sell Wheeling-Pittsburgh and Esmark 850,000 st/year of slab. "It's a big order," Bouchard said. "We're not doing anything like that right now. We're just kind of sticking our toe in the water right now."

Bouchard added that E2 also expects to explore opportunities with other products in Europe—although he declined to discuss those until after the Sparrows Point mill deal was completed.

—Philip Burgert

Monthly average steel prices: November 2007

	Unit	Monthly average	Last month	% change	2007 high	2007 low
Hot-rolled coil						
Ex-works, Ruhr	Eur/mt	480.00	481.30	-0.27	510.00	479.09
CIF Antwerp	Eur/mt	470.00	481.09	-2.31	519.47	428.64
FOB Black Sea	\$/mt	577.50	582.17	-0.80	589.74	477.27
Ex-works, Indiana	\$/st	531.50	527.33	0.79	562.70	515.04
CIF Houston	\$/st	536.00	541.20	-0.96	559.61	516.09
Cold-rolled coil						
Ex-works, Ruhr	Eur/mt	543.18	540.87	0.43	545.00	540.87
CIF Antwerp	Eur/mt	521.82	525.00	-0.61	525.00	521.82
FOB Black Sea	\$/mt	632.50	640.00	-1.17	640.00	632.50
Ex-works, Indiana	\$/st	615.63	612.83	0.46	615.63	605.79
CIF Houston	\$/st	620.00	620.00	0.00	620.00	620.00
Plate						
Ex-works, Ruhr	Eur/mt	670.00	653.48	2.53	670.00	650.00
CIF Antwerp	Eur/mt	640.68	615.22	4.14	640.68	604.74
Ex-works, US SE	\$/st	785.00	794.57	-1.20	806.32	785.00
CIF Houston	\$/st	770.00	770.00	0.00	770.00	770.00
Reinforcing bar						
Ex-works, Northwest Europe	Eur/mt	437.50	440.98	-0.79	572.50	437.50
FOB Turkey	\$/mt	563.86	559.02	0.87	631.18	541.82
Ex-works, US Southeast	\$/st	585.00	585.00	0.00	615.75	545.05
CIF Houston	\$/st	568.00	565.00	0.53	617.50	505.09
Ferrous scrap						
HMS FOB Rotterdam	\$/mt	285.00	285.00	0.00	290.79	285.00
A3, FOB Black Sea	\$/mt	317.50	302.28	5.04	317.50	302.28
Shredded, Del Midwest USA	\$/lt	281.25	289.35	-2.80	289.35	281.25

Source: Platts