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INTERNATIONAL

# Steel Price Outlook

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Forecasts to 2029

# MEPS Steel Price Outlook

Forecasts to 2029

Europe

North America

Asia

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## Introduction

Steel prices have been extremely volatile during the past two years, amid the Covid pandemic and Russia-Ukraine war.

Substantial investment is required for the steel industry to decarbonise. In the coming years, steelmakers will need to generate higher profit margins, than those recorded in the past, to fund the technological improvements. Consequently, steel prices are expected to remain elevated, in the medium term.

The MEPS World all products composite transaction value is forecast to average US\$963 per tonne, in the five-year period between 2023 and 2027. Although lower than the US\$1153 per tonne recorded in 2021/2022, it equates to a rise of almost 40 percent on the figure witnessed in the 2010/2019 decade.

### MEPS All Products Composite Price Comparison USD per tonne



## Economic Overview

Midway through 2022, global inflation began to rise. This was primarily the result of monetary expansion by the Fed in 2020. For the first time in their 190-year history, several oil-producing nations experienced supply shortages in key sectors such as energy and semiconductor chips, fueling price rises. Furthermore, the monetary stimulus initiated by governments and central banks to support economic recovery in the wake of the pandemic was still working its way through the economy.

Russia's invasion of Ukraine in early 2022 compounded these problems. The two nations, both exporters of many key commodities, were soon unable to bring their products to market. Energy prices, which were already elevated, were driven even higher. The global economy is now experiencing the largest energy crisis in fifty years, pushing inflation to heights not seen for decades. As a result, most major economies are deflating globally.

Fighting inflation has consequently become a top priority. Governments have provided fiscal support to consumers and industry in the form of price caps and subsidies. Central banks have also responded aggressively by raising interest rates to levels not seen since the financial crisis of 2008. However, this has brought its own set of problems as rising borrowing costs have made debt repayment more expensive. These factors will continue to hamper short-term growth.

European countries struggling to maintain industrial output, due to their comparatively high dependence on expensive imports of oil and gas, have taken measures to reduce their energy use and increase natural gas reserves. The region has actively moved away from Russian-produced energy with substantial investments made in liquefied natural gas storage, allowing imports from the United States and the Middle East to increase. GDP growth within the region will be limited, with the German and Italian economies expected to contract in 2023.

Gross Domestic Product (GDP)  
year-on-year % change

	Historical					Forecast				
	2020	2021	2022	2023	2024 <sup>e</sup>	2025	2026	2027	2028	2029
Euro area	...	...	...	...	...	...	...	...	...	...
Germany	...	...	...	...	...	...	...	...	...	...
France	...	...	...	...	...	...	...	...	...	...
Italy	...	...	...	...	...	...	...	...	...	...
Spain	...	...	...	...	...	...	...	...	...	...
UK	...	...	...	...	...	...	...	...	...	...
USA	...	...	...	...	...	...	...	...	...	...
Canada	...	...	...	...	...	...	...	...	...	...
China	...	...	...	...	...	...	...	...	...	...
Japan	...	...	...	...	...	...	...	...	...	...
South Korea	...	...	...	...	...	...	...	...	...	...
Taiwan	...	...	...	...	...	...	...	...	...	...

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Source: IMF



The political will to reach net-zero targets has solidified, spurring increased investment in decarbonisation projects. In addition to the current emissions tax imposed on domestic industry, tariffs on carbon-intensive goods entering the European Union will be levied from 2026.

The United States is taking measures to reshape trade and investment policies to support core industrial capacity. The Trump and Biden administrations have both introduced measures that move away from an inward-looking focus on globalisation towards greater domestic sourcing and production. This could lead to an increasingly inward-looking multipolar global economy. The European Commission has already suggested that it may respond by introducing similar tariffs and to counteract the negative effects of the US Inflation Reduction Act.

Forecast growth in Asian economies has been moderated downward, when compared with last year. The Chinese economy, the largest in the region, struggled in 2023. Despite the stimulus packages announced by policymakers earlier in the year, disruptions caused by a zero-Covid policy and the prolonged deflation in the nation's property market have negatively affected the domestic economy.

Gross Domestic Product  
year-on-year % change

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## Steel Production Forecasts

MEPS has reduced its assessment for global crude steel production in 2022 to 1,883 million tonnes – almost four percent lower than in the previous year. The war in Ukraine played a major role in this decline. At the outbreak of the conflict, panic buying initially caused steel prices to surge. Buyers were soon overwhelmed and became unwilling to make new purchases. With energy costs rising rapidly, steel mills were forced to remove production capacity from the market.

Steelmaking in the CIS nations has been severely affected by the war in the region. Ukrainian production capacity is roughly a fifth of what it was before the start of the conflict. Due to sanctions from Western nations, Russian production volumes remained more robust in 2022, as it was able to redirect its exports quickly towards Asia. MEPS expects that Russia will return to pre-war production volumes relatively soon, while Ukrainian output is likely to remain depressed.

The steel industry in Western Europe is expected to accelerate decarbonization projects. Several companies have already announced plans for commercial scale DRI and hydrogen based steelmaking facilities, which are scheduled to enter service midway through the forecast period. The region's drive to reduce carbon leakage, via the introduction of border taxes on products from countries without a carbon pricing mechanism, may drive the uptake of these schemes elsewhere.

A raft of recently enacted legislation will support steelmaking in the United States in upcoming years. The Inflation Reduction Act calls for infrastructure investment totalling US\$391 billion, with a third of this earmarked for large-scale renewable energy and grid power storage projects. The bill also provides incentives for electric vehicles to be built in North America, increasing domestic demand for high-grade finished steel.

Crude Steel Production  
million tonnes

	Historical					Forecast				
	2020	2021	2022	2023	2024 <sup>e</sup>	2025	2026	2027	2028	2029
EU 27	...	...	...	...	...	...	...	...	...	...
Other Europe	...	...	...	...	...	...	...	...	...	...
CIS	...	...	...	...	...	...	...	...	...	...
North America	...	...	...	...	...	...	...	...	...	...
South America	...	...	...	...	...	...	...	...	...	...
Africa	...	...	...	...	...	...	...	...	...	...
Middle East	...	...	...	...	...	...	...	...	...	...
Asia	...	...	...	...	...	...	...	...	...	...
Oceania	...	...	...	...	...	...	...	...	...	...
World	...	...	...	...	...	...	...	...	...	...

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Despite its output having fallen for three years in consecutive years, Chinese produced steel still accounts for more than half of the world's total. In addition to its ongoing problems with COVID-19, the country's steelmakers are facing other structural challenges. Following its rapid rise in crude steel output – from more than eight times larger than it was at the turn of the century – the industry is making moves to modernise. New steel-making facilities are becoming regularly, but capacity replacement regulations mean that an equivalent or greater amount of older, less efficient capacity must be removed from service for these requests to be approved.

Indian steel production volumes grew steadily through 2022, with its year-to-date output more than six percent higher than in the previous year. Volumes will continue to rise over the remainder of the forecast period, as the country drives to modernise its infrastructure. In addition to growing steel coil demand, cyclical demand will likely increase following the removal of export duties applied to many finished steel products. The Indian government has set a target of producing 300 million tonnes of steel annually by 2030. MEPS believes that this is unlikely to be achieved, as it would require more than doubling its current steel output. There is no sign that the current investment levels will support this.

High fossil fuel prices have supported growth in the Middle East. MEPS expects steel output in the region to continue this upward trajectory – it was the only region whose output grew in 2022 – in the medium term. New capacity projects have been announced in Oman, Saudi Arabia, and the U.A.E.

World Crude Steel Production  
million tonnes

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There are several risks to the accuracy of our five-year crude steel production forecasts. Downside risks include the potential for a further slowdown in the global economy, possibly caused by increased trade tensions between major economies, which could reduce demand for steel, leading to lower output levels. Upside risks include the accelerated use of steelmaking methods that create fewer pollutants, resulting in higher production volumes, as companies look to comply with increasingly stringent environmental legislation.



# Steelmaking Raw Materials

## Iron Ore

### Background

Prices for benchmark Australian-origin iron ore, delivered CFR China, increased in early 2022. Market participants priced in resurging Chinese steel consumption following the conclusion of the Beijing Winter Olympics, in February. Moreover, export volumes from Australia declined, due to weather-related disruption at its major iron ore ports.

Transaction values peaked in April. Prices declined in the following months, due to weak steel demand in China. Mills in the country buy around 70 percent of seaborne iron ore. Consequently, developments in the Chinese market greatly influence the price of that commodity.

The Chinese construction industry is a major consumer of steel. However, activity in this sector is facing headwinds. Overall real estate investment, in the January/October period was down by 8.9 percent, year-on-year. The total floor space for new buildings under construction this year, led by approximately 51 percent, compared with the 2021 figure.



USD per tonne	Iron Ore Fines (62-63% Fe) CFR China	Premium Hard Coking Coal FOB Queensland	Europe Scrap E3 / HMS1	US Midwest Scrap HMS1	Japan Scrap H2
Historical	2020				
	2021				
	2022				
	2023				
	2024 <sup>e</sup>				
Forecast	2025				
	2026				
	2027	...			
	2028	...			
	2029	...			

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Investment in the building sector is falling because major property developers are heavily indebted. The plans for one of the largest developers to restructure its debt with creditors were pushed back to March 2023.

Activity in the industrial sector also weakened. The Chinese manufacturing purchasing managers' Index, released by the National Bureau of Statistics, was below 50 for most of the period between January and November 2022. The Chinese government's zero-Covid stance resulted in the lockdown of key manufacturing hubs. Moreover, heatwaves in the summer caused government officials to implement power rationing, further hampering industrial activity.

Iron ore inventories at Chinese ports stood at 160 million tonnes in February. They fell to 124 million tonnes by late June. Poor steel demand in that period, outweighed any supply tightness for iron ore. Availability increased in the second half of 2022 and applied further downward price pressure. Shipments to China, from Australia's Port Hedland, rose by more than six percent, year-on-year, in the January-October period.

## Forecast

China is likely to miss its annual GDP growth target of 8.8 percent, in 2022. Consequently, the government may step up efforts to boost economic activity in the following year.

In November 2022, the People's Bank of China and the China Banking and Insurance Regulatory Commission unveiled a 18.4-point plan aimed at providing support to the indebted property sector. Reduced credit costs, greater bond financing for developers, and other financial measures, are expected to deliver a cash injection to struggling building companies.

Nevertheless, MEPS forecasts that iron ore values will fall below US\$100 per tonne, in the first quarter of 2023. Prices are expected to be compressed, until the end of the Chinese New Year holidays. This is underpinned by the assumption that the recently announced stimulus measures are likely to boost steel consumption only in the medium term.

Australia's cyclone season, which typically ends in April, should curtail iron ore export volumes to drop in early 2023, and support prices to three-month

contract pressure as iron ore values is projected, in the second half of 2023. Chinese steelmakers typically use purchases in winter to reduce positions levels, and because of seasonally low steel demand.

From 2024 onwards, annual average iron ore prices are projected to remain above US\$100 per tonne. Mining companies are under pressure, from governments and investors, to streamline their operations. They need higher profit margins to fund their efforts.

Iron ore will be a key raw material in low carbon emission steel production. Many steelmakers will likely opt for direct reduced iron as their main steelmaking feedstock, to support their decarbonisation goals. It is currently the most practical near-term alternative to pig iron produced via blast furnace. Iron ore is the main input in DRI plants. Limitations on the availability of ferrous scrap will restrict the expansion of electric arc furnace steel production. Steelmaking via the blast furnace

Direct reduction typically requires iron ore with a ferric content of 60 percent and above. Consequently, the premium for that product may increase. Furthermore, trading volumes of iron ore pellets and briquettes could expand, due to their suitability for use in direct reduction.

The Chinese government may gradually stimulate iron ore purchasing activities. Price volatility, in 2022, may accelerate plans to set up a body to oversee transactions. However, little progress has been made so far.

## Coking Coal

### Background

Russia's invasion of Ukraine caused a spike in demand for metallurgical coking coal, especially in Europe, as a result of severe material shortages in the absence of their traditional C&I-based suppliers. However, availability of metallurgical material was constrained by weather-related disruptions at coal export terminals.

Tradeable values subsequently fell and remained in low periods as steel demand and prices continued to decline. However, the price of metallurgical coal has increased in some cases due to supply shortages. The main reason is the increased use of Western coking coal in the production of steel in China, which has led to a significant increase in demand for metallurgical coal.

Following an uptick in October, coking coal values saw a weak, negative, pressure in November. This was due to deteriorating steel demand in China and



### Forecast

trend downwards during the forecast period. Steel mills will make alternative phases out coking coal use. The carbon emissions associated with blast furnace/basic oxygen furnace steel production are at odds with the decarbonisation goals of many countries. Furthermore, demand for low carbon steel from end users will increase.

Investment in coal assets is projected to be uneven across countries. As a result, we will see growth in those countries that remain heavily reliant on coal use, such as the very large blast furnace-based iron bases. These countries may focus on carbon capture, reuse of carbon capture and storage technologies.

Investment in new coal mines and coking plants is expected to be limited. However, investment in new coking plants and new steel expansion of new steel facilities, such as a major Australian mine-to-steel conversion, is likely.

Investment in new steel mills with reduced CO<sub>2</sub> emissions by using hydrogen is likely to be limited, as a low volume supply from produced with coke in a blast furnace. The spread of hydrogen DRI (Direct Reduced Iron) is expected to be generated for use in steelmaking, which will reduce the need for coking coal used for the production of iron. However, the use of hydrogen for iron production is still limited due to the high cost of hydrogen, and the low cost of coking coal. The use of hydrogen for iron production will likely be limited to the production of high-purity iron, which will reduce the use of coking coal in the production of steel.

Low emission steelmaking is projected to be more than five years away. Consequently, coking coal will remain an important input in global steel production. Prices of this raw material will continue to be a key driver of steel values during the forecast period.

## Ferrous Scrap

### Background

Scrap values ranged at the end of the year in Ukraine. Traders priced in supply shortages from CIS nations. Furthermore, Ukraine was a major supplier of pig iron. Shortages of that product led to higher scrap demand.

Scrap prices weakened in late spring/early summer. Surging gas costs, particularly in Europe, lifted energy expenditure for electric arc furnace route. Intensity pressure, and the manufacturing economic outlook in many countries caused construction projects to be put on hold. Long product consumption fell, as a result. Mills reduced steelmaking activity because slow demand for their goods was met with increasingly high production costs.

Turkey is the largest importer of scrap. Consequently, demand from that country can influence the price of domestic scrap, in many oil countries. Turkey faced weak local demand for its products, throughout 2022. Economic sentiment in many of the country's traditional export markets also waned. Furthermore, Turkish forward month

Revolving at the end of the year helped to lift scrap values. Collection rates usually fall in the winter months, applying upward price pressure. Furthermore, manufacturing operations typically shut down during the holiday period, leading to reduced primary scrap generation.

### Forecast

Revolving at the end of the year helped to lift scrap values. Collection rates usually fall in the winter months, applying upward price pressure. Furthermore, manufacturing operations typically shut down during the holiday period, leading to reduced primary scrap generation.

electric arc furnace route.

The availability of old scrap will increase, following its stabilisation in the developing world. The supply of new scrap is expected to grow at a slower rate. Consequently, the price differential between electric arc and blast furnace production is expected to increase during the forecast period. Prime scrap is preferred by electric arc furnace steelmakers, due to the lower initial input cost. This allows them to produce higher quality steel.

Export bans may concentrate scrap availability in local supply chains, which may apply downward price pressure. Furthermore, in many countries, blast furnace/basic oxygen furnace production will likely remain the dominant route of steelmaking. Substantial investment in the steel sector is required to meet the market's requirements. Nevertheless, MEPS predicts that the balance of market forces will favour upward pressure on scrap values.

Ferrous Scrap  
USD per tonne



# Europe Steel Price Forecasts

## Flat Products

### Background

Conditions in the European steel coil market were quiet at the beginning of 2022. The situation changed rapidly at the end of February, following Russia's invasion of Ukraine. Prices surged, as supply concerns intensified. Mill offers had very short validity.

Nonetheless, as hoarding quickly subsided, and prices declined substantially during the rest of the year. A number of factors combined to exert considerable negative pressure on coil values. These included high market inventories, suppliers' needs to improve their cash flow, strong import competition and weakness in the automotive industry.

The price downturn slowed during the summer months, as surging gas expenditure encouraged the mills to announce price increases. However, the cost-driven hikes secured in late August and early September proved short-lived, and prices for steel coil continued their substantial fall. The slide to bottom out at the beginning of December.

MEPS Europe Average - HRC Spread  
USD per tonne



### Europe - Flat Products

EUR per tonne	Hot Rolled Coil	Hot Rolled Plate	Cold Rolled Coil	Hot Dipped Galv Coil	Flat Products Composite
Historical	2020				
	2021				
	2022				
	2023				
	2024 <sup>e</sup>				
Forecast	2025	...			
	2026	...			
	2027	...			
	2028	...			
	2029	...			

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In 2023, the focus on steel plate prices was shifted to their increased flat coil production, but the magnitude of the spring upturn was more pronounced. Ukraine and Ukraine were key suppliers of steel and plate to the Western European market. Moreover, pricing volatility in the energy and industrial materials supported demand for heavy plate, during the coal year.

Forecast

European steel prices are forecast to have growth in the next five months. The profit margins of consumers will be significantly lower. Producers are expected to ramp up to benefit from selling prices, as raw material costs will be lower energy cost offset.

Steel distributors are expected to return to the market, in the early months of 2025, after a prolonged period of desocking. Improving sentiment in Asia may support the volume of European mills to lift prices.

MEPS Europe Average - CRC & HDG  
EUR per tonne



MEPS Europe Average - HRC & HRP  
EUR per tonne



Bottlenecks in supply chains may persist in 2023 and 2024. Energy and steel cost inflation will curtail consumer spending. Consequently, demand for vehicles, white goods and other steel-containing products will remain muted during that period.

In the medium term, European steel prices will be supported by elevated costs for raw materials, energy and carbon credits. Furthermore, domestic steelmakers will require larger gross margins, in financial terms, to fund their decarbonisation initiatives.

In 2026, the introduction of the carbon border adjustment mechanism (CBAM) may restrict import volumes and increase the price of steel, thereby making carbon-intensive European producers supported by government subsidies well-placed.



Europe - Flat Products

EUR per tonne	Hot Rolled Coil	Hot Rolled Plate	Cold Rolled Coil	Hot Dipped Galv Coil	Flat Products Composite
Historical	Jan 2024				
	Feb 2024				
	Mar 2024				
	Apr 2024				
	May 2024				
	Jun 2024				
	Jul 2024				
	Aug 2024				
	Sep 2024				
	Oct 2024				
	Nov 2024				
	Dec 2024				
Forecast	Jan 2025				
	Feb 2025				
	Mar 2025				
	Apr 2025				
	May 2025				
	Jun 2025				
	Jul 2025				
	Aug 2025				
	Sep 2025				
	Oct 2025				
	Nov 2025				
	Dec 2025				
	Q1 2026				
	Q2 2026				
	Q3 2026				
	Q4 2026	...			
Q1 2027	...				
Q2 2027	...				
Q3 2027	...				
Q4 2027	...	...			

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# Europe Steel Price Forecasts

## Long Products

### Background

Volatile energy costs were a key driver for long product prices in Europe, during the past twelve months. Even before the outbreak of war in Ukraine, the mills' expenditure on energy had been escalating. Dutch TTF natural gas futures prices spiked in October and December 2021, before surging again in March 2022 following Russia's invasion.

In late winter/early spring, European steelmakers struggled to contend with their unknown future costs of production. The mills adopted a policy of releasing limited volumes, often from existing stock. Indeed, with heavy steel production, there was a degree of panic buying was noted as purchasing managers attempted to guarantee supply of material from local suppliers. Production disruptions in Ukraine and sanctions against Russian and Belarusian producers, restricted input opportunities.

MEPS Europe Average - Rebar Spread  
USD per tonne



### Europe - Long Products

EUR per tonne	Wire Rod (Mesh Quality)	Sections & Beams	Rebar	Merchant Bar	Long Products Composite
---------------	----------------------------	---------------------	-------	-----------------	----------------------------



Although they remained inflated, gas prices declined in the second quarter. At that time, distributors and end-users alike had longed for a reprieve. Global supply chains were being reorganized and competition from third country mills grew. These factors combined to exert negative pressure on long product values.

Gas prices managed to ease somewhat during the summer months. European mills announced substantial price increases to protect their profit margins, but they failed to address the full extent of their proposed hikes. The cost of gas declined considerably in the autumn. However, steel purchasing activity was lackluster, amid high stock levels. Competition in the resale market was fierce as distributors attempted to offload their expensive inventories. Steelmakers were forced to concede large price concessions, during the final quarter of 2023.

### Forecast

A short-lived price revival is forecast in early 2024, following substantial production cuts by European mills and a prolonged period of destocking. Moreover, an upturn in the Asian steel market is anticipated, at that time.

MEPS Europe Average - Beams & Merchant Bar  
EUR per tonne



MEPS Europe Average - Wire Rod & Rebar  
EUR per tonne



However, the outlook for the economies in most European countries is weak. Rising interest rates and high inflation are expected to curb steel demand, in the first half of 2023. Following a pre-summer slowdown, a price rebound is forecast in the autumn. Economic growth and steel consumption are expected to improve, at that time.

MEPS forecasts relatively weaker long product prices in 2024 and 2025. However, annual averages are likely to remain above pre-pandemic levels.

Many European governments increased their spending during the pandemic and energy crisis. This may limit their ability to offer stimulus packages to long product consuming sectors, in the coming years, as they attempt to bring down debt levels.

Food and energy cost inflation is weakening the financial position of many households. Moreover, rising interest rates are increasing mortgage payments. These factors are expected to weigh down activity in the housing market. Reduced consumer spending may also lead to lower capital expenditure by European construction companies.

Europe - Long Products

	EUR per tonne	Wire Rod (Mesh Quality)	Sections & Beams	Rebar	Merchant Bar	Long Products Composite
Historical	Jan 2024					
	Feb 2024					
	Mar 2024					
	Apr 2024					
	May 2024					
	Jun 2024					
	Jul 2024					
	Aug 2024					
	Sep 2024					
	Oct 2024					
	Nov 2024					
	Dec 2024					
Forecast	Jan 2025					
	Feb 2025					
	Mar 2025					
	Apr 2025					
	May 2025					
	Jun 2025					
	Jul 2025					
	Aug 2025					
	Sep 2025					
	Oct 2025					
	Nov 2025					
	Dec 2025					
	Q1 2026					
	Q2 2026					
	Q3 2026		...			
	Q4 2026		...			
Q1 2027		...				
Q2 2027		...				
Q3 2027		...				
Q4 2027		...	...			

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# North America Steel Price Forecasts

## Flat Products

### Background

After peaking at 13-month-old all-time highs in September 2021, North American steel coil values fell sharply until the beginning of March 2022. Prices were deemed unsustainably high.

A sharp uptick in the cost of pig iron and ferric scrap, following the outbreak of war in Ukraine, encouraged local mills to hike their selling prices in the second half of March and during the month of April. Production, already picked up, and input availability was limited.

A prolonged downward price trend subsequently occurred. Buyers became swallowish, and inflated stock levels, as they worked to avoid production in a falling market. North American steelmakers were hesitant to carry out substantial production cuts to balance supply with reduced demand.

MEPS North America Average - HRC Spread  
USD per tonne



### North America - Flat Products

USD per tonne	Hot Rolled Coil	Hot Rolled Plate	Cold Rolled Coil	Hot Dipped Galv Coil	Flat Products Composite
---------------	-----------------	------------------	------------------	----------------------	-------------------------

Historical

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Forecast

2024

2026

2027

2028

2029

...

Activity in most end-user sectors remained robust, but mill sales volumes for flat products and service centers were muted. Flat values **ASQUARED** IN EARLY DECEMBER, AS PRODUKARA ANNOUNCED flat hikes to halt the downward price trend.

Coil plate prices have notably underperformed those for coil and sheet, this year. Plate values peaked in April 2023, following a 20 month upward trend, and have gradually fallen in the subsequent period. A favorable supply/demand balance has enabled plate producers to hold the pace demands made available to buyers. Strong consumption was recorded in the infrastructure and energy industries.

Forecast

A price recovery is anticipated in the early months of 2024, before a downward trend develops in the middle of the year. A degree of restocking is expected in the first half of next year, which could extend delivery lead times and enable the mills to lift their selling values, during that period.

MEPS North America Average - CRC & HDG  
USD per tonne



MEPS North America Average - HRC & HRP  
USD per tonne



New coil production capacity is due on stream next year. Moreover, US economic growth is forecast to slow substantially. High inflation and rising interest rates are likely to curb consumer spending and business investment, in the second half of the year.

A downward correction in flat plate values is forecast over the next twelve months. Prices are believed to be unsustainably high. Moreover, new production capacity is scheduled to be brought online.

A price recovery for coil products is predicted, in 2024. Economic growth in North America, is expected to pick up modestly at that time. Consumer spending should increase as inflationary pressures ease. Furthermore, obsolete steelmaking facilities being taken offline may offset new capacity additions.

In the US, steel import tariffs, as part of Section 232 of the Trade Expansion Act of 1980, are likely to remain in place, for the duration of the forecast period. Protection against cheap imports will provide support to domestic steel prices in the long term.



North America - Flat Products

USD per tonne	Hot Rolled Coil	Hot Rolled Plate	Cold Rolled Coil	Hot Dipped Galv Coil	Flat Products Composite
Historical	Jan 2024				
	Feb 2024				
	Mar 2024				
	Apr 2024				
	May 2024				
	Jun 2024				
	Jul 2024				
	Aug 2024				
	Sep 2024				
	Oct 2024				
	Nov 2024				
	Dec 2024				
Forecast	Jan 2025				
	Feb 2025				
	Mar 2025				
	Apr 2025				
	May 2025				
	Jun 2025				
	Jul 2025				
	Aug 2025				
	Sep 2025				
	Oct 2025				
	Nov 2025				
	Dec 2025				
	Q1 2026				
	Q2 2026				
	Q3 2026				
	Q4 2026	...			
Q1 2027	...				
Q2 2027	...				
Q3 2027	...				
Q4 2027	...				

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# North America Steel Price Forecasts

## Long Products

### Background

North America long products steel prices were stable at the start of 2023, before rising in March, following a surge in the seasonal for use home and light commercial. It was followed by a period of steel price reductions, driven by...

Supply and demand were broadly in balance in the second quarter. Consequently, steel mills were able to maintain their selling prices, despite a decline in their production expenditure. End user demand was strong, and imports continued to grow, especially in the European market.

A downward price trend developed in the second half of the year, due to a combination of falling scrap costs, moderating end-user demand, and a number of steel mills increasing production and increasing input competition.

MEPS North America Average - Rebar Spread  
USD per tonne



### North America - Long Products

USD per tonne	Wire Rod (Mesh Quality)	Sections & Beams	Rebar	Merchant Bar	Long Products Composite
---------------	-------------------------	------------------	-------	--------------	-------------------------



Nonetheless, North American long product producers recorded strong financial results in 2023. The spread between steel prices and scrap costs widened. The latter was adversely affected by weakness in the steel coil segment, where EAF steelmakers attempted to rationalise their input expenditure, by negotiating discounts with their scrap suppliers, in order to remain profitable.

Long product mills' sales volumes were boosted by stronger-than-expected demand from the infrastructure and construction industries. Despite supply chain constraints and labour shortages, non-residential building recovered, following the lockdowns and project delays that occurred in 2021. Activity in the housing sector reduced, albeit from a high base.

Forecast

In 2023, North American long product values will be supported by healthy order backlog in the construction sector. However, a downward trend in steel prices is expected to develop in the second half of the year.

MEPS North America Average - Wire Rod & Rebar USD per tonne



US economic growth is forecast to slow substantially. High inflation and rising interest rates are likely to curb consumer spending and business investment. Monetary policy tightening is expected to weigh on housebuilding activity.

The Infrastructure Investment and Jobs Act should prop up underlying demand in 2024 and onwards. Government funding will provide support for steel-intensive projects. Investment will focus on rebuilding railways, roads, and other national transport networks.

Green energy projects and power infrastructure will also be beneficiaries of the stimulus package. Preference will be given to domestic steel from [China](#), low carbon steel from [Brazil](#), and [Mexico](#). US producers, which primarily manufacture long products and the electric arc furnace route, US residential demand, in 2024, provide substantial risks to this assumption. A new administration may alter the trajectory of government spending.

Consumer price inflation is projected to ease, from 2024, increased discretionary spending should provide a boost to the manufacturing and construction sectors, in that time.

MEPS North America Average - Beams & Merchant Bar USD per tonne



North America - Long Products

	USD per tonne	Wire Rod (Mesh Quality)	Sections & Beams	Rebar	Merchant Bar	Long Products Composite
Historical	Jan 2024					
	Feb 2024					
	Mar 2024					
	Apr 2024					
	May 2024					
	Jun 2024					
	Jul 2024					
	Aug 2024					
	Sep 2024					
	Oct 2024					
	Nov 2024					
	Dec 2024					
Forecast	Jan 2025					
	Feb 2025					
	Mar 2025					
	Apr 2025					
	May 2025					
	Jun 2025					
	Jul 2025					
	Aug 2025					
	Sep 2025					
	Oct 2025					
	Nov 2025					
	Dec 2025					
	Q1 2026					
	Q2 2026					
	Q3 2026					
	Q4 2026		...			
Q1 2027		...				
Q2 2027		...				
Q3 2027		...				
Q4 2027		...				

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# Asia Steel Price Forecasts

## Flat Products

### Background

Asian average flat product prices increased modestly in the spring of 2022. They subsequently increased in waves in the rest of the year. The strength of the HRC index was a result of the conditions recorded in local currency values. As is often the case, the movements in Japanese prices lagged behind those recorded in other East Asian countries.

The impact of the global energy crisis was less severe in Asia than in Europe. Furthermore, cheap feedstock from Russia and Iran was widely available. Amid weak local consumption, Asian exporters attempted to use their cost advantage to fill the gap for deficient steel supply in the second half of the year.

MEPS Asia Average - HRC Spread  
USD per tonne



### Asia - Flat Products

USD per tonne	Hot Rolled Coil	Hot Rolled Plate	Cold Rolled Coil	Hot Dipped Galv Coil	Flat Products Composite
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In the autumn, the seasonal upturn in demand was modest. Market conditions across East and Southeast Asian remained subdued. Supply concerns following typhoon damage to Essa's Yohang steel works proved short-lived.

A recovery in Chinese steel market sentiment was noted at the end of 2022.

### Forecast

Forecasting by Asian steel producers will likely include further declines in demand due to an anticipation of a weak and slowing world economy, movement of national governments towards a withdrawal from the Trans-Pacific Partnership trade agreement, and a projected increase in steel capacity in 2024.

Lower supply of CR&H will remain a feature of the Asian market. It will be possible to supply to demand in the CR&H market in the CR&H market. However, the CR&H market is expected to be tight, and the CR&H market will support steel prices. In the CR&H market

MEPS Asia Average - HRC & HRP  
USD per tonne



MEPS Asia Average - CRC & HDG  
USD per tonne



An upward price trend is forecast for the 2024-2025 periods. The demand for steel in the CR&H market will be higher than in the CR&H market, for the CR&H market of the forecast period. Steel in the CR&H market will be made available to the CR&H market. Significant investment in the CR&H market will be made in the CR&H market.

In 2024, the introduction of the carbon border adjustment mechanism by the European Union may negatively impact the CR&H market in Europe.



Asia - Flat Products

USD per tonne	Hot Rolled Coil	Hot Rolled Plate	Cold Rolled Coil	Hot Dipped Galv Coil	Flat Products Composite
Historical	Jan 2024				
	Feb 2024				
	Mar 2024				
	Apr 2024				
	May 2024				
	Jun 2024				
	Jul 2024				
	Aug 2024				
	Sep 2024				
	Oct 2024				
	Nov 2024				
	Dec 2024				
Forecast	Jan 2025				
	Feb 2025				
	Mar 2025				
	Apr 2025				
	May 2025				
	Jun 2025				
	Jul 2025				
	Aug 2025				
	Sep 2025				
	Oct 2025				
	Nov 2025				
	Dec 2025				
	Q1 2026				
	Q2 2026				
	Q3 2026				
	Q4 2026	...			
Q1 2027	...				
Q2 2027	...				
Q3 2027	...				
Q4 2027	...	...			

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# Asia Steel Price Forecasts

## Long Products

### Background

Prices for long products in Asia remained flat in Q4 2023, with just the usual fluctuations in market conditions. Nonetheless, the overall market values were modest. Supply remained adequate for the most of demand. No stark buying was witnessed.

A downward price trend was observed in the remainder of the year. This can be attributed to market-wide weakness, affected by weakness in the domestic real estate sector. Steel traders found the market hard to sell their respective volumes to building companies. An improvement in infrastructure investment helped to offset the poor conditions in the housing segment. Moreover, the US trade tariff on steel coils remains a hindrance to global trade and price recovery.

MEPS Asia Average - Rebar Spread  
USD per tonne



### Asia - Long Products

USD per tonne	Wire Rod (Mesh Quality)	Sections & Beams	Rebar	Merchant Bar	Long Products Composite
---------------	-------------------------	------------------	-------	--------------	-------------------------

Historical

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Forecast

2024

2026

2027

2028

2029

...

Supply chain constraints and labor shortages constrained activity in the construction and manufacturing industries in Japan, South Korea and Taiwan.

A sentiment driven recovery in the Chinese steel market occurred in late 2022.

### Forecast

Asian long product values are projected to recover in the spring of 2023, for seasonal reasons. A period of price decline during the remainder of the year, due to weak steel consumption, is anticipated. The degree of price volatility will be lower than in Western nations.

The Chinese government recently announced a stimulus package to support the struggling property sector. These measures are likely to boost steel consumption in the construction industry, but only in the medium term. Several building developers remain heavily indebted and have yet to agree repayment schemes with their creditors. Regulators may provide further cash injections, should their immediate concerns with the segment be

MEPS Asia Average - Wire Rod & Rebar  
USD per tonne



MEPS Asia Average - Beams & Merchant Bar  
USD per tonne



Export led economies, in East Asia, are likely to face weaker demands for their products in global markets. No substantial recovery in regional construction sector activity is anticipated, in the next twelve months.

In 2024 and onwards, China may seek to reform its property sector, as it transitions from a real estate growth led economic model. Stable long product consumption in East Asia, is envisioned. As a result, price rises in Asia are expected to be more modest than in the West.

Asia - Long Products

	USD per tonne	Wire Rod (Mesh Quality)	Sections & Beams	Rebar	Merchant Bar	Long Products Composite
Historical	Jan 2024					
	Feb 2024					
	Mar 2024					
	Apr 2024					
	May 2024					
	Jun 2024					
	Jul 2024					
	Aug 2024					
	Sep 2024					
	Oct 2024					
	Nov 2024					
	Dec 2024					
Forecast	Jan 2025					
	Feb 2025					
	Mar 2025					
	Apr 2025					
	May 2025					
	Jun 2025					
	Jul 2025					
	Aug 2025					
	Sep 2025					
	Oct 2025					
	Nov 2025					
	Dec 2025					
	Q1 2026					
	Q2 2026					
	Q3 2026					
	Q4 2026		...			
	Q1 2027		...			
	Q2 2027		...			
	Q3 2027		...			
	Q4 2027		...			

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## Risks

In this section of the report, we draw your attention to the main upside and downside risk factors related to MEPS' forecasts. The main influences on prices are likely to arise from unexpected movements in steelmaking input costs and unforeseen changes in the balance between supply and demand for finished steel products in the market.

### Upside risks of steel prices moving to figures above MEPS' predictions

#### Steelmaking input costs

- Adverse weather conditions, temporary supply shortfalls or industrial action negatively affecting the operations of miners or scrap processors.
- An upturn in mill outlay for items other than the key steelmaking raw materials, such as electrodes, refractories, ferroalloys, energy or carbon.
- Stronger-than-expected steel consumption growth, leading to increased steel production and the subsequent rising demand for raw materials.
- Developments in the Russia-Ukraine war that further strain natural gas availability and increase the price of that fuel.

#### Steel supply

- Trade barriers – reducing steel import volumes.
- Logistics / transportation constraints.
- Consolidation / resolution of excess capacity.
- Unplanned domestic supply disruptions arising from mill breakdowns, industrial action or legally-mandated stoppages.

#### Steel demand

- Stronger-than-expected economic growth from key steel-consuming sectors such as construction, automotive, machinery or energy.
- Extra state sponsored spending on construction and infrastructure.
- Easing of government monetary policies.
- Substantial improvement in confidence by steel market participants leading to a prolonged restocking cycle.



## Downside risks of steel prices moving to figures below MEPS' predictions

### Steelmaking input costs

- Overinvestment/underutilised capacity at mines or scrap processing facilities.
- A decrease in Chinese steel production reducing demand for raw materials, worldwide.
- Weaker-than-expected steel consumption growth, leading to decreased steel production and reduced demand for raw materials.
- De-escalation of the war in Ukraine, and the subsequent normalising of natural gas costs.

### Steel supply

- Intensification of import pressure from low-cost third country suppliers.
- Overcapacity / excess domestic supply.
- Increasing trade protection measures overseas, restricting export volumes.

### Steel demand

- Longer-than-expected period of recession negatively affecting business investment and consumer spending.
- Trade barriers reducing the competitiveness of end-users, possibly resulting in the relocation of companies overseas.
- Government policy paralysis / lack of growth-boosting reforms.
- Chinese economic / construction industry slowdown.
- Further tightening of government monetary policies.

### Other factors that may influence steel prices include:

- Currency exchange rate fluctuations.
- The impact of futures trading/paper markets on the physical spot market.
- Movements in commodity prices, particularly in the metals sector.



# Europe Steel Price Forecasts

USD per tonne

## Europe - Flat Products

USD per tonne	Hot Rolled Coil	Hot Rolled Plate	Cold Rolled Coil	Hot Dipped Galv Coil	Flat Products Composite	
Historical	<p><b>PAY TO ACCESS</b></p> <p>mepsinternational.com</p>					
						2025
						2026
						2027
						2028
						2029
Forecast	<p><b>PAY TO ACCESS</b></p> <p>mepsinternational.com</p>					
						2025
						2026
						2027
						2028
						2029

## Europe - Long Products

USD per tonne	Wire Rod (Mesh Quality)	Sections & Beams	Rebar	Merchant Bar	Long Products Composite	
Historical	<p><b>PAY TO ACCESS</b></p> <p>mepsinternational.com</p>					
						2025
						2026
						2027
						2028
						2029
Forecast	<p><b>PAY TO ACCESS</b></p> <p>mepsinternational.com</p>					
						2025
						2026
						2027
						2028
						2029



Europe - Flat Products

USD per tonne	Hot Rolled Coil	Hot Rolled Plate	Cold Rolled Coil	Hot Dipped Galv Coil	Flat Products Composite
Historical	Jan 2024				
	Feb 2024				
	Mar 2024				
	Apr 2024				
	May 2024				
	Jun 2024				
	Jul 2024				
	Aug 2024				
	Sep 2024				
	Oct 2024				
	Nov 2024				
	Dec 2024				
Forecast	Jan 2025				
	Feb 2025				
	Mar 2025				
	Apr 2025				
	May 2025				
	Jun 2025				
	Jul 2025				
	Aug 2025				
	Sep 2025				
	Oct 2025				
	Nov 2025				
	Dec 2025				
	Q1 2026	...			
	Q2 2026	...			
	Q3 2026	...			
	Q4 2026	...			
Q1 2027	...				
Q2 2027	...				
Q3 2027	...				
Q4 2027	...				

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Europe - Long Products

	USD per tonne	Wire Rod (Mesh Quality)	Sections & Beams	Rebar	Merchant Bar	Long Products Composite
Historical	Jan 2024					
	Feb 2024					
	Mar 2024					
	Apr 2024					
	May 2024					
	Jun 2024					
	Jul 2024					
	Aug 2024					
	Sep 2024					
	Oct 2024					
	Nov 2024					
	Dec 2024					
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	Nov 2025					
	Dec 2025					
	Q1 2026					
	Q2 2026					
	Q3 2026					
	Q4 2026					
	Q1 2027					
	Q2 2027					
	Q3 2027					
	Q4 2027					

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## Definitions

MEPS International's published price assessments relate to regular business, between buyers and steel mills, for newly produced, prime, commercial quality material, negotiated during the current month, for forward delivery. Transactions which involve abnormally large or small volumes, non-repeatable deals or sale of ex-stock material are omitted from consideration in the formulation of the published prices. Long-term contract prices are also excluded.

Unless included as standard, at no additional cost to the buyer, all extras charged for processing, packaging, testing and certification are excluded from the published prices. Transaction prices include applicable extra charges, such as those for thickness, width, diameter and coating.

For further details about price and product specifications, see *MEPS Methodology & Specifications - Carbon Steel*.

### Europe Average

Regional average steel prices for Europe are computed from a weighted average of prices in Germany, France, Italy, Spain and the UK. The weighting is based on steel consumption in individual countries.

### North America Average

Regional average steel prices for North America are computed from a weighted average of prices in USA and Canada. The weighting is based on steel consumption in the individual countries.

### Asia Average

Regional average steel prices for Asia are computed from an arithmetic average of prices in China, Japan, South Korea and Taiwan.

### World Average

World average steel prices are computed from an arithmetic average of prices in Europe, North America and Asia.



## Flat Products Composite

Flat products composite prices are computed from a weighted average of prices for hot rolled coil, hot rolled plate, cold rolled coil, hot dipped galvanised coil and electro zinc coated coil. The weighting is based on the consumption of individual flat products in a specified region.

## Long Products Composite

Long products composite prices are computed from a weighted average of prices for wire rod, sections & beams, rebar and merchant bar. The weighting is based on the consumption of individual long products in a specified region.

## All Products Composite

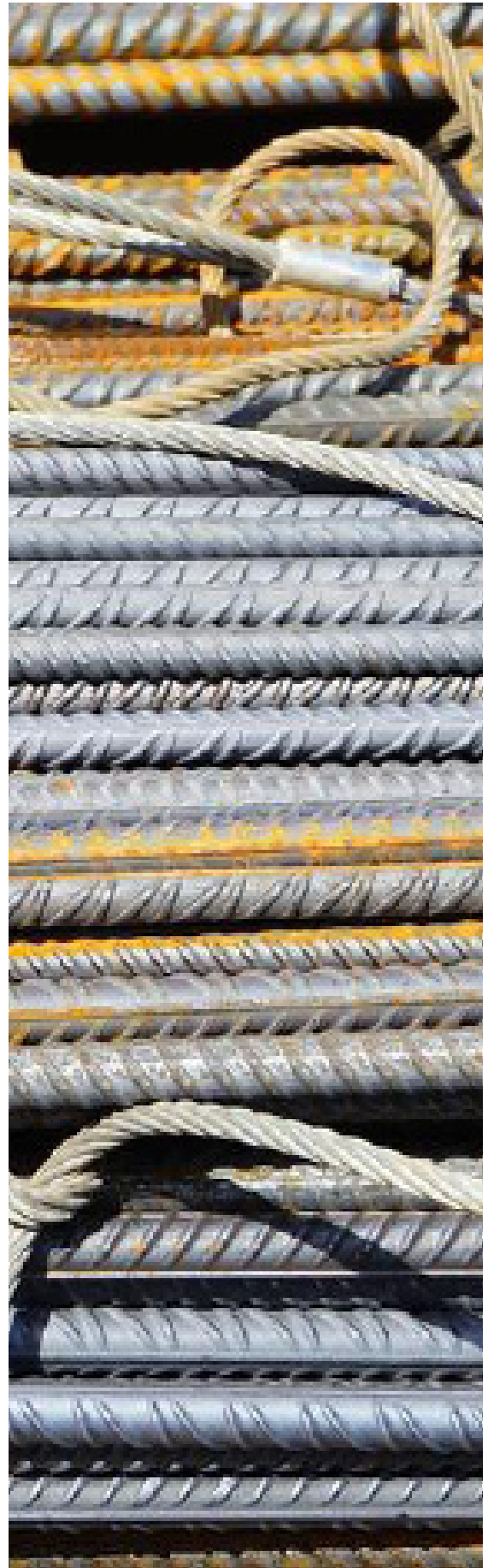
All products composite prices are computed from a weighted average of prices for all carbon steel products in the flat and long categories. The weighting is based on the consumption of individual steel products in a specified region.

## Spreads

Spreads are calculated by comparing steel prices with the cost of the key steelmaking raw materials – iron ore fines, hard coking coal and ferrous scrap – dependent on steel production route. They are used to indicate the relative health of profitability in the steel industry. The Europe average HRC spread also accounts for the costs of carbon, gas and electricity.

## Disclaimer

All price and market data, in this report, is researched by MEPS International's staff and its local correspondents. The information is obtained from respondents who the company consider provide accurate intelligence on the steel market. The company makes its best endeavours to be assured that the information is correct and that its analysis is reliable. MEPS International Ltd. cannot be made liable for any loss resulting from the use of the published data, however it may arise.





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