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HRB Price Rise Collapses

Western Europe, USA, World and China down 1.9% to 5.6%.

SteelBenchmarker™ Report #100

ENGLEWOOD CLIFFS, NJ – The bi-monthly *SteelBenchmarker*™ Western European HRB price for May 24th fell 1.9% to \$728 per tonne (on a Euro basis, it rose 1.9%), ex-works, after being flat last time. The United States HRB spot price was down 2.1% to \$760 per metric tonne, FOB the mill, after eleven consecutive rises. The World export HRB price dropped 4.5% to \$684 per tonne, FOB the port of export, for the second consecutive time. The Chinese HRB ex-works price plummeted 5.6% to \$535 per tonne, for the second consecutive time.

In its one hundredth report, the *SteelBenchmarker*™ released 13 steel product and 3 USA steel scrap prices. Of these, here are four benchmark prices for hot-rolled band for May 24, 2010:

USA – \$760 per metric tonne (\$690 per net ton), FOB the mill – down \$16 per tonne from \$776 (\$704 nt) two weeks ago, up \$331 per tonne from the low of \$429 (\$390 nt) on May 25, 2009. It is down \$443 (36.8%) per tonne from the record peak of \$1,203 (\$1,091 nt) on July 28, 2008 and up \$530 per tonne from the record low of \$230 (\$209 nt) in December 2001.

China – \$535 per metric tonne, ex-works – down \$32 per tonne from \$567 two weeks ago, and up \$144 per tonne from the recent low of \$391 on April 13, 2009. It is down \$198 (27.0%) per tonne from the record peak of \$733 on July 14, 2008 and up \$288 per tonne from the record low of \$247 in January 2002.

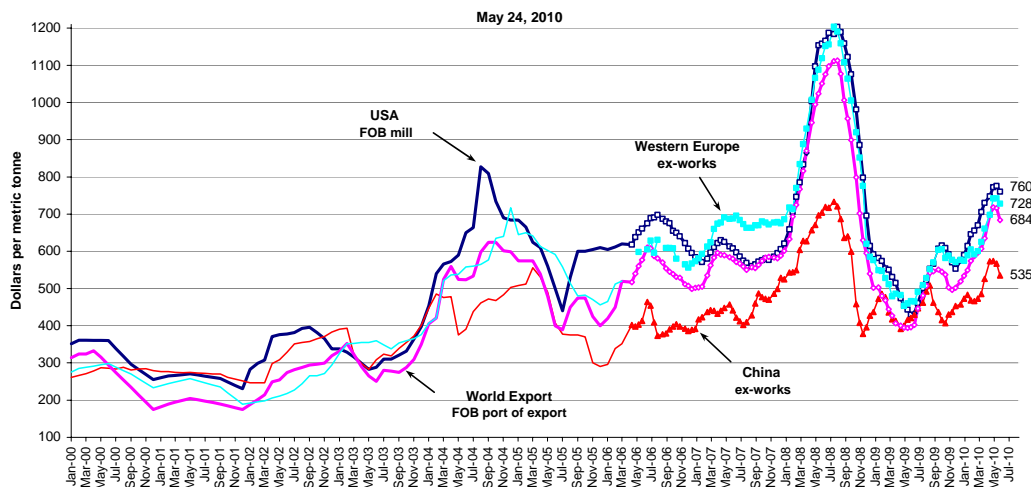
Western Europe – \$728 (€95) per metric tonne, ex-works – down \$14 per tonne from \$742 (€84) two weeks ago (on a Euro basis, it was up €1), and up \$275 (€56) per tonne from the recent low of \$453 (€39) on April 27, 2009. It is down \$476 (€161) (39.5%) per tonne from the record peak of \$1,204 (€756) on July 14, 2008 and up \$539 (€83) per tonne from the record low of \$189 (€12) in December 2001.

World Export Price – \$684 per metric tonne, FOB the port of export – down \$32 per tonne from \$716 two weeks ago, and up \$290 per tonne from the recent low of \$394 on May 11, 2009. It is down \$429 (38.5%) per tonne from the record peak of \$1,113 on July 28, 2008 and up \$509 per tonne from the record low of \$175 in December 2001.

SteelBenchmarker™ HRB Price

USA, China, Western Europe and World Export

(WSD's PriceTrack data, Jan. 2000 - March 2006; SteelBenchmarker data begins April 2006)





The *SteelBenchmarker*[™] was officially launched on April 12, 2006. 1,175 price assessment providers from around the globe have registered at www.steelbenchmarker.com.

Twice each month, *SteelBenchmarker*[™] publishes steel benchmark prices for hot-rolled band, cold-rolled coil, rebar and standard plate in the following regions: the United States, Western Europe and the world export market. Additionally, there are benchmark prices for steel scrap in the United States.

SteelHome's average price for each product is the determinant of the Chinese ex-works benchmark price. It is published for comparative purposes.

SteelBenchmarker[™] is designed to serve those in the steel business as the definitive and authoritative steel price benchmarking system based on inputs from a wide and well-balanced cross section of steel producers, buyers, sellers, users, steel service centers and traders.

SteelBenchmarker[™] Facts May 24, 2010

Product Breakdown

| | |
|------------------|-----|
| Hot-rolled Band | 27% |
| Cold-rolled Coil | 25% |
| Rebar | 16% |
| Plate | 19% |
| Scrap | 14% |

Category of Provider Breakdown

| | |
|-----------------------------|-----|
| Steel Mill | 18% |
| Steel User | 48% |
| Steel Trader/Service Center | 5% |
| Scrap Processor | 4% |
| Other | 25% |

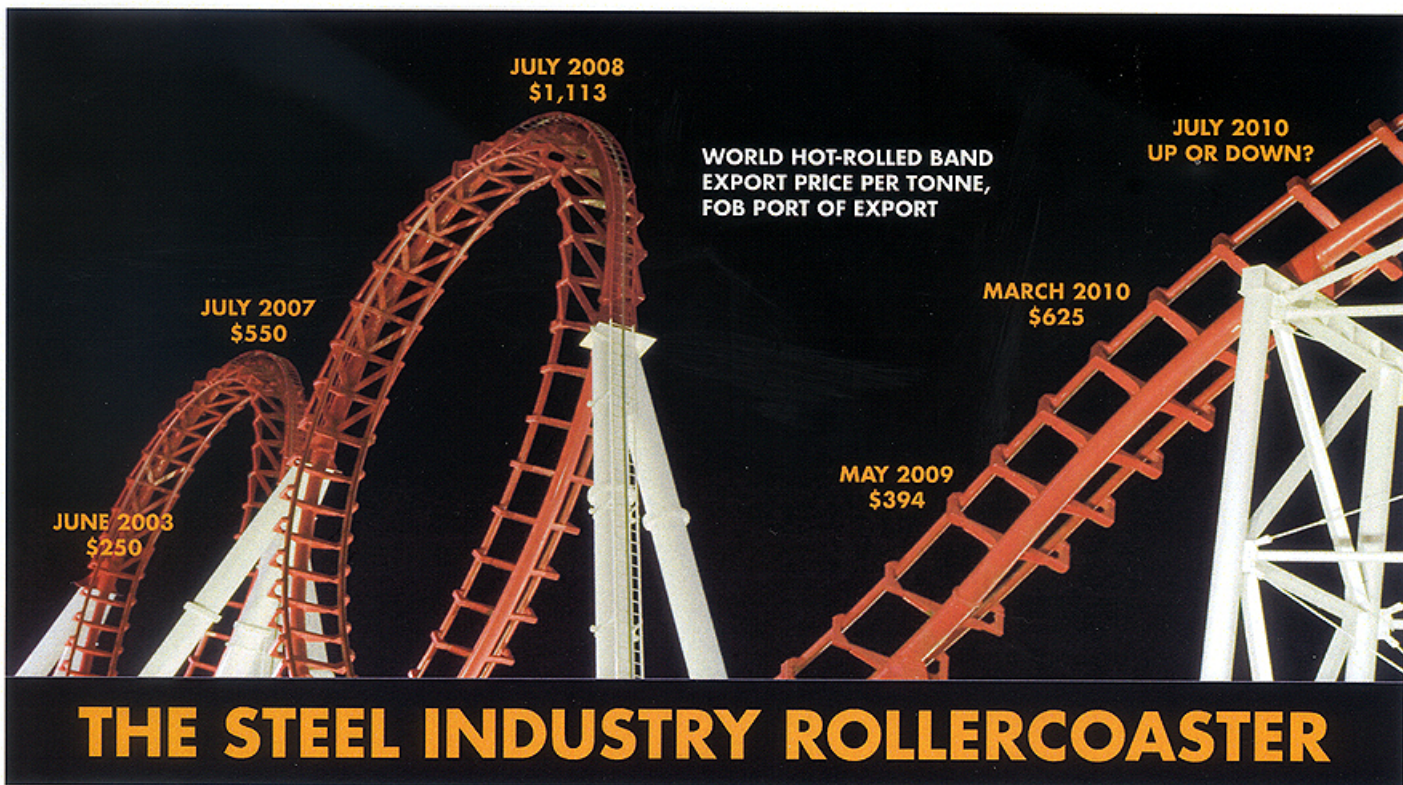
Percentage data input breakdowns by region, product and category:

Register at: www.steelbenchmarker.com
as a “provider” and receive
SteelBenchmarker[™] graphic and tabular price histories



Features and Benefits of WSD's *SteelBenchmarker*™

| Features | Details | Benefits/Comments |
|--|--|--|
| Background Items | | |
| Inception date for <i>SteelBenchmarker</i> ™ finished steel product prices. | April 2006 for HRB, CRC, plate and rebar in the USA, Europe, China and the world export market. | A four plus-year track record of twice-per-month benchmark prices. The USA benchmark prices for HRB and CRC are particularly robust. |
| Inception date for <i>SteelBenchmarker</i> ™ steel scrap prices. | For the USA, price for three grades of steel scrap were initiated in February 2007. | Three plus-year track record of twice-per-month results. |
| Frequency of <i>SteelBenchmarker</i> ™ pricing reports. | Twice monthly. | Wednesdays following the 2 nd and 4 th Mondays of each month. |
| Number of “price assessment providers”. | About 1,175 signed up globally, plus about 300 daily Chinese price inputs from Shanghai SteelHome. | In the USA the current number of price assessment providers has averaged 75-80 for hot-rolled band and 55-65 for cold-rolled coil. |
| Regulatory Compliance | | |
| Satisfies standards of USA Dept. of Justice, Federal Trade Commission and European Trade Commission. | YES, we have been advised that the <i>SteelBenchmarker</i> ™ is in compliance. | Designed from the start to comply with the requirements of USA and European regulators. |
| Methodology | | |
| The “price assessment providers” provide their standard actual transaction price for near-term delivery to mid-sized buyers. | <i>SteelBenchmarker</i> ™ is not seeking the tonnage on transactions. | No expected issues with DOJ or FTC with our methodology. |
| Data is collected and processed by a secure 3 rd party computer. | Assures price assessor’s anonymity. | “Price assessment providers” do not face an audit risk. |
| Price assessment provider’s inputs are not seen by WSD or anyone else. | No early peeks or leaks. No human intervention in determining the price. | All price assessment provider inputs are treated equally. |
| Contributors are only steel buyers and sellers. | Mills, service centers, fabricators, processors, end users and traders. | Financial players, including hedge funds, can’t influence the price. |
| Twice per month results with the ability to switch to once a week (if required). | A robust and incorruptible index is essential when the stakes are high. | <i>SteelBenchmarker</i> ™ has performed well in an environment of rapid price swings. |
| Consistent and balanced approach. | All assessments treated equally. | No attempt to weigh results by importance of the provider, or tonnage, in our system. |



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Since 2003, the global steel industry has been subject to violent pricing rises and falls of an unprecedented nature. In a series of twists and turns it soared upwards over four-fold from \$250 per tonne in June 2003 to \$1,113 per tonne in July 2008, only to plummet 65% to \$394 per tonne in May 2009. Since then it has struggled uphill to the \$625 per tonne level today. **Where to now in the twisting and turning steel rollercoaster?**

WSD is optimistic that the rollercoaster will surge upwards to a blow-out steel pricing shortage in the weeks just ahead to \$750-900 per tonne. Having reached a new plateau, is the world HRB price in for another gravity-defying run up or, as WSD sees it, is the price destined to fall substantially this summer?

Find out the answer to this question and to others from the steel industry

leaders addressing the Steel Success Strategies XXV conference on June 21-23, 2010. The theme of this year's event is **Success to the Fittest** and the titles of the various panels are:

Keynote: Synchronization – Steel's Salvation

International Steel – Reaping the Rewards of Consolidation

Steel in the Americas – Managing a Smooth Recovery

Steel Market Outlook – Is the Upturn Real?

Steelmakers' Metallics – Return of a Shortage?

Far & Middle Eastern Steel – Trend Setters for Global Steel

Global Steel Finance/Futures – When will the Credit Squeeze End?

Steel's Technological Revolution – New Tools for Steelmakers' Profitability

