



is a leading steel information service in Englewood Cliffs, N.J., USA

WSD's steel experience, steel database and availability of steel statistics are the principles for performing steel forecasts, studies and analysis for international clients. WSD seeks to understand how the "pricing power" of steel companies the world over will be impacted by changes in the steel industry's structure. The views and opinions expressed in this article are solely those of World Steel Dynamics and not necessarily those of AIST.



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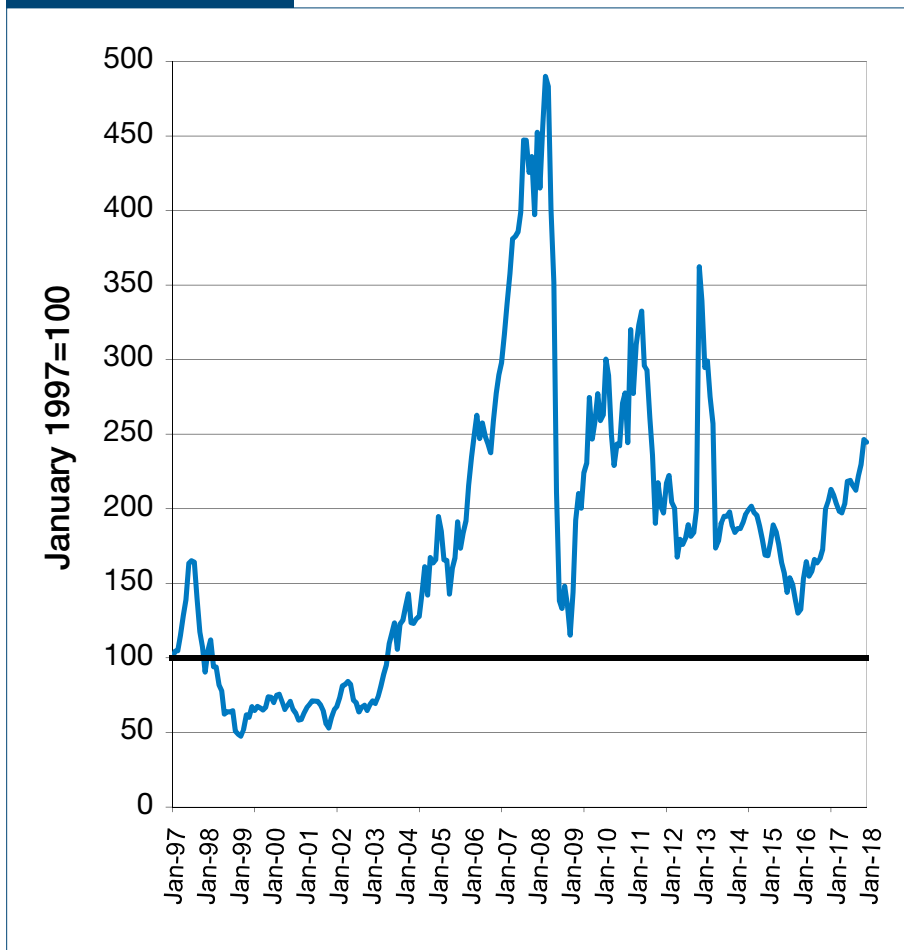
**Steel common stocks up sharply since early 2016**

The steel stock group has had a huge rally from the recent low point in February 2016, just following the remarkably calamitous hot-rolled band (HRB) price decline on the world market in December 2015 (with the price falling to about US\$270/metric ton or far below the marginal cost of the median steel mill). Also, in early 2016, the export price was still near the lows and the mills were not yet filing an avalanche of trade suits against the Chinese mills.

From the low point, the composite Global Steel Group Index is up 84%. For individual countries, Chinese steel stocks are up 88%, Japanese 263%, USA 95%, Far East 61%, Western Europe 129%, Russian 103% and Brazilian 387%.

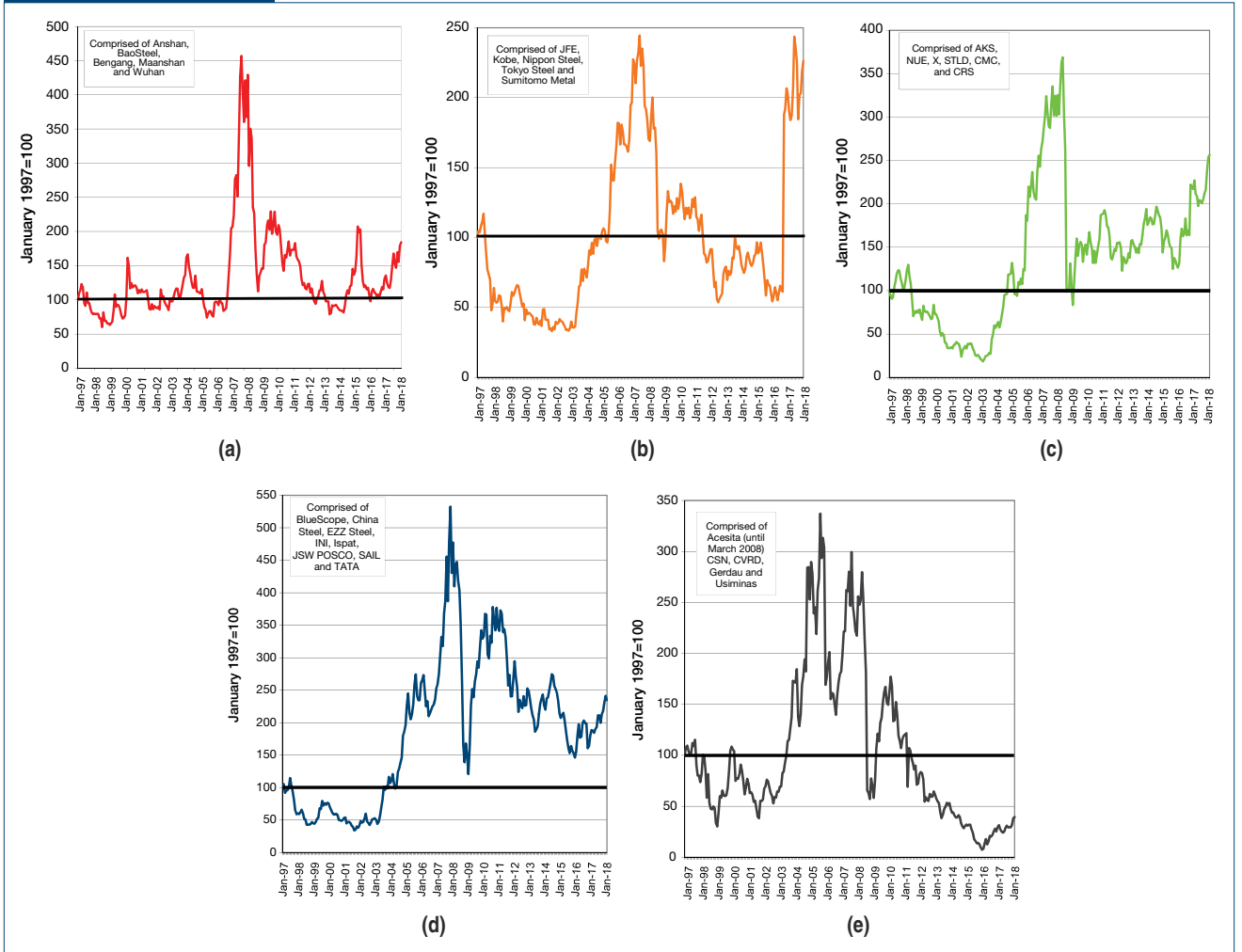
As of mid-March 2018, a global steel shortage is in effect for hot-rolled band, with the average export price at US\$640–650/metric ton, FOB the port of export. The export price in February 2016 was just US\$278/metric ton, FOB the port

**Figure 1**



GSF Global Steel Group Index. Source: Reuters and WSD analysis.

Figure 2



WSD's China Steel Stock Index (a); WSD's Japan Steel Stock Index (b); WSD's USA Steel Stock Index (c); WSD's Far East Steel Stock Index (d); and WSD's Brazil Steel Stock Index (e). Source: Reuters and WSD analysis.

of export. Versus the global steel stock rally of 84%, the HRB export price is up 132%.

Interestingly, the Global Steel Group Index peaked in May 2008. Just two months later, in the midst of a

remarkably severe steel shortage from a price point of view, the HRB export price for several weeks spiked to about US\$1,150/metric ton, FOB the port of export.

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