



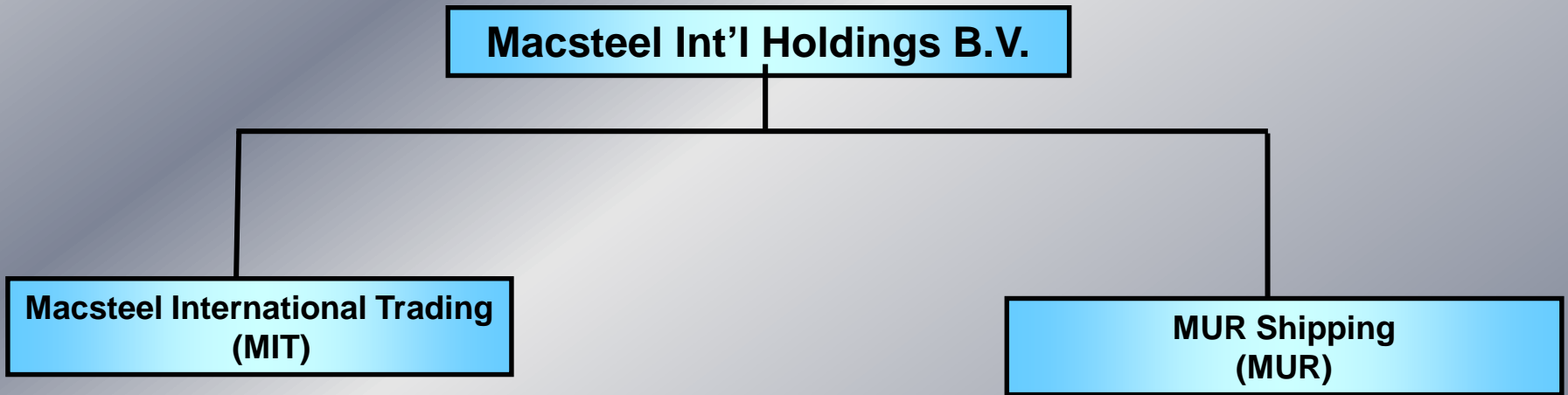
**MACSTEEL**  
INTERNATIONAL

Macsteel International Trading  
February 2016

Presentation for AWPA



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INTERNATIONAL





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# Macsteel Facts

- MIHBV (Macsteel Int'l Holdings BV) is the sole shareholder of MITH (Macsteel Int'l Trading Holdings) and grew from Macsteel's pre-existing int'l steel marketing organization.
- MIHBV is headquartered in Amsterdam, and is a Joint Venture between Macsteel Holdings Luxembourg and AMSA.

# Macsteel Facts

- 30+ years of global steel marketing.
- South African producer AMSA is the centerpiece of our global marketing platform representing approx 25% of our volume. We compliment this platform with an expanded footprint of international sourcing and selling of steel related products.
- Our trade volume is spread among four regions: Africa, America's, Far East, and Middle East.

## Historical Global Consumption of Wire Rod CRU #'s

|             |             | China      | Oth Asia | Europe | CIS | M East | USA       | Turkey | Brazil |
|-------------|-------------|------------|----------|--------|-----|--------|-----------|--------|--------|
|             | Millions MT |            |          |        |     |        |           |        |        |
| <b>2015</b> | <b>215m</b> | <b>63%</b> | 15%      | 10%    | 2%  | 2%     | <b>2%</b> | 1%     | 1%     |
| <b>2010</b> | <b>168m</b> | <b>61%</b> | 10%      | 9%     | 2%  | min    | <b>2%</b> | min    | 1%     |
| <b>2009</b> | <b>159m</b> | <b>61%</b> | 8%       | 10%    | 2%  | min    | <b>2%</b> | 1%     | 1%     |

## Rod Numbers 2015 – estimates (CRU, Gerdau, SIMA, TK)

- Global Steel: 1,592,000,000mt
- Global Wire Rod: 215,163,000mt  
(13%)
  - Global Rebar 365,200,000mt
- USA Consumption: 5,313,697mt  
(2.5%)
- USA Imports: 1,408,477mt

# Imports of Carbon Steel Wire Rod

Source: AISI

**Other Trade Cases Dating back to 80's:**

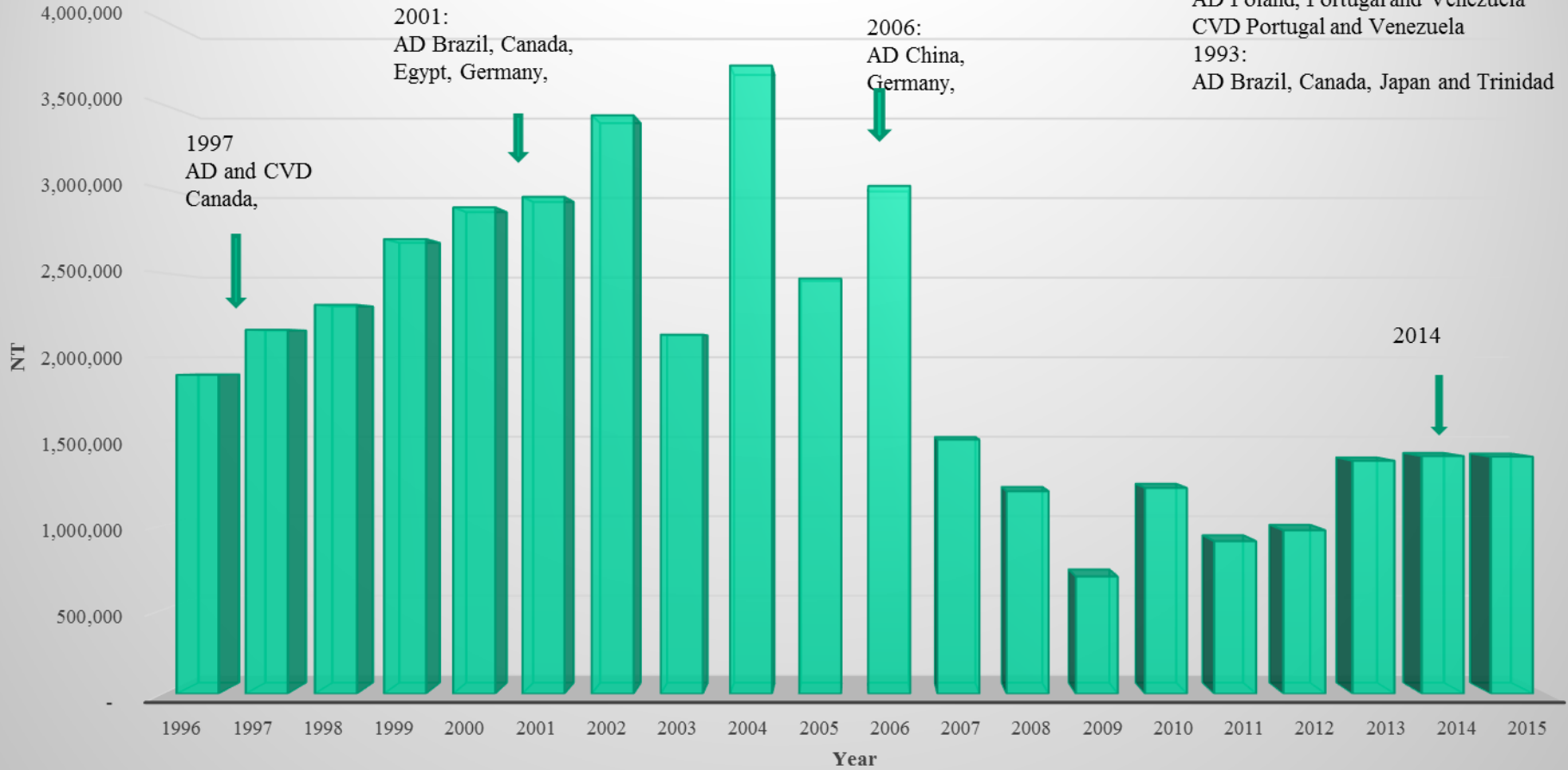
1985:

AD Poland, Portugal and Venezuela

CVD Portugal and Venezuela

1993:

AD Brazil, Canada, Japan and Trinidad



# 2013-2015 Rod Imports by Origin

Min 1000 MT SIMA/AISI

| Country              | 2013      | 2014      | 2015      |
|----------------------|-----------|-----------|-----------|
| WORLD                | 1,348,711 | 1,442,482 | 1,408,477 |
| CANADA               | 364,821   | 392,550   | 417,037   |
| TURKEY               | 29,053    | 190,596   | 234,276   |
| JAPAN                | 103,548   | 112,646   | 174,035   |
| KOREA                | 34,080    | 98,907    | 116,901   |
| BRAZIL               | 87,669    | 93,878    | 116,844   |
| UKRAINE              | .         | 13,267    | 71,715    |
| SPAIN                | 15,884    | 32,075    | 67,178    |
| SOUTH AFRICA         | 1,477     | .         | 41,372    |
| UNITED KINGDOM       | 50,713    | 64,754    | 41,263    |
| MEXICO               | 16,628    | 26,315    | 38,748    |
| GERMANY              | 24,514    | 32,427    | 27,179    |
| MALAYSIA             | .         | 134.6     | 24,866    |
| UNITED ARAB EMIRATES | 470       | 25.4      | 16,229    |
| BELARUS              | .         | .         | 8,218     |
| RUSSIA               | .         | 11,184    | 6,220     |
| INDIA                | .         | 934.7     | 3,733     |
| CHINA                | 619,854   | 339,999   | 1,579     |
| PERU                 | .         | 6,224     | 231.5     |
| EGYPT                | .         | 25,901    | .         |

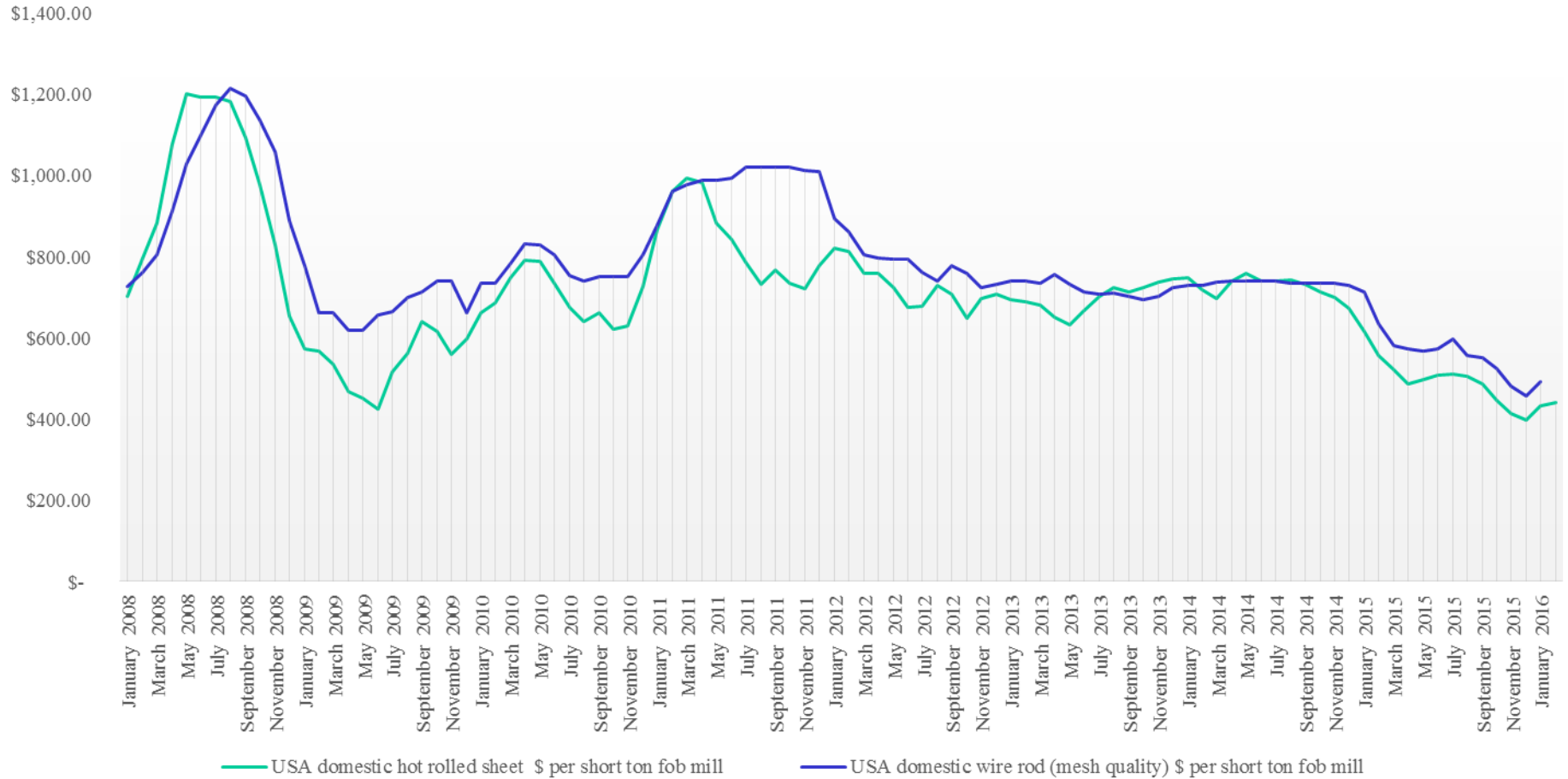


# USA Prices/cwt – last 16 Mo.

SBB, TK

|              | Oct '14 | Feb '15 | April '15 | Oct '15 | Feb '16 |            |
|--------------|---------|---------|-----------|---------|---------|------------|
| • Rebar:     | 32.00   | 29.00   | 27.00     | 24.00   | 22.50   | (-190/mt)  |
| • MBQ:       | 39.45   | 38.00   | 36.00     | 34.00   | 28.50   | (-219/ton) |
| • Beams:     | 40.00   | 37.00   | 37.00     | 33.50   | 30.00   | (-200/ton) |
| • Smls Pipe: | 2615/mt | 2524    | 2469      | 2300    | 1581    | (-1034/mt) |
| • HRC        | 32.00   | 25.50   | 23.30     | 21.50   | 19.50   | (-250/ton) |
| • CRC        | 38.10   | 35.00   | 30.00     | 28.00   | 27.00   | (-222/ton) |
| • GI         | 38.15   | 36.00   | 30.50     | 28.50   | 27.00   | (-223/ton) |
| • Plate      | 40.00   | 37.00   | 32.00     | 27.25   | 23.00   | (-340/ton) |

# US Domestic HRC Vs Low Carbon Wire Rod



# Currency Snapshot-Feb 22, 2016

|           |              | movement target currency vs US\$ |        |         |           |
|-----------|--------------|----------------------------------|--------|---------|-----------|
| Cross     |              | Opening Rate 22/2/16             | 7 days | 30 days | 12 months |
| Euro/\$   |              | 1.11138                          | -0.97% | 3.00%   | -4.21%    |
| \$/Yuan   | China        | 6.51412                          | 0.74%  | 1.47%   | -6.13%    |
| \$/JPY    | Japan        | 112.8249                         | 1.71%  | 7.92%   | 10.15%    |
| \$/Rouble | Russia       | 77.1481                          | 2.13%  | 5.61%   | -58.50%   |
| \$/ Aud   | Aussie       | 1.39458                          | 1.39%  | 3.40%   | -13.25%   |
| \$/Real   | Brazil       | 4.02449                          | -1.26% | -4.37%  | -41.76%   |
| \$/ Rand  | S/Africa     | 15.40011                         | 2.91%  | 7.41%   | 34.60%    |
| \$/ PHP   | Phil Peso    | 47.5937                          | 0.23%  | 1.06%   | -8.64%    |
| \$/ IDR   | Indo Rupiah  | 13,465.00                        | 0.92%  | 4.22%   | -5.11%    |
| \$/VND    | Viet Dong    | 22,381.50                        | 0.23%  | 0.31%   | -5.19%    |
| \$/THB    | Thai Baht    | 35.71103                         | 0.19%  | 0.92%   | -10.42%   |
| \$/KRW    | Korean Won   | 1,231.70                         | -1.87% | -4.10%  | -15.69%   |
| \$/INR    | Indian Rupee | 68.5477                          | -0.75% | -1.56%  | -11.22%   |
| \$/TRY    | Turkish Lira | 2.9532                           | 1.00%  | 2.63%   | -20.11%   |
| \$/MXN    | Mexican Peso | 18.10086                         | 4.44%  | 6.20%   | -22.20%   |

FEBRUARY 19, 2016

**IMPORTS OF HOT-ROLLED CARBON STEEL SHEET  
FROM ALL COUNTRIES**

CALENDAR YEAR 2015

(ALL FIGURES ARE IN NET TONS.)

| COUNTRY                          | TOTALS<br>PER COUNTRY | PERCENTAGE<br>PER COUNTRY |
|----------------------------------|-----------------------|---------------------------|
| 1 KOREA 3/ 4/                    | 943,687               | 25.8875%                  |
| 2 CANADA                         | 724,471               | 19.8739%                  |
| 3 BRAZIL 3/ 4/                   | 465,887               | 12.7803%                  |
| 4 JAPAN 3/                       | 273,449               | 7.5013%                   |
| 5 NETHERLANDS 3/                 | 255,929               | 7.0207%                   |
| 6 AUSTRALIA 3/                   | 249,589               | 6.8468%                   |
| 7 TURKEY 3/ 4/                   | 216,140               | 5.9292%                   |
| 8 MEXICO                         | 179,394               | 4.9212%                   |
| 9 UNITED KINGDOM 3/              | 135,652               | 3.7212%                   |
| <b>NEGLIGIBLE IMPORTS FOLLOW</b> |                       |                           |
| 10 NEW ZEALAND                   | 79,048                | 2.1685%                   |
| 11 FRANCE                        | 30,076                | 0.8251%                   |
| 12 VENEZUELA                     | 27,866                | 0.7644%                   |
| 13 BELGIUM                       | 13,611                | 0.3734%                   |
| 14 RUSSIA 1/                     | 9,622                 | 0.2640%                   |
| 15 INDIA 1/ 2/                   | 8,710                 | 0.2389%                   |
| 16 GERMANY                       | 8,453                 | 0.2319%                   |
| 17 ITALY                         | 6,949                 | 0.1906%                   |
| 18 AUSTRIA                       | 6,598                 | 0.1810%                   |
| 19 ARGENTINA                     | 5,162                 | 0.1416%                   |
| 20 SOUTH AFRICA                  | 2,168                 | 0.0595%                   |
| 21 CHINA 1/                      | 1,554                 | 0.0426%                   |
| 22 FINLAND                       | 957                   | 0.0263%                   |

FEBRUARY 19, 2016

**IMPORTS OF HOT-DIPPED GALVANIZED SHEET AND STRIP  
FROM ALL COUNTRIES**

CALENDAR YEAR 2015

(ALL FIGURES ARE IN NET TONS.)

| COUNTRY                          | TOTALS<br>PER COUNTRY | PERCENTAGE<br>PER COUNTRY |
|----------------------------------|-----------------------|---------------------------|
| 1 CHINA 1/ 2/                    | 700,881               | 23.7758%                  |
| 2 CANADA                         | 641,685               | 21.7677%                  |
| 3 INDIA 1/ 2/                    | 313,526               | 10.6356%                  |
| 4 KOREA 1/ 2/                    | 282,160               | 9.5716%                   |
| 5 TAIWAN 1/ 2/                   | 255,990               | 8.6839%                   |
| 6 BRAZIL                         | 220,440               | 7.4779%                   |
| 7 ITALY 1/ 2/                    | 161,039               | 5.4629%                   |
| <b>NEGLIGIBLE IMPORTS FOLLOW</b> |                       |                           |
| 8 MEXICO                         | 87,564                | 2.9704%                   |
| 9 SOUTH AFRICA                   | 56,549                | 1.9183%                   |
| 10 NETHERLANDS                   | 49,082                | 1.6650%                   |
| 11 TURKEY                        | 33,753                | 1.1450%                   |
| 12 JAPAN                         | 29,031                | 0.9848%                   |
| 13 UNITED KINGDOM                | 18,843                | 0.6392%                   |
| 14 THAILAND                      | 18,278                | 0.6200%                   |
| 15 AUSTRALIA                     | 13,577                | 0.4606%                   |
| 16 FRANCE                        | 11,324                | 0.3841%                   |
| 17 SAUDI ARABIA                  | 9,148                 | 0.3103%                   |

**IMPORTS OF COLD-ROLLED CARBON STEEL SHEET  
FROM ALL COUNTRIES**

CALENDAR YEAR 2015

(ALL FIGURES ARE IN NET TONS.)

| COUNTRY                          | TOTALS<br>PER COUNTRY | PERCENTAGE<br>PER COUNTRY |
|----------------------------------|-----------------------|---------------------------|
| 1 CHINA 1/ 2/                    | 530,922               | 29.1224%                  |
| 2 CANADA                         | 301,192               | 16.5211%                  |
| 3 BRAZIL 1/ 2/                   | 240,334               | 13.1829%                  |
| 4 MEXICO                         | 169,419               | 9.2931%                   |
| 5 RUSSIA 1/ 2/                   | 93,981                | 5.1551%                   |
| 6 KOREA 1/ 2/                    | 85,142                | 4.6702%                   |
| 7 INDIA 1/ 2/                    | 70,438                | 3.8637%                   |
| <b>NEGLIGIBLE IMPORTS FOLLOW</b> |                       |                           |
| 8 UNITED KINGDOM 1/              | 53,727                | 2.9471%                   |
| 9 JAPAN 1/                       | 48,504                | 2.6606%                   |
| 10 VIETNAM                       | 36,530                | 2.0038%                   |
| 11 BELGIUM                       | 30,506                | 1.6733%                   |
| 12 SWEDEN                        | 28,778                | 1.5785%                   |
| 13 NETHERLANDS                   | 28,724                | 1.5756%                   |
| 14 TURKEY                        | 28,386                | 1.5570%                   |
| 15 AUSTRALIA                     | 19,549                | 1.0723%                   |
| 16 TAIWAN                        | 14,941                | 0.8196%                   |
| 17 NEW ZEALAND                   | 14,113                | 0.7741%                   |
| 18 GERMANY                       | 12,343                | 0.6770%                   |
| 19 ITALY                         | 5,575                 | 0.3058%                   |
| 20 FRANCE                        | 5,505                 | 0.3020%                   |

# Conclusion:

-Wire rod is a globally traded commodity steel product. With the great majority of the US rod mills having downstream operations it is important the independent rod consumer has access to global wire rod.

-We have a supply problem more than a demand problem. 4 key areas affecting the Long Products supply market: China steel overcapacity, Currency exchange rates, Collapse of global Oil prices, Volatile scrap/ore global price.

-The Iron Ore / Scrap / Billet global price correlation will continue to drive the steel mills raw material selection.

-Ultimately, rod sales and purchasing decisions come down to business sentiment and how comfortable you/we feel in our 3-6-9 month outlook.