

World Steel Dynamics



WSD Steel Stratagems



**Steel Futures;
What Changes When
Liquidity is Achieved?**

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Knowledge is King

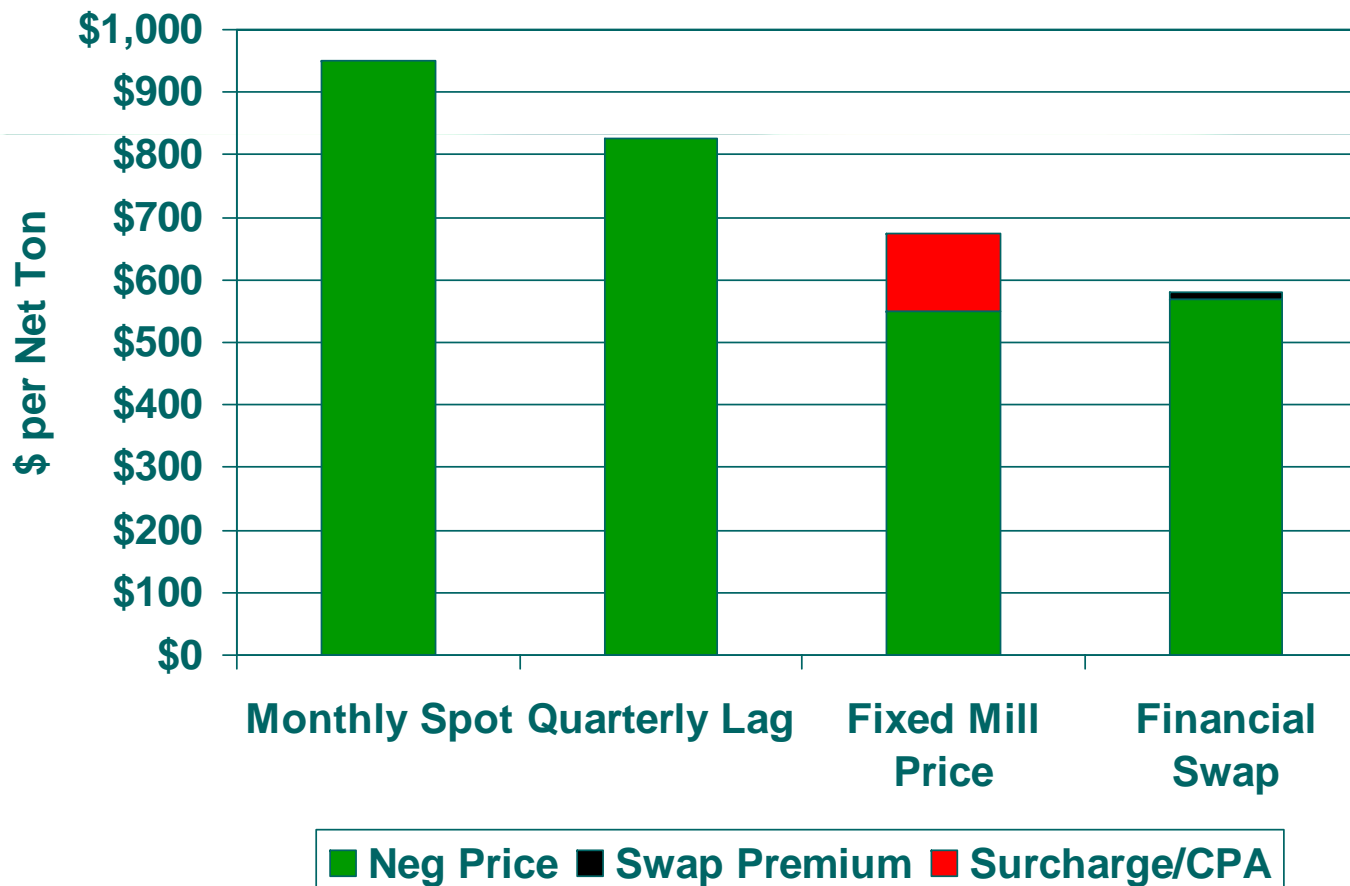


2008 HRB USA Contract Performance

Jan.-Jun. '08 (Actual), Jul.-Dec. '08 (Estimated)
Fixed Mill Price & Financial Swap Neg. in Nov. '07



CY08 Average Price Paid



What Changes When Liquidity is Achieved?



- Increased price volatility in raw materials and steel products needs a solution
- The management of costs in the supply has become more difficult
- Exchange trading in rebar & billets has commenced at DGCX & LME
- OTC financial swaps on HRB & CR currently have liquidity constraints
- Exchange trading of cash-settled futures contracts in mill raw materials and steel products is coming soon
 - Iron ore
 - Scrap
 - HRB & Cold Rolled Steel

