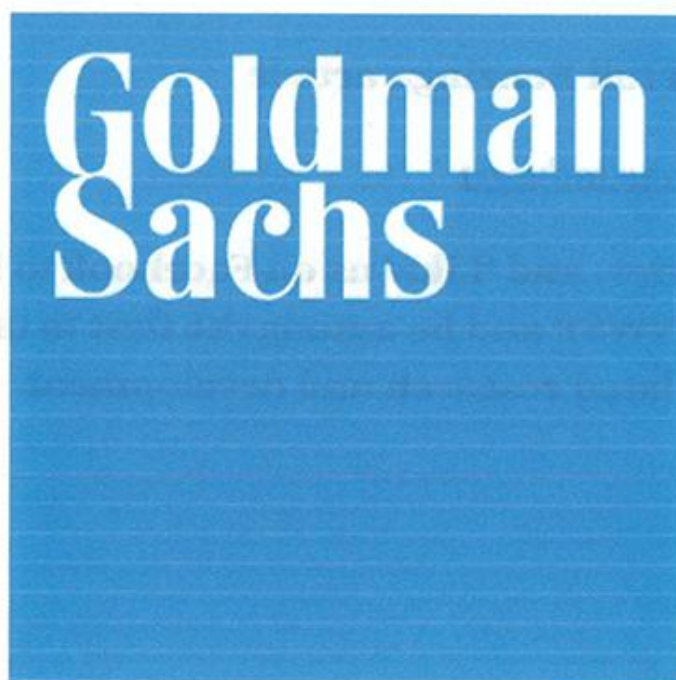


Goldman Sachs Optimistic About Steel Demand – OCTG a Key Contributor

In an article published yesterday, Sal Tharani (an analyst at Goldman Sachs) adjusted the view of the US steel market from Cautious to Neutral. Demand for flat steel in particular is on the rise, in major part because of its use in OCTG manufacturing. The firm also upped their rating on US Steel (X), AK Steel (AKS), and Steel Dynamics (STLD). This boosted share prices for all three during yesterday's trading.



This news comes during an ongoing surge in the steel ETF (exchange traded fund) which began a little more than three months ago. Vectors Steel (SLX), the only steel ETF out there, saw a 17% jump over this period.

Goldman Sachs is a powerful predictor and instigator of market trends, which leads us to predict with reasonable certainty that this outlook will attract

further investment in the steel and OCTG production industry.

Erica Janowics of Benzinga writes:

Tharani noted that the supply demand for steel has gained appeal, especially for flat steel. The analyst further commented on iron ore costs, “our very bearish view on input costs (iron ore) bodes well for steel producers in the long run as we believe that mills should be able to expand margins as raw material prices descend.”

Goldman Sachs is optimistic on steel demand in “auto, energy, low US natural gas price induced demand from LNG, chemical and power sectors .” The analyst added that a new OCTG capacity in the US could also be a major source of demand for flat steel.

Click [here](#) to read full Benzinga article

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