

NOVA NEWS:

# Situation on a stainless steel and aluminum market

July 2021  
(06.07.2021)



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Global supply chain solutions  
in stainless steel & aluminum



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# Stainless steel market

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- **Stainless steel prices continue to rise.** European producers have very small amounts of material in stocks, and they offer further increases from production to distant dates (2021/22). Next year is going well for them, especially from home appliances producers. Most European stainless steel producers no longer accept orders for 2021.
- **The price of ferrochrome** – the basic raw material for the production of **ferritic and austenitic steels** – in Q3 remained at the price level as in Q2 (1.56 USD / lb); in Q2 the price was historically high and the market expected a downward correction.
- From 01/08/2021, **Russia will impose customs duties on exports of metals such as copper, nickel, aluminum.** The duties are to be temporary; amount to 15%; Russia is responsible for 20% of world nickel production and 10% of world primary aluminum production.
- **The freight price from Taiwan** increased by 150 USD / t week by week. The price of the 40' container is currently USD 19,000, while the 20' container costs USD 10,000 (in March this year – USD 3,000).

- **Taiwanese stainless steel producers still do not offer material to Europe** as the Taiwanese government has not announced its own export quotas.
- **South Korea also does not sell for export**, prices on the domestic market increased by 100 USD / t in the last month.
- **In Malaysia, the lockdown continues** for at least two more weeks (6 weeks in total). Local producers estimate that the delivery delays will last for three months.
- **In the Chinese market, the demand for stainless steel is not weakening**; the situation is good in the carbon steel market as well. Significant amounts of the steel (approx. 60%) are consumed by construction sector (source: CRU).

# Nickel rate

06.07.2021

**NIKIEL** **18 542,50 USD/tona** **0,62%** **115,00**

2021-07-06 10:10:00



## NIKIEL

Kurs odniesienia:	<b>16 222,50</b> (21-04-01)
Data początkowa:	<b>2021-04-06</b>
Data końcowa:	<b>2021-07-06</b>
Zmiana:	<b>13,59%</b>
Zmiana:	<b>2 205,00</b>
Minimum:	<b>15 930,00</b> (21-04-23)
Maksimum:	<b>18 587,50</b> (21-06-25)
Średni:	<b>17 464,40</b>

Source: Bankier.pl



## Alloy surcharges

06.07.2021

Grades	May 2021 – EUR/t	June 2021 – EUR/t	July 2021 – EUR/t	Change % 07 vs. 06
304	1,786	1,854	1,901	+2,5
316L	2,543	2,660	2,902	+9,0
430	821	835	860	+3,0
441	961	974	1,000	+2,7

## Alloy surcharges – forecasts for the coming months

06.07.2021; source: SMR

- August 2021 / grade 304 / +50 EUR/t
- August 2021 / grade 316 / +50 EUR/t
- August 2021 / duplex / +20 EUR/t
  
- For 304 grade in September 2021 an increase to the level of EUR 2,010/t is forecasted.

- **Automotive industry - low inventories**; these could take up to 2023 to restore - good news for stainless steel producers; USA - increase in demand for stainless steel in automotive industry; Germany - new car registrations increased in May 2021 by 37% compared to May 2020.
- **High demand for household appliances** - several months of waiting for the order fulfillment.
- **Boom in Polish industry** - the PMI index reached the highest value in more than 20-year history of the survey (in June it rose to 59.4 points from the record level of 57.2 points in May).
- Increased costs of transport, pallets, paper, foil, etc. Difficulty in availability of wood.



## Consequences of the situation described above:

- Stainless steel prices continue to rise ↑
- **Persistent problems** with the availability of materials - it is not possible to purchase stainless steel products in the requested quantity.
- Rationing of materials by stainless steel producers and then consequently by the distributors who have managed to buy the goods.
- No possibility for Nova Trading and Nova Metale to guarantee a certain price level for a period longer than two months.



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# Aluminum market

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- **Problems with the availability of materials** on the market - persistently high demand / low supply.
- **Aluminum producers:** distant deadlines for placing orders from ongoing production - Q4 2021 and Q1 2022.
- **Aluminum producers :** delays in deliveries - from 4 to 8 weeks; frequent cancellations or reductions of accepted orders.
- **Empty stocks of aluminum distributors in Europe.**
- **The EC introduces new anti-dumping duties on aluminum from China** - for Chinese aluminum suppliers from approx. 20% to 47% (!), which directly results in increase in the prices of materials from this source, as well as indirectly in the level of prices from suppliers from countries which production is based on material from China.
- From 01/08/2021, **Russia will impose customs duties on exports of metals such as copper, nickel, aluminum.** The duties are to be temporary; amount to 15%; Russia is responsible for 20% of world nickel production and 10% of world primary aluminum production.
- **Increased costs of transport, pallets, paper, foil, etc. Difficulty in availability of wood.**

# Aluminum rate

06.07.2021



Source: Bankier.pl

### Consequences of the situation described above:

- Aluminum prices continue to rise ↑
- Persistent problems with the availability of materials - it is not possible to purchase aluminum sheets and coils in the requested quantity
- Rationing of materials by aluminum producers and then consequently by the distributors who have managed to buy the goods.
- No possibility for Nova Trading and Nova Metale to guarantee a certain price level for a period longer than two months.