

The future remains uncertain – but perhaps a light in the tunnel?

The global steel price development has been dramatic this year. Prices remain at a historically high level, but statistics from MEPS – World Steel Prices, show that price developments have leveled off somewhat and in some steel grades have started to adjust downwards, mainly on the range that have had the strongest price trend.

The global availability in iron ore and raw steel has improved, causing the balance between supply and demand to stabilize. At the same time, it is a long processing chain and there are product areas that continue to have very long delivery times at the steel mills.

The US and the EU have reached an agreement on the abolition of steel and aluminum tariffs on some EU exports to the US. Steel prices in the US are higher than in Europe, which can lead to increased exports and may cause supply in Europe to be lower and prices to rise.

In the local market, there is still a large imbalance between supply and demand. Lead times are long, and prices are still rising on certain material qualities, and we cannot rule out further price increases in the coming quarters. Rudhäll is of course following developments closely.

The escalating situation with Covid in China is worrying, as entire provinces are shut down to prevent the spread of the infection. This, together with continued electricity rationing, affects production capacity and can lead to production losses and delays in delivery.

We therefore ask you **to review your plans and requirements and release orders for your needs as soon as possible.**

There are still delays in loading and unloading at the ports, and the imbalance in the availability of containers remains. SCFI (Shanghai Containerized Freight Index) has leveled off, but is at historically high levels. The price level for shipping a 40-foot container by sea is 360% higher compared to a year ago and 900% higher compared to the same period in 2019, which may be counted as a normal year.

Despite the turbulent situation, we remain true to our core values; **Customer focus, Service thinking and Solution oriented.**

The ongoing crisis shows three things

1. Global supply chains are complex and vulnerable.
2. The importance and value for our customers to consolidate their supplier base.
3. Rudhäll Industri is the right partner to work with.

With this last newsletter of 2021, we would like to wish you all a Merry Christmas and a Happy New Year.



MD, Rudhäll Industri