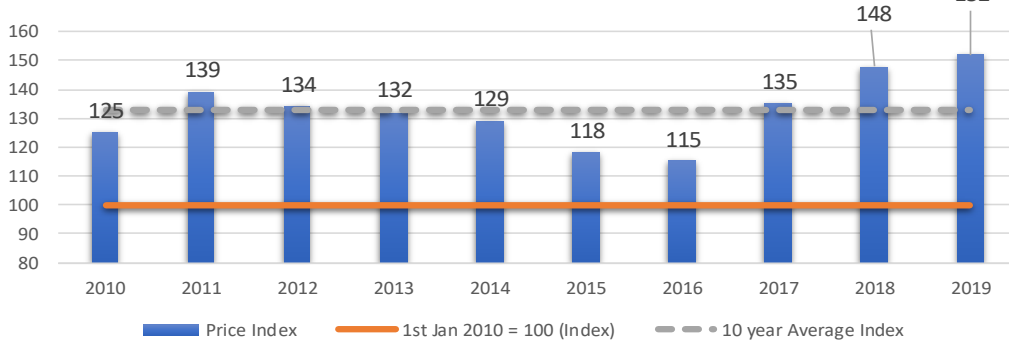


Steel Bulletin.

January 2020.

Prices

Price Index



Our average selling prices continued to edge up during 2019 but due to a quiet Q4 and a slow start to Q1 2020, prices are now under pressure. However political certainty over Brexit along with an increase in enquiries for February and March indicate that this trend could well be reversed. In summary we would expect to see prices weakening in the short term but believe this trend will be reversed by Q3 2020 as demand improves.

Supply

As demand is slow there are no problem areas for supply. The only caveat is hollow sections where about 50% of the UK's demand for hollow sections comes from abroad and quota restrictions could well impact especially on Turkish supply. However most importers have foreseen these problems and bought material in early to avoid paying 25% duty. There is plenty of steel at the docks now but will there still be plentiful supply through to July when the quotas are renewed? The survival of British Steel is also still unresolved and, as we have stated in the past, we believe that we need British Steel to survive to ensure that we have a healthy steel manufacturing industry. However we would point out that British Steel failed and is in administration and that we hope that the new owners will make sweeping changes to cut out loss making elements of the business. Whether British Steel survives or not we do not foresee any problems with the supply of heavy sections into the UK market.

Tomrods Ltd

2019 was another busy year. Once again we produced real profits and these have been invested in long term assets. We have bought a brand new Scania articulated wagon, a new telephone system, refurbished the offices and resurfaced the stockyard. Training has continued both for sales and works and we continue to put maintaining excellent customer services levels and health and safety forward as our number one priorities. We have had a darts night, a tenpin bowling night and organised football games. As usual we had our Christmas party in mid January and had the biggest turnout ever with over 75 attendees. We have not forgotten our local responsibilities either and we collected over £3300 for families in local refuges caught up in physical and mental abuse. A big thank you to everyone for their sterling efforts.

2019 saw Andrew Shakespeare, Melinda Bruce, Neil Latham and Jacek Przybyl take over the day to day running of the company, Julie and myself taking a back seat and they have done an excellent job improving real profits compared to 2018 and ensuring the long term future of the company.

We look forward to 2020, we will announce further asset purchases later in the year but must take this opportunity of thanking all those companies, whether customers, suppliers or just friends, for their continued support.

We wish everyone a healthy and prosperous new year and thank you for reading this newsletter. Please feel free to contact me via email if you wish to comment on any of the points raised. All the best
JOHN THOMPSON



TOMRODS LTD
STEEL STOCKHOLDERS



Thank you for reading this and if you have any comments about Tomrods or our website please do contact me at john@tomrods.co.uk
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