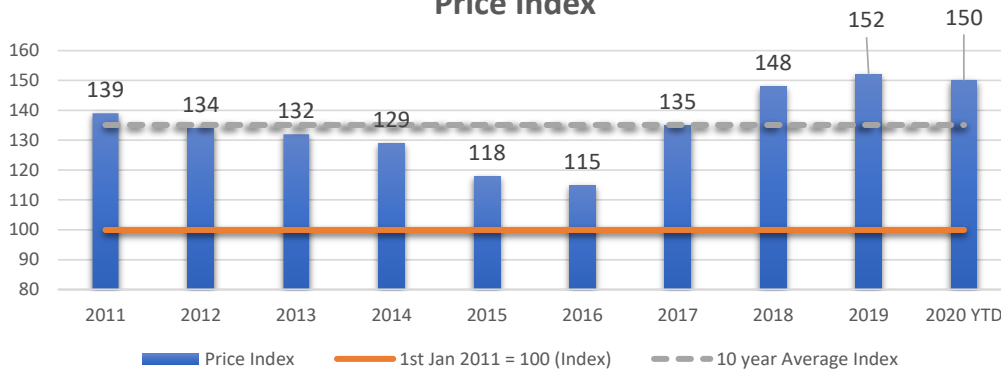


# Steel Bulletin.

December 2020.

## Prices

### Price Index



As the graph shows selling prices have been stable throughout 2020 but this is about to change dramatically. Over the last 6 months steel demand has recovered to pre Covid levels but supply has not. Shortages are now appearing in all areas of steel supply. This has resulted in mills withdrawing forward offers and prices increasing at a speed not experienced since the last century. Heavy sections have just been increased by £80/t (an increase of £170/t since July), hollow sections by over £100/t (an increase of £160/t since June) and merchant bars by £100/t (an increase of £140/t since May). We do not believe that these are the last increases and we are expecting more in the new year. Please contact our sales department for up to date pricing information.

## Supply

Brexit, Covid and a very bullish world market are creating panic in some sectors. There will be shortages occurring especially in hollow sections due to EC and Turkish quotas. Delays created by Brexit and the new strain of Covid will upset "just in time supply" channels, however the majority of steel imports come in by sea and therefore there should be a minimal amount of disruption to supply. Stock levels throughout the steel stockholding sector are low, 25% down on pre Covid levels and this will also lead to shortages as high demand and replacement prices discourage stockholders from rebuilding stock levels. It is a bumpy ride ahead and the question is how long will this situation last? We do not have a crystal ball but we expect these price increases and shortages to last at least 3 months throughout the first quarter of 2021.

## Tomrods Ltd

We are all working very hard to ensure that we can continue to supply all our existing customers. We will, as always, honour all firm commitments and will try to keep all our customers abreast of supply changes. The volatile market is just one of the challenges facing us. Through very strict adherence to Covid rules we have managed to avoid disruptions to the very high service levels that we achieve. The safety and health of all our staff and visitors remains our number one priority. As we reach another year end and enter into our 48<sup>th</sup> year of trading I am very proud of what we have achieved this year. Tomrods has always believed in a strong balance sheet and always being ready for any emergency, this has once again proved to be the right approach. But however prepared the company may be it is all our members of staff who have worked tirelessly to get us through another crisis. In addition to over 99% of orders being delivered on time and to specification we have also been raising money to help those less fortunate who are affected by domestic violence in our local area and we hope to raise more than £4500, we are nearly there. All those involved have my admiration and heartfelt thanks. Finally may I take this opportunity to wish all our staff, customers, suppliers and friends as good a Christmas as possible and a healthy and peaceful new year.

Thanking you for reading this.  
Kind Regards,  
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](mailto:john@tomrods.co.uk)  
**John Thompson**

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