

OSTP Commercial News Update 19.2.2021

Demand for OSTP Products YTD 2021 is 15% higher in volume than the same period in 2020 which was generally an unaffected Covid19 period for OSTP.

Raw Material lead times are now lengthening considerably, in some cases already into Q3, and significantly higher Raw Material prices have certainly driven some speculative inventory replenishment ordering in the last weeks. However overall underlying market demand shows strengthening indications too as a more positive outlook especially on the back of the vaccination roll-outs and the start-up of the active Project construction and installation months in Q2 & Q3.

Nickel LME Price broke the 19000 \$/T level on the 18th Feb a level not seen since June 2014 and has been steadily increasing month on month since the last low point at the end of March 2020. Additionally Q2 Fe Cr rates are forecasted to increase along with rising Fe Moly and scrap rates, which continues to remain in short supply. Hence the March AAF rates continue to develop upwards and this can be expected to continue into Apr & May given current trends.

Although we at OSTP always endeavour to maintain good service stock levels we would encourage customers to think and plan ahead especially for fast moving high volume items to ensure that your demand needs can be securely fulfilled with continued reliability.

Our sales staff are at your service to assist you and discuss your individual needs, by cooperating in this way we can best plan and adjust forward production plans and mitigate as far as possible disruptions or shortages to your supply chain.