

Winlock Metal Prices Update

Metal prices seem to have gone crazy in 2021, and price rises are everywhere in our sector – are they justified? Here is Winlock's update on metal prices...

ZINC

A year ago, zinc had a spot price of just over \$2000 per tonne, and it is now \$3100, a 55% increase.

However, the 5-year average is approx. \$2600 per tonne, and today's price is still well below the peaks of 2018 and about the same as 2019 prices. So whilst prices have gone up sharply in the last year they are not dramatically higher than usual in recent years.

ALUMINIUM

Aluminium is currently trading at \$2450 per tonne, which is well above its normal range of \$1800-1900, where it has been for most of the last 5 years - although it did spike at \$2700 3 years ago. The current high prices look more of a trend than a spike so expect aluminium products to increase in price.

COPPER

Copper is a material that seems much in demand at the moment and is at record levels of over \$10,000 per tonne currently. This is higher than the last peak in 2011 and over 60% higher than the 5-year average. Prices have doubled in the past 12 months! So expect much higher brass prices shortly, and nickel-brass alloys will be particularly expensive, as nickel prices have also rocketed in 2021. Peaking at \$20,000 per tonne and remaining above \$18,000 per tonne, which compares to less than \$12,000 a year ago.

STEEL

Mild steel prices have risen dramatically in the last 6 months. For 5 years to Dec 20, the cost of steel rebar was in the \$400-600 range. Since Dec 20, prices have risen to almost \$800 and have risen \$100 in the last month alone. These prices are miles away from the \$250-300 rates we saw pre-2016 when China was dumping cheap steel worldwide. Those days have gone by, and it looks like mild steel products will be increasing in price very shortly.

We are now in the post-Trump era. Despite this, the US shows no signs of backing off from tariffs where it thinks competition is unfair (or at least where America struggles to compete). More broadly, there will likely be a post-Covid spending boom on infrastructure in most major economies. With this being the case, it is difficult to see why metal prices should drop significantly during the remainder of 2021 as demand will remain high. So get your price adjustments in early!

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