METALS MODERATING AFTER SPRING SPIKE

Hot rolled steel prices briefly declined from their 2021 peak but returned to elevated levels in Spring 2022 due to the “commodity shock” caused by the Russia-Ukraine conflict.

Non-ferrous metal pricing also spiked in the spring due to the commodity shock before softening amid China’s COVID-19 lockdowns, which weakened demand.

SOLID-AS-STEEL PRICES

Hot rolled coil prices are a bellwether for steel prices in general. Since peaking in the fall, hot rolled steel prices declined as the earlier supply bottleneck eased. However, Russia’s invasion of Ukraine spurred fears of tighter supplies of steelmaking raw materials, semi-finished steel, and finished steel, boosting domestic steel prices in March and April 2022 before prices moderated. Cold rolled coil and hot-dipped galvanized coil prices followed a similar trend to hot rolled coil, but remained stronger.

BASE METAL MANIA

Base metal prices surged earlier in 2022, peaking in March or April as part of the “commodity shock” driven by the energy crisis and supply chain issues stemming from the war in Ukraine. Most base metal prices have since declined as COVID-19 lockdowns slashed demand in China, though prices largely remain elevated versus last year.

FULL STEAM AHEAD

Moving into the midpoint of 2022, pricing for both ferrous and non-ferrous metals remain elevated over historic norms. The expected return of Chinese metal consumption as China eases COVID-19 shutdowns, coupled with ongoing energy shortages around the globe, are anticipated to keep prices elevated throughout 2022 and potentially beyond.