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Celebrating 70 years!

August 23, 2021

RE: STEEL MARKET – UPDATE 4

Dear Valued Wire Products Company Customer,

First and foremost, thank you very much for your business, your patience and your continued support during these turbulent times in the steel raw material market. I am providing this fourth update as a way to pass along insights from Wire Products Company as we end the summer and head into the all-important fall booking and shipping season.

We are again seeing prices going up in carbon wire products; many increases took effect earlier this month. The increases vary depending on size and grade. As I have mentioned previously the market situation with steel - pricing, lead times and availability remains a challenge, but rest assured the team at Wire Products Company is doing all we can to stay on top of and ahead of those challenges.

Stainless Steel surcharges have again moved up in August, adding to the already historic high prices that we have seen this summer. Our largest steel supply center has already notified us that “We do anticipate a price increase in these products very soon.”

We are hearing from a couple of wire mills that they are starting to get caught up although the same issues remain with manpower and raw material. Both these mills, one carbon and one stainless, suggested that they will soon be reducing their lead times on certain sizes. Although we have not seen any reduction in the long lead times as of yet, this is the first positive news we have heard for some time now. While elevated prices remain across most commodities, the price of lumber has recently fallen. It may not return to pre-pandemic levels, but it has started to level out. Again, another positive sign in an otherwise difficult year thus far.

Various areas of the total production process, such as galvanizing, plastisol, black oxide and other process coatings continue to see increases in overall costs. Price increases are also being felt with freight and packaging. One of our steel suppliers has even implemented a “Coil Carrier Surcharge” due the rising cost of steel that is used to produce those carriers. Anyone who imports parts or components from off shore knows about the unprecedented logistic costs of shipping both 20’ and 40’ containers, to say nothing about the availability, shipping lead times and the cost of D&D – demurrage (fee for sitting at a terminal) and detention (fee outside the port/terminal).

In short, more of the same, but with a small glimmer of hope. All our best wishes for the safety and good health of your business and your associates. As the market evolves, I will continue to provide periodic updates. In the meantime, thank you again for your business. Wire Products Company truly appreciates the opportunity to be your supplier partner for springs, stampings and wire forms.

WIRE PRODUCTS COMPANY

Dan Collins

Vice President Sales & Marketing