

Rise in steel prices set to continue

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KUALA LUMPUR: Leader Steel Holdings Bhd (LSH) believes that the international uptrend in steel prices may be sustained right into the third quarter of 2021 (Q321).

In its Annual Report 2020, it said the trending steel prices are due to several factors, namely, extended lead times due to logistics disruptions and capacity resump-tions, historically low inventories and higher demand from automobile markets in the United States and Europe.

It noted that Malaysia faces a steel supply shortage due to a lag in price and construc-tion activities.

LSH said currently, local downstream players are exhibiting cautious purchasing behaviour due to the current international high price and uncertainties in the supply and economic recovery.

"We are monitoring macro factors that may affect the steel price in the financial year 2021 (FY21), particularly the Chinese steel policies and post-pandemic economic stimulus plans, both global and local," it said.

Moving forward, chairman Tan Sri Mohd Desa Pachi said LSH will continue to focus its strategies and priorities on further strengthening its position via diversification away from the construction industry.

"LSH is optimistic and will continue to exercise caution for any changes or develop-ment in both the domestic and international steel markets so as to achieve promising performance for FY21," he said. — Bernama