

Press release

EUROFER urges LME and FCA to take necessary action to prevent further artificial surges in nickel prices

Brussels, 09 March 2022 – EUROFER calls on the London Metal Exchange (LME) and the Financial Conduct Authority (FCA) to take the necessary action to resolve the massive, artificial fluctuations in nickel prices and impose the indispensable measures to ensure it does not reoccur. EUROFER also requests a commitment on transparency on moves by single or group of market participants exceeding regular participation and trading limits.

“In the last days, and since markets opened on 7 March in particular, we have seen an unprecedented surge in nickel prices that cannot be explained by supply and demand, nor by the sanctions recently imposed on Russia”, said Axel Eggert, Director General of the European Steel Association (EUROFER), “no other commodity has seen the same price increase as nickel in recent days”.

This is not the first time that such market anomalies occur. Already in the summer of 2019 there was a similar situation of possible market manipulation by a specific player. “It is of utmost importance to solve this issue once for all so we do not see this happening a third time”, warned Mr Eggert.

EUROFER requests the LME to keep the market closed until stability and normal price levels are restored. It also requests a thorough investigation of the trading practices by some market players to determine whether they may constitute market abuse or the creation of a disorderly market, or another prohibited practice.

Nickel is an essential element of the low carbon economy: stainless steel alone represents over 70% of its consumption, followed by the batteries sector. “These massive fluctuations in the nickel market can seriously impact both the European nickel users and consumers, eventually leading to job losses, and jeopardise the EU green transition”, concluded Mr Eggert.

Notes for editors

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About the European Steel Association (EUROFER)

EUROFER AISBL is located in Brussels and was founded in 1976. It represents the entirety of steel production in the European Union. EUROFER members are steel companies and national steel federations throughout the EU. The major steel companies and national steel federations in the United Kingdom and Turkey are associate members.

The European Steel Association is recorded in the EU transparency register: 93038071152-83.

About the European steel industry

The European steel industry is a world leader in innovation and environmental sustainability. It has a turnover of around €170 billion and directly employs 330,000 highly-skilled people, producing on average 160 million tonnes of steel per year. More than 500 steel production sites across 22 EU Member States provide direct and indirect employment to millions more European citizens. Closely integrated with Europe's manufacturing and construction industries, steel is the backbone for development, growth and employment in Europe.

Steel is the most versatile industrial material in the world. The thousands of different grades and types of steel developed by the industry make the modern world possible. Steel is 100% recyclable and therefore is a fundamental part of the circular economy. As a basic engineering material, steel is also an essential factor in the development and deployment of innovative, CO2-mitigating technologies, improving resource efficiency and fostering sustainable development in Europe.