UK Steel Sector Report

November 2026

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Summary

Steel import quotas, cut by 51% to 3.2m tonnes a year, took effect on 1 July with a 50% tariff above quota.

Stock built before the quotas, and **tariff-exempt contracted imports** landing until 30 September, left stockholders overstocked into the autumn.

Tata's UK deliveries fell 22% in Q3 2026, and **domestic steel prices** are 5% below their July peak.

From January, **HMRC's draft carbon border charge** implies £26 to £42 a tonne on imported hot rolled coil, far below the EU's.

Tata's new Port Talbot furnace is delayed to late 2028, and UK steelmakers pay £91/MWh for electricity against France's £61.

Metals insolvencies remain low (320 a year), but **administrations** across the economy rose 23% in the year to September.

The Macroeconomic Environment



Growth Has Strengthened; the Bank Has Moved

GDP grew 0.7% in Q3 and was 1.9% higher than a year earlier, the strongest annual growth since 20221. Services grew 0.9% and accounted for almost all of it, with computer programming the largest single contributor. Production grew 0.1% and construction fell 0.7%. Manufacturing rose 0.9%, with eight of thirteen sub-sectors growing, but basic metals and metal products fell 0.7% over the quarter, including a 2.1% fall in September. Growth is coming from services and from the parts of manufacturing that use little steel.

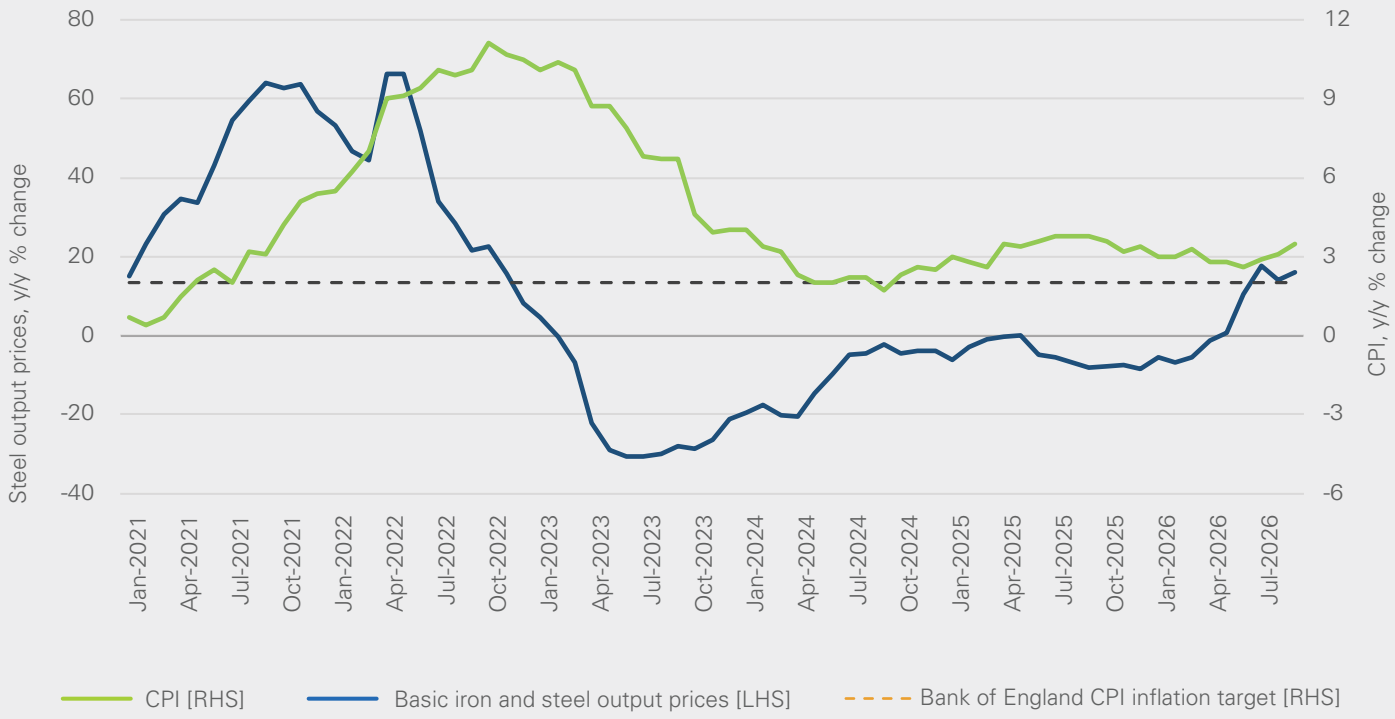
Inflation has turned up sharply. CPI rose to 3.5% in September from 3.1% in August, with services at 3.7% and goods at 3.2%, the highest goods rate since September 2023. Core inflation, which excludes energy, food, alcohol and tobacco, rose to 2.8%. Producer input prices rose 8.3% on the year and output prices 4.6%. The ONS output price index for basic iron and steel was 16.0% higher than a year earlier in September2. The import price index for the same products slowed to 3.6% from 8.5% in July.

[1] https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/gdpfirstquarterlyestimateuk/julytoseptember2026

[2] https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/ew6t/ppi



UK CPI Inflation and Basic Iron and Steel Output Prices (annual % change)



Source: ONS, Bank of England inflation target

The Monetary Policy Committee (MPC) raised Bank Rate by 25 basis points to 4% on 5 November, by eight votes to one, with the dissenter preferring a 50 basis point rise. The Bank expects CPI to reach around 5% by the middle of 2027 and does not expect it to return to target until 2028[3]. Market pricing has Bank Rate near 5.0% by the end of 2027, although the Bank's survey of market participants expects 4.25% in February and cuts thereafter. The effective rate on new loans to businesses was 5.47% in September. The Credit Conditions Survey for Q3 recorded the first fall this year in credit availability to small and medium-sized firms.

The Burnham government's first Budget on 28 October left £15bn of headroom against the fiscal rules, down from £22bn a year earlier. The Office for Budget Responsibility (OBR) has growth at around 1.25% in 2026 and 1% in 2027. Three measures bear on steel. The British Industrial Competitiveness Scheme is funded from April 2027, exempting over 10,000 manufacturers from indirect policy costs on electricity and cutting those bills by up to 25%. The Climate Change Levy on electricity is frozen from April 2028. The steel trade measure is scored as raising £85m in 2026/27 and £120m a year thereafter, which gives the Treasury a stake in the tariff.

[3] https://www.bankofengland.co.uk/monetary-policy-report/2026/november-2026

The Trade Regime in Operation

What Took Effect on 1 July

The measure that replaced the safeguard is softer than the one announced in March. After consultation with downstream users the government cut tariff-free quota by 51%, against the 60% first announced, to about 3.2m tonnes a year across 20 product categories, with a 50% tariff above quota. Goods under contract before 14 March were exempt from the tariff if imported by 30 September and did not count against the first quarter's quota. The quotas run quarterly with carry-over within the year, and the first formal review falls in mid-2027. Tata Steel UK says the quotas could still meet 75% of UK demand, against the Steel Strategy's aim of 50%. It also says that coated sheet imports have left one of its finishing lines at about half capacity since the summer.



The Quotas Are Biting, Three Months Late

The transitional exemption meant the July to September quarter showed little effect. Imports contracted in the spring kept arriving, and stockholders who had bought ahead of the regime had no reason to buy more. In October the president of the International Steel Trade Association (ISTA) said several quotas had been used up and that they were now "biting hard". The clearest data are for hot rolled coil (HRC), the flat product most downstream processing starts from. Department for Business and Trade (DBT) data showed that, as at 26 October, its residual-country quota was fully used, the India quota 94% used and the EU quota at 65,700 of 93,750 tonnes for the quarter[4].

Fabricated steelwork and finished metal goods sit outside the measure. The British Constructional Steelwork Association (BCSA) says the sections quota was cut by 83.5%, to 123,000 tonnes, while imported fabricated steelwork enters tariff-free. The measure taxes the inputs of UK fabricators and component makers but not the finished goods they compete with, which puts them at a disadvantage to importers.

UK CBAM: A Smaller Charge Than the Market Expected

The UK Carbon Border Adjustment Mechanism (CBAM), a tax on the carbon embedded in imported steel, aluminium, cement, fertiliser and hydrogen, starts on 1 January 2027. On 16 October HMRC published draft default emissions values for every product code and an illustrative sector rate of £9.69 per tonne of CO2 for iron and steel. The rate is the Q3 average UK Emissions Trading Scheme (ETS) price of £58.15 with the free allocation that domestic producers receive netted off. The default values for HRC range from 2.6 to 4.3 tonnes of CO2 per tonne of steel. At the illustrative rate that implies a charge of £26 to £42 a tonne before any relief for carbon costs already paid abroad[5]. Eurometal calculates the equivalent EU charge on Indian HRC at about €314 a tonne.

The UK charge is also low because each product carries one default value, whatever its origin, until 2029. Material the EU prices out through country-specific defaults therefore faces no extra penalty in the UK. The default values and the rate are both in draft, and the binding rate for January to March is due before year-end. A leaked draft text for the UK-EU summit on 20 November, reported on 6 November, welcomes the conclusion of talks to link the two emissions trading schemes, with mutual CBAM exemption to follow. On Eurometal's figures, EU-origin steel was 57% of UK imports under the trade measure in 2026 to date, down from 64% in 2025.

The EU Regime and Trade Diversion

The EU replaced its own safeguard on 1 July under Regulation 2026/1384, cutting tariff-free quota by 47% to about 18.3m tonnes with a 50% out-of-quota duty. From 1 October importers must prove where the steel was first melted and poured. For now it only requires paperwork, but from October 2027 the origin data will be used to allocate quotas, and by mid-2028 the Commission will decide whether it becomes the test of eligibility[6]. The flows most exposed are cold rolled and coated products re-rolled in Türkiye and Vietnam from Chinese coil, which the rule will treat as Chinese. This material is also the most likely to look for a UK quota instead.

EUROFER reports about 10m tonnes of crude steel capacity restarted in 2026 and at least €3.4bn of investment decisions, and expects demand from steel-using sectors to rise 2.5% in 2027. EU output was still 0.3% lower in the first eight months of the year and mills are running at 65% to 67% of capacity, so restarted capacity is being held back to protect prices. Steel that no longer clears US or EU customs has the UK as its remaining large open market in Europe, and on HMRC's draft figures the UK's carbon charge on it would be about £30 a tonne.

[4] https://eurometal.net/uk-steel-industry-expects-price-increases-in-2027-imports-of-fabricated-goods-may-undermine-trade-regulation/
[5] https://eurometal.net/uk-unveils-indicative-cbam-calculation-values-for-2027/
[6] https://eur-lex.europa.eu/eli/reg/2026/1384/oj/eng

From Quota to Balance Sheet

It began in the spring, when stockholders bought heavily ahead of 1 July even though their customers' demand was weak. The transitional exemption then kept contracted imports arriving through September, so the material bought to beat the regime kept landing for three months after the regime began.

Tata's UK deliveries fell 22% on the previous quarter to 380,000 tonnes in the three months to September, which the company attributes to inventory built ahead of 1 July. It expects stocks of hot dipped galvanised (HDG) coil not to normalise until summer 2027. Construction, which takes about half of UK steel, recorded its fastest contraction in activity since June. Stockholders are carrying material bought at the top of the range, financed at higher rates, into a market that is destocking.

The second stage follows when the overhang clears. Gonvarri, one of the larger UK steel service centres, expects HRC shortages before Q3 2027, and domestic supply cannot fill the gap quickly. Speciality Steel's Rotherham furnace is only preparing to restart, and Port Talbot's will not run before late 2028. When stocks run out, the quota and CBAM set the price of the marginal tonne. At that point fabricators and automotive suppliers on fixed-price contracts absorb the step the market has so far deferred.



Energy Costs

The Wholesale Gap Has Narrowed

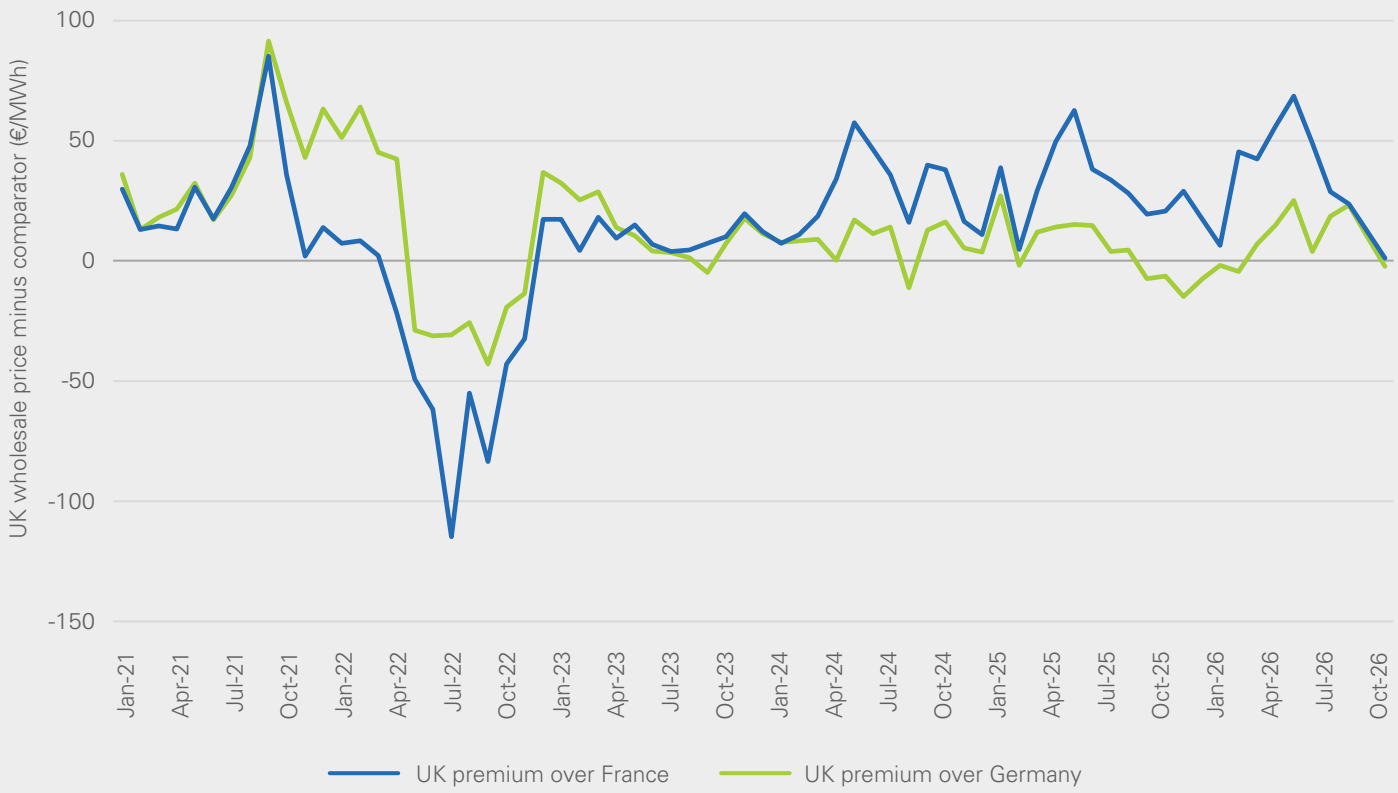
UK Steel's annual electricity price assessment, published on 19 October, puts the 2026/27 price for UK steelmakers at £91/MWh against £61 in France and £79 in Germany, premiums of 49% and 15%[7]. On UK Steel's figures the gap with France alone costs the industry £66m this year and £917m cumulatively since 2017/18. On wholesale prices alone the gap almost closed in October, although it has narrowed this far before and reopened. Ember's day-ahead data put the UK premium over France at €1/MWh in October, down from €69 in May, with the UK below Germany[8]. In October, at least, the remaining disadvantage came from the non-wholesale parts of the bill. UK Steel's proposed remedy, a two-way wholesale price rebalancing mechanism modelled by Baringa, would cost about £51m a year to 2030 (compensating steelmakers when UK wholesale prices exceed the European level – and claw back money when they fall below it). The Budget did not take it up. The British Industry Supercharger, which raised the discount on network charges to 90% in April, remains the only producer-level support.

The gap matters more each year because the industry is electrifying. 7 Steel UK already melts entirely from scrap in an electric arc furnace (EAF), Speciality Steel's Rotherham EAF is restarting, and Port Talbot's will replace the blast furnaces. UK Steel expects the sector's electricity use to roughly double, so the premium weighs more heavily on the case for investing in new furnaces.

Gas Prices and the Gulf Conflict

The Bank of England's November projections were conditioned on Brent averaging $108 a barrel and UK gas 216p per therm in the fifteen working days to 27 October. Those are roughly 70% and 120% above the levels before the strikes of 28 February. Brent was around $96 on 9 November with no ceasefire. Shipping through the Strait of Hormuz has partly recovered, but attacks on vessels keep insurance and freight costs high. Gas-fired plant still sets the marginal price of UK electricity, so UK wholesale costs move with every spike in gas. The OBR's Budget assumptions have gas at around 150p by the end of 2026 and wholesale electricity peaking near £125/MWh. The Bank's gas assumption, taken from more recent prices, is already well above the OBR's.

UK wholesale electricity price premium over Germany and France (€/MWh, monthly average day-ahead prices)



Sources: Ember, European wholesale electricity price data (monthly averages)

[7] https://www.uksteel.org/steel-news-2026/budget-misses-opportunity-to-tackle-crippling-electricity-costs-for-british-steelmakers

[8] https://ember-energy.org/data/european-wholesale-electricity-price-data/

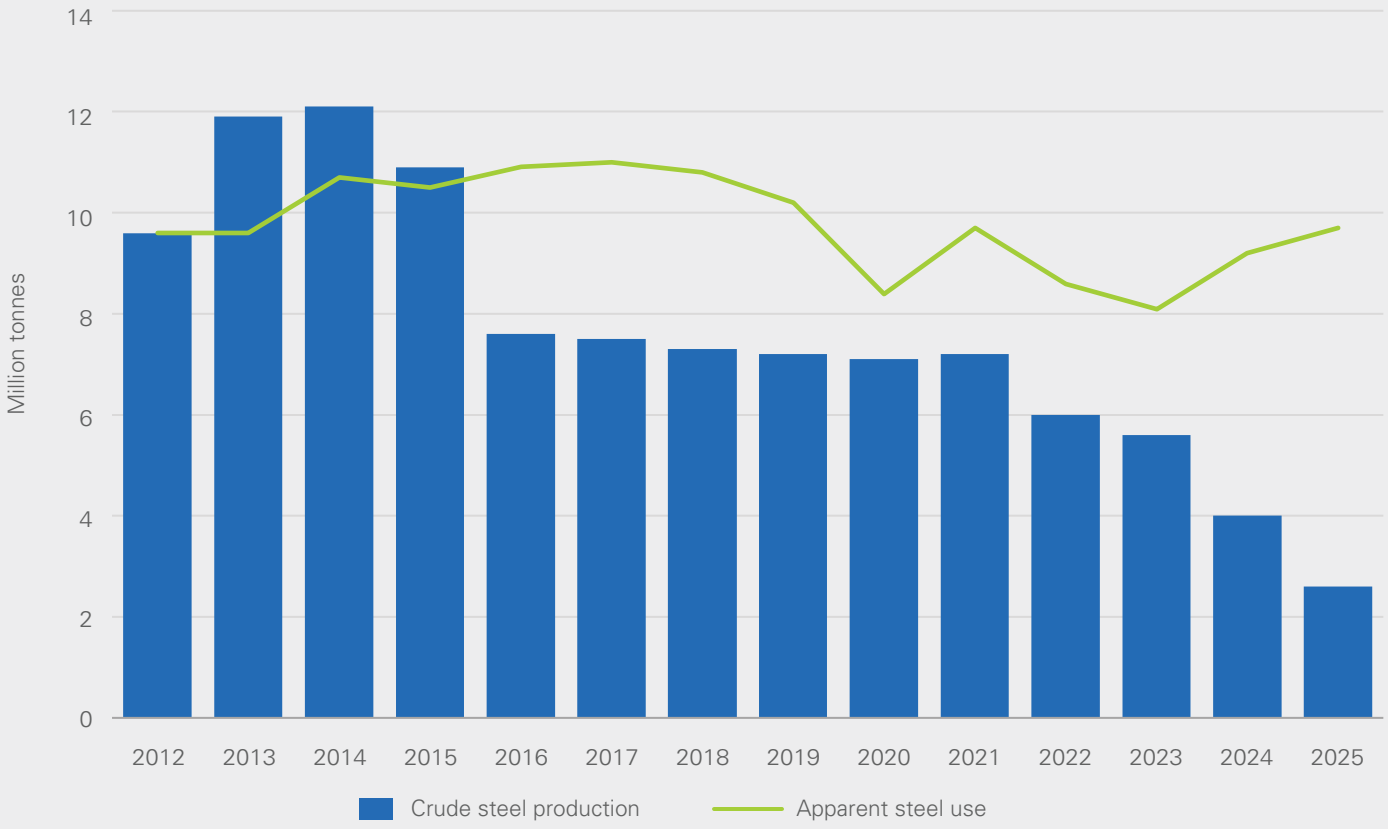
Production and Producers



Output Remains Near a Historic Low

UK crude steel production was 2.6m tonnes in 2025, down 35% on 2024. Apparent steel use, which includes changes in stocks, was 9.7m tonnes. Part of its rise since 2023 reflects stockbuilding ahead of the new quotas, so it overstates demand[9].

UK crude steel production and apparent steel use, 2012-2025 (million tonnes)



Sources: worldsteel, World Steel in Figures 2026.
Note: apparent steel use includes changes in stocks.

The ONS index for basic iron and steel was 8.3% higher in September than a year earlier, down from 26.3% in August as the comparison moved past a weak summer 2025. Output recovered from its January low but has drifted down since March, falling 2.7% in September and 0.4% over the latest three months[10]. The index and Tata's figures measure different things. The index tracks production across all UK producers, including British Steel, while Tata's 22% fall was in deliveries, as customers drew down stock bought before July.

[9] https://worldsteel.org/data/world-steel-in-figures/world-steel-in-figures-2026/
[10] https://www.ons.gov.uk/economy/economicoutputandproductivity/output/timeseries/k23i/diop

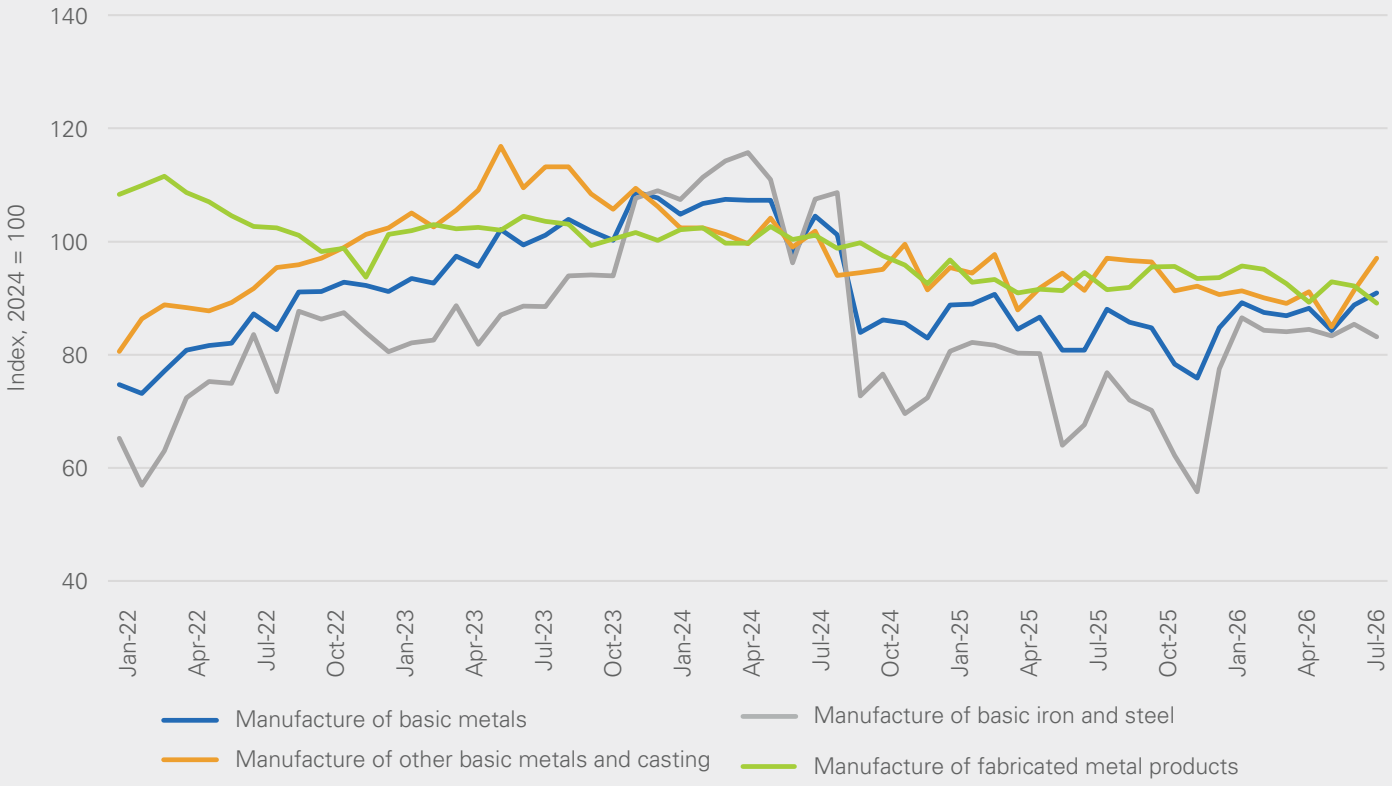
Public Ownership and a Furnace That Has Slipped

British Steel passed into public ownership on 16 July under the Steel Industry (Nationalisation) Act 2026. The National Audit Office put the cost of keeping Scunthorpe running at £377m to January 2026, about £1.3m a day. The Public Accounts Committee reported in September that £642m had been spent by June with no business model or decarbonisation path yet presented. Both blast furnaces are running after outages in June and August. No decision on an EAF at Scunthorpe, costed at about £1.25bn in the Steel Strategy, has been announced.

Speciality Steel UK follows the same route. On 14 September the Business Secretary, Jonathan Reynolds, told the Commons the government would work towards public acquisition after rejecting the preferred bidder's financing. He put the cost at around £350m from the unspent part of the £2.5bn steel envelope, over four to six months. The business, in compulsory liquidation since August 2025, employs about 1,300 people. Its Rotherham EAF, with 1.3m tonnes of capacity, is reported to be preparing for a December restart. The government now controls, or is acquiring, the only primary steelmaker and the third-largest producer. The change of Prime Minister in July removed the leadership risk the May edition flagged, and the new government has kept the steel funding in place.

The clearest private investment is in long products. 7 Steel UK, the former Celsa plant in Cardiff now owned by Sev.en Global Investments, produces up to 1.2m tonnes a year of rebar and long products from UK scrap. It announced £100m of investment over four years in May. In October it signed a memorandum of understanding with Heathrow covering up to 400,000 tonnes for the airport's expansion. How severe the 2027 shortage becomes depends on whether the new electric furnaces can make money at UK electricity prices.

UK index of production – basic metals and fabricated metal products (index, 2024 = 100, seasonally adjusted)



Sources: ONS, Index of Production, September 2026



Demand

Construction – The Floor Is Infrastructure and Data Centres

The construction purchasing managers' index (PMI) fell to 43.6 in October from 46.1, its twenty-second month below 50, signalling the fastest contraction in activity since June. Housing was weakest at 35.1. Costs rose at the same time – steel was among the inputs behind the sharpest cost inflation since June, with 48% of firms reporting higher costs against 25% in September. Contractors and fabricators are therefore absorbing dearer material on falling volumes.

The demand that remains is concentrated in the most steel-intensive work. Firms reported strong demand for data centre projects and rising energy and utilities workloads. Glenigan's November index shows the same pattern, with project starts 21% below a year earlier but civil engineering up 19% and residential down 29%.

The official data confirm the split. ONS output fell 0.7% in Q3 and was 1.7% lower than a year earlier, and private new housing, down 4.7%, was the largest drag on a 1.6% fall in new work. In September, output rose 0.8%, the first increase after four monthly falls, led by a 3.3% rise in infrastructure new work. Construction demand for steel is holding up better than headline output, but it depends on a narrower set of projects.

Steel product prices account for much of the cost pressure in the survey. DBT's index for fabricated structural steel was 19.9% higher in September than a year earlier but fell 1.7% in the month. Reinforcing bar rose 16.1% on the year and 1.7% in the month. The BCSA puts section prices up about 30% in 2026 to date. Stockholders are selling the sections they imported ahead of July into this market, and if the September fall in fabricated steel prices continues, the margin will shrink.

Automotive – Volumes Flat, Trade Terms Tightening

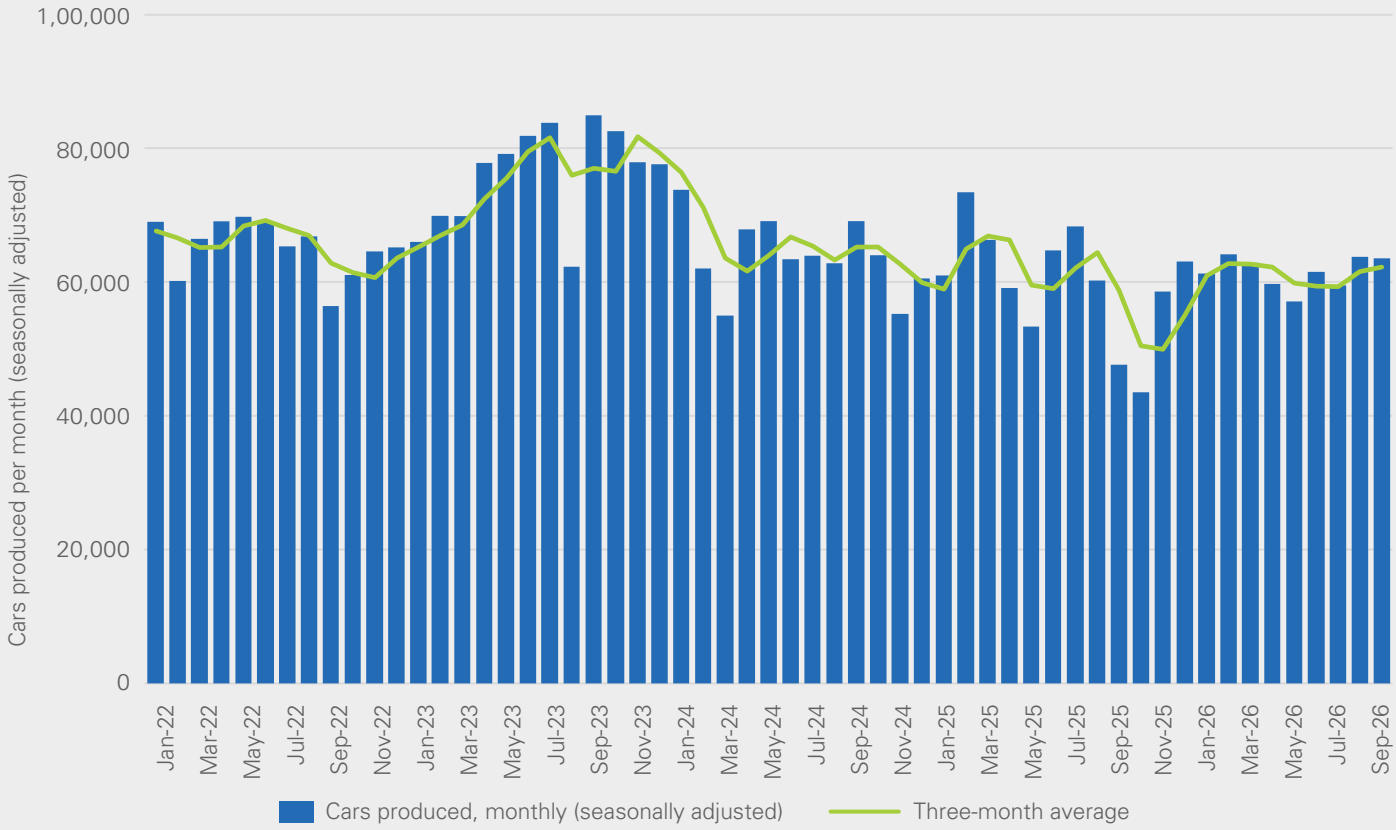
UK car production rose 38.6% in September to 70,831 units, but the comparison is with the month JLR's cyber attack halted output. Vehicle production in the year to date is 3.0% lower at 564,537 units. The Society of Motor Manufacturers and Traders (SMMT) expects 731,000 light vehicles in 2026, a 2.3% fall, and 752,000 in 2027 on new electric models. On a seasonally adjusted basis, car output has averaged about 62,000 a month through 2026, in line with that outlook[11].

From 1 January 2027 the transitional rules of origin for electrified vehicles under the UK-EU Trade and Cooperation Agreement (TCA) expire, and vehicles that fail the tighter test face a 10% tariff, which the SMMT costs at £1.4bn a year or more. The EU's proposed Industrial Accelerator Act would reserve "Made in Europe" incentives for EU-built vehicles, parts and steel, and a Franco-German compromise would admit the UK only if it aligns with EU trade defences. Both are on the agenda for the UK-EU summit on 20 November. The steel embodied in UK car output has fallen by about 45% since 2019, to around 0.65m tonnes on worldsteel's estimate of steel per vehicle.

[11] https://www.smmt.co.uk/



UK car production, monthly (seasonally adjusted) and three-month average



Source: ONS, UK new vehicle registrations and production, Table 3 (SMMT data, seasonally adjusted by ONS)



Manufacturing – Ordering Ahead of Costs

The manufacturing PMI rose to 52.8 in October, its highest since May, with output growing at the fastest pace in two years and new orders at their fastest since Q1. Input cost inflation accelerated on energy, raw materials and transport, supplier delivery times lengthened by one of the widest margins in four years, and stocks of purchases fell for a fifth month. Firms are ordering ahead against rising prices while running down their own inventories. In their October summary, the Bank of England's regional Agents, who gather intelligence from businesses around the UK, report that importers face higher freight and material costs, including for imported steel. They also report some UK production moving closer to overseas customers to limit exposure to tariffs, with energy and transport costs part of the reason.

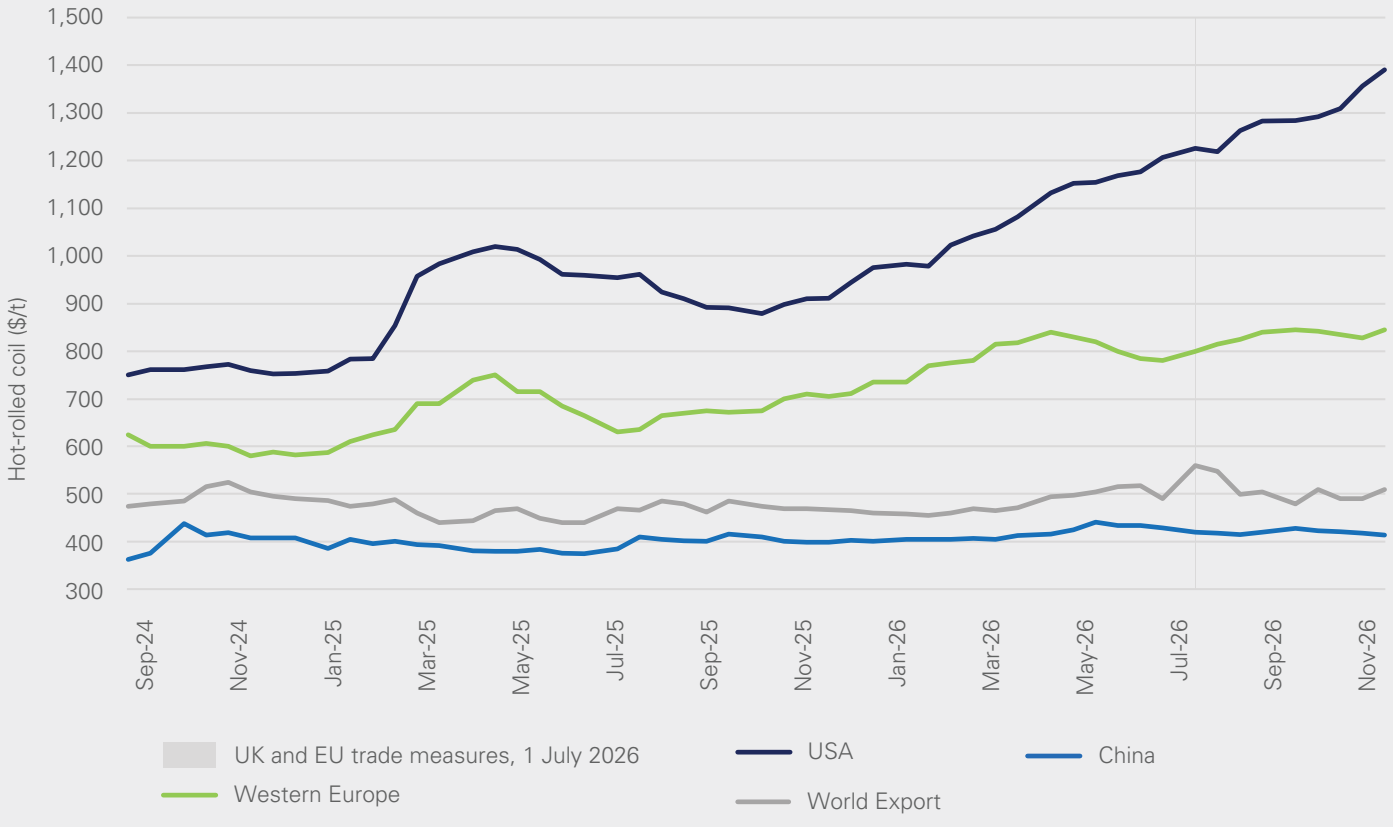


Prices

The Gains Have Stalled, Flat Products First

UK prices have stalled while prices elsewhere have risen. SteelBenchmarker's Western European HRC price dipped to $828 a tonne in late October and recovered to $845 on 9 November, above its September peak, while the US price rose to $1,391 and China's was $414 . MEPS reported that UK beams were the only Western European market it surveys where prices did not rise in September. The ONS output price index for basic iron and steel has fallen 5% since July, although it remains well above a year earlier. Most of the gap reflects stockholders running down flat products bought before the quotas took effect, with the largest overhang in coated sheet. Among long products, rebar has held up better than sections in the DBT indices, because sections compete with tariff-free imports of fabricated steel.

Hot rolled coil prices by region, September 2024 to November 2026 (US$ per tonne)



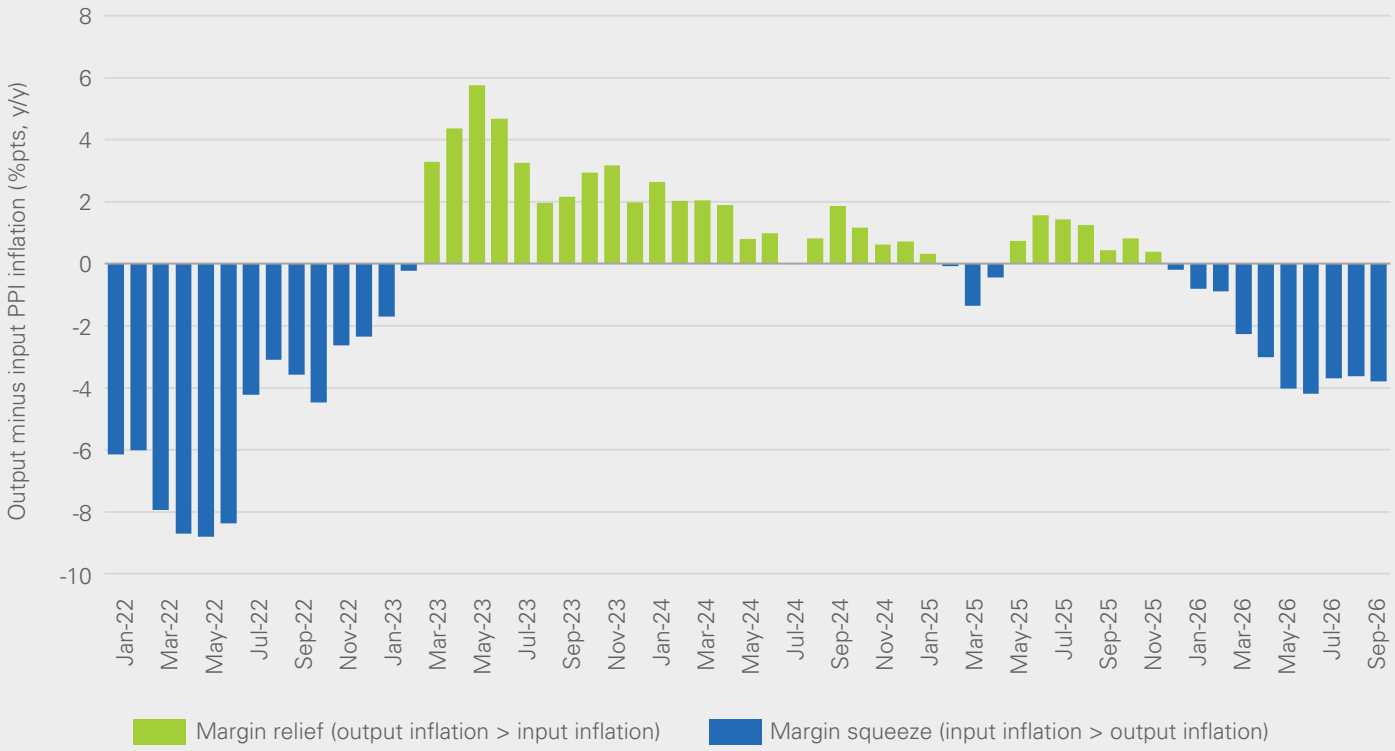
Sources: SteelBenchmarker
Notes: Vertical line marks the UK and EU trade measures, 1 July 2026

Producers were already under pressure before prices stalled. Across the wider basic metals and metal products group, input prices rose 10.8% in the year to September and output prices 7.0%. Input inflation has exceeded output inflation in every month of 2026, the longest such run since 2022, as producers have been unable to pass on the full rise in energy and raw material costs.

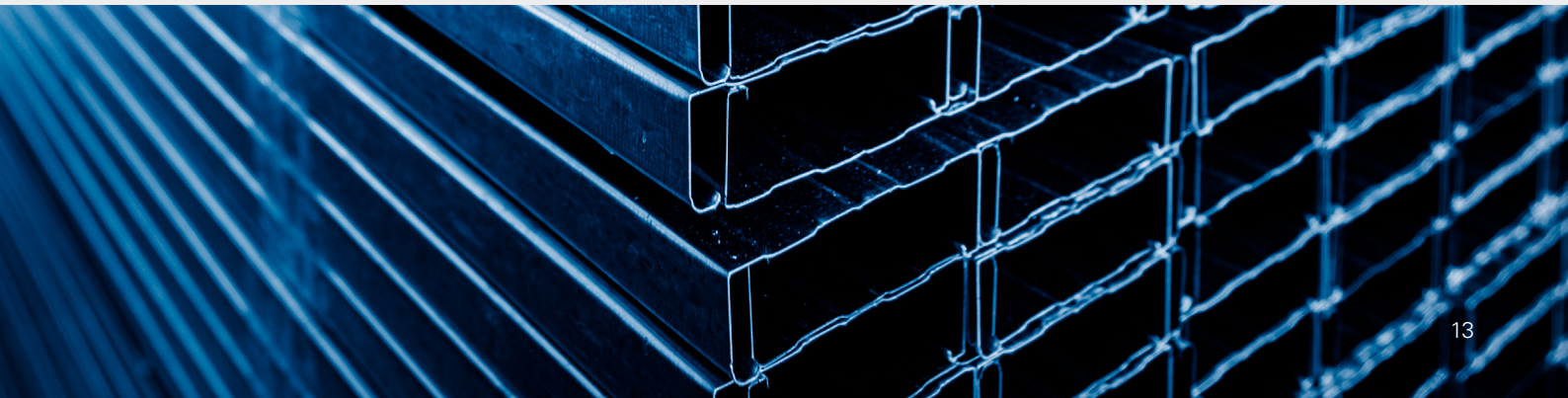
[12] https://steelbenchmarker.com/history.pdf



UK basic metals and metal products: output minus input producer price inflation (percentage points, annual rate)



Sources: ONS
Notes: producer price inflation, September 2026



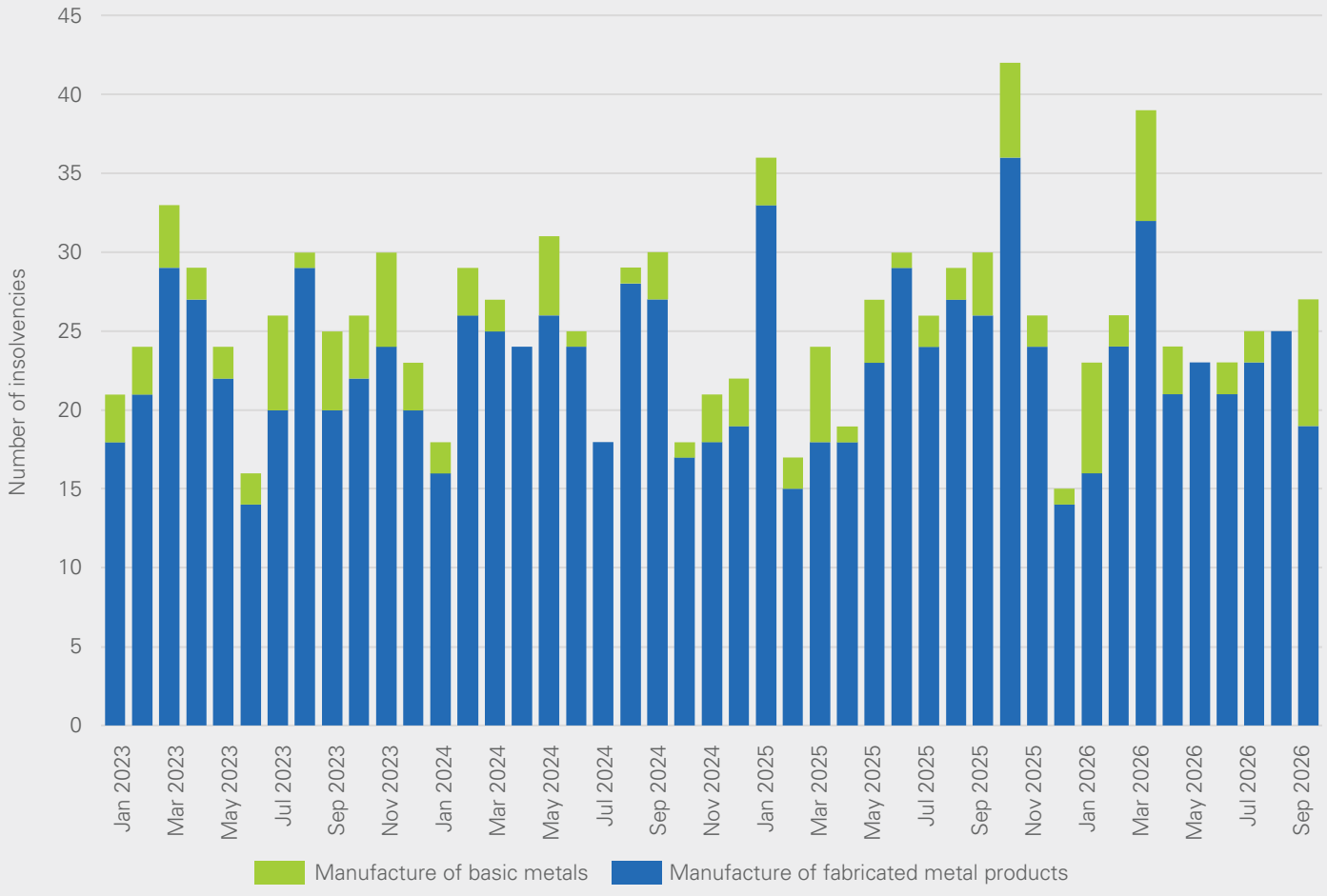
Credit Risk and Insolvency



Fewer Failures, More Administrations

Company insolvencies in England and Wales were 22,880 in the twelve months to September, 1,113 fewer than a year earlier. The mix is shifting away from voluntary liquidations towards administrations and compulsory (court-ordered) liquidations. Over the twelve months, creditors' voluntary liquidations, which directors initiate, fell by 1,382, while administrations rose by 343 to 1,842, an increase of 23%. The latest monthly figures show the same pattern. The seasonally adjusted total of 1,882 was 5% below a year earlier, but compulsory liquidations were up 25%[13].

Metals manufacturing insolvencies by month (basic metals and fabricated metal products), England and Wales



Sources: The Insolvency Service, company insolvency statistics, September 2026. Industry counts are not seasonally adjusted

[13] https://www.gov.uk/government/statistics/company-insolvencies-september-2026

Steel's own sectors account for a small and broadly stable share of the total. In the twelve months to September, basic metals recorded 40 failures (0.2% of the total) against 32 a year earlier, with the increase coming from non-ferrous metals. Steel production itself recorded 21 against 22. Metal stockholders and service centres recorded 15 against 14, so the pressure on stockholder margins has yet to show up in insolvencies. Fabricated metal products recorded 278 (1.2%) against 267, although structural metal products, the group that includes steel fabricators, fell from 101 to 96. Construction, steel's largest domestic customer, remained the largest sector, with 3,873 cases or 16.9% of all insolvencies. Within that, failures among building contractors rose by 70 and compulsory liquidations by 67, while failures among the specialist trades fell.

Meridian Steel, a Duferco service centre processing about 150,000 tonnes a year, was the first to cite the quota regime when it was wound up in July. Several small structural steelwork firms have also failed since May, among them Barretts of Aspley, which entered voluntary liquidation in July after its turnover fell 28% to £9m.

Early-Warning Indicators

Measures of business distress tend to lead insolvencies, and the latest readings show pressure building among steel's customers in construction and automotive. BTG Consulting's Red Flag Alert for Q3 recorded a record 738,144 businesses in significant distress, up 1.6% on the year. On its narrower measure of critical distress, construction had 6,522 companies, second only to support services.

EY-Parthenon counted 65 profit warnings from listed companies in Q3, the most since the end of 2024. Warnings in construction and materials rose to six from two, and three-quarters of listed automotive and parts companies have warned in the past year. Rising costs were cited in 35% of warnings, the highest share since late 2022.

In their October summary, the Bank's Agents report financial stress in leveraged hospitality and in parts of the construction sector and its supply chain, and report weaker small firms accumulating debt across several lenders.

UK steel value chain: company insolvencies by sub-sector, England and Wales, 12 months to September 2026

Sub-sector (SIC)	"Latest 12 months (Oct 2025 – Sep 2026)"	"Prior 12 months (Oct 2024 – Sep 2025)"	"Change (absolute)"	"Latest 3 months (Jul – Sep 2026)"	"Share of all insolvencies (latest 12 months)"
Manufacture of basic metals (SIC 24)	**40**	**32**	**+8**	**10**	**0.2%**
Steel production (SIC 241–243, 2451–2452)	21	22	-1	5	0.1%
Non-ferrous and precious metals (SIC 244, 2453–2454)	19	10	+9	5	0.1%
Wholesale of metals and metal ores (SIC 4672)	**15**	**14**	**+1**	**6**	**0.1%**
Manufacture of fabricated metal products (SIC 25)	**278**	**267**	**+11**	**67**	**1.2%**
Structural metal products, incl. doors and windows (SIC 251)	96	101	-5	20	0.4%
Treatment and coating of metals; machining (SIC 256)	52	43	+9	11	0.2%
Other fabricated metal products (SIC 259)	112	105	+7	27	0.5%
Manufacture of motor vehicles, trailers and parts (SIC 29)	**49**	**40**	**+9**	**10**	**0.2%**
Construction (Section F total)	**3,873**	**3,939**	**-66**	**958**	**16.9%**
Construction of buildings (SIC 41)	**1,559**	**1,489**	**+70**	**380**	**6.8%**
Construction of residential and non-residential buildings (SIC 412)	850	804	+46	223	3.7%
Civil engineering (SIC 42)	**209**	**195**	**+14**	**52**	**0.9%**
Specialised construction activities (SIC 43)	**2,105**	**2,255**	**-150**	**526**	**9.2%**
Other specialised construction, incl. steel erection, roofing, scaffolding (SIC 439)	537	583	-46	128	2.3%
UK TOTAL (all insolvencies, England & Wales)	**22,880**	**23,993**	**-1,113**	**5,759**	**100.0%**

Sources: The Insolvency Service, company insolvency statistics, September 2026. Small counts shown as numbers and share of all insolvencies.

Outlook

The May edition expected prices to settle 15% to 25% above end-2025 levels through H2 2026. They reached that range by May and have since stalled, because stockholders imported more ahead of the quotas than expected and demand was weaker. Over the next six months, prices will depend on how quickly that stock is sold. After that, CBAM from January 2027 and energy costs will set the level.



Base Case – Destocking Through the Winter, the Step in 2027

Hormuz traffic stays disrupted and Brent holds between $95 and $110. The Bank raises Bank Rate once more, to 4.25%, and holds through 2027 as CPI peaks near 5% in mid-2027. The UK CBAM starts on 1 January 2027 at a rate close to HMRC's illustrative figure. The UK and EU agree to link their emissions trading systems, but the resulting exemption from each other's carbon border charges does not take effect before 2028. Stocks of flat products clear by Q2 2027 and HDG coil by the summer, as Tata expects. Demand stays weak, with construction output flat and automotive volumes slightly lower. Domestic prices hold around current levels through H1 2027 and rise in H2, as imports reach the quota limits and start to pay the carbon charge. The rise is smaller than producers hoped for in the spring, because the CBAM rate is low and the quotas were set above the Steel Strategy's target. Insolvencies in the steel chain rise from a low base through the winter, led by stockholders and processors that rely on imported feedstock. The fabricator and tier-two automotive exposure builds from mid-2027 as fixed-price work rolls onto the new price level.

Scenario A – Escalation and a Flooded Market

Attacks on Gulf infrastructure widen, gas rises above 250p a therm and the Bank takes interest rates above 5%. Construction and automotive demand falls further. Steel diverted from EU and US markets lands in the UK ahead of CBAM. UK prices fall despite the quota. Stockholders and traders take losses on stock bought at higher prices, spreading from small processors to larger distributors. Producers' losses deepen and their call on public funds rises. Fabricators pay less for steel, but falling volumes offset the gain.

Scenario B – Settlement and an Early Squeeze

A durable settlement takes Brent below $80 and gas below 120p a therm. The Bank stops at 4.25% and cuts during 2027, and the summit delivers ETS linkage with an exemption timetable. European demand recovers as EUROFER and worldsteel expect, by 2.5% to 3% in 2027, and UK construction orders begin to track the pipeline. The recovery arrives while domestic capacity is still constrained, so the HRC shortage Gonvarri anticipates comes earlier and UK prices move above European levels as they did in the spring. Stockholders recover their margins and the squeeze moves on to fabricators.



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