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Strong global economy boosts cement prices in 3Q 2018

Greenwich (CT), USA, November 15, 2018 – Globally, gray cement trade prices rose in the third quarter of 2018, according to the 3Q 2018 update of [CW Research's Global Cement Trade Price Report](#) (GCTPR). Domestic prices also recorded a general improvement, particularly in the US and Mexico, where major manufacturers recorded double-digit increases in net sales.

Such promising price developments were underpinned by an expanding global economy. However, some international risks subsist.

"By the end of 2018, the global economy is anticipated to grow almost four percent due to strong performances in most developed and developing markets. The largest threat to this expansionary trend will likely arise from trade protectionism, which, coupled with geopolitical tensions and political incertitude in the largest global economies, could lead to medium-term challenges", assesses Raluca Cercel CW Group's Associate.

Chinese prices surge on short supply

In China, gray cement average selling prices rose by over 30 percent year on year in the third quarter of 2018 due to tight supply in the aftermath of the closing of cement plants across the country. Improving domestic and external demand in Thailand also led to a quarterly price increase, with domestic prices rising to over USD 50 per ton.

In the US, cement average selling prices edged up quarter on quarter, driven mostly by the growth of the residential sector across regions, but in particular in Southern US. In Mexico, domestic indices increased on the back of favorable activity in the housing and industrial sectors.

The Middle East region recorded a more modest improvement, with the regional average for cement domestic prices rising by 1.6 percent quarter-on-quarter due to the rebound of the construction sector in the UAE. Cement prices in Iran and Saudi Arabia continued to decrease as a consequence of low demand and tight domestic competition.

Global trade prices to rise in 4Q 2018

In September 2018, global average FOB prices for gray cement increased by over five percent to USD 62.8 per ton when compared to the previous quarter.

During 3Q 2018, Thailand, Japan, Turkey, Canada and China were the top exporters of gray cement. Over the period, the Thai cement market shipped close to ten percent of total gray cement exports.

Increased demand in the US led to an improvement of gray cement FOB prices in North America to USD 114.2 per ton. In the upcoming quarter, most regions are expected to see an increase in gray cement trade prices, with the exception of Eastern Europe and the Middle East.

White cement FOB prices contract YoY

In the third quarter, white cement export volumes recorded a double-digit improvement to reach 1.5 million tons. Conversely, trade prices for the premium commodity declined on a yearly basis in Asia Pacific, the Mediterranean Basin, and Western Europe, but increased in Eastern Europe, the Middle East, and Scandinavia and the Baltics.

At a global level, in 3Q 2018, clinker trade volumes edged down on a quarterly basis, with global prices estimated to have reached 36.1 USD per ton for a set of 21 countries. Unsurprisingly, Asia-Pacific-Japan remained as the leading exporting region of clinker during the third quarter of 2018, with shipped volumes nearing eight million tons.

In September 2018, median slag prices dipped by a double-digit margin when compared to September 2017, when prices stood at USD 19.2 per ton. Over the same period, global slag export volumes increased year on year, with Japan standing as the world's main exporter of the commodity.

For more information, placing an order, or interview inquiries, please contact Mihnea Manea, Media and Market Services Executive, CW Group, by phone at +40 723 281 704, or e-mail at mm@cwgrp.com.

About the Report

The Global Cement Trade Price Report (GCTPR) is CW Research's benchmark price assessment for monthly gray cement, white cement, clinker and granulated blast furnace slag prices and volumes. The 150+ page report, published on a quarterly basis, serves as the industry go to source for monthly price data for over 70 individual markets worldwide, including multiple cornerstone data series: import, export, ex-works and market prices. Additionally, the GCTPR includes extensive discussion of key players' price strategies as well as trade price forecast and select trade volumes for each country. The report also provides regional price indices as well as a quick review of trading dynamics and drivers in the different regions. Additionally, the GCTPR includes monthly historical data series, preliminary estimates for the latest quarter, as well as a three-month forecast for all price types.

More information about the report can be found here: <http://www.cwgrp.com/research/research-products/product/1-global-cement-trade-price-report>

About CW Group

The Greenwich (Conn.), USA headquartered CW Group is a leading advisory, research and business intelligence boutique with a global presence and a multi-industry orientation. CW Group is particularly recognized for its sector expertise in heavy-side building materials (cement), light-side building materials, traditional and renewable power & energy, petrochemicals, metals & mining, industrial minerals, industrial manufacturing, bulk cargo & shipping, among others. We have a strong functional capability, grounded in our methodical and quantitative philosophy, including due diligence, sourcing intelligence, feasibility studies and commodity forecasting. www.cwgrp.com