

Overcome market volatility and protect your supply

A checklist for procurement professionals in the automotive industry

Automotive manufacturers are grappling with ongoing challenges, including global consumer demand instability for both internal combustion engine (ICE) cars and electric vehicles (EVs). While certain markets like China remain strong in terms of supply and demand, this isn't the norm. In Western markets such as Europe and the United States, consumer demand is sluggish.

Meanwhile geopolitical tensions have exacerbated the situation, resulting in a significant shortage of semiconductors, driving up production costs and retail prices. Coupled with fluctuations in the stainless steel and aluminum markets, predicting market shifts has become increasingly difficult.

To navigate this economic uncertainty, procurement professionals in the industry must ensure they have robust strategies for sourcing raw materials. This checklist will help automakers determine if their raw materials sourcing strategies are sufficient.

01

Do you have tools to monitor price changes in real-time?

Are you equipped with historical pricing insights? Are you on top of the latest cost dynamics of essential components used? Do you have access to market-reflective price data to refine your tactical approach?



The relationship between raw material costs and profitability is difficult to comprehend without reliable data. This lack of clarity can impact your buying strategy, potentially creating handicaps in negotiations when securing the supply of critical such as steel, battery raw materials and hides and leather. Receiving timely updates on pricing trends enables you to grasp the current valuation of raw materials, giving you a solid foundation for strategic procurement decisions.

02

Are you informed on the dynamics of the battery material prices to leverage short-term opportunities?

How does today's market determine how you purchase your supply? Do you commit to spot purchasing or use contract pricing? How would that affect your bottom line?



Understand the pricing mechanisms and benchmarks governing battery materials. This knowledge is instrumental when making short-term purchases. With how quickly the market dynamics shift, understanding short-term price movements allows you to respond promptly and accurately to unplanned events.

03

Do you have visibility over your supply chain?



Securing automotive raw materials should be your top priority, but how much transparency do you have over your supply chain?

Gaining an insight into the price movements as well as the supply and demand dynamics will be a significant advantage for your organization. With this information, you open yourself up to different options in securing your supply, from the ability to choose strategic partners to taking advantage of regional price differentials and being better informed when entering negotiations.

04

Do you have transparency over supply and demand forecasts to optimize inventory levels?



Ensuring a reliable supply for your organization is paramount. It requires visibility into the complex supply chain and a clear outlook on the supply and demand of key materials.

A better understanding of price movements as well as supply and demand dynamics will enable you to prepare effective scenario planning for shocks and fluctuations. With this insight, you can re-assess your options, whether it is dual sourcing, changing raw materials or adjusting production schedules according to market conditions. Additionally, staying informed about the performance and production activities of other companies is essential. This enables you to assess production levels accurately and avoid overproduction, which could adversely impact market prices.

05

Are you able to set accurate cost expectations by keeping up with price changes?



Do you have access to historical price movements? Are you keeping up with the prevailing cell components and how much they cost? Are you up to date with the price movements of the commodities you purchase?

Receiving daily updates on price data helps you understand the current value of raw materials, which in turn forms the basis for buying, selling and trading strategies. Without reliable data, you might not fully understand how the cost of raw materials affects your profits. This can impact your procurement strategy and make it harder to make well-informed choices when negotiating contracts to secure your supply of raw materials.

06

How is the drive for sustainability affecting your sourcing strategies?



A major driving factor in the shift toward EVs is consumer demand for reduced emissions and greener manufacturing. Ensuring your sourcing strategies are both sustainable and cost-effective can be a difficult balancing act. Particularly in the realm of battery raw materials, a price reporting partner is a powerful tool for keeping sourcing practices compliant with sustainability mandates.

Discover how sustainable sourcing practices can contribute to meeting environmental, social and governance (ESG) goals. Exploring alternative sources for automotive materials, such as green steel and recycled battery materials, can align your organization with the increasing consumer demand for sustainable materials, while simultaneously minimizing the environmental impact associated with raw material procurement.

Looking to fill the gaps?

With over 100 years of price reporting experience and several decades of reporting on commodities that now comprise raw materials critical in the automotive industry, our range of outlooks and forecasts will provide you with the data and expert analysis you need to assess the market effectively.

Our insights and forecasts are designed to address the needs of procurement professionals within the automotive industry.

Discover:

Price data and news	<input checked="" type="checkbox"/> Breaking news and market-reflective commodity prices for steel, scrap, base and minor metals, ores and alloys, industrial minerals, pallets, technology metals, packaging, biofuels, hides and leather
Short-term forecasts	<input checked="" type="checkbox"/> Two-year forecasts for steel, scrap, base and minor metals, ores and alloys, industry minerals, technology metals, packaging
Long-term forecasts and analysis	<input checked="" type="checkbox"/> Up-to-date 5- and 15-year forecasts for battery raw materials
Fastmarkets dashboard	<input checked="" type="checkbox"/> Personalized view of markets most relevant to you through our fully customizable dashboard, with an easy-to-understand view of price data, price trends and news

Why choose Fastmarkets?



Trusted data

Price data is market-reflective and backed by IOSCO-compliant methodologies



Expert analysis

Gain access to experts, from price reporters on the ground in key markets to analysts researching shifting market dynamics



Global coverage

Robust presence in the Asian spot markets as well as other key global markets



Asset analysis

Backed by the major metal exchanges across the world like the LME, CME and SGX

Secure your raw materials supply today.

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