



CATEGORY PLAYS

- > **Copper / aluminum (tight through 2027):** Lock multi-year volume now. Prefer long-term agreements, index-plus-cap pricing, and - for critical volumes - JVs or equity-type stakes with producers, mirroring what OEMs are doing for tier-2/3 security. Waiting is the expensive option.
- > **Iron ore / carbon steel (falling):** Stay short. Buy spot or on 1-3 month cover, push suppliers for index-linked deals that pass falling ore through to your steel price. Avoid long fixed-price locks at today's levels as Simandou supply lands.
- > **Stainless / nickel (bottoming):** Q1 2026 showed the turn (+3.9%). Layer in 6-12 month cover on dips; watch nickel and EV demand as the driver. Qualify a second mill now, before the recovery firms.
- > **Energy (high & violent swings):** Hedge 50-70% of 12-month exposure with collars rather than fixed swaps - June's -20.6% Brent move punishes full locks. Add Hormuz-disruption clauses and freight fuel surcharge caps to logistics contracts. Gas buyers: hold short-term - LNG futures point ~30% lower by late 2026-27.
- > **Precious (records):** Industrial users of silver/PGMs: forward-cover known 2026-27 demand early; consensus sees gold \$4,500-4,700 and silver \$56-65. Recover via thrifting and substitution engineering.
- > **Food & agri (softening):** Coffee/cocoa: extend cover into the supply normalization - buy the dips. Sugar: stay hand-to-mouth in a surplus market. Grains: routine 3-6 month cover; pre-agree El Nino force-majeure and alternate-origin clauses.

STRUCTURAL SUPPLY-CHAIN MOVES

- > **Dual-source across blocs:** Trade is re-concentrating along geopolitical lines. For every critical input, qualify at least one supplier in each major bloc and pre-negotiate switchover terms.
- > **Buffer the chokepoints:** Map exposure to Hormuz, Suez and Panama lanes; hold 4-8 extra weeks of safety stock on affected SKUs and pre-book alternative routings.
- > **Match cadence to volatility:** Cycles are shorter and sharper - replace annual tenders with quarterly mini-tenders plus standing frameworks so you can strike when prices dip.
- > **Instrument everything:** Track daily prices per category (this dashboard), set trigger-price alerts tied to pre-approved buying mandates, and run quarterly scenario planning (war escalation / de-escalation, El Nino, China stimulus).
- > **Contract for optionality:** Volume flexibility bands (+/-20%), price re-openers keyed to public indices, currency clauses, and shared-savings mechanisms on hedged positions.

90-DAY ACTION PLAN

DAYS 1-30

- Map spend to the six categories above
- Score suppliers on bloc & chokepoint risk
- Set price alerts on copper, Brent, stainless

DAYS 31-60

- Tender long-term copper/aluminum volume
- Shift steel buys to index-linked spot
- Layer stainless cover on dips

DAYS 61-90

- Execute energy collars for 12-mo exposure
- Sign bloc-diverse second sources
- Stand up quarterly mini-tender cadence