

Title: Nickel short rocket / Margin call for China construction bank

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<https://financialpost.com/pmnbusiness/nickel-gets-even-wilder-as-big-short-tests-145-year-old-exchange>

I work in the stainless steel industry and the whole industrial chain hedges the Nickel.

Nickel is the most expensive alloy in stainless, and the pricing in the market follows the Nickel as it is invoiced in an so called Alloy surcharge

In 100mt of stainless (standard grade) there are 8mt of Nickel, a lot at the LME is 6mt...

When you buy 100mt of stainless, you sell a lot of Nickel vice versa to hedge against decreasing prices

The leverage you do that is 1:10...

Nickel spiked from 30,000-> 50,000 (Monday)->104,000 (today)

The stainless prices already increased +100% in the last 12months, companies are operating at the limit of their cash flow anyway...

Biggest producer of Stainless steel is China and Indonesia...countries with highly leveraged and bubbled markets (in China, the biggest producer TISCO is state owned)

This has the potential of another Evergrande

That will be an interesting tuesday...watch out the Nickel to see how the rocket plays out...and make your decisions for GME out of that

not financial advice