

[Date]

[Recipient Name]

[Recipient Title]

[Company Name]

[Street Address]

[City, State, Zip Code]

Subject: Notice of Commodity Price Fluctuation and Market Exposure

Dear [Recipient Name],

We are writing to formally advise you of significant volatility currently affecting the global market for [Name of Commodity, e.g., Steel, Fuel, Resin]. As a result of these external market conditions, we are experiencing substantial shifts in the cost of raw materials essential to our ongoing operations and our agreement dated [Date of Contract/Agreement].

Despite our efforts to absorb incremental costs through internal efficiencies, the magnitude of the current price escalation has exceeded manageable thresholds. This letter serves as formal notification that our current pricing structures are under extreme pressure due to the following factors:

- [Factor 1: e.g., Increased global demand]
- [Factor 2: e.g., Supply chain disruptions]
- [Factor 3: e.g., Geopolitical instability]

We are closely monitoring the [Name of Relevant Index, e.g., LME, Platts, NYMEX] to track these trends. Consequently, please be advised that:

1. [Choose one: Future orders may be subject to a price surcharge / A price adjustment of X% will be effective as of Date / Quotes will now be valid for only X hours/days].
2. Firm pricing can only be guaranteed upon written confirmation of order and material procurement.

We value our partnership and remain committed to transparency regarding market volatility. We propose a meeting on [Suggested Date] to discuss how we can best manage this exposure together and ensure the continuity of supply.

Thank you for your understanding and continued cooperation.

Sincerely,

[Your Name]

[Your Title]

[Your Company Name]