

Mineral Industry Surveys

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ALUMINUM IN JANUARY 2018

Domestic primary aluminum production in January 2018 was 66,000 metric tons (t). The average daily production in January was 2,130 t, 4% more than that in December 2017, 6% more than that in January 2017, but 28% less than that in January 2016 (fig. 1, table 1).

Total aluminum recovered from scrap in January 2018 was 292,000 t, 4% more than the revised amount in December 2017, slightly less than the revised amount in January 2017, but unchanged from the amount in January 2016. Of this, 168,000 t of aluminum was recovered from new scrap and 125,000 t was recovered from old scrap (fig. 1, table 1).

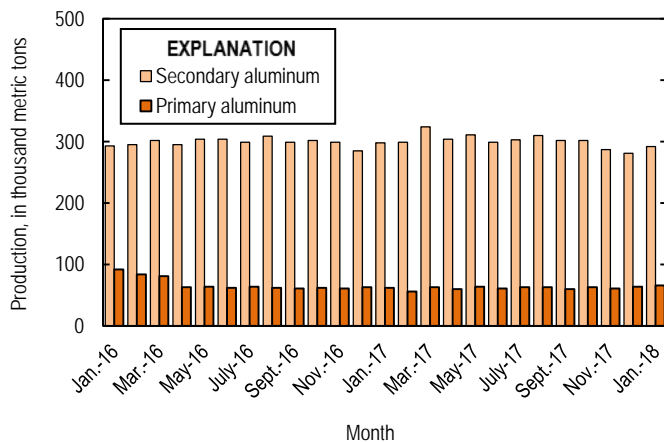


Figure 1. Monthly domestic primary and secondary aluminum production from January 2016 through January 2018. Source: U.S. Geological Survey.

Update

On March 8, the President signed an order imposing a 10% tariff on aluminum imports under authority of Section 232 of the Trade Expansion Act of 1962. The action was ordered based on the findings of an investigation on the impact of aluminum imports on national security that was submitted to the President on January 19, 2018 by the Secretary of Commerce. (See Aluminum in November 2017 and Aluminum in December 2017.) Exemptions would be permitted for aluminum produced

in countries that meet certain criteria. Australia, Canada, and Mexico have been exempted from the tariff (Covne, 2018; Cowden, 2018; Executive Office of the President, 2018).

Century Aluminum Co. announced that it would restart three potlines at the 252,000-metric-ton-per-year (t/yr) Hawesville, KY, smelter which were shut down in 2015. The first potline with 50,000 t/yr of capacity would be restarted by mid-year 2018 and be ramped up by the end of the third quarter 2018. The other two potlines with about 100,000 t/yr of total capacity would be restarted by midyear 2019. Century also was upgrading the smelter to increase the efficiency of the potlines, which would also be completed by yearend 2019 (Century Aluminum Co., 2018; Maltais, 2018).

Magnitude 7 Metals LLC announced plans to restart 100,000 t/yr of capacity at the 263,000-t/yr smelter in New Madrid, MO. Two of the potlines of the smelter were shut down in January 2016 after a power failure and the third potline was shut down in March 2016 as part of the bankruptcy proceedings of Noranda Aluminum Holding Co., the prior owner. Production at the New Madrid smelter was scheduled to start in the fourth quarter of 2018 (Matyi, 2016; 2018a).

DDJ Capital Management LLC and other partners signed an agreement to acquire most of the assets of Real Alloy LLC in a bankruptcy auction. Completion of the sale was expected by the end of April, pending court approval. The producer of secondary aluminum alloys filed for Chapter 11 bankruptcy protection in November 2017. (See Aluminum in September 2017). During the bankruptcy proceedings, Real Alloy shut down a secondary smelter in Mount Pleasant, WI, but production continued at its other secondary smelters (Matyi, 2018b).

Prices and Stocks

The January 2018 average U.S. market price of primary aluminum ingot and average cash price on the London Metal Exchange Ltd. (LME) each increased by 7% from those in December 2017 to \$1.108 per pound and \$1.004 per pound, respectively (fig. 2, table 6).

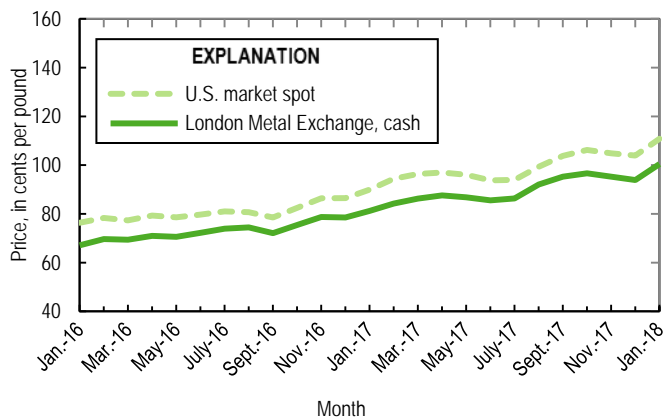


Figure 2. Average monthly prices for primary aluminum from January 2016 through January 2018. Source: Platts Metals Week.

Inventories of primary aluminum in LME-approved warehouses in the United States decreased to 63,775 t at the end of January 2018 from 65,825 t at the end of December 2017 (London Metal Exchange Ltd., 2017, 2018).

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TABLE 1
COMPONENTS OF ALUMINUM SUPPLY¹

(Thousand metric tons)

Period	Primary production	Secondary recovery ²			Imports for consumption			Total new supply ³	Stocks, end of period ⁴
		New	Old	Total	Metals and alloys, crude	Plates, sheets, bars, etc.	Total		
2017 ^p	741	2,030 ^r	1,590 ^r	3,620 ^r	4,830	1,380	6,200	10,600	1,470
2017:									
January	62	163 ^r	136	298 ^r	458	100	558	919 ^r	1,310
February	56	169 ^r	130 ^r	299 ^r	394	90	484	839 ^r	1,290
March	63	179 ^r	145	324 ^r	476	111	587	973 ^r	1,310
April	60	170 ^r	135	304 ^r	434	113	547	911 ^r	1,320
May	64	175 ^r	137	311 ^r	411	133	544	919 ^r	1,340
June	61	169 ^r	130	299 ^r	409	119	528	889 ^r	1,330
July	63	169 ^r	133 ^r	303 ^r	411	130	541	907 ^r	1,360
August	63	173 ^r	137 ^r	310 ^r	379	121	500	873 ^r	1,390
September	60	169 ^r	134	302 ^r	338	102	440	803 ^r	1,420
October	63	171 ^r	131 ^r	302 ^r	358	122	480	845 ^r	1,430
November	61	165 ^r	122 ^r	287	358	116	474	821 ^r	1,420
December	64	164 ^r	117 ^r	281 ^r	400	118	518	863 ^r	1,470
2018, January	66	168	125	292	333	167	500	858	NA

^pPreliminary. ^rRevised. NA Not available.

¹Data are rounded to no more than three significant digits, except "Primary production"; may not add to totals shown.

²Metallic recovery from purchased, tolled, or imported scrap, expanded for full coverage of industry.

³Primary production, secondary recovery, and imports for consumption.

⁴Inventory levels reflect total for both U.S. and Canadian producers; data from the Aluminum Association Inc.

TABLE 2
ESTIMATED FULL COVERAGE CONSUMPTION OF AND METALLIC RECOVERY FROM
PURCHASED NEW AND OLD ALUMINUM SCRAP¹

(Thousand metric tons)

Period	Secondary smelters		Independent mill fabricators		Foundries		Other consumers		Total	
	Con- sump- tion	Metal recovery	Con- sump- tion	Metal recovery	Con- sump- tion	Metal recovery	Con- sump- tion	Metal recovery	Con- sump- tion	Metal recovery
	2017 ^P	2,090 ^r	1,650 ^r	2,050 ^r	1,880	101	93	4	4	4,250 ^r
2017:										
January	175 ^r	138 ^r	167	152	8	8	(2)	(2)	351 ^r	298 ^r
February	169 ^r	135 ^r	171	156	8	8	(2)	(2)	349 ^r	299 ^r
March	179 ^r	139 ^r	193	176	8	8	(2)	(2)	381 ^r	324 ^r
April	174 ^r	137 ^r	175	160	8	8	(2)	(2)	358 ^r	304 ^r
May	178 ^r	140 ^r	179	163	8	8	(2)	(2)	366 ^r	311 ^r
June	167 ^r	130 ^r	176	161	8	8	(2)	(2)	352 ^r	299 ^r
July	174 ^r	137 ^r	172	157	8	8	(2)	(2)	355 ^r	303 ^r
August	176 ^r	139 ^r	178	163	8	8	(2)	(2)	363 ^r	310 ^r
September	171 ^r	136 ^r	173	158	8	8	(2)	(2)	353 ^r	302 ^r
October	179 ^r	140 ^r	168	154	8	8	(2)	(2)	356 ^r	302 ^r
November	174 ^r	138 ^r	154	141 ^r	8	8	(2)	(2)	337 ^r	287
December	174	138 ^r	148 ^r	135 ^r	8	8	(2)	(2)	330 ^r	281 ^r
2018, January	169	134	164	150	8	8	(2)	(2)	341	292

^PPreliminary. ^rRevised.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Less than ½ unit.

TABLE 3
 CONSUMPTION OF AND RECOVERY FROM PURCHASED
 NEW AND OLD ALUMINUM SCRAP IN JANUARY 2018¹

(Metric tons)

	Consumption		Calculated metallic recovery	
	Tabulated reports	Estimated full coverage	Tabulated reports	Estimated full coverage
Secondary smelters	141,000	169,000	112,000	134,000
Independent mill fabricators	150,000	164,000	138,000	150,000
Foundries	7,040	8,450	6,440	7,730
Other consumers	266	320	266	320
Total	298,000	341,000	257,000	292,000

¹Data are rounded to no more than three significant digits; may not add to totals shown.

TABLE 4
PURCHASED AND TOLL-TREATED ALUMINUM-BASE SCRAP AND SWEATED
PIG IN JANUARY 2018¹

(Metric tons)

	Stocks, opening ²	Net receipts ³	Melted or consumed	Stocks, closing
New scrap:				
Extrusion	15,600	68,900	68,900	15,600
Can stock clippings	7,480	22,100	21,900	7,680
Other wrought sheet/clippings	11,500	44,200	40,400	15,300
Casting	3,810	5,650	5,580	3,880
Borings and turnings	4,150	9,550	10,300	3,420
Dross and skimmings	6,330	28,100	28,100	6,330
Total new scrap	48,900	179,000	175,000	52,200
Old scrap:				
Used castings	8,630	24,200	24,400	8,420
Used extrusion	7,930	13,500	13,500	7,930
Used cans (shredded, loose, baled)	6,210	47,500	47,500	6,210
Other wrought products	19,100	30,000	29,800	19,300
Fragmentized shredder (auto shredder)	2,550	7,670	7,680	2,530
Total old scrap	44,400	123,000	123,000	44,400
Sweated pig	183	151	151	183
Total all classes	93,500	302,000	298,000	96,800

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²May include revisions to previously published data.

³Includes data on imported aluminum-base scrap.

TABLE 5
ALUMINUM ALLOYS PRODUCED AT SECONDARY SMELTERS IN THE UNITED
STATES IN JANUARY 2018^{1,2}

(Metric tons)

	Stocks, opening ³	Production	Net shipments	Stocks, closing
Die-cast alloys:				
13% Si, 360, etc. (0.6% Cu, max.)	2,000	2,500	2,500	2,000
380 and variations	7,180	15,200	15,200	7,180
Sand and permanent mold:				
95/5 Al-Si, 356, etc. (0.6% Cu, max.)	1,460	4,180	4,180	1,460
No. 319 and variations	3,200	3,530	3,540	3,190
F-132 alloy and variations	663	347	347	663
Al-Zn alloys	243	120	120	243
Al-Si alloys (0.6% to 2.0% Cu)	103	92	92	103
Al-Cu alloys (1.5% Si, max.)	178	67	67	178
Other ⁴	4,570	11,000	10,400	5,150
Wrought alloys, extrusion billets	39,300	65,200	65,200	39,300
Total all alloys	58,900	102,000	102,000	59,400
Less:				
Primary aluminum consumed	XX	18,300	XX	XX
Primary silicon consumed	XX	2,210	XX	XX
Other alloying ingredients consumed	XX	1,290	XX	XX
Net metallic recovery from aluminum scrap and sweated pig consumed in production of secondary aluminum ingot ⁵	XX	80,400	XX	XX

XX Not applicable.

¹Excludes integrated aluminum companies.

²Data are rounded to no more than three significant digits; may not add to totals shown.

³May include revisions to previously published data.

⁴Includes alloys No. 12, Al-Mg, Al-Si-Cu-Ni, aluminum-base hardeners, variations of these alloys, plus other aluminum alloys.

⁵No allowance made for melt-loss of primary aluminum and alloying ingredients.

TABLE 6
 AVERAGE PRICE OF ALUMINUM IN THE UNITED STATES
 AND ON THE LONDON METAL EXCHANGE

(Cents per pound)

Period	Midwest U.S. market price	LME cash price Grade A
2017:		
January	89.964	81.210
February	94.375	84.207
March	96.370	86.233
April	96.972	87.571
May	96.071	86.803
June	93.761	85.559
July	93.964	86.329
August	99.330	92.062
September	103.810	95.261
October	106.198	96.616
November	104.852	95.280
December	103.908	93.911
January–December	98.298	89.254
2018, January	110.830	100.429

Source: Platts Metals Week.

TABLE 7
 AVERAGE BUYING PRICES FOR ALUMINUM SCRAP

(Cents per pound)

Month	Used beverage cans	Mixed low copper clips	Old sheet	Old cast	Turnings (clean and dry)
2017:					
January	70.30	59.92	56.00	58.35	56.65
February	72.37	62.47	58.00	59.68	58.89
March	73.35	65.91	60.96	61.96	60.52
April	71.55	66.00	61.75	62.75	61.15
May	68.27	64.50	60.05	61.05	60.36
June	67.23	63.14	58.77	59.77	59.68
July	67.05	62.00	57.85	59.00	59.00
August	70.98	62.91	57.30	58.35	59.00
September	73.12	65.00	58.40	58.95	58.90
October	74.09	65.00	58.00	58.77	58.00
November	72.88	64.08	57.65	59.00	56.60
December	69.95	62.55	56.50	57.95	54.70
January–December	70.93	63.62	58.44	59.63	58.62
2018, January	75.57	63.48	58.90	59.90	56.36

Source: American Metal Market.

TABLE 8
U.S. IMPORTS FOR CONSUMPTION OF ALUMINUM IN JANUARY 2018¹

(Metric tons)

Country or locality	Metals and alloys, crude	Plates, sheets, bars, etc.	Scrap	Total
Argentina	834	--	--	834
Australia	11,700	58	211	12,000
Austria	--	2,460	--	2,460
Bahrain	13,100	4,500	--	17,600
Belgium	123	680	--	803
Brazil	380	1,420	49	1,850
Canada	152,000	24,200	30,100	206,000
Chile	--	--	359	359
China	309	81,200	255	81,700
Colombia	--	629	17	646
Costa Rica	--	--	331	331
El Salvador	--	56	326	382
France	4,670	2,410	113	7,190
Germany	135	3,330	330	3,790
Greece	--	1,790	--	1,790
Guatemala	--	--	1,090	1,090
Honduras	--	--	123	123
Hong Kong	--	941	--	941
India	16,300	3,290	--	19,600
Indonesia	--	6,970	--	6,970
Italy	--	982	--	982
Japan	--	2,870	26	2,900
Korea, Republic of	--	1,150	645	1,790
Malaysia	--	749	--	749
Mexico	1,610	3,760	12,600	17,900
Netherlands	69	352	11	432
New Zealand	1,100	(2)	--	1,100
Norway	--	37	--	37
Oman	982	2,340	--	3,320
Qatar	5,980	1	--	5,980
Romania	--	168	--	168
Russia	61,400	2,140	--	63,500
Saudi Arabia	3,800	3,060	254	7,120
South Africa	8,010	7,020	--	15,000
Spain	251	232	--	483
Sweden	--	516	--	516
Switzerland	--	300	--	300
Taiwan	21	392	281	694
Thailand	69	899	135	1,100
Turkey	--	1,120	249	1,370
United Arab Emirates	40,800	160	281	41,300
United Kingdom	22	183	292	497
Venezuela	9,180	215	110	9,510
Vietnam	70	2,790	4	2,870
Other	362	1,710	2,750	4,820
Total	333,000	167,000	51,000	551,000

-- Zero.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Less than ½ unit.

Source: U.S. Census Bureau.

TABLE 9
U.S. EXPORTS OF ALUMINUM IN JANUARY 2018¹

(Metric tons)

Country or locality	Metal and alloys, crude	Plates, sheets, bars, etc.	Scrap	Total
Australia	40	215	3	258
Belgium	(2)	79	179	258
Bolivia	--	206	--	206
Brazil	1	214	91	306
Canada	10,600	36,500	8,560	55,700
China	395	2,680	51,700	54,700
Colombia	--	184	--	184
Dominican Republic	123	109	--	232
France	792	996	173	1,960
Germany	96	533	819	1,450
Guatemala	--	600	--	600
Hong Kong	--	151	1,870	2,020
India	18	86	8,450	8,560
Indonesia	2	59	2,920	2,980
Ireland	--	43	--	43
Israel	--	611	--	611
Italy	--	89	--	89
Jamaica	--	(2)	--	(2)
Japan	192	841	1,530	2,570
Korea, Republic of	117	2,850	15,600	18,600
Malaysia	--	476	6,440	6,920
Mexico	12,400	38,500	12,100	63,000
Netherlands	6	35	121	162
New Zealand	6	77	--	83
Norway	--	20	--	20
Pakistan	--	2	341	343
Panama	--	4	--	4
Philippines	--	25	61	86
Poland	6	81	--	87
Romania	10	7	--	17
Russia	--	24	1,890	1,910
Saudi Arabia	--	146	--	146
Singapore	105	457	--	562
Spain	8	82	169	259
Taiwan	391	843	2,490	3,720
Thailand	--	210	653	863
Turkey	--	280	--	280
United Arab Emirates	248	5	18	271
United Kingdom	9	693	80	782
Vietnam	--	8	177	185
Other	25	407	183	615
Total	25,600	89,500	117,000	232,000

-- Zero.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Less than ½ unit.

Source: U.S. Census Bureau.