Aluminum Situation

May 2019

This report contains information reported to the Association by the domestic producers, which is aggregated by the Association and expanded to represent the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision. For further information, contact Hank Sattlethight, Manager, Statistical Programs at 1-703-358-2985 or email hsattlethight@aluminum.org. © The Aluminum Association, Inc. All rights reserved.

Summary

Aluminum Demand Increases an Estimated 0.5% YTD in Q1 2019

Preliminary estimates indicate that aluminum demand in the United States and Canada (shipments by domestic producers plus imports) totaled an estimated 7,169 million pounds through Q1 2019, an increase of five-tenths of one percent over the Q1 2018 total. Demand for semi-fabricated (mill) products totaled 5,156 million pounds, up 2.1 percent. Apparent consumption (demand less exports) in domestic markets totaled an estimated 6,379 million pounds, up 1.3 percent year-over-year.

Exports of aluminum ingot and mill products from the U.S. and Canada (excluding cross-border trade) totaled 791 million pounds through Q1 2019, off 6.2 percent from the like-2018 total, while imports were off 10.3 percent to 2,284 million pounds.

Primary Production

N.A. Primary Production Rate Up 6.3% Y/Y in April 2019

The Aluminum Association, in cooperation with the Aluminium Association of Canada, reported primary aluminum production in North America (U.S. and Canada) was at an annual rate of 4,023,115 tonnes during April 2019, advancing 28,861 tpy (+0.7%) from the March 2019 rate of 3,994,254 tonnes. The production rate in the U.S. was up 2.5 percent m/m, while the Canadian rate was essentially unchanged. Compared to a year ago, the North American annual rate was 6.3 percent above the April 2018 rate of 3,784,734 tonnes. Actual production in April 2019 totaled an estimated 330,667 tonnes.

For additional information, click here.
Shipments & Inventory Levels

Apparent Consumption Up 1.3% YTD in Q1 2019

Demand for aluminum semi-fabricated (mill) products in the United States and Canada (measured in shipments by domestic producers plus imports) totaled an estimated 1,774 million pounds in March, up 1.1 percent over March 2018. Shipments of aluminum sheet and plate totaled 1,042 million pounds, an increase of 6.1 percent year-over-year. Extruded product shipments declined 5.7 percent year-over-year to 489 million pounds. Estimated shipments of aluminum ingot for castings, exports and other uses totaled 692 million pounds in March, up seven-tenths of one percent over a year ago. Apparent consumption in domestic U.S. and Canadian markets totaled 2,170 million pounds in March, rising seven-tenths of one percent over March 2018. Through Q1 2019, apparent consumption was up an estimated 1.3 percent over the Q1 2018 total.

Producer inventories totaled 3,511 million pounds in March, a decrease of four-tenths of one percent from the February 2019 revised level of 3,524 million pounds. Compared to a year ago, producer inventories were up 11.9 percent.

Note: For additional Association statistics on producer shipments, click here.
The Association’s “Index of Net New Orders of Aluminum Mill Products” for April 2019 rose 2.0 percent over March 2019. Orders for flat roll products (sheet, plate, can stock and foil) were up 3.5 percent over the previous month, while orders for extruded products declined 2.3 percent and orders for redraw rod were off 8.0 percent. Compared to April 2018, total orders were down seven-tenths of one percent. On average, orders recorded by domestic producers through April 2019 were off 5.8 percent from year-to-date 2018.

Note: The 23 companies that participate in the survey represent between 80-85 percent of industry shipments, however these companies may not be representative of the entire industry. Figures in the attached report are not adjusted to account for work days.

INDEX OF INDUSTRY NET NEW ORDERS OF ALUMINUM MILL PRODUCTS

<table>
<thead>
<tr>
<th>Year</th>
<th>Month</th>
<th>Flat Rolled Products</th>
<th>Extruded Products</th>
<th>Drawing Stock</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>Apr</td>
<td>108.8</td>
<td>130.8</td>
<td>94.0</td>
<td>112.1</td>
</tr>
<tr>
<td></td>
<td>Year to date</td>
<td>115.1</td>
<td>127.3</td>
<td>90.1</td>
<td>116.0</td>
</tr>
<tr>
<td>2019</td>
<td>Feb</td>
<td>105.9</td>
<td>108.7</td>
<td>53.7</td>
<td>103.6</td>
</tr>
<tr>
<td>2019</td>
<td>Mar</td>
<td>110.6</td>
<td>118.4</td>
<td>58.5</td>
<td>109.2</td>
</tr>
<tr>
<td>2019</td>
<td>Apr</td>
<td>114.5</td>
<td>115.7</td>
<td>53.9</td>
<td>111.4</td>
</tr>
<tr>
<td></td>
<td>Year to date</td>
<td>111.3</td>
<td>114.9</td>
<td>61.1</td>
<td>109.3</td>
</tr>
</tbody>
</table>

Percent Change

- Current Month vs Year Ago: 5.2% (Flat Rolled), -11.5% (Extruded), -42.7% (Drawing), -0.7% (Total)
- Current Month vs Previous Month: 3.5% (Flat Rolled), -2.3% (Extruded), -8.0% (Drawing), 2.0% (Total)
- Year-to-Date: -3.3% (Flat Rolled), -9.7% (Extruded), -32.2% (Drawing), -5.8% (Total)

Note:
1) The Association index is based on reports by 23 participants of new orders (less cancellations) of flat roll products, extrusions and drawing stock received for the previous month and are not adjusted for workdays. Figures exclude forgings, powder and electrical wire and cable. Participating companies represent 80-85 percent of total industry shipments in U.S. and Canada but are not intended to be representative of the entire industry. The index is based on a calendar month and is not adjusted for the actual number of working days. While the Association believes that its statistical procedures and methods are reliable, it cannot, of course, guarantee the accuracy or completeness of the data. The Aluminum Association makes every attempt to ensure the data are as representative of current market conditions as possible. All data contained herein are subject to revision. The base 100 equals the average month in 2013.

Secondary Recovery Declined 6.7% YTD in February 2019

Note: The Aluminum Association publishes the most recent release of the U.S. Geological Survey’s (USGS) Aluminum Mineral Industry Survey. The data provided below were included in the May release (February data):

The U.S. aluminum industry purchased\(^1\) an estimated 674 million pounds of aluminum scrap during February 2019, according to aluminum recycling statistics published by the U.S. Geological Survey, Department of Interior, declining 6.5 percent from the February 2018 total. USGS estimates that recovery of aluminum and aluminum alloys totaled 598 million pounds, falling 6.9 percent year-over-year. Through the first two months of 2019, preliminary data indicate that recovery of aluminum from scrap totaled an estimated 1,239 million pounds, a decline of 6.7 percent from like-2018. U.S. exports of scrap, not included in the government’s consumption statistics, totaled 662 million pounds through February, up 25.7 percent over the 527 million pounds year-to-date in 2018.

### U.S. Secondary Recovery and Exports of Aluminum Scrap

(Millions of Pounds)

![Graph](image-url)

<table>
<thead>
<tr>
<th></th>
<th>February 2019</th>
<th>% Chg</th>
<th>Feb/Feb</th>
<th>January 2019</th>
<th>% Chg</th>
<th>Feb/Jan</th>
<th>Year-to-Date 2019</th>
<th>% Chg</th>
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</thead>
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<tr>
<td>Scrap Consumption(^1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Scraps Consumption</td>
<td>674.0</td>
<td>-6.5</td>
<td>716.5</td>
<td>-5.9</td>
<td>1,390.5</td>
<td>1,492.9</td>
<td>-6.9</td>
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<tr>
<td>Metallic Recovery</td>
<td>597.6</td>
<td>-6.9</td>
<td>641.4</td>
<td>-6.8</td>
<td>1,239.1</td>
<td>1,328.2</td>
<td>-6.7</td>
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</tr>
<tr>
<td>New Scrap</td>
<td>336.1</td>
<td>-8.6</td>
<td>379.8</td>
<td>-11.5</td>
<td>715.9</td>
<td>770.7</td>
<td>-7.1</td>
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</tr>
<tr>
<td>Old Scrap</td>
<td>263.2</td>
<td>-4.6</td>
<td>263.3</td>
<td>-0.1</td>
<td>526.5</td>
<td>561.2</td>
<td>-6.2</td>
<td></td>
</tr>
<tr>
<td>U.S. Exports of Scrap</td>
<td>355.4</td>
<td>26.9</td>
<td>306.3</td>
<td>16.1</td>
<td>661.7</td>
<td>526.6</td>
<td>25.7</td>
<td></td>
</tr>
</tbody>
</table>

Note:

1) Gross weight of aluminum scrap from all sources of purchased new and old scrap including imports. The figure does not include in-plant runaround.

*) Current month figures are preliminary. Cumulative data include revisions for previous periods.


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Aluminum exports of ingot, scrap and mill products into the U.S. and Canada (excluding cross-border trade) totaled 862 million pounds in March 2019, off 15.7 percent from the March 2018 total of 1,022 million pounds. Including scrap, which accounted for roughly 55.6 percent of reported aluminum exports in March, exports totaled 668 million pounds, up 10.5 percent over a year ago. Excluding scrap, exports totaled 297 million pounds, up 2.9 percent over last year. Exports of scrap increased 17.5 percent year-over-year. Through the first quarter of 2019, imports were down 10.2 percent to 2,408 million pounds, while exports were up 8.2 percent to 1,824 million pounds.

Statistics are derived from customs data released by the U.S. and Canadian governments.
Drivers, Etc...

North American Light Vehicle Production (thous.)¹
1,437
1,473
1,371
-6.9
-4.6
-3.5

Housing Starts (thous.)² saar
1,267
1,168
1,235
5.7
-2.5
-7.2

New Construction ($bil.)² saar
1,315
1,282
n/a
--
-0.8
-0.2

Industrial Prod. Index (2012=100)³ sa 4
108.2
109.7
109.2
-0.5
0.9
n/a

U.S. Consumer Price Index⁴ sa 5
250.0
254.1
255.0
0.3
2.0
n/a

Producer Price Index for Final Demand
115.5
117.9
118.1
0.2
2.3
n/a

Source:
1) Ward's AutoInfoBank (U.S., Canada and Mexico)
2) U.S. Bureau of the Census
3) Federal Reserve Board
4) U.S. Bureau of Labor Statistics
5) U.S. Bureau of Labor Statistics

Note:
(ar) Annual Rate
(sa) Seasonally adjusted
(saar) Seasonally adjusted, annual rate
(nsa) Not Seasonally Adjusted
(n/a) Not available at time of publication
The Aluminum Association, founded in 1933, represents U.S. and foreign-based primary producers of aluminum, as well as recyclers, and producers of semi-fabricated products, foundries, distributors and suppliers. Member companies operate roughly 170 plants in North America and many conduct business worldwide.

**Statistical Reports and Publications**
The Aluminum Association's statistical programs provide industry information on primary aluminum production, new orders of mill products, industry shipments, end use market estimates, inventories, recycling and foreign trade on a monthly, quarterly and annual basis. Special surveys provide data on specific subjects such as primary capacity, flat roll capacity, inventories and castings shipments. Custom reports are available on a for-fee basis and Webinars may be scheduled by contacting the Association.

**Industry Overview**
Aluminum Statistical Review (Annual Fact Book)
Aluminum Highlights (Weekly)
Aluminum Situation (Monthly)
Summary of Producer Shipments and Inventories (Monthly)

**Primary Aluminum**
Primary Aluminum Production (Monthly)
Primary Installed Capacity (Annual)
Shipments of Primary Aluminum by Form (Quarterly)

**Mill Products**
Index of Net New Order Receipts for Aluminum Mill Products (Monthly)
Can Stock Shipments (Monthly)
Extruded Products Shipments and Press Utilization (Monthly)
Flat Roll Capacity (Annual)
Forging and Impacts Shipments (Monthly)
Rod, Bar, and Wire Shipments (Monthly)
Sheet and Plate Shipments (Monthly)

**End Use**
Extrusion Shipments by End Use (Quarterly)
Fin Stock Shipments by End Use (Quarterly)
Foil Shipments by End Use (Monthly)
Sheet and Plate Shipments by End Use (Quarterly)

**Castings**
U.S. Foundry Castings Shipments (Biannual)
Canada Foundry Castings Shipments (Annual)

**Recycling**
New Can Stock (Class) Scrap Receipts (Monthly)
Used Beverage Can Reclamation (Annual)

**Foreign Trade**
Summary of U.S. Imports and Exports (by Commodity), Monthly – U.S. and Canada
Foreign Trade Online Database - U.S., Canada, Mexico, and China Exports & Imports of Aluminum (By Commodity, by Country)

For a complete list of statistical publications and reports visit our [website].

May 28, 2019
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