

Aluminum stocks at LME warehouses are diminishing

In January 2014, the aluminum stocks at London Metal Exchange warehouses hit a record high, 5,490,000 ton, which equaled 10 per cent of world yearly consumption, and was really an abnormal level.

However since then, the stocks are decreasing continuously, and marked 4,007,000 ton on February 9, the lowest in past five years. The abnormal huge stocks prevented from shipping of aluminum ingot and at last the shipping order takes two years or more.

At last London Metal Exchange reformed the warehouse system to promote early shipment, and the abnormally piled inventories are decreasing. On the other hand, some people say the smelters' declined production under unprofitable market brought the decrease of stocks.

The origin of this excessive stocks comes from the huge investment of hedge funds and investment banks supported by major governments' super low money rate deal. It is thought that the world economic circumstances are still going on, and the aluminum stocks at LME warehouses won't decrease extremely.

Some say the decreased inventories at LME warehouses will invite a bull market, however the market does not react it. The inventories come to spot market from LME warehouses, and "the Japan premium" will disappear, this is our happy expectation.

The chart on page one shows LME market, dollar/ton, and stocks at LME warehouses, 10,000 ton.

Demand of aluminum beverage can in 2015

The Aluminum Can Recycling Association (Chairman, Mr. Keiichi Shirai, Director of Universal Can Limited) revealed the estimated demand of aluminum beverage can in calendar year 2014 and 2015 on February 13.

According to the announcement, the demand in 2014 increased 4 per cent from a year earlier to 20.16 billion can, in which the demand for beer decreased 1 per cent, and the various drinks except beer rose 10 per cent year on year.

The association estimates that the total demand in 2025 increases 7 per cent from the previous year to 21.7 billion can. As the same as the previous year, beer can reduces 1 per cent. Beer breweries have gloomy outlook; the beer consumption marked the highest in 2007 and then it has become lower gradually year by year brought by the aging society and the decrease of drinkers.

But the demand for coffee expands remarkably in 2014 and 2015. The conversion from steel can is going on powerfully in canned coffee business.

On the other hand, some Japanese rice wine breweries try to market aluminum bottle canned rice wine, sake, diligently.

The demand of aluminum beverage can in Japan was made up for past eight years as follows. (unit: billion can)

2006	18.36	2007	18.52	2008	18.34
2009	18.24	2010	18.56	2011	18.80

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Notes for the table on page two:

- A. beer, other alcoholic, nonalcoholic, totaled except beer, totaled domestic supply, bottle type(inside figure)
- B. empty imported
- C. canned imported
- D. canned exported
- E. totaled domestic demand

(unit: 0.1 billion can, bracketed is per cent compared with the previous year.)

JARA launches the study on Al-Mg alloy diecasting

The Japan Aluminum Refiners Association revealed recently that the technical committee of the association (Chairperson, Dr. Sanji Kitaoka) launches the technical study on Al-Mg alloy diecast (ADC 5) in fiscal 2015, starts in April 2015 and ends in March 2016, in partnership with the Japan Diecast Association.

Traditionally in Japan, Al-Mg alloy has never used actively, but it has some good properties and is used for various aspects in Europe. Today, we know there are some technical difficulties for mass production of Al-Mg alloy diecasting.

The committee wants to develop for easier diecasting process and to expand new usages.

We show the Al-Mg alloy in Japan Industrial Standard on page three. Above is alloy ingot, AD 5, and below is diecast, ADC 5.

Nishio cherry blossoms festival opens on March 21

The Nishio Castle Garden and the Midori riverside are very nice spots for cherry blossoms, and every year Nisho Sightseeing Society opens cherry blossoms festival at both spots.

Traditionally the festival has been held in April, but the best season gets earlier year by year, and at last this year it is held in March. At the both spots, various events are arranged by the society as follows.

- flower market
- costume play
- grabbing eel and gold fish
- big bingo game
- sampling party of Japanese rice wine

So many visitors will enjoy lovely cherry blossoms and various exciting events among the best weather. The photo on page three is Nishio Castle Park.

Shell gathering season comes at Mikawa Bay

March is the best season to gather sea shells at Mikawa Bay, and specially some spots of seashore in Nishio City are noted for excellent short-neck clam.

The photo on page four is the enjoying kids gathering sea shells in low tide water at Kira Waikiki Beach. Nowadays, the time of tide and weather cause big traffic jam. Please take precautions.