

Aluminium Market Report

Dear Customer,

The producers of Aluminium across the world have all taken a hard line on increasing their pricing over the last 12 months and recently have made a further significant increase. Their ability to play this out is down to a number of reasons which has caused a perfect storm, which I will attempt to explain in this report.

The huge demand for supply from the bounce back since the pandemic would have strained the supply chain alone however additionally we have customers that previously purchased Aluminium from China who are now ordering solely from Europe because of the increase and problems in transport costs and the tariffs on Aluminium products applied by the EU to Chinese producers. This tariff has been suspended however it has not eased the problem.

Obviously this has led to a steady rise in the LME price which I have included on a separate page.

This situation is also being compounded by the shortage of Magnesium, a vital alloy in the production of Aluminium and the soaring energy costs which are sweeping across Europe.

The Magnesium problem has been caused by Chinese manufacturers, who supply the world with 80%, reducing its output and thus restricting supply to the rest of the world. Reports state that prices in for Magnesium has increased by 297% over the last 6 months causing panic throughout the industry, without this alloy you cannot produce Aluminium.

The increase in energy costs surging throughout Europe has led to the biggest producer of 6,000 series Aluminium in Europe increasing their base price for Aluminium rolled product by 60%. All the other producers have replicated this increase in the last month.

Finally, a major producer of Aluminium had a substantial fire at its rolling mill which has caused them to be out of the market since September 2020. This has also put strains on the market.

With all these reasons the mills have reduced everyone's allocation and deliveries have gone out as far as April next year in some cases which has led to supply issues on certain products. SSA has always purchased from major European and UK mills and for this reason SSA is finding that it is being fully supported in supply. The more visibility we can obtain the more secure the supply

All along we have made it our priority to support all our regular loyal customers first, as you can imagine our stock has been of interest to many new faces. In managing the price steadily through the year of our products has in turn managed the stock availability for you. Therefore, more often than not, you have never experienced any major disruption in supply from SSA.



We hope to continue to work closely with you in maintaining a seamless supply during a very turbulent time.

Yours Sincerely

Gary James

Managing Director.