
Global nickel output in 2009 down 4pct YoY

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According to the data compiled on the basis of settlements of accounts released by nickel producers in the world, the quantities of nickel produced in the world for the calendar year of 2009 were western countries: 803,900 tonnes, eastern countries (CIS, China, Cuba, and so on): 577,500 tonnes and total: 1,381,400 tonnes, having decreased by 3.7% YoY as compared with that of 1,434,000 tonnes in the preceding year of 2008.

While 65% of nickel consumption has been shared by production of stainless steel, under the present situation which the world output of crude stainless steel in 2009 had a decline of 5%, the world production of nickel stayed on a reduction by 3.7% and this small decrease of nickel production in 2009 is supposed to be due to the increased production of nickel by China.

Although it is hard to estimate the exact quantity of nickel produced in China for 2009 as the real production of nickel contained pig iron (low grade ferronickel) is not clear, it is generally presumed that China would have produced nickel on a scale of 100,000 tons per annum in 2009. There was a strong view in the market at the beginning of 2009 that China will produce 45,000 tonnes per annum of nickel in nickel contained pig iron but, because of that LME nickel prices in the second half of 2009 fluctuated in the range of USD 7 to USD 9 per pound, a bearish mood in the first half turned to change to a bullish attitude, by which the production of nickel contained pig iron in China revived to a substantial extent.

The production of ferronickel in Japan in 2009 was initially anticipated to have a considerable decrease. However, Japan produced 61,000 tons of nickel in ferronickel in 2009, having maintained a similar level to that in 2008. This aspect was underpinned by a sudden boom, which Japan exported substantial quantities of ferronickel and nickel metal for China in 2009. Although the financial results for January to March quarter of 2008 at nickel producers in Japan had a loss, the nickel production in Japan for the second half of 2009 turned to be sufficiently payable for its cost.

Japan exported 32,000 to 33,000 tonnes of nickel in ferronickel in 2009, which had a remarkable increase of 77% compared with that of 18,600 tonnes in 2008 and included 14,000 tonnes shipped to China.

The world output of nickel in 2009 shrunk largely an extent of its reduction in comparison with that forecasted at the beginning of 2009 and, consequently, the excessive quantity of nickel produced in 2009 had caused to increase LME nickel stocks and also to be absorbed by more imports of nickel into China in 2009. LME nickel stocks were 78,800 tonnes at the beginning of 2009 but increased to 162,000 tonnes as of the end December of 2009.

(Sourced from TEX Report Limited)

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