

January to November 2021 Metals Balances

Please note that the impact of the Covid 19 pandemic has had a dramatic effect on both the supply and demand for metals worldwide. In particular, production and demand were unusually depressed in many countries early in 2020 and so year on year comparisons may appear distorted.

The most recent metal balances report shows the primary aluminium, copper, lead, zinc and nickel metal balances were in deficit and the tin metal balance was in surplus during January to November 2021. Read on to unpack the latest update on the LME metals balances.

Primary aluminium metal balance in deficit in January to November 2021

The calculated market balance for primary aluminium for the period of January to November 2021 was a deficit of 1477 kt which follows a surplus of 1272 kt recorded for the whole of 2020. Demand for primary aluminium for January to November 2021 was 63.25 million tonnes, 4648 kt more than in the comparable period in 2020. Demand is measured on an apparent basis and national lockdowns may have distorted the trade statistics. Production in January to November 2021 rose by 3.7 per cent. Total reported stocks fell in November to close at the end of the period 1483 kt below the December 2020 level. Total LME stocks (Including off warrant stocks) were 1341.2 kt at the end of November 2021 which compares with 2917.0 kt at the end of 2020. Shanghai stocks increased in November and ended the period 103 kt above the December 2020 total. No allowance is made in the consumption calculation for large unreported stock changes especially those held in Asia.

Overall, global production of primary aluminium rose in January to November 2021 by 3.7 per cent compared with the first eleven months of 2020. Chinese output was estimated at 35446.6 kt despite lower availability of imported feedstocks in the first eleven months of the year and this currently accounts for about 57 per cent of the world production total. Chinese apparent demand was 5.9 per cent higher than in January November 2020 and the output of semi-manufactures rose by 6.8 per cent compared with the production for the same months of 2020. China became a net importer of unwrought aluminium in 2020. During January to November 2021 Chinese net exports of aluminium semi manufactures were 4415 kt which compares with 3876 kt for January to November 2020. Exports of semi manufactures rose by 14 per cent compared with the January to November 2020 total

Japanese demand was up by 303 kt and US demand increased by 181 kt. Global demand rose by 7.9 per cent during January to November 2021 compared with the levels recorded one year previously.

November metal balances for primary aluminium recorded production at 5499.6 kt and demand at 5698.5 kt.

Copper metal balance in deficit in January to November 2021

The copper market recorded a deficit of 349 kt in January to November 2021 which follows a deficit of 691.9 kt in the whole of 2020. Reported stocks (including LME off warrant stocks) at the end of November 2021 were 186.7 kt lower than at the end of December 2020. Net deliveries out of Shanghai warehouses were 33.3 kt and Comex stocks decreased by 16.2 kt. Demand is measured on an apparent basis and it is likely that the full effects of national lockdowns will have distorted the trade statistics. No allowance is made in the consumption calculation for unreported stock changes, particularly in the Chinese government stockpile.

World mine production in January to November 2021 was 19.53 million tonnes which was 4.2 per cent higher than the first eleven months of 2020. Global refined production for January to November 2021 was 22.44 million tonnes up 1.5 per cent compared with the previous year with significant increases recorded in China (up 337 kt) and in India (up 127 kt).

Global demand in January to November 2021 was 22.79 million tonnes which was virtually unchanged from the total recorded for the first eleven months of 2020. Chinese apparent demand for the period January to November 2021 was 12.52 million tonnes which was 6.4 per cent lower than the comparable period in 2020. Reported output of semi manufactures in China rose by 3.2 per cent. US refined copper production was 902.4 kt which was 67 kt higher than the comparable months of 2020.

November metal balances for refined copper recorded production at 2091.3 kt and demand at 2197.9 kt.

Lead metal balance records deficit in January to November 2021

The lead market recorded a deficit of 193.8 kt in January to November 2021 which follows a deficit of 112.2 kt recorded in the whole of 2020. Total stocks at the end of November were 8.6 kt lower than at the end of 2020. No allowance is made in the consumption calculation for unreported stock changes. Demand is measured on an apparent basis and it is likely that the full effects of national lockdowns will have distorted the trade statistics.

World refined production during January to November 2021 from both primary and secondary sources was 13049 kt which was 20.8 per cent higher than in the comparable months of 2020. Chinese apparent demand was estimated at 6553.4 kt which was 1971 kt higher than the comparable period in 2020 and represented about 49 per cent of the global total. For the USA, apparent demand has increased by 116 kt for January to November 2021 compared to the same months of 2020.

November metal balances for refined lead recorded production at 1264.5 kt and demand at 1211.6 kt.

Zinc metal balance records deficit in January to November 2021

The zinc market was in deficit by 105.9 kt during January to November 2021 which compares with a surplus of 613 kt recorded in the whole of the previous year. Reported stocks decreased by 28.8 kt during January to November which included a net increase in Shanghai of 39 kt over the period. LME (including off warrant) stocks closed 73.8 kt below the December 2020 level. Total LME stocks represent 34 per cent of the global total with the bulk of the metal held in Asian and US warehouses. Demand is measured on an apparent basis and it is likely that the full effects of national lockdowns have not been fully reflected in the trade statistics.

Global refined production rose by 0.8 per cent and demand was 6.4 per cent higher than the levels recorded one year earlier. Japanese apparent demand was, at 491.8 kt, 47 per cent above the equivalent total for January to November 2020.

World demand was 777 kt higher than for January to November 2020. Chinese apparent demand was 6416 kt which is 50 per cent of the global total. No allowance is made in the consumption calculation for unreported stock changes.

November metal balances for slab zinc recorded production at 1183.0 kt and demand at 1162.6 kt.

Nickel metal balance records deficit in January to November 2021

The nickel market was in deficit during January to November 2021 with apparent demand exceeding production by 135.7 kt. In the whole of 2020, the calculated surplus was 84.0 kt. Reported stocks held in the LME (Including Off warrant stocks) at the end of November 2021 were 161 kt lower than at the end of the previous year. Refined production in January to November 2021 totalled 2546.1 kt and demand was 2681.9 kt.

Mine production during January to November 2021 was 2471.8 kt, 224 kt above the comparable 2020 total. Chinese smelter/refinery output rose by 79 kt compared with 2020 and apparent demand was 1522.8 kt, 240 kt higher than in the previous year. In Indonesia, smelter/refinery production in the first eleven months of 2021 was 786.1 kt which is 38 per cent higher than in January to November 2020 and demand rose by 84 per cent to 364.9 kt.

World apparent demand was 462 kt higher than the previous year. No allowance is made in the consumption calculation for unreported stock changes. Demand is measured on an apparent basis and it is likely that the full effects of national lockdowns have not been fully reflected in the trade statistics.

November metal balances for nickel smelter/refinery recorded production at 247.3 kt and demand was 256.2 kt.

Tin metal balance records surplus in January to November 2021

The tin market recorded a surplus of 4.0 kt during January to November 2021. Chinese demand is calculated on an apparent basis using reported stocks on the Shanghai exchange. Demand is measured on an apparent basis and it is likely that the full effects of national lockdowns have not been fully reflected in the trade statistics.

Global reported production of refined metal was up by 12 kt, compared with the January to November 2020 total. Chinese reported production fell over the summer but recovered in recent months to total 186.5 for the January to November period. Japanese apparent demand was 26.2 kt which was 40 per cent above the comparable total for 2020, Apparent demand in China was 6.3 per cent lower than the equivalent period of the previous year.

Global tin demand during January to November 2021 was 347.8 kt which was 0.2 per cent lower than the comparable period of 2020. US apparent demand rose by 8.8 per cent year on year to 29.5 kt

November metal balances for refined tin recorded production at 28.9 kt and consumption at 28.7 kt.

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The above data are taken from World Metal Statistics January 2022 published today.

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