

January to September 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, nickel and tin metal balances were in deficit during January to September 2021. Read on to unpack the latest update on the LME metals balances.

Primary aluminium metal balance in deficit in January to September 2021

The calculated market balance for primary aluminium for the period of January to September 2021 was a deficit of 1268 kt which follows a surplus of 1295 kt recorded for the whole of 2020. Demand for primary aluminium for January to September 2021 was 51.94 million tonnes, 4173 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 September 2021 rose by 4.6 per cent. Total reported stocks fell in September to close at the end of the period 1131 kt below the December 2020 level. Total LME stocks (including off warrant stocks) were 1788.2 kt at the end of September 2021 which compares with 2917.0 kt at the end of 2020. Shanghai stocks fell in September but ended the period 4.6 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 rose in January to September 2021 by 4.6 per cent compared with the first nine months of 2020. Chinese output was estimated at 29153.6 kt despite lower availability of imported feedstocks in the first nine months of the year and this currently accounts for about 58 per cent of the world production total. Chinese apparent demand was 7.0 per cent higher than in January to September 2020 and the output of semi-manufactures rose by 7.9 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 September 2021 Chinese net exports of aluminium semi manufactures were 3552 kt which compares with 3150 kt for January to September 2020. Exports of semi manufactures rose by 13 per cent compared with the January to September 2020 total

Japanese demand was up by 219 kt and US demand decreased by 94 kt. Global demand rose by 8.7 per cent during January to September 2021 compared with the levels recorded one year previously.

September metal balances for primary aluminium recorded production at 5472.1 kt and demand at 5557.5 kt.

Copper metal balance in deficit in January to September 2021

The copper market recorded a deficit of 103.1 kt in January to September 2021 which follows a deficit of 697.1 kt in the whole of 2020. Reported stocks (including LME off warrant stocks) at the end of September 2021 were 46.6 kt lower than at the end of December 2020. Net deliveries out of Shanghai warehouses were 30.5 kt and Comex stocks decreased by 21.8 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 September 2021 was 15.58 million tonnes which was 3 per cent higher than the first nine months of 2020. Global refined production for January to September 2021 was 18.31 million tonnes up 1.4 per cent compared with the previous year with significant increases recorded in China (up 318 kt) and in India (up 98 kt).

Global demand in January to September 2021 was 18.41 million tonnes compared with 18.45 million tonnes for the first nine months of 2020. Chinese apparent demand for the period January to September 2021 was 10.15 million tonnes which was 5.9 per cent lower than the comparable period in 2020. Reported output of semi manufactures rose by 4.8 per cent. US refined copper production was 729.0 kt which was 55 kt higher than the comparable months of 2020.

September metal balances for refined copper recorded production at 2071.6 kt and demand at 2117.8 kt.

Lead metal balance records deficit in January to September 2021

The lead market recorded a deficit of 269.1 kt in January to September 2021 which follows a deficit of 80.4 kt recorded in the whole of 2020. Total stocks at the end of September were 77.2 kt higher 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 September 2021 from both primary and secondary sources was 10541.9 kt which was 18.6 per cent higher than in the comparable months of 2020. Chinese apparent demand was estimated at 5294.8 kt which was 1544 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 113 kt for January to September 2021 compared to the same months of 2020.

September metal balances for refined lead recorded production at 1168.6 and demand at 1209.4 kt.

Zinc metal balance records deficit in January to September 2021

The zinc market was in deficit by 48 kt during January to September 2021 which compares with a surplus of 620 kt recorded in the whole of the previous year. Reported stocks decreased by 16.7 kt during January to September which included a net increase in Shanghai of 25.5 kt over the period. LME (including off warrant) stocks closed 51.5 kt below the December 2020 level. Total LME stocks represent 37 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 2.8 per cent and demand was 8.9 per cent higher than the levels recorded one year earlier. Japanese apparent demand was, at 405.4 kt, 44 per cent above the equivalent total for January to September 2020.

World demand was 862 kt higher than for January to September 2020. Chinese apparent demand was 5305 kt which is 50 per cent of the global total. No allowance is made in the consumption calculation for unreported stock changes.

September metal balances for slab zinc recorded production at 1155.8 kt and demand at 1141.1 kt.

Nickel metal balance records deficit in January to September 2021

The nickel market was in deficit during January to September 2021 with apparent demand exceeding production by 108.5 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 September 2021 were 117 kt lower than at the end of the previous year. Refined production in January to September 2021 totalled 2043.2 kt and demand was 2151.7 kt.

Mine production during January to September 2021 was 1973.3 kt, 207 kt above the comparable 2020 total. Chinese smelter/refinery output rose by 81.0 kt compared with 2020 and apparent demand was 1219.4 kt, 211 kt higher than in the previous year. In Indonesia, smelter/refinery production in the first nine months of 2021 was 632.6 kt which is 43 per cent higher than in January to September 2020 and demand nearly doubled to 287.9 kt.

World apparent demand was 400 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.

September metal balances for nickel smelter/refinery recorded production at 253.2 kt and demand was 275.3kt.

Tin metal balance records deficit in January to September 2021

The tin market recorded a deficit of 1.4 kt during January to September 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 23 kt, compared with the January to September 2020 total. Chinese reported production fell to 11.5 kt in July but recovered some ground in August when output was 15.4 kt and September was estimated at 15 kt. Japanese apparent demand was 22 kt which was 43 per cent above the comparable total for 2020, Apparent demand in China was 1 per cent lower than the equivalent period of the previous year.

Global tin demand during January to September 2021 was 292.6 kt which was 3 per cent higher than the comparable period of 2020. US apparent demand rose by 3.8 per cent year on year to 23.7 kt

September metal balances for refined tin recorded production at 29.4 kt and consumption at 28.6 kt.

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The above data are taken from World Metal Statistics November 2021 published today.

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Page 4 of 4
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