

January to March 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.

Primary aluminium market close balance in January to March 2021

The calculated market balance for primary aluminium for the period of January to March 2021 was a deficit of 70 kt which follows a surplus of 1070 kt recorded for the whole of 2020. Demand for primary aluminium for January to March 2021 was 17.21 million tonnes, 1389 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 March 2021 rose by 5.9 per cent. Total reported stocks rose in January, fell back in February but surged in March to close at the end of the period 694 kt above the December 2020 level. Most of the increase in stocks was attributable to a rise of 573 kt in LME warehouses in Malaysia. Total LME stocks were 1889.4 kt at the end of March 2021 which compares with 1340.5 kt at the end of 2020. Shanghai stocks rose in all three months ending the period 154 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 March 2021 by 5.9 per cent compared with the first quarter of 2020. Chinese output was estimated at 9758 kt despite slightly lower availability of imported feedstocks and this currently accounts for about 57 per cent of the world production total. Chinese apparent demand was 17 per cent higher than in January to March 2020 and the output of semi-manufactures rose by 31 per cent compared with the revised production data for the early months of 2020. China became a net importer of unwrought aluminium in 2020. During January to March 2021 Chinese net exports of aluminium semi manufactures were 1116 kt which compares with 1051 kt for January to March 2020. Exports of semi manufactures rose by 8 per cent compared with the January to March 2020 total.

Production for January to March in the EU28 was 7.6 per cent lower than the previous year and NAFTA output decreased by 0.2 per cent. EU28 demand was 44 kt lower than the comparable 2020 total. Global demand rose by 8.8 per cent during January to March 2021 compared with the levels recorded one year previously.

In March primary aluminium production was 5845.4 kt and demand was 5899.2 kt.

Copper market in tiny surplus in January to March 2021

The copper market recorded a surplus of 2.2 kt in January to March 2021 which follows a deficit of 954 kt in the whole of 2020. Reported stocks at the end of March 2021 were 141 kt higher than at the end of December 2020. Net deliveries into the LME warehouses were 38.0 kt and Comex stocks decreased by 4.4 kt. Shanghai stocks rose by 113.3 kt during the first quarter of the year. 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 March 2021 was 5.16 million tonnes which was 2.3 per cent higher than the first three months of 2020. Global refined production for January to March 2021 was 5.91 million tonnes up 2 per cent compared with the previous year with significant increases recorded in China (up 199 kt) and in India (up 33 kt).

Global demand in January to March 2021 was 5.91 million tonnes compared with 5.71 million tonnes for the first three months of 2020. Chinese apparent demand for the period January to March 2021 was 3.19 million tonnes which was 11.6 per cent higher than the comparable period in 2020. Reported output of semi manufactures rose by 18.5 per cent. EU28 production rose by 4.6 per cent and demand was 24 kt lower than the comparable 2020 total.

In March 2021, refined copper production was 1994.9 kt and demand was 2019.5 kt.

Lead market records deficit in January to March 2021

The lead market recorded a deficit of 88 kt in January to March 2021 which follows a deficit of 119 kt recorded in the whole of 2020. Total stocks at the end of March were 16 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 March 2021 from both primary and secondary sources was 3499 kt which was 17 per cent higher than in the comparable months of 2020. Chinese apparent demand was estimated at 1746.6 kt which was 525 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 31 kt for January to March 2021 compared to the same months of 2020.

In March 2021, refined lead production was 1229.2 kt and demand was 1261.6 kt.

Zinc market records surplus in January to March 2021

The zinc market was in surplus by 78 kt during January to March 2021 which compares with a surplus of 620 kt recorded in the whole of the previous year. Reported stocks increased by 154 kt during January to March which included a net increase in Shanghai of 85.6 kt over the period. LME stocks rose over the January to March period to close 68.4 kt above the December 2020 level. 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 4.1 per cent and demand was 8.9 per cent higher than the levels recorded one year earlier. Japanese apparent demand was, at 140.9 kt, 25 per cent above the equivalent total for January to March 2020.

World demand was 279 kt higher than for January to March 2020. Chinese apparent demand was 1710 kt which is 50 per cent of the global total. No allowance is made in the consumption calculation for unreported stock changes.

In March 2021 slab zinc production was 1182.5 kt and demand 1154.7 kt.

Nickel market records deficit in January to March 2021

The nickel market was in deficit during January to March 2021 with apparent demand exceeding production by 18.5 kt. In the whole of 2020, the calculated surplus was 95.4 kt. Reported stocks held in the LME at the end of March 2021 were 11.2 kt higher than at the end of the previous year. Refined production in January to March 2021 totalled 585.9 kt and demand was 604.4 kt.

Mine production during January to March 2021 was 567.7 kt, 44.3 kt above the comparable 2020 total. Chinese smelter/refinery output fell by 2.8 kt compared with 2020 and apparent demand was 311.1 kt, 43 kt higher than in the previous year. In Indonesia, production in the first quarter of 2021 was 198kt which is 40 per cent higher than in January to March 2020 and demand almost doubled to 83 kt.

World apparent demand was 79 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.

In March 2021, nickel smelter/refinery production was 197.3 kt and demand was 211.2 kt.

Tin market records surplus in January to March 2021

The tin market recorded a surplus of 2.2 kt during January to March 2021. Chinese demand is calculated on an apparent basis using reported stocks on the Shanghai exchange. Global reported stocks were 3.5 kt higher than at the end of 2020. 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 21 kt, compared with the January to March 2020 total. Apparent demand in China was 39 per cent higher than the equivalent period of the previous year.

Global tin demand during January to March 2021 was 105.2 kt which was 12 per cent higher than the comparable period of 2020. Japanese demand was 7.2 kt which was 27 per cent above the comparable total for January to March 2020.

In March 2021, refined production was 35.8 kt and consumption was 37.2 kt

Dated 19th May 2021

- ENDS-

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

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