

## **January to August 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 August 2021. Read on to unpack the latest update on the LME metals balances.

### **Primary aluminium metal balance in deficit in January to August 2021**

The calculated market balance for primary aluminium for the period of January to August 2021 was a deficit of 1025 kt which follows a surplus of 1367 kt recorded for the whole of 2020. Demand for primary aluminium for January to August 2021 was 46.20 million tonnes, 3863 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 August 2021 rose by 5 per cent. Total reported stocks fell in August to close at the end of the period 843 kt below the December 2020 level. Total LME stocks (Including off warrant stocks) were 2014.0 kt at the end of August 2021 which compares with 2917.0 kt at the end of 2020. Shanghai stocks fell in August but ended the period 23.6 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 August 2021 by 5 per cent compared with the first eight months of 2020. Chinese output was estimated at 26076 kt despite lower availability of imported feedstocks in the first few months of the year and this currently accounts for about 58 per cent of the world production total. Chinese apparent demand was 7.8 per cent higher than in January to August 2020 and the output of semi-manufactures rose by 8.6 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 August 2021 Chinese net exports of aluminium semi manufactures were 3125 kt which compares with 2778 kt for January to August 2020. Exports of semi manufactures rose by 13 per cent compared with the January to August 2020 total

Japanese demand was up by 183 kt and US demand decreased by 169 kt. Global demand rose by 9 per cent during January to August 2021 compared with the levels recorded one year previously.

August metal balances for primary aluminium recorded production at 5611.2 kt and demand at 5666.1 kt.

### **Copper metal balance in deficit in January to August 2021**

The copper market recorded a deficit of 60.7 kt in January to August 2021 which follows a deficit of 698.7 kt in the whole of 2020. Reported stocks (including LME off warrant stocks) at the end of August 2021 were 62 kt higher than at the end of December 2020. Net deliveries into Shanghai warehouses were 7.3 kt and Comex stocks decreased by 24 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 August 2021 was 13.83 million tonnes which was 3.2 per cent higher than the first eight months of 2020. Global refined production for January to August 2021 was 16.25 million tonnes up 1.9 per cent compared with the previous year with significant increases recorded in China (up 345 kt) and in India (up 82 kt).

Global demand in January to August 2021 was 16.31 million tonnes compared with 16.14 million tonnes for the first eight months of 2020. Chinese apparent demand for the period January to August 2021 was 8.98 million tonnes which was 4 per cent lower than the comparable period in 2020. Reported output of semi manufactures rose by 5 per cent. US refined copper production was 649.7 kt which was 49 kt higher than the comparable months of 2020.

August metal balances for refined copper recorded production at 2039.6 kt and demand at 2024.2 kt.

### **Lead metal balance records deficit in January to August 2021**

The lead market recorded a deficit of 201.5 kt in January to August 2021 which follows a deficit of 89.2 kt recorded in the whole of 2020. Total stocks at the end of August were 58.1 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 August 2021 from both primary and secondary sources was 9388.5 kt which was 19 per cent higher than in the comparable months of 2020. Chinese apparent demand was estimated at 4715.9 kt which was 1382 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 96 kt for January to August 2021 compared to the same months of 2020.

August metal balances for refined lead recorded production at 1171.1 kt and demand at 1205.7 kt.

### **Zinc metal balance records deficit in January to August 2021**

The zinc market was in deficit by 128 kt during January to August 2021 which compares with a surplus of 614 kt recorded in the whole of the previous year. Reported stocks decreased by 2.8 kt during January to August which included a net increase in Shanghai of 19.3 kt over the period. LME (including off warrant) stocks closed 27.5 kt below the December 2020 level. Total LME stocks represent 39 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 3.6 per cent and demand was 11.5 per cent higher than the levels recorded one year earlier. Japanese apparent demand was, at 363.9 kt, 45 per cent above the equivalent total for January to August 2020.

World demand was 976 kt higher than for January to August 2020. Chinese apparent demand was 4723 kt which is 50 per cent of the global total. No allowance is made in the consumption calculation for unreported stock changes.

August metal balances for slab zinc recorded production at 1142.6 kt and demand at 1117.1 kt.

### **Nickel metal balance records deficit in January to August 2021**

The nickel market was in deficit during January to August 2021 with apparent demand exceeding production by 83.1 kt. In the whole of 2020, the calculated surplus was 84.2 kt. Reported stocks held in the LME (Including Off warrant stocks) at the end of August 2021 were 79 kt lower than at the end of the previous year. Refined production in January to August 2021 totalled 1799.2 kt and demand was 1882.2 kt.

Mine production during January to August 2021 was 1744.8 kt, 211 kt above the comparable 2020 total. Chinese smelter/refinery output rose by 88.2 kt compared with 2020 and apparent demand was 1047.1 kt, 206 kt higher than in the previous year. In Indonesia, smelter/refinery production in the first eight months of 2021 was 556.5 kt which is 46 per cent higher than in January to August 2020 and demand more than doubled to 255 kt.

World apparent demand was 384 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.

August metal balances for nickel smelter/refinery recorded production at 258.9 kt and demand at 285.9 kt.

### **Tin metal balance records deficit in January to August 2021**

The tin market recorded a deficit of 2.8 kt during January to August 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 30 kt, compared with the January to August 2020 total. Chinese reported production fell to 11.5 kt in July but recovered some ground in August when output was 15.4 kt. Japanese

apparent demand was 19.5 kt which was 40 per cent above the comparable total for 2020, Apparent demand in China was 7.5 per cent higher than the equivalent period of the previous year.

Global tin demand during January to August 2021 was 263.9 kt which was 7.5 per cent higher than the comparable period of 2020. US apparent demand fell 1.7 per cent year on year to 20.6 kt

August metal balances for refined tin recorded production at 29.1 kt and consumption at 29.6 kt.

Dated 20<sup>th</sup> October 2021

**- ENDS-**

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

Editors requiring more detailed information should contact Sue Eales by email at [suee@world-bureau.co.uk](mailto:suee@world-bureau.co.uk) or by telephone +44 (0) 1920 461274

#### **Disclaimer**

Whilst every effort is made to ensure the accuracy and validity of the information contained in this release **WBMS** and its Board of Directors can accept no responsibility for any losses incurred as a direct result of any actions based on conclusions drawn from the data.

#### **Terms of Use**

All data herein may be copied freely, duplicated and further distributed provided that **WBMS** is cited as the source.

#### **About World Bureau of Metal Statistics:**

The World Bureau of Metal Statistics is the data resource of first resort for anyone involved with the global metals industry. By outsourcing their research to WBMS, whether via regular publications or surveys tailored to their needs, organisations not only enjoy the benefit of reliable, first class data but also save significantly on cost and time. Through regular publications, available on subscription in print and electronic format, WBMS are able to keep companies and organisations throughout the world up to date on the production, consumption and trade in the major non-ferrous metals.

Launched in 1947, WBMS concentrated initially on the metals trade within the then British Empire. With the contraction of Empire, the organisation switched focus to the world stage and began collecting and collating data from a huge number of global sources. More than half a century later, its massive and regularly updated database forms the basis of printed and electronic publications aimed at the many and varied users of metal statistics. In particular, its monthly World Metal Statistics Bulletin represents the most comprehensive data available anywhere.

Page 4 of 4  
United Kingdom

Tel: +44 (0) 1920 461274