

January to February 2022 Metals Balances

The most recent metal balances report shows the copper, lead and nickel metal balances were in deficit and the primary aluminium, tin and zinc metal balances were in surplus during January to February 2022. Read on to unpack the latest update on the LME metals balances.

Primary aluminium metal balance in surplus in January to February 2022

The calculated market balance for primary aluminium for the period of January to February 2022 was a surplus of 342 kt which follows a deficit of 1677 kt recorded for the whole of 2021. Demand for primary aluminium for January to February 2022 was 10.69 million tonnes, 440 kt less than in the comparable period in 2021. Demand is measured on an apparent basis and national lockdowns may have distorted the trade statistics. Production in January to February 2022 fell by 0.4 per cent. Total reported stocks fell in January and then rose fractionally in February 2022 to close at the end of the period 173 kt below the December 2021 level. Total LME stocks (including off warrant stocks) were 1032.2 kt at the end of February 2022 which compares with 1213.4 kt at the end of 2021. Shanghai stocks increased in February and ended the period 12.3 kt above the December 2021 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 fell in January to February 2022 by 0.4 per cent compared with the same period in 2021. Chinese output was estimated at 6327 kt despite slightly higher availability of imported feedstocks during the early months of the year. Chinese metal production currently accounts for about 57 per cent of the world production total. Chinese apparent demand was 7.4 per cent lower than in January to February 2021 and the output of semi-manufactures fell by 15.7 per cent compared with the production in 2021. China became a net importer of unwrought aluminium in 2020. During January to February 2022 Chinese net exports of aluminium semi manufactures were 899 kt which compares with 4926 kt for the whole of 2021. Exports of semi manufactures rose by 21 per cent compared with the January to February 2021 total

Japanese demand was up by 19 kt and US demand increased by 4 kt. Global demand fell by 4 per cent during January to February 2022 compared with the levels recorded one year previously.

February metal balances for primary aluminium recorded production at 5434.4 kt and demand at 5178.5 kt.

Copper metal balance in deficit in January to February 2022

The copper market recorded a deficit of 83 kt in January to February 2022 which follows a deficit of 479 kt in the whole of 2021. Reported stocks (including LME off warrant stocks) at the end of February 2022 were 110 kt higher than at the end of December 2021. Net deliveries into Shanghai warehouses were 120.8 kt and Comex stocks increased by 2.8 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 February 2022 was 3.44 million tonnes which was 2.8 per cent higher than the first two months of 2021. Global refined production for January to February 2022 was 4.0 million tonnes up 0.7 per cent compared with the previous year with significant increase recorded in China of 71 kt.

Global demand in January to February 2022 was 4.081 million tonnes which was 4.7 per cent higher than the total recorded for January and February 2021. Chinese apparent demand for the period January to February 2022 was 2.14 million tonnes which was 3.3 per cent higher than the comparable period in 2021. Reported output of semi manufactures in China rose by 6.9 per cent. US refined copper production was 165.5 kt which was 3 kt lower than the comparable months of 2021.

February metal balances for refined copper recorded production at 1957.3 kt and demand at 1944.5 kt.

Lead metal balance records deficit in January to February 2022

The lead market recorded a deficit of 57 kt in January to February 2022 which follows a deficit of 132.1 kt recorded in the whole of 2021. Total stocks at the end of February were 7.9 kt lower than at the end of 2021. 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 February 2022 from both primary and secondary sources was 2302.2 kt which was 0.1 per cent higher than in the comparable months of 2021. Chinese apparent demand was estimated at 1132.9 kt which was 13 kt higher than the comparable period in 2021 and represented about 48 per cent of the global total. For the USA, apparent demand has increased by 8 kt for January to February 2022 compared to the same months of 2021.

February metal balances for refined lead recorded production at 1148.3 kt and demand at 1169.8 kt.

Zinc metal balance records surplus in January to February 2022

The zinc market was in surplus by 91.6 kt during January to February 2022 which compares with a deficit of 102 kt recorded in the whole of the previous year. Reported stocks decreased by 51.2 kt during January and February 2022 which included a net increase in Shanghai of 115 kt over the period. LME (including off warrant) stocks closed 63.6 kt below the December 2021 level. Total LME stocks represent 22 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 fell in January and February 2022 by 0.7 per cent and demand was 3.8 per cent lower than the levels recorded one year earlier. Japanese apparent demand was, at 104.8 kt, 13.6 per cent above the equivalent total for January to February 2021.

World demand was 87 kt lower than for January to February 2021. Chinese apparent demand was 961.5 kt which is 44 per cent of the global total. No allowance is made in the consumption calculation for unreported stock changes.

February metal balances for slab zinc recorded production at 1151.8 kt and demand at 1082.3 kt.

Nickel metal balance records deficit in January to February 2022

The nickel market was in deficit during January to February 2022 with apparent demand exceeding production by 17.4 kt. In the whole of 2021, the calculated deficit was 146.9 kt. Reported stocks held in the LME (Including Off warrant stocks) at the end of February 2022 were 22 kt lower than at the end of the previous year. Refined production in January to February 2022 totalled 447.6 kt and demand was 464.9 kt.

Mine production during January to February 2022 was 425.9 kt, 48 kt above the comparable 2021 total. Chinese smelter/refinery output rose by 12 kt compared with the first two months 2021 and apparent demand was 248.2 kt, 42 kt higher than in the previous year. In Indonesia, smelter/refinery production in January and February 2022 was 160.6 kt which is 21.6 per cent higher than 2021 and demand rose by 15.7 per cent to 64.2 kt.

World apparent demand was 63 kt higher in January to February 2022 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.

February metal balances for nickel smelter/refinery recorded production at 222.6 kt and demand was 223.6 kt.

Tin metal balance records surplus in January to February 2022

The tin market recorded a surplus of 2.6 kt during January to February 2022. 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 down by 6 kt, compared with the January to February 2021 total. Chinese reported production fell over the last two months and reached a total 28 kt for the January to February period. Japanese apparent demand was 4.2 kt which was 10 per cent below the comparable total for 2021, Apparent demand in China was 20 per cent lower than the equivalent period of the previous year.

Global tin demand during January to February 2022 was 55.7 kt which was 7 per cent lower than the comparable period of 2021. US apparent demand rose by 90 per cent year on year to 7.0 kt

February metal balances for refined tin recorded production at 29.1 kt and consumption at 27.6 kt.

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

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