

January to July 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 July 2021. Read on to unpack the latest update on the LME metals balances.

Primary aluminium metal balance in deficit in January to July 2021

The calculated market balance for primary aluminium for the period of January to July 2021 was a deficit of 1076 kt which follows a surplus of 1211 kt recorded for the whole of 2020. Demand for primary aluminium for January to July 2021 was 41.43 million tonnes, 3617 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 July 2021 rose by 6 per cent. Total reported stocks fell in July to close at the end of the period 799 kt below the December 2020 level. Total LME stocks (Including off warrant stocks) were 2084.8 kt at the end of July 2021 which compares with 2917.0 kt at the end of 2020. Shanghai stocks continued to fall in July but ended the period 30.9 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 July 2021 by 6 per cent compared with the first seven months of 2020. Chinese output was estimated at 22890 kt despite lower availability of imported feedstocks in the first few months of the year and this currently accounts for about 57 per cent of the world production total. Chinese apparent demand was 11 per cent higher than in January to July 2020 and the output of semi-manufactures rose by 10 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 July 2021 Chinese net exports of aluminium semi manufactures were 2694 kt which compares with 2431 kt for January to July 2020. Exports of semi manufactures rose by 12 per cent compared with the January to July 2020 total

Japanese demand was up by 123 kt and US demand decreased by 225 kt. Global demand rose by 10 per cent during January to July 2021 compared with the levels recorded one year previously.

July metal balances for primary aluminium recorded production at 5783.9 kt and demand at 5893.7 kt.

Copper metal balance in deficit in January to July 2021

The copper market recorded a deficit of 103 kt in January to July 2021 which follows a deficit of 938 kt in the whole of 2020. Reported stocks (including LME off warrant stocks) at the end of July 2021 were 29 kt higher than at the end of December 2020. Net deliveries into Shanghai warehouses were 19 kt and Comex stocks decreased by 29 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 July 2021 was 12.06 million tonnes which was 4 per cent higher than the first seven months of 2020. Global refined production for January to July 2021 was 14.05 million tonnes up 2 per cent compared with the previous year with significant increases recorded in China (up 371 kt) and in India (up 75 kt).

Global demand in January to July 2021 was 14.15 million tonnes compared with 13.99 million tonnes for the first seven months of 2020. Chinese apparent demand for the period January to July 2021 was 7.89 million tonnes which was 1 per cent lower than the comparable period in 2020. Reported output of semi manufactures rose by 5 per cent. US refined copper production was 584.5 kt which was 62 kt higher than the comparable months of 2020.

July metal balances for refined copper recorded production at 2015.9 kt and demand at 2049.7 kt.

Lead metal balance records deficit in January to July 2021

The lead market recorded a deficit of 242 kt in January to July 2021 which follows a deficit of 133 kt recorded in the whole of 2020. Total stocks at the end of July were 40.1 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 July 2021 from both primary and secondary sources was 8163.7 kt which was 12 per cent higher than in the comparable months of 2020. Chinese apparent demand was estimated at 4135.9 kt which was 791 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 68 kt for January to July 2021 compared to the same months of 2020.

July metal balances for refined lead recorded production at 1167.5 kt and demand at 1171.6 kt.

Zinc metal balance records deficit in January to July 2021

The zinc market was in deficit by 79 kt during January to July 2021 which compares with a surplus of 614 kt recorded in the whole of the previous year. Reported stocks increased by 10.4 kt during January to July which included a net increase in Shanghai of 3.3 kt over the period. LME (including off warrant) stocks rose over the January to July period to close 3 kt above the December 2020 level. Total LME stocks represent 43 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 5 per cent and demand was 13 per cent higher than the levels recorded one year earlier. Japanese apparent demand was, at 307.8 kt, 37 per cent above the equivalent total for January to July 2020.

World demand was 972 kt higher than for January to July 2020. Chinese apparent demand was 4171 kt which is 50 per cent of the global total. No allowance is made in the consumption calculation for unreported stock changes.

July metal balances for slab zinc recorded production at 1157.3 kt and demand at 1145.8 kt.

Nickel metal balance records deficit in January to July 2021

The nickel market was in deficit during January to July 2021 with apparent demand exceeding production by 44.7 kt. In the whole of 2020, the calculated surplus was 92.7 kt. Reported stocks held in the LME (Including Off warrant stocks) at the end of July 2021 were 52 kt lower than at the end of the previous year. Refined production in January to July 2021 totalled 1527.6 kt and demand was 1572.3 kt.

Mine production during January to July 2021 was 1511.0 kt, 198 kt above the comparable 2020 total. Chinese smelter/refinery output rose by 60 kt compared with 2020 and apparent demand was 856.4 kt, 151 kt higher than in the previous year. In Indonesia, smelter/refinery production in the first seven months of 2021 was 484.9 kt which is 47 per cent higher than in January to July 2020 and demand more than doubled to 216 kt.

World apparent demand was 295 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.

July metal balances for nickel smelter/refinery recorded production at 243.6 kt and demand at 252.0 kt.

Tin metal balance records deficit in January to July 2021

The tin market recorded a deficit of 2.1 kt during January to July 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 33 kt, compared with the January to July 2020 total. Chinese reported production fell to 11.5 kt from 21.3 kt recorded one month earlier. Japanese apparent demand was 17 kt which was 35 per cent above the comparable total for 2020, Apparent demand in China was 10 per cent higher than the equivalent period of the previous year.

Global tin demand during January to July 2021 was 234.3 kt which was 8 per cent higher than the comparable period of 2020. Japanese demand was 17 kt which was 35 per cent above the comparable total for January to July 2020.

July metal balances for refined tin recorded production at 25.5 kt and consumption at 25.2 kt.

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

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

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World Bureau of Metal Statistics
31 Star Street
Ware
Herts
SG12 7AA
United Kingdom

