

## **January to May 2022 Metals Balances**

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

### **Primary aluminium metal balance in surplus in January to May 2022**

The calculated market balance for primary aluminium for the period of January to May 2022 was a surplus of 319 kt which follows a deficit of 1844 kt recorded for the whole of 2021. Demand for primary aluminium for January to May 2022 was 28.33 million tonnes, 462 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 May 2022 rose by 2 per cent. Total reported stocks fell over the five months to close at the end of the period 447 kt below the December 2021 level. Total LME stocks (including off warrant stocks) were 744 kt at the end of May 2022 which compares with 1213.4 kt at the end of 2021. Shanghai stocks decreased in May and ended the period 38 kt below 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 rose in January to May 2022 by 2 per cent compared with the same period in 2021. Chinese output was estimated at 16199 kt despite recording 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 2.5 per cent lower than in January to May 2021 and the output of semi-manufactures rose by 1.7 per cent compared with the production in 2021. China became a net importer of unwrought aluminium in 2020. During January to May 2022 Chinese net exports of aluminium semi manufactures were 2445 kt which compares with 4926 kt for the whole of 2021. Exports of semi manufactures rose by 27 per cent compared with the January to May 2021 total

Japanese demand was up by 71 kt and US demand increased by 128 kt. Global demand fell by 1.6 per cent during January to May 2022 compared with the levels recorded one year previously.

May metal balances for primary aluminium recorded production at 6394.0 kt and demand at 5951.9 kt.

### **Copper metal balance in deficit in January to May 2022**

The copper market recorded a deficit of 189 kt in January to May 2022 which follows a deficit of 283 kt in the whole of 2021. Reported stocks (including LME off warrant stocks) at the end of May 2022 were 70 kt higher than at the end of December 2021. Net deliveries into Shanghai warehouses were 3.3 kt and Comex stocks increased by 10.9 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 May 2022 was 8.8 million tonnes which was 1.1 per cent higher than the first five months of 2021. Global refined production for January to May 2022 was 10.3 million tonnes up 2 per cent compared with the previous year with significant increase recorded in China of 157 kt.

Global demand in January to May 2022 was 10.47 million tonnes which was 3.4 per cent higher than the total recorded for January to May 2021. Chinese apparent demand for the period January to May 2022 was 5.7 million tonnes which was 3.9 per cent higher than the comparable period in 2021. Reported output of semi manufactures in China rose by 0.7 per cent. US refined copper production was 426.2 kt which was 25 kt lower than the comparable months of 2021.

May metal balances for refined copper recorded production at 2070.9 kt and demand at 2105.2 kt.

### **Lead metal balance records deficit in January to May 2022**

The lead market recorded a deficit of 127 kt in January to May 2022 which follows a deficit of 131.9 kt recorded in the whole of 2021. Total stocks at the end of May were 17 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 May 2022 from both primary and secondary sources was 5876.5 kt which was 0.8 per cent higher than in the comparable months of 2021. Chinese apparent demand was estimated at 2947.2 kt which was 39 kt higher than the comparable period in 2021 and represented about 49 per cent of the global total. For the USA, apparent demand has decreased by 42 kt for January to May 2022 compared to the same months of 2021.

May metal balances for refined lead recorded production at 1179.4 kt and demand at 1210.0 kt.

### **Zinc metal balance records surplus in January to May 2022**

The zinc market was in surplus by 218 kt during January to May 2022 which compares with a deficit of 94.9 kt recorded in the whole of the previous year. Reported stocks increased by 11.0 kt during January and May 2022 which included a net increase in Shanghai of 113 kt over the period. LME (including off warrant) stocks closed 118 kt below the December 2021 level. Total LME stocks represent 15 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 in January to May 2022 by 1 per cent and demand was 3.2 per cent lower compared to the levels recorded one year earlier. Japanese apparent demand was, at 212.1 kt, 10 per cent above the equivalent total for January to May 2021.

World demand was 3.2 per cent lower than from the level recorded for January to May 2021. Chinese apparent demand was 2611.9 kt which is 46 per cent of the global total. No allowance is made in the consumption calculation for unreported stock changes.

May metal balances for slab zinc recorded production at 1170.3 kt and demand at 1106.9 kt.

### **Nickel metal balance records deficit in January to May 2022**

The nickel market was in deficit during January to May 2022 with apparent demand exceeding production by 54.9 kt. In the whole of 2021, the calculated deficit was 146.8 kt. Reported stocks held in the LME (Including Off warrant stocks) at the end of May 2022 were 30.4 kt lower than at the end of the previous year. Refined production in January to May 2022 totalled 1098.2 kt and demand was 1153.1 kt.

Mine production during January to May 2022 was 1133.1 kt, 87 kt above the comparable 2021 total. Chinese smelter/refinery output fell by 15 kt compared with the first five months 2021 and apparent demand in China was 625 kt, 47 kt higher than in the previous year. In Indonesia, smelter/refinery production in January to May 2022 was 401.5 kt which is 16 per cent higher than 2021.

World apparent demand was 50 kt higher in January to May 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.

May metal balances for nickel smelter/refinery recorded production at 235.9 kt and demand was 240.2 kt.

### **Tin metal balance records deficit in January to May 2022**

The tin market recorded a deficit of 6.4 kt during January to May 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 14.2 kt, compared with the January to May 2021 total. Chinese reported production reached a total of 80 kt for the January to May period. Japanese apparent demand was

10 kt which was 14.7 per cent below the comparable total for 2021, Apparent demand in China was 6 per cent lower than the equivalent period of the previous year.

Global tin demand during January to May 2022 was 162.6 kt which was 5 per cent lower than the comparable period of 2021. US apparent demand rose by 2 per cent year on year to 14.4 kt

May metal balances for refined tin recorded production at 31.6 kt and consumption at 35.8 kt.

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**- ENDS-**

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

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