

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

Primary aluminium metal balance in deficit in January to June 2021

The calculated market balance for primary aluminium for the period of January to June 2021 was a deficit of 1021 kt which follows a surplus of 1193 kt recorded for the whole of 2020. Demand for primary aluminium for January to June 2021 was 35.47 million tonnes, 3378 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 June 2021 rose by 5.6 per cent. Total reported stocks fell in June to close at the end of the period 496 kt below the December 2020 level. Total LME stocks (Including off warrant stocks) were 2331.9 kt at the end of June 2021 which compares with 2917.0 kt at the end of 2020. Shanghai stocks rose in the first quarter of the year but fell back in the second quarter ending the period 63 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 June 2021 by 5.6 per cent compared with the first half of 2020. Chinese output was estimated at 19635 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 13 per cent higher than in January to June 2020 and the output of semi-manufactures rose by 11 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 June 2021 Chinese net exports of aluminium semi manufactures were 2280 kt which compares with 2101 kt for January to June 2020. Exports of semi manufactures rose by 10 per cent compared with the January to June 2020 total

Japanese demand was up by 103 kt and US demand decreased by 214kt. Global demand rose by 10.5 per cent during January to June 2021 compared with the levels recorded one year previously.

June metal balances for primary aluminium recorded production at 5767.2 kt and demand at 6092.7 kt.

Copper metal balance in deficit in January to June 2021

The copper market recorded a deficit of 222 kt in January to June 2021 which follows a deficit of 890 kt in the whole of 2020. Reported stocks (including LME off warrant stocks) at the end of June 2021 were 58 kt higher than at the end of December 2020. Net deliveries into Shanghai warehouses were 79 kt and Comex stocks decreased by 23 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 June 2021 was 10.33 million tonnes which was 4.2 per cent higher than the first half of 2020. Global refined production for January to June 2021 was 12.05 million tonnes up 2.4 per cent compared with the previous year with significant increases recorded in China (up 335 kt) and in India (up 66 kt).

Global demand in January to June 2021 was 12.27 million tonnes compared with 11.89 million tonnes for the first six months of 2020. Chinese apparent demand for the period January to June 2021 was 6.93 million tonnes which was 3.5 per cent higher than the comparable period in 2020. Reported output of semi manufactures rose by 8 per cent. US refined copper production was 511.8 kt which was 67 kt higher than the comparable months of 2020.

June metal balances for refined copper recorded production at 2057.8 kt and demand at 2367.9 kt.

Lead metal balance records deficit in January to June 2021

The lead market recorded a deficit of 251 kt in January to June 2021 which follows a deficit of 118 kt recorded in the whole of 2020. Total stocks at the end of June were 18.3 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 June 2021 from both primary and secondary sources was 7018.5 kt which was 13 per cent higher than in the comparable months of 2020. Chinese apparent demand was estimated at 3620.2 kt which was 809 kt higher than the comparable period in 2020 and represented about 50 per cent of the global total. For the USA, apparent demand has increased by 77 kt for January to June 2021 compared to the same months of 2020.

June metal balances for refined lead recorded production at 1215.5 kt and demand at 1263.1 kt.

Zinc metal balance records deficit in January to June 2021

The zinc market was in deficit by 90 kt during January to June 2021 which compares with a surplus of 610 kt recorded in the whole of the previous year. Reported stocks increased by 22.5 kt during January to June which included a net increase in Shanghai of 2.5 kt over the period. LME (including off warrant) stocks rose over the January to June period to close 16 kt above the December 2020 level. Total LME stocks represent 33 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 5.4 per cent and demand was 15 per cent higher than the levels recorded one year earlier. Japanese apparent demand was, at 278.1 kt, 41 per cent above the equivalent total for January to June 2020.

World demand was 923 kt higher than for January to June 2020. Chinese apparent demand was 3571 kt which is 50 per cent of the global total. No allowance is made in the consumption calculation for unreported stock changes.

June metal balances for slab zinc recorded production at 1193.0 kt and demand at 1229.0 kt.

Nickel metal balance records deficit in January to June 2021

The nickel market was in deficit during January to June 2021 with apparent demand exceeding production by 41.1 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 June 2021 were 27.3 kt lower than at the end of the previous year. Refined production in January to June 2021 totalled 1283.1 kt and demand was 1324.2 kt.

Mine production during January to June 2021 was 1283.8 kt, 193 kt above the comparable 2020 total. Chinese smelter/refinery output rose by 61 kt compared with 2020 and apparent demand was 706.1 kt 138 kt higher than in the previous year. In Indonesia, smelter/refinery production in the first six months of 2021 was 417.9 kt which is 51 per cent higher than in January to June 2020 and demand more than doubled to 184 kt.

World apparent demand was 255 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.

June metal balances for nickel smelter/refinery recorded production at 244.0 kt and demand at 238.4 kt.

Tin metal balance records deficit in January to June 2021

The tin market recorded a deficit of 1.6 kt during January to June 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 34 kt, compared with the January to June 2020 total. Apparent demand in China was 17 per cent higher than the equivalent period of the previous year.

Global tin demand during January to June 2021 was 208.4 kt which was 11 per cent higher than the comparable period of 2020. Japanese demand was 14.8 kt which was 33 per cent above the comparable total for January to June 2020.

June metal balances for refined tin recorded production at 35.4 kt and consumption at 37.4 kt.

Dated 18th August 2021

- ENDS-

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

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