

January to March 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 March 2022. Read on to unpack the latest update on the LME metals balances.

Primary aluminium metal balance in surplus in January to March 2022

The calculated market balance for primary aluminium for the period of January to March 2022 was a surplus of 474 kt which follows a deficit of 1676 kt recorded for the whole of 2021. Demand for primary aluminium for January to March 2022 was 16.23 million tonnes, 727 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 March 2022 fell by 0.4 per cent. Total reported stocks over the three months to close at the end of the period 404 kt below the December 2021 level. Total LME stocks (Including off warrant stocks) were 833 kt at the end of March 2022 which compares with 1213.4 kt at the end of 2021. Shanghai stocks decreased in March and ended the period 14.6 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 fell in January to March 2022 by 0.4 per cent compared with the same period in 2021. Chinese output was estimated at 9633 kt despite slightly higher availability of imported feedstocks during the early months of the year. Chinese metal production currently accounts for about 58 per cent of the world production total. Chinese apparent demand was 6.7 per cent lower than in January to March 2021 and the output of semi-manufactures rose by 0.4 per cent compared with the production in 2021. China became a net importer of unwrought aluminium in 2020. During January to March 2022 Chinese net exports of aluminium semi manufactures were 1390 kt which compares with 4926 kt for the whole of 2021. Exports of semi manufactures rose by 22 per cent compared with the January to March 2021 total

Japanese demand was up by 70 kt and US demand increased by 42 kt. Global demand fell by 4.3 per cent during January to March 2022 compared with the levels recorded one year previously.

March metal balances for primary aluminium recorded production at 5697.5 kt and demand at 5542.5 kt.

Copper metal balance in deficit in January to March 2022

The copper market recorded a deficit of 189 kt in January to March 2022 which follows a deficit of 473 kt in the whole of 2021. Reported stocks (including LME off warrant stocks) at the end of March 2022 were 94.5 kt higher than at the end of December 2021. Net deliveries into Shanghai warehouses were 63.9 kt and Comex stocks increased by 4.3 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 March 2022 was 5.19 million tonnes which was 0.1 per cent higher than the first three months of 2021. Global refined production for January to March 2022 was 6.0 million tonnes up 0.6 per cent compared with the previous year with significant increase recorded in China of 65 kt.

Global demand in January to March 2022 was 6.209 million tonnes which was 4.2 per cent higher than the total recorded for January and March 2021. Chinese apparent demand for the period January to March 2022 was 3.33 million tonnes which was 3.1 per cent higher than the comparable period in 2021. Reported output of semi manufactures in China rose by 6.8 per cent. US refined copper production was 251.4 kt which was 2 kt lower than the comparable months of 2021.

March metal balances for refined copper recorded production at 2023.9 kt and demand at 2144.4 kt.

Lead metal balance records deficit in January to March 2022

The lead market recorded a deficit of 92 kt in January to March 2022 which follows a deficit of 148.4 kt recorded in the whole of 2021. Total stocks at the end of March were 7.2 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 March 2022 from both primary and secondary sources was 3550.4 kt which was 0.5 per cent higher than in the comparable months of 2021. Chinese apparent demand was estimated at 1773.5 kt which was 14 kt higher than the comparable period in 2021 and represented about 49 per cent of the global total. For the USA, apparent demand has increased by 6 kt for January to March 2022 compared to the same months of 2021.

March metal balances for refined lead recorded production at 1235.7 kt and demand at 1262.9 kt.

Zinc metal balance records surplus in January to March 2022

The zinc market was in surplus by 37.8 kt during January to March 2022 which compares with a deficit of 99.6 kt recorded in the whole of the previous year. Reported stocks increased by 40.2 kt during January and March 2022 which included a net increase in Shanghai of 120 kt over the period. LME (including off warrant) stocks closed 79.7 kt below the December 2021 level. Total LME stocks represent 20 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 March 2022 by 0.5 per cent and demand was unchanged the levels recorded one year earlier. Japanese apparent demand was, at 153.5 kt, 8.7 per cent above the equivalent total for January to March 2021.

World demand was unchanged from the level recorded for January to March 2021. Chinese apparent demand was 1573.9 kt which is 45 per cent of the global total. No allowance is made in the consumption calculation for unreported stock changes.

March metal balances for slab zinc recorded production at 1213.1 kt and demand at 1238.5 kt.

Nickel metal balance records deficit in January to March 2022

The nickel market was in deficit during January to March 2022 with apparent demand exceeding production by 46.1 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 March 2022 were 24.8 kt lower than at the end of the previous year. Refined production in January to March 2022 totalled 660.7 kt and demand was 706.8 kt.

Mine production during January to March 2022 was 616.7 kt, 36 kt above the comparable 2021 total. Chinese smelter/refinery output rose by 12 kt compared with the first three months 2021 and apparent demand was 376.5 kt, 57 kt higher than in the previous year. In Indonesia, smelter/refinery production in January and March 2022 was 240.9 kt which is 18 per cent higher than 2021.

World apparent demand was 80 kt higher in January to March 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.

March metal balances for nickel smelter/refinery recorded production at 222.1 kt and demand was 238.0 kt.

Tin metal balance records surplus in January to March 2022

The tin market recorded a surplus of 0.7 kt during January to March 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 12 kt, compared with the January to March 2021 total. Chinese reported production reached a total of 42 kt for the January to March period. Japanese apparent demand was 6.3 kt which was 14 per cent below the comparable total for 2021, Apparent demand in China was 23 per cent lower than the equivalent period of the previous year.

Global tin demand during January to March 2022 was 87.0 kt which was 10 per cent lower than the comparable period of 2021. US apparent demand rose by 21 per cent year on year to 9.2 kt

March metal balances for refined tin recorded production at 29.3 kt and consumption at 30.7 kt.

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

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