

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

Primary aluminium metal balance in surplus in January to April 2022

The calculated market balance for primary aluminium for the period of January to April 2022 was a surplus of 400 kt which follows a deficit of 1819 kt recorded for the whole of 2021. Demand for primary aluminium for January to April 2022 was 21.9 million tonnes, 750 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 April 2022 rose by 0.5 per cent. Total reported stocks fell over the four months to close at the end of the period 417 kt below the December 2021 level. Total LME stocks (Including off warrant stocks) were 833 kt at the end of April 2022 which compares with 1213.4 kt at the end of 2021. Shanghai stocks decreased in April and ended the period 33.4 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 April 2022 by 0.5 per cent compared with the same period in 2021. Chinese output was estimated at 13,006 kt despite recording 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 5.2 per cent lower than in January to April 2021 and the output of semi-manufactures rose by 1.5 per cent compared with the production in 2021. China became a net importer of unwrought aluminium in 2020. During January to April 2022 Chinese net exports of aluminium semi manufactures were 1890 kt which compares with 4926 kt for the whole of 2021. Exports of semi manufactures rose by 24 per cent compared with the January to April 2021 total

Japanese demand was up by 64 kt and US demand increased by 56 kt. Global demand fell by 3.3 per cent during January to April 2022 compared with the levels recorded one year previously.

April metal balances for primary aluminium recorded production at 5744.7 kt and demand at 5675.9 kt.

Copper metal balance in deficit in January to April 2022

The copper market recorded a deficit of 409 kt in January to April 2022 which follows a deficit of 473 kt in the whole of 2021. Reported stocks (including LME off warrant stocks) at the end of April 2022 were 115.5 kt higher than at the end of December 2021. Net deliveries into Shanghai warehouses were 10.2 kt and Comex stocks increased by 13.7 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 April 2022 was 6.88 million tonnes which was 0.7 per cent lower than the first four months of 2021. Global refined production for January to April 2022 was 8.1 million tonnes up 1.1 per cent compared with the previous year with significant increase recorded in China of 161 kt.

Global demand in January to April 2022 was 8.54 million tonnes which was 5.7 per cent higher than the total recorded for January to April 2021. Chinese apparent demand for the period January to April 2022 was 4.6 million tonnes which was 4.4 per cent higher than the comparable period in 2021. Reported output of semi manufactures in China fell by 0.9 per cent. US refined copper production was 305.8kt which was 22 kt lower than the comparable months of 2021.

April metal balances for refined copper recorded production at 2069.6 kt and demand at 2187.3 kt.

Lead metal balance records deficit in January to April 2022

The lead market recorded a deficit of 82 kt in January to April 2022 which follows a deficit of 131.9 kt recorded in the whole of 2021. Total stocks at the end of April 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 April 2022 from both primary and secondary sources was 4681.7 kt which was 0.4 per cent higher than in the comparable months of 2021. Chinese apparent demand was estimated at 2342.8 kt which was 32 kt higher than the comparable period in 2021 and represented about 51 per cent of the global total. For the USA, apparent demand has decreased by 44 kt for January to April 2022 compared to the same months of 2021.

April metal balances for refined lead recorded production at 1157.3 kt and demand at 1162.2 kt.

Zinc metal balance records surplus in January to April 2022

The zinc market was in surplus by 76.6 kt during January to April 2022 which compares with a deficit of 99.4 kt recorded in the whole of the previous year. Reported stocks decreased by 12.5 kt during January and April 2022 which included a net increase in Shanghai of 112 kt over the period. LME (including off warrant) stocks closed 124 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 April 2022 by 0.9 per cent and demand was 0.8 per cent lower compared to the levels recorded one year earlier. Japanese apparent demand was, at 200.7 kt, 6.5 per cent above the equivalent total for January to April 2021.

World demand was 0.8 per cent lower than from the level recorded for January to April 2021. Chinese apparent demand was 2112.5 kt which is 46 per cent of the global total. No allowance is made in the consumption calculation for unreported stock changes.

April metal balances for slab zinc recorded production at 1176.2 kt and demand at 1141.8 kt.

Nickel metal balance records deficit in January to April 2022

The nickel market was in deficit during January to April 2022 with apparent demand exceeding production by 51.7 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 April 2022 were 27.2 kt lower than at the end of the previous year. Refined production in January to April 2022 totalled 867.8 kt and demand was 919.5 kt.

Mine production during January to April 2022 was 882.7 kt, 58 kt above the comparable 2021 total. Chinese smelter/refinery output fell by 16 kt compared with the first four months 2021 and apparent demand was 481.3 kt, 34 kt higher than in the previous year. In Indonesia, smelter/refinery production in January and April 2022 was 321.1 kt which is 16 per cent higher than 2021.

World apparent demand was 52 kt higher in January to April 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.

April metal balances for nickel smelter/refinery recorded production at 226.1 kt and demand was 225.7 kt.

Tin metal balance records surplus in January to April 2022

The tin market recorded a tiny surplus by 0.01 kt during January to April 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 11 kt, compared with the January to April 2021 total. Chinese reported production reached a total of 64 kt for the January to April period. Japanese apparent demand was 8.1 kt which was 13 per cent below the comparable total for 2021, Apparent demand in China was 11 per cent lower than the equivalent period of the previous year.

Global tin demand during January to April 2022 was 126.4 kt which was 8 per cent lower than the comparable period of 2021. US apparent demand fell by 3.6 per cent year on year to 11.1 kt

April metal balances for refined tin recorded production at 30.8 kt and consumption at 32.9 kt.

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

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