

January to October 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 and nickel metal balances were in deficit and the tin metal balance was in surplus during January to October 2021. Read on to unpack the latest update on the LME metals balances.

Primary aluminium metal balance in deficit in January to October 2021

The calculated market balance for primary aluminium for the period of January to October 2021 was a deficit of 1366 kt which follows a surplus of 1271 kt recorded for the whole of 2020. Demand for primary aluminium for January to October 2021 was 57.61 million tonnes, 4419 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 October 2021 rose by 4.1 per cent. Total reported stocks fell in October to close at the end of the period 1359 kt below the December 2020 level. Total LME stocks (Including off warrant stocks) were 1484.5 kt at the end of October 2021 which compares with 2917.0 kt at the end of 2020. Shanghai stocks increased in October and ended the period 62 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 of primary aluminium rose in January to October 2021 by 4.1 per cent compared with the first ten months of 2020. Chinese output was estimated at 32367.6 kt despite lower availability of imported feedstocks in the first ten months of the year and this currently accounts for about 58 per cent of the world production total. Chinese apparent demand was 6.3 per cent higher than in January to October 2020 and the output of semi-manufactures rose by 6.4 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 October 2021 Chinese net exports of aluminium semi manufactures were 3976 kt which compares with 3513 kt for January to October 2020. Exports of semi manufactures rose by 14 per cent compared with the January to October 2020 total

Japanese demand was up by 265 kt and US demand increased by 112 kt. Global demand rose by 8.3 per cent during January to October 2021 compared with the levels recorded one year previously.

October metal balances for primary aluminium recorded production at 5635.2 kt and demand at 5722.7 kt.

Copper metal balance in deficit in January to October 2021

The copper market recorded a deficit of 188.0 kt in January to October 2021 which follows a deficit of 691.9 kt in the whole of 2020. Reported stocks (including LME off warrant stocks) at the end of October 2021 were 133.8 kt lower than at the end of December 2020. Net deliveries out of Shanghai warehouses were 25.8 kt and Comex stocks decreased by 18.1 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 October 2021 was 17.69 million tonnes which was 4.6 per cent higher than the first ten months of 2020. Global refined production for January to October 2021 was 20.38 million tonnes up 1.3 per cent compared with the previous year with significant increases recorded in China (up 258 kt) and in India (up 115 kt).

Global demand in January to October 2021 was 20.57 million tonnes compared with 20.70 million tonnes for the first ten months of 2020. Chinese apparent demand for the period January to October 2021 was 11.27 million tonnes which was 7.3 per cent lower than the comparable period in 2020. Reported output of semi manufactures rose by 1.6 per cent. US refined copper production was 808.3 kt which was 53 kt higher than the comparable months of 2020.

October metal balances for refined copper recorded production at 2066.7 kt and demand at 2071.5 kt.

Lead metal balance records deficit in January to October 2021

The lead market recorded a deficit of 250.4 kt in January to October 2021 which follows a deficit of 112.2 kt recorded in the whole of 2020. Total stocks at the end of October were 34.8 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 October 2021 from both primary and secondary sources was 11815.4 kt which was 20.4 per cent higher than in the comparable months of 2020. Chinese apparent demand was estimated at 5924.4 kt which was 1757 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 123 kt for January to October 2021 compared to the same months of 2020.

October metal balances for refined lead recorded production at 1225.2 kt and demand at 1244.6 kt.

Zinc metal balance records deficit in January to October 2021

The zinc market was in deficit by 5.4 kt during January to October 2021 which compares with a surplus of 612 kt recorded in the whole of the previous year. Reported stocks decreased by 2.6 kt during January to October which included a net increase in Shanghai of 42.0 kt over the period. LME (including off warrant) stocks closed 48.1 kt below the December 2020 level. Total LME stocks represent 37 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 1.2 per cent and demand was 6.5 per cent higher than the levels recorded one year earlier. Japanese apparent demand was, at 447.4 kt, 45 per cent above the equivalent total for January to October 2020.

World demand was 702 kt higher than for January to October 2020. Chinese apparent demand was 5824 kt which is 50 per cent of the global total. No allowance is made in the consumption calculation for unreported stock changes.

October metal balances for slab zinc recorded production at 1134.4 kt and demand at 1090.9 kt.

Nickel metal balance records deficit in January to October 2021

The nickel market was in deficit during January to October 2021 with apparent demand exceeding production by 133.1 kt. In the whole of 2020, the calculated surplus was 84.0 kt. Reported stocks held in the LME (Including Off warrant stocks) at the end of October 2021 were 135 kt lower than at the end of the previous year. Refined production in January to October 2021 totalled 2291.8 kt and demand was 2424.9 kt.

Mine production during January to October 2021 was 2251.6 kt, 238 kt above the comparable 2020 total. Chinese smelter/refinery output rose by 75 kt compared with 2020 and apparent demand was 1378.6 kt, 236 kt higher than in the previous year. In Indonesia, smelter/refinery production in the first ten months of 2021 was 712.5 kt which is 41 per cent higher than in January to October 2020 and demand nearly doubled to 329.5 kt.

World apparent demand was 441 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.

October metal balances for nickel smelter/refinery recorded production at 243.6 kt and demand was 268.8 kt.

Tin metal balance records surplus in January to October 2021

The tin market recorded a surplus of 2.1 kt during January to October 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 16 kt, compared with the January to October 2020 total. Chinese reported production fell to 11.5 kt in July but recovered in the latest three months and October was estimated at 14.4 kt. Japanese apparent demand was 24.5 kt which was 43 per cent above the comparable total for 2020, Apparent demand in China was 4 per cent lower than the equivalent period of the previous year.

Global tin demand during January to October 2021 was 321.2 kt which was 1.7 per cent higher than the comparable period of 2020. US apparent demand rose by 5.5 per cent year on year to 26.1 kt

October metal balances for refined tin recorded production at 30.1 kt and consumption at 29.9 kt.

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The above data are taken from World Metal Statistics December 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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Page 4 of 4
Herts
SG12 7AA
United Kingdom

Tel: +44 (0) 1920 461274