

Mineral Industry Surveys

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ZINC IN OCTOBER 2016

Domestic mine production (recoverable) of zinc in October 2016 was 68,600 metric tons (t) (table 2). Based on unrounded data, average daily mine production in October was 2,210 t, slightly less than that in September and 14% more than that in October 2015 (fig. 1).

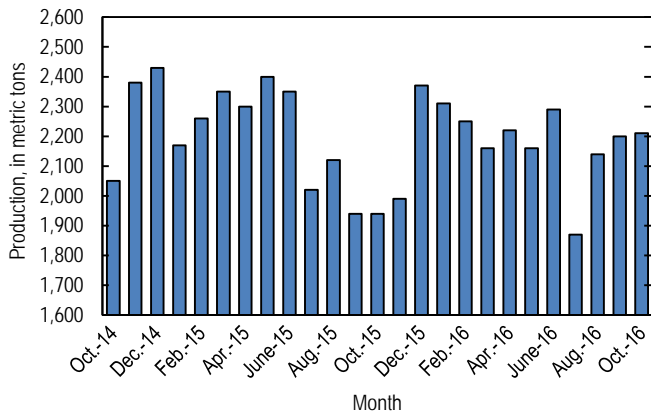


Figure 1. Average daily domestic zinc mine production (recoverable) from October 2014 through October 2016. Source: U.S. Geological Survey.

Global London Metal Exchange Ltd. (LME) stocks of Special High Grade (SHG) zinc increased by 12,047 t to 450,725 t in October, 3% more than stocks at the end of September 2016 and 21% less than stocks at the end of October 2015 (fig. 2, table 7).

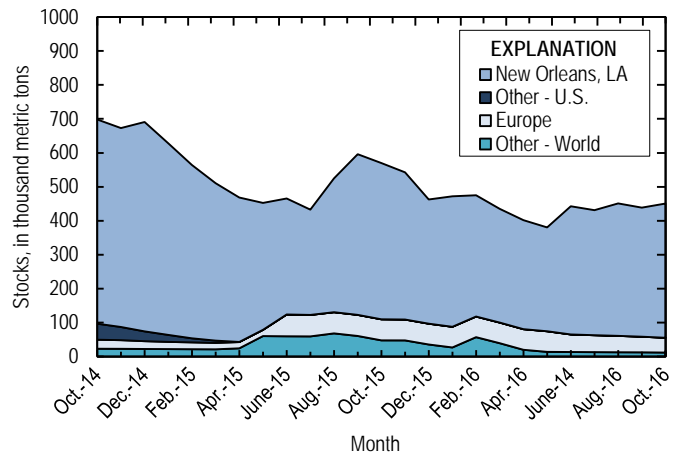


Figure 2. Global LME stocks of Special High Grade zinc, monthend, from October 2014 through October 2016. Source: London Metal Exchange Ltd.

The monthly average Platts Metals Week North American SHG zinc price in October 2016 was \$1.11 per pound, essentially unchanged from that in September 2016 and 30% more than that in October 2015. The October average LME cash price for SHG zinc was \$2,313.83 per metric ton, essentially unchanged from that in the previous month and 34% more than that in October 2015. The North American premium to the LME cash price in October averaged about 6.3 cents per pound, 3% less than that in September, and despite the increase in prices, 17% below that in October 2015 (fig. 3, table 6). Monthly average SHG zinc prices have increased significantly since the beginning of the year, with the October average North American SHG and LME cash prices increasing by about 48% and 53%, respectively, from those in January. Among the LME-traded base metals, zinc has experienced the greatest increase in price coincident with increased investment interest and a growing production-to-

consumption deficit in the zinc metal market supported by several significant mine closures and production cutbacks. The International Lead and Zinc Study Group forecast that global zinc metal consumption would exceed production by 349,000 t in 2016 and that the market would remain in deficit in 2017 (International Lead and Zinc Study Group, 2016; Onstad, 2016).

Update

On November 28, Umicore NV (Belgium) completed the \$151 million sale of its zinc chemical business to OpenGate Capital (Los Angeles, CA). OpenGate Capital renamed the zinc chemicals unit as EverZinc; the business will continue to specialize in zinc powders, zinc oxide, and zinc for batteries (Dent, 2016).

References Cited

Dent, Millicent, 2016, Umicore sells zinc chemicals unit for \$151m, November 28. (Accessed January 12, 2017, via <http://www.amm.com/>.)
 International Lead and Zinc Study Group, 2016, ILZSG session/forecasts: Lisbon, Portugal, International Lead and Zinc Study Group press release, October 31, 5 p. (Accessed October 31, 2016, via <http://www.ilzsg.org/>.)
 Onstad, Eric, 2016, Zinc, nickel to spin wheels next year after sizzling rallies: Reuters, November 7. (Accessed November 7, 2016, at <http://www.reuters.com/article/us-metals-base-poll-idUSKBN1321RW?rpc=401&>.)

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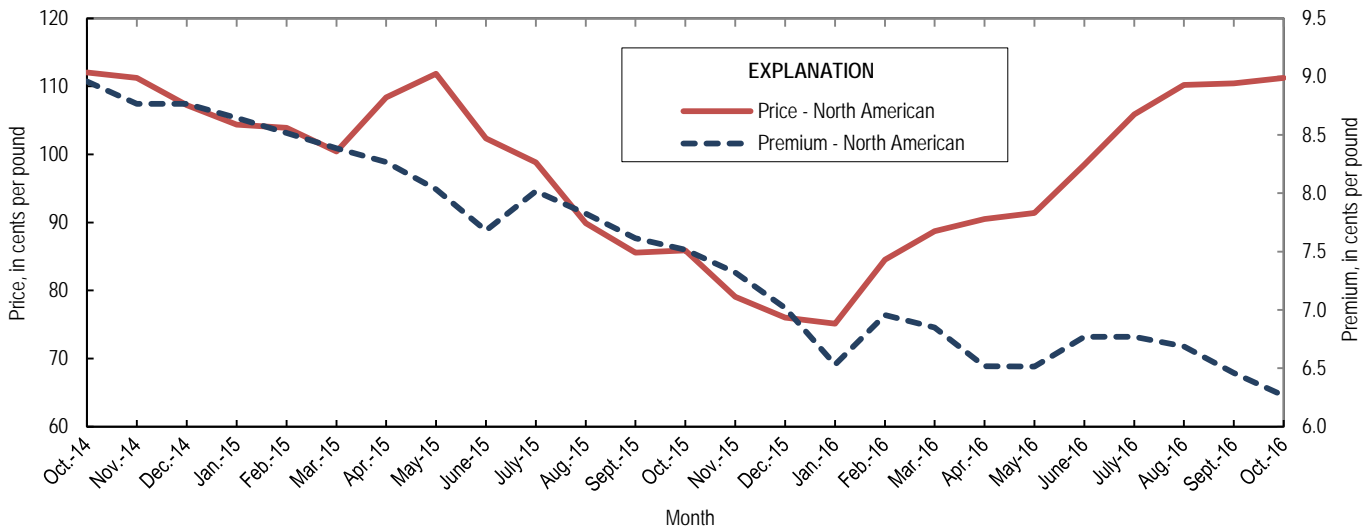


Figure 3. Average monthly North American price and premium for Special High Grade zinc from October 2014 through October 2016. Source: Platts Metals Week.

TABLE 1
SALIENT ZINC STATISTICS¹

(Metric tons, unless otherwise specified)

	2015	2016		
	January– December ^p	September	October	January– October ²
Production:				
Mine, zinc content of concentrate ³	825,000	68,300 ^r	71,000	687,000
Mine, recoverable zinc ³	797,000	66,000 ^r	68,600	665,000
Smelter, refined zinc ^e	172,000	9,580	9,580	102,000
Consumption of refined zinc, apparent ⁴	931,000	72,700	68,900	649,000
Imports for consumption:				
Ore and concentrate (zinc content)	22	--	--	60
Refined zinc	771,000	64,200	60,700	596,000
Exports:				
Ore and concentrate (zinc content)	709,000	187,000	82,700	564,000
Refined zinc	12,700	1,060	1,310	49,200
Price:⁵				
London Metal Exchange cash, average, dollars per metric ton	1,932.14	2,292.44	2,313.83	1,984.43
Platts Metals Week North American, average, cents per pound	95.54	110.44	111.22	96.64

^eEstimated. ^pPreliminary. ^rRevised. -- Zero.

¹Data are rounded to no more than three significant digits, except prices; may not add to totals shown.

²May include revisions to previously published data.

³Reported zinc content in both zinc and lead concentrates.

⁴Smelter production plus imports for consumption minus domestic exports.

⁵Special High Grade Zinc.

TABLE 2
MINE AND SMELTER PRODUCTION OF ZINC
IN THE UNITED STATES¹

(Metric tons)

Period	Mine ²		Smelter ^e
	Zinc content	Recoverable	
2015:			
October	62,400	60,300	13,400
November	61,800	59,800	14,400
December	76,100	73,600	13,500
January–December	825,000	797,000	172,000
2016:			
January	74,100	71,700 ^r	10,600
February	67,300	65,200	10,600
March	69,300	67,000	10,600
April	68,800	66,600	10,600
May	69,100 ^r	66,900 ^r	10,600
June	71,000 ^r	68,600 ^r	10,600
July	60,100 ^r	58,100 ^r	9,580
August	68,500 ^r	66,200 ^r	9,580
September	68,300 ^r	66,000 ^r	9,580
October	71,000	68,600	9,580
January–October	687,000	665,000	102,000

^eEstimated. ^rRevised.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Includes the zinc content in both lead and zinc concentrates.

TABLE 3
U.S. IMPORTS FOR CONSUMPTION OF ZINC¹

(Gross weight, unless otherwise specified)

Material	2015		2016			
	Quantity (metric tons)	Value (thousands)	October		January–October ²	
			Quantity (metric tons)	Value (thousands)	Quantity (metric tons)	Value (thousands)
Ore and concentrate (zinc content)	22	\$48	--	--	60	\$15
Unwrought:						
Refined zinc	771,000	1,620,000	60,700	\$142,000	596,000	1,200,000
Zinc alloys	8,070	17,000	593	1,410	6,230	12,400
Wrought:						
Bars, rods, profiles, wire	3,020	9,620	231	780	2,310	6,960
Plates, sheets, strip, foil	3,680	14,600	167	562	3,270	10,500
Ash and residues:						
Zinc dross and skimmings	4,570	7,370	238	321	3,200	4,670
Other (zinc content)	1,550	983	357	295	846	640
Other:						
Powders, flakes, dust	29,100	91,300	2,240	7,150	24,200	73,900
Waste and scrap	18,000	20,100	976	1,020	9,360	9,830
Chemicals:						
Lithopone	1,210	1,630	83	164	2,520	5,870
Zinc oxide	116,000	250,000	17,600	27,100	107,000	203,000
Zinc chloride	154	1,150	8	76	119	1,130
Zinc sulfate	89,000	68,100	9,310	6,630	67,900	50,500
Zinc sulfide	2,460	8,050	7	78	286	932

-- Zero.

¹Data are rounded to no more than three significant digits.

²May include revisions to previously published data.

Source: U.S. Census Bureau.

TABLE 4
U.S. IMPORTS OF ZINC, BY TYPE OF MATERIAL AND COUNTRY¹

(Metric tons, gross weight, unless otherwise specified)

Material and country	General imports			Imports for consumption		
	2015	2016		2015	2016	
		October	January–October ²		October	January–October ²
Ore and concentrate (zinc content):						
Canada	19	--	--	19	--	--
Germany	3	--	--	3	--	--
Japan	--	--	10	--	--	10
Korea, Republic of	--	--	50	--	--	50
Total	22	--	60	22	--	60
Refined zinc:						
Australia	45,100	--	26,000	82,400	--	27,700
Belgium	1,250	--	--	19,600	684	2,190
Brazil	--	--	--	99	--	--
Canada	479,000	45,900	425,000	479,000	45,900	425,000
China	64	--	5	1,800	275	405
Germany	(3)	--	4	(3)	--	4
India	2,500	--	--	2,500	--	--
Japan	--	--	--	--	--	397
Korea, Republic of	1,500	--	6	20,900	125	8,230
Latvia	--	--	(3)	--	--	(3)
Mexico	99,000	9,180	70,500	99,000	9,180	70,500
Namibia	--	--	--	--	--	123
Netherlands	--	--	--	2,840	--	346
Peru	31,200	4,170	55,000	31,200	4,170	55,000
Spain	31	--	--	32,000	327	6,150
Sweden	(3)	--	(3)	(3)	--	(3)
Switzerland	--	--	--	28	--	--
Taiwan	32	--	31	32	--	31
United Kingdom	--	--	--	49	--	--
Total	659,000	59,200	577,000	771,000	60,700	596,000
Oxide:						
Australia	26	(3)	97	26	(3)	97
Belgium	155	6	11	155	6	11
Canada	71,200	5,160	59,700	71,200	5,160	59,700
China	585	10	404	580	10	403
France	--	2	27	--	2	27
Germany	2,380	293	2,230	2,380	293	2,230
India	202	--	69	202	--	69
Indonesia	1	21	27	1	21	27
Israel	--	--	34	--	--	34
Japan	485	23	296	485	23	296
Korea, Republic of	--	--	14	--	--	14
Mexico	32,500	2,800	29,400	32,500	2,800	29,400
Netherlands	5,790	489	5,120	5,790	489	5,120
Norway	5	4	4	5	4	4
Peru	1,510	8,830	9,170	1,510	8,830	9,170
Russia	--	--	11	--	--	11
Switzerland	21	--	8	21	--	8
Taiwan	--	10	10	--	10	10
Thailand	--	--	14	--	--	14
Turkey	417	--	--	417	--	--
United Kingdom	232	--	195	232	--	195
Other	(3)	--	(3)	(3)	--	(3)
Total	116,000	17,600	107,000	116,000	17,600	107,000

-- Zero.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²May include revisions to previously published data.

³Less than ½ unit.

Source: U.S. Census Bureau.

TABLE 5
U.S. EXPORTS OF ZINC¹

(Gross weight, unless otherwise specified)

Material	2015		2016			
	Quantity (metric tons)	Value (thousands)	October		January–October ²	
			Quantity (metric tons)	Value (thousands)	Quantity (metric tons)	Value (thousands)
Ore and concentrate (zinc content)	709,000	\$987,000	82,700	\$138,000	564,000	\$858,000
Unwrought:						
Refined zinc	12,700	28,700	1,310	2,980	49,200	95,100
Zinc alloys	19,700	50,700	1,290	3,590	13,700	33,800
Wrought:						
Bars, rods, profiles, wire	15,400	25,000	605	1,550	6,720	16,700
Plates, sheets, strip, foil	8,010	28,000	471	1,580	5,690	20,100
Ash and residues:						
Hard zinc spelter	9,580	13,600	856	1,290	9,920	14,200
Other (zinc content)	19,600	24,000	1,550	2,670	19,800	25,300
Other:						
Powders, flakes, dust	12,300	38,200	1,390	4,380	10,400	32,600
Waste and scrap	55,200	68,600	1,700	2,280	25,500	31,600
Chemicals:						
Lithopone	1,040	7,200	97	509	1,070	6,120
Zinc oxide	21,800	28,900	4,790	5,280	45,800	45,000
Zinc chloride	419	657	76	96	757	994
Zinc sulfate	726	751	115	107	448	720
Zinc sulfide	780	14,100	64	1,130	838	11,700

¹Data are rounded to no more than three significant digits.

²May include revisions to previously published data.

Source: U.S. Census Bureau.

TABLE 6
AVERAGE PRICES FOR SPECIAL HIGH GRADE ZINC

Period	North	London Metal Exchange	
	American ¹ ¢/lb.	cash ² ¢/lb. \$/t	
2015:			
October	85.88	78.37	1,727.73
November	79.08	71.76	1,581.96
December	76.04	69.02	1,521.74
January–December	95.54	87.64	1,932.14
2016:			
January	75.11	68.58	1,511.88
February	84.54	77.59	1,710.46
March	88.69	81.84	1,804.32
April	90.48	83.97	1,851.12
May	91.38	84.86	1,870.86
June	98.51	91.74	2,022.59
July	105.85	99.08	2,184.43
August	110.22	103.53	2,282.40
September	110.44	103.98	2,292.44
October	111.22	104.95	2,313.83
January–October	96.64	90.01	1,984.43

¹Platts Metals Week North American price. Based on the London Metal Exchange cash price plus premium.

²Average of the cash buyer price and the cash seller and settlement price.

Source: Platts Metals Week.

TABLE 7
LONDON METAL EXCHANGE (LME) STOCKS OF SPECIAL HIGH GRADE ZINC, END OF PERIOD

(Metric tons)

Period	United States			Europe	Other	Total LME
	Detroit, MI	New Orleans, LA	Total			
2015:						
October	25	460,050	460,075	62,000	47,875	569,950
November	25	433,375	433,400	61,450	47,750	542,600
December	25	365,725	365,750	61,250	35,700	462,700
2016:						
January	25	384,250	384,275	60,850	26,925	472,050
February	25	357,075	357,100	60,725	57,275	475,100
March	25	334,825	334,850	60,700	39,475	435,025
April	--	321,000	321,000	60,700	20,100	401,800
May	--	305,775	305,775	60,700	13,975	380,450
June	--	377,450	377,450	51,700	13,550	442,700
July	--	368,150	368,150	49,850	13,200	431,200
August	--	390,000	390,000	48,250	12,850	451,100
September	--	380,025	380,025	46,050	12,600	438,675
October	--	395,225	395,225	43,550	11,950	450,725

-- Zero.

Source: London Metal Exchange, Ltd.