

Mineral Industry Surveys

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ZINC IN AUGUST 2019

Domestic mine production (recoverable) of zinc in August 2019 was 66,600 metric tons (t) (tables 1, 2). Average daily mine production in August was 2,150 t, 5% lower than that in the previous month and essentially unchanged from that in August 2018 (fig. 1).

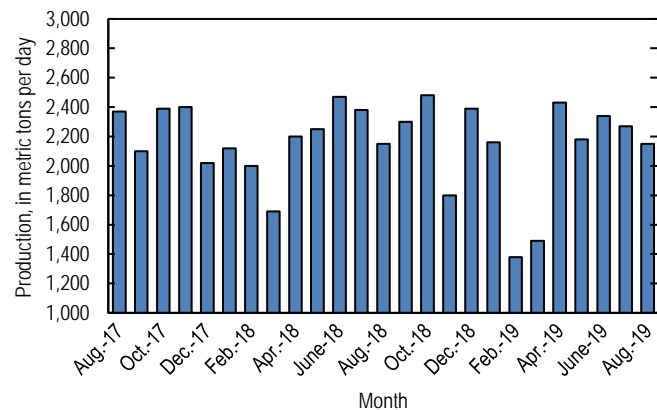


Figure 1. Average daily domestic zinc mine production (recoverable) from August 2017 through August 2019.

Stocks and Prices

Global London Metal Exchange Ltd. (LME) stocks of Special High Grade (SHG) zinc were 66,975 t at the end of August 2019, 16% lower than stocks at the end of July and 72% lower than stocks at the end of August 2018 (fig. 2, table 7).

The monthly average Platts Metals Week North American SHG zinc price in August 2019 was \$1.11 per pound, 6% lower than that in the previous month and 9% lower than that in August 2018. The August 2019 average LME cash price for SHG zinc was \$2,274.60 per metric ton (\$1.03 per pound), 7% lower than that in July and 9% lower than that in August 2018 (fig. 3, table 6).

The North American premium to the LME cash price in August 2019 averaged 8.3 cents per pound, 5% more than that

in the previous month and essentially unchanged from that in August 2018 (fig. 3, table 6).

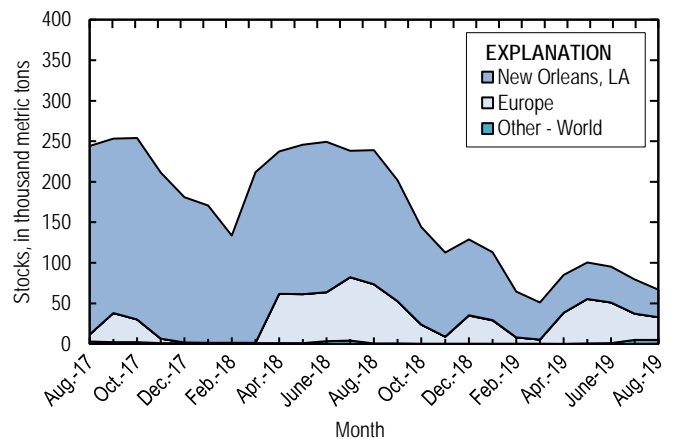


Figure 2. Global LME stocks of Special High Grade zinc, monthend, from August 2017 through August 2019. Source: London Metal Exchange Ltd.

Government and Industry News

The U.S. Department of Commerce (DOC) announced that it was initiating an inquiry into whether United States imports of corrosion-resistant steel, including galvanized steel, from Costa Rica, Guatemala, Malaysia, South Africa, and the United Arab Emirates were circumventing antidumping and countervailing duty orders on these products from China and Taiwan. The DOC was investigating whether the coated steel exported from these countries used steel substrate that originated from China or Taiwan. This was the first time that the DOC self-initiated a circumvention investigation based on its monitoring of trade patterns. Typically, investigations are initiated in response to allegations filed by domestic industry (U.S. Department of Commerce, 2019).

In late July, Teck Resources Ltd. (Canada) suspended mining and concentrate production at the Pend Oreille Mine in Washington State and placed the mine on care-and-maintenance

status after current reserves had been exhausted. Pend Oreille produced 29,700 t of zinc in concentrate in 2018 and was projected to produce 19,400 t in 2019 (Teck Resources Ltd., 2019a, p. 21; 2019b, p. 20, 31, 43).

In August, American Zinc Recycling LLC (Pittsburgh, PA) announced that it was in the process of repairing its secondary zinc refinery in Mooresboro, NC, and planned to restart operations at the facility in the first quarter of 2020. At full production, the refinery would be able to produce about 140,000 t/yr of SHG zinc. The company also announced that it was considering increasing its electric arc furnace dust recycling capacity (American Zinc Recycling LLC, 2019).

AZZ Inc. (Fort Worth, TX), a leading domestic general galvanizing company, announced that it had acquired NuZinc LLC (Garland, TX) in August. NuZinc operated a zinc electroplating facility in Garland, TX, that serviced the aerospace, commercial, defense, medical, telecommunications, and transportation markets (AZZ Inc., 2019).

References Cited

- American Zinc Recycling LLC, 2019, American Zinc Recycling LLC provides updates on Rutherford, NC and Calumet, IL facilities: Pittsburgh, PA, American Zinc Recycling LLC news release, August 26. (Accessed November 26, 2019, at <http://azr.com/news/>.)
- AZZ Inc., 2019, AZZ Inc. announces acquisition of NuZinc, LLC to expand metal coating services: Fort Worth, TX, AZZ Inc. news release, August 26. (Accessed November 26, 2019, at <https://www.prnewswire.com/news-releases/azz-inc-announces-acquisition-of-nuzinc-llc-to-expand-metal-coating-services-300906692.html>.)
- Teck Resources Ltd., 2019a, Teck reports unaudited second quarter results for 2019: Vancouver, British Columbia, Canada, Teck Resources Ltd. news release, July 24, 78 p. (Accessed December 12, 2019, at <https://www.teck.com/media/Teck-Quarterly-Q2NR2019.pdf>.)
- Teck Resources Ltd., 2019b, Teck reports unaudited third quarter results for 2019: Vancouver, British Columbia, Canada, Teck Resources Ltd. news release, October 23, 79 p. (Accessed November 26, 2019, at <https://www.teck.com/news/news-releases/2019/teck-reports-unaudited-third-quarter-results-for-2019>.)
- U.S. Department of Commerce, 2019, U.S. Department of Commerce self-initiates inquiries into possible circumvention involving exports of corrosion-resistant steel products completed in Costa Rica, Guatemala, Malaysia, South Africa, and the United Arab Emirates: U.S. Department of Commerce, August 14. (Accessed November 26, 2019, at <https://www.commerce.gov/news/press-releases/2019/08/us-department-commerce-self-initiates-inquiries-possible-circumvention>.)

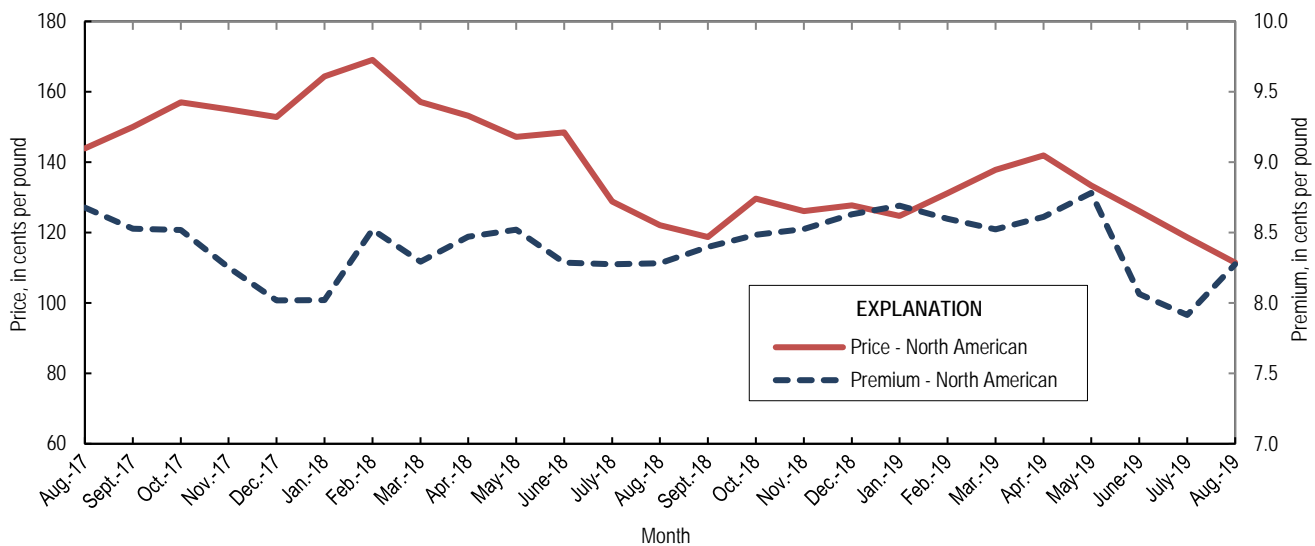


Figure 3. Average monthly North American price and premium for Special High Grade zinc from August 2017 through August 2019. Source: Platts Metals Week.

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TABLE 1
SALIENT ZINC STATISTICS¹

(Metric tons, unless otherwise specified)

	2018	2019		
	January– December ^p	July	August	January– August ²
Production:				
Mine, zinc content of concentrate ³	824,000	72,500	68,700	514,000
Mine, recoverable zinc ³	799,000	70,400	66,600	499,000
Smelter, refined zinc ^e	116,000	8,600	8,600	70,000
Consumption of refined zinc, apparent ⁴	868,000	79,800	71,500	607,000
Imports for consumption:				
Ore and concentrate (zinc content)	32	--	--	10
Refined zinc	775,000	71,400	63,100	540,000
Exports:				
Ore and concentrate (zinc content)	806,000	207,000	195,000	616,000
Refined zinc	23,300	218	253	3,970
Price:⁵				
London Metal Exchange cash, average, dollars per metric ton	2,924.55	2,440.96	2,274.60	2,639.20
Platts Metals Week North American, average, cents per pound	141.05	118.64	111.45	128.14

⁶Estimated. ^pPreliminary. -- 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	
2018:			
August	68,800	66,500	9,920
September	70,000	68,900	9,920
October	79,600	77,000	11,900
November	55,700	53,900	11,900
December	76,700	74,200	11,900
January–December	824,000	799,000	116,000
2019:			
January	68,900	66,900	8,600
February	39,800	38,600	8,600
March	47,600	46,100	8,600
April	75,300	73,000	8,600
May	69,500	67,500	8,600
June	71,800	70,300	8,600
July	72,500	70,400	8,600
August	68,700	66,600	8,600
January–August	514,000	499,000	70,000

^eEstimated.

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	2018		2019			
	Quantity (metric tons)	Value (thousands)	August		January–August ²	
			Quantity (metric tons)	Value (thousands)	Quantity (metric tons)	Value (thousands)
Ore and concentrate (zinc content)	32	\$23	--	--	10	\$7
Unwrought:						
Refined zinc	775,000	2,350,000	63,100	\$158,000	540,000	1,480,000
Zinc alloys	4,390	14,300	15	61	1,400	4,060
Wrought:						
Bars, rods, profiles, wire	3,470	13,900	224	795	1,950	7,150
Plates, sheets, strip, foil	5,410	16,400	383	1,480	2,160	8,890
Ash and residues:						
Hard zinc spelter	19	31	--	--	--	--
Zinc dross and skimmings	4,300	8,200	284	463	2,500	4,020
Other (zinc content)	1,250	823	--	--	1,210	723
Other:						
Powders, flakes, dust	26,600	106,000	2,500	9,250	17,600	66,400
Waste and scrap	12,900	22,000	1,520	1,760	6,470	12,400
Chemicals:						
Lithopone	272	822	71	309	880	3,090
Zinc oxide	115,000	334,000	7,960	21,900	66,400	188,000
Zinc chloride	208	1,840	9	76	90	876
Zinc sulfate	98,800	106,000	4,510	4,470	45,000	42,900
Zinc sulfide	2,730	10,400	150	393	692	2,260

-- 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 COUNTRY OR LOCALITY¹

(Metric tons, gross weight, unless otherwise specified)

Material and country or locality	General imports			Imports for consumption		
	2018	2019		2018	2019	
		August	January–August ²		August	January–August ²
Ore and concentrate (zinc content):						
Canada	(3)	--	10	(3)	--	10
China	32	--	--	32	--	--
Total	32	--	10	32	--	10
Refined zinc:						
Australia	--	--	--	676	--	--
Belgium	--	--	--	4,340	--	119
Brazil	601	1,030	3,210	601	1,030	3,210
Canada	524,000	43,100	358,000	524,000	43,100	358,000
China	22	1	15	5,380	228	2,650
India	2,840	--	--	2,840	--	--
Korea, Republic of	--	--	--	6,810	--	174
Mexico	101,000	9,630	90,800	101,000	9,630	90,800
Namibia	--	--	--	122	--	--
Netherlands	--	--	--	6,040	--	1,370
Peru	46,300	4,260	39,100	46,300	4,260	39,100
Poland	641	268	268	641	268	268
South Africa	5,480	--	--	--	--	--
Spain	20,000	--	1,370	76,100	4,610	44,800
Taiwan	36	24	56	36	24	56
Other	3	2	6	3	2	6
Total	701,000	58,300	493,000	775,000	63,100	540,000
Oxide:						
Australia	127	10	180	127	10	180
Belgium	6	--	29	6	--	29
Brazil	127	--	5	127	--	5
Canada	51,200	3,520	29,800	51,200	3,520	29,800
China	422	4	96	422	4	96
El Salvador	--	--	20	--	--	20
France	16	--	12	16	--	12
Germany	1,150	87	933	1,150	87	933
Greece	120	--	200	120	--	200
Hong Kong	58	--	5	58	--	5
India	119	--	64	119	--	64
Italy	19	6	22	19	6	22
Japan	776	70	706	776	70	706
Korea, Republic of	76	2	53	76	2	53
Mexico	49,800	2,880	25,600	49,800	2,880	25,600
Netherlands	8,400	848	6,320	8,400	848	6,320
Peru	2,540	494	1,960	2,540	494	1,960
Philippines	46	--	--	46	--	--
Russia	--	--	20	--	--	20
United Kingdom	105	41	380	105	41	380
Other	59	--	1	59	--	1
Total	115,000	7,960	66,400	115,000	7,960	66,400

-- 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	2018		2019			
	Quantity (metric tons)	Value (thousands)	August		January–August ²	
			Quantity (metric tons)	Value (thousands)	Quantity (metric tons)	Value (thousands)
Ore and concentrate (zinc content)	806,000	\$1,530,000	195,000	\$313,000	616,000	\$986,000
Unwrought:						
Refined zinc	23,300	58,000	253	707	3,970	10,700
Zinc alloys	21,800	67,200	1,960	5,740	14,900	44,400
Wrought:						
Bars, rods, profiles, wire	10,600	30,600	983	2,940	6,840	20,300
Plates, sheets, strip, foil	7,170	29,900	461	1,910	4,260	16,400
Ash and residues:						
Hard zinc spelter	8,300	16,200	864	1,410	6,020	11,800
Other (zinc content)	23,900	43,000	2,120	2,960	16,900	27,400
Other:						
Powders, flakes, dust	13,500	56,600	924	3,300	10,100	36,500
Waste and scrap	40,400	49,800	1,870	2,080	21,600	28,300
Chemicals:						
Lithopone	179	1,280	9	74	107	594
Zinc oxide	60,200	91,800	926	2,470	7,180	19,000
Zinc chloride	281	440	2	13	157	257
Zinc sulfate	1,000	879	45	27	418	552
Zinc sulfide	1,730	15,900	121	2,310	1,410	12,200

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 American ¹ ¢/lb.	London Metal Exchange cash ²	
		¢/lb.	\$/t
2018:			
August	122.14	113.85	2,510.05
September	118.74	110.35	2,432.71
October	129.65	121.17	2,671.26
November	126.11	117.58	2,592.28
December	127.69	119.06	2,624.87
January–December	141.05	132.66	2,924.55
2019:			
January	124.74	116.05	2,558.49
February	131.17	122.58	2,702.34
March	137.84	129.32	2,850.91
April	141.88	133.26	2,937.96
May	133.37	124.59	2,746.79
June	126.07	118.01	2,601.56
July	118.64	110.72	2,440.96
August	111.45	103.17	2,274.60
January–August	128.14	119.71	2,639.20

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
	Chicago, IL	New Orleans, LA	Total			
2018:						
August	--	165,375	165,375	73,125	675	239,175
September	--	149,350	149,350	51,900	675	201,925
October	--	120,400	120,400	23,525	250	144,175
November	--	103,575	103,575	8,975	25	112,575
December	350	93,625	93,975	35,000	25	129,000
2019:						
January	25	84,000	84,025	29,150	25	113,200
February	--	56,625	56,625	7,900	25	64,550
March	--	45,900	45,900	5,350	25	51,275
April	--	46,475	46,475	38,575	--	85,050
May	--	44,900	44,900	54,900	575	100,375
June	--	43,825	43,825	50,500	800	95,125
July	--	41,925	41,925	32,325	5,100	79,350
August	--	33,875	33,875	28,375	4,725	66,975

-- Zero.

Source: London Metal Exchange, Ltd.