



# Zinc – The neglected transition metal

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LME Asia, May 2023



# Zinc has been an underperformer recently, but needs longer term context

1 YEAR PRICE PERFORMANCE  
LME METALS

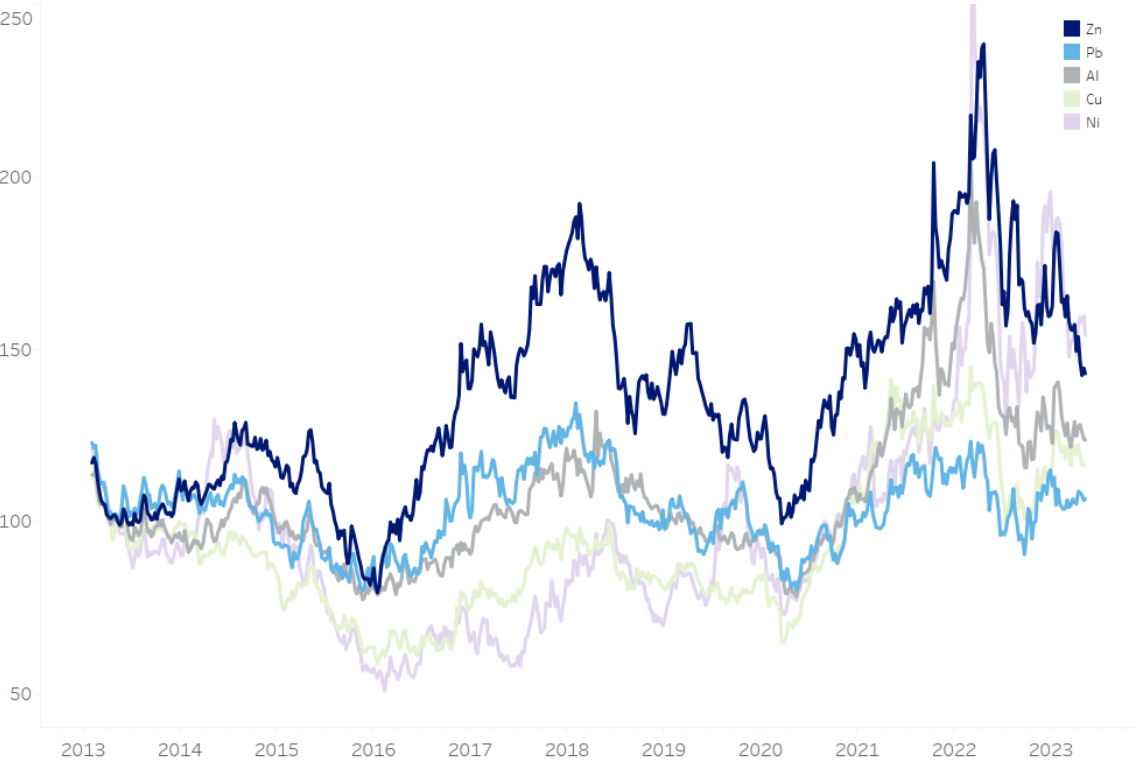
Stated as an index (May 2022 = 100)



Source: LME, Trafigura Research

10 YEAR PRICE PERFORMANCE  
LME METALS

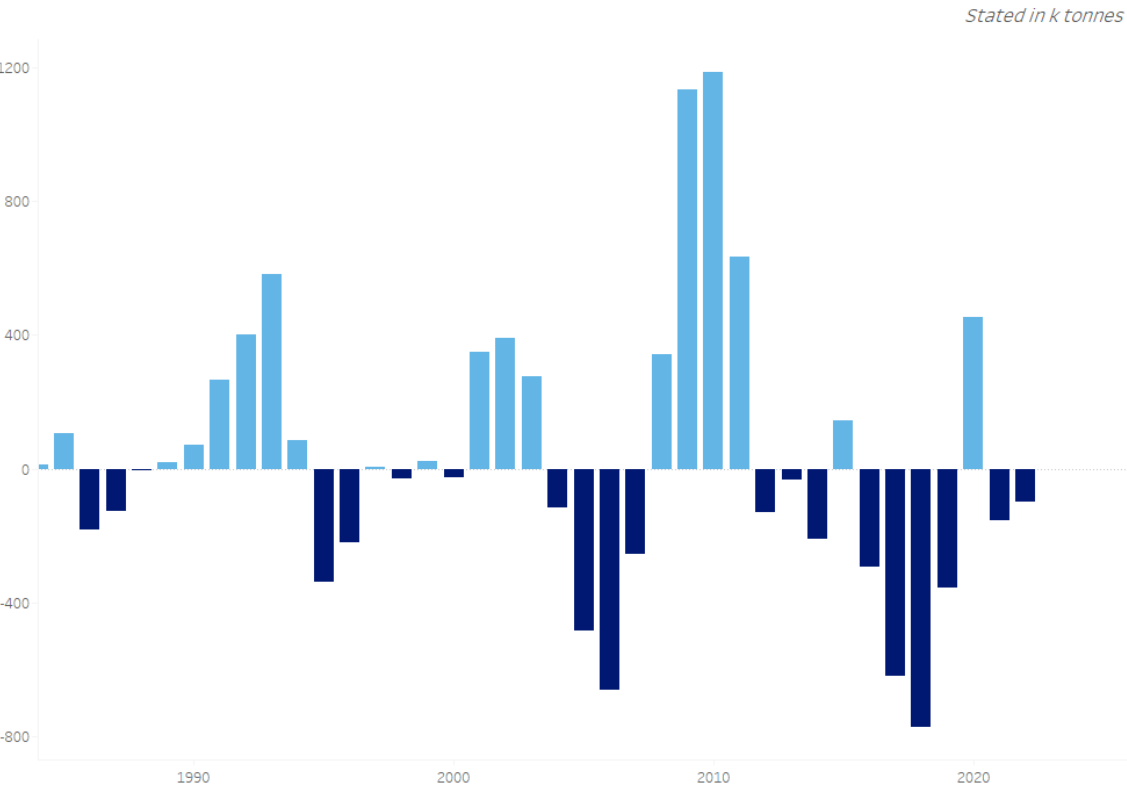
Stated as an index (May 2013 = 100)



Source: LME, Trafigura Research

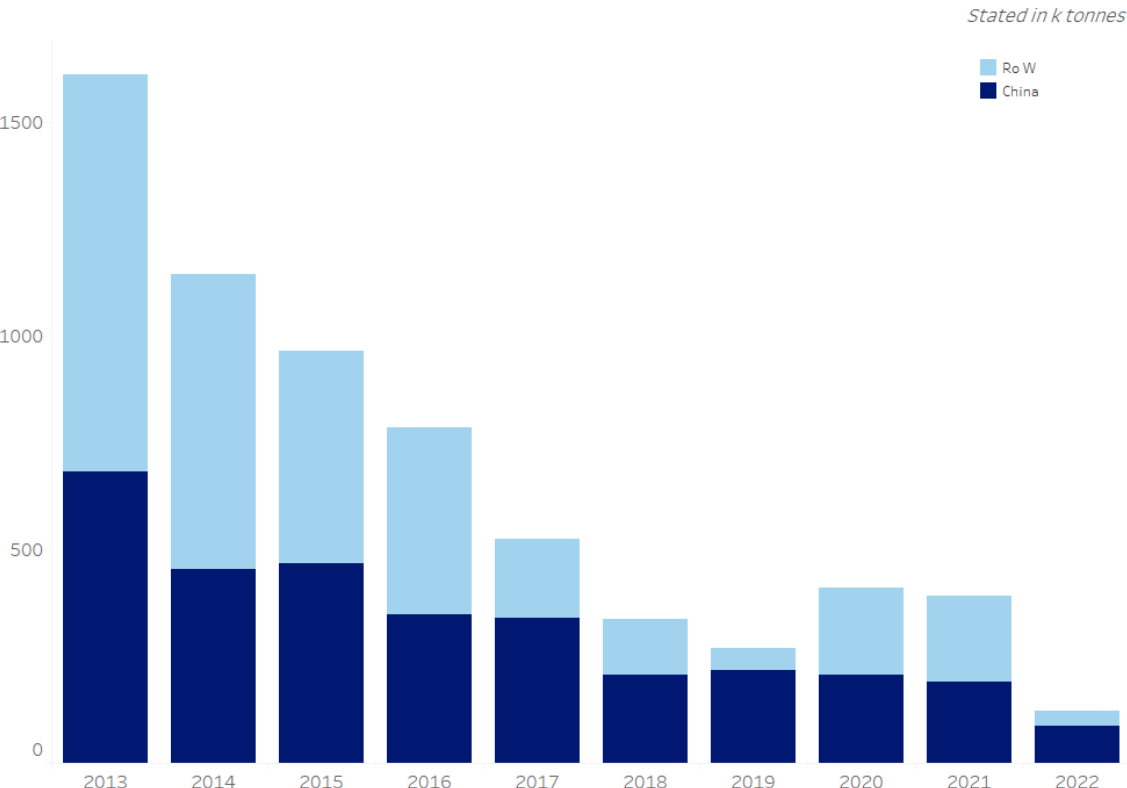
# Zinc has been in deficit for 11 years! Stocks are depleted

REFINED ZINC MARKET BALANCE  
GLOBAL



Source: Woodmac, Trafigura Research

VISIBLE STOCKS OF ZINC METAL AT YEAR END  
GLOBAL



Source: LME, Trafigura Research

# Energy transition undoubtedly a huge driver of metals demand

## GLOBAL ENERGY TRANSITION INDICATORS AND FORECASTS



Source: BNEF, IHS, Trafigura Research

### Increase in metals intensity: Electric Vehicles vs ICEs

<b>2x</b>	<b>3x</b>	<b>35x</b>
Aluminium	Copper	Nickel

### Increase in metals intensity: Wind vs Thermal Power

<b>3x</b>	<b>8x</b>	<b>9x</b>	<b>20x</b>
Aluminium	Nickel	Copper	Zinc

### Increase in metals intensity: Solar vs Thermal Power

<b>40x</b>	<b>2x</b>	<b>5x</b>	<b>30x</b>
Aluminium	Nickel	Copper	Zinc

# Energy transition undoubtedly a huge driver of metals demand

## GLOBAL ENERGY TRANSITION INDICATORS AND FORECASTS



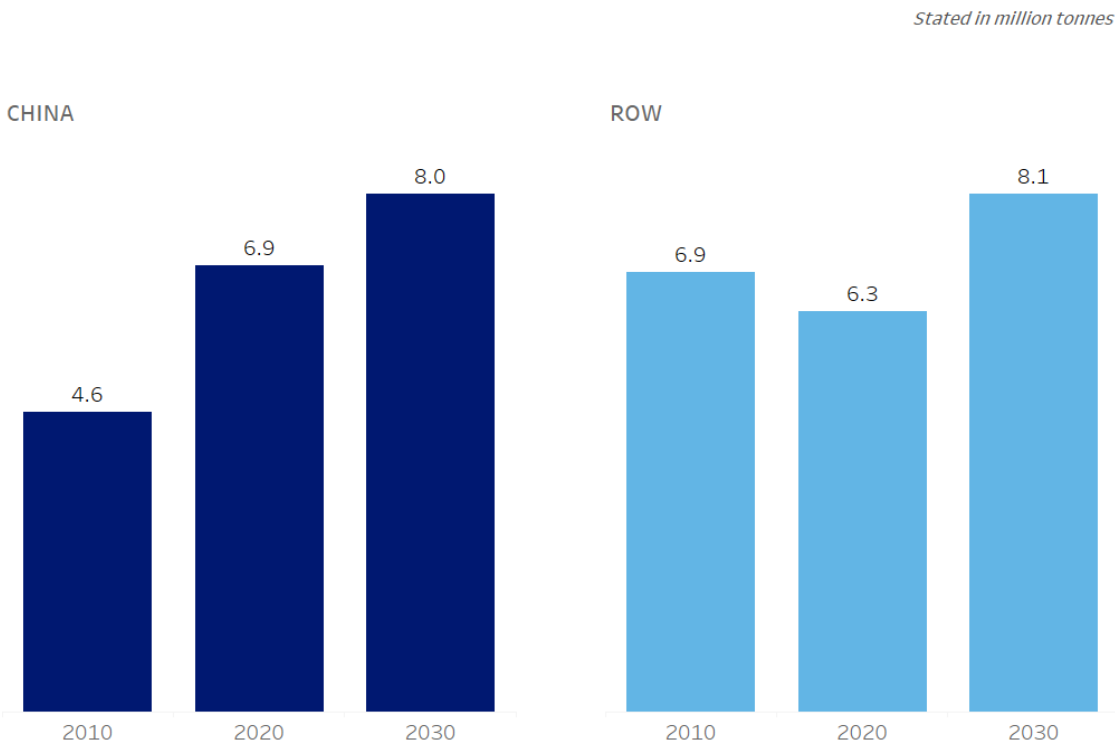
Source: BNEF, IHS, Trafigura Research

*All of these are housed in or supported by galvanised steel...*



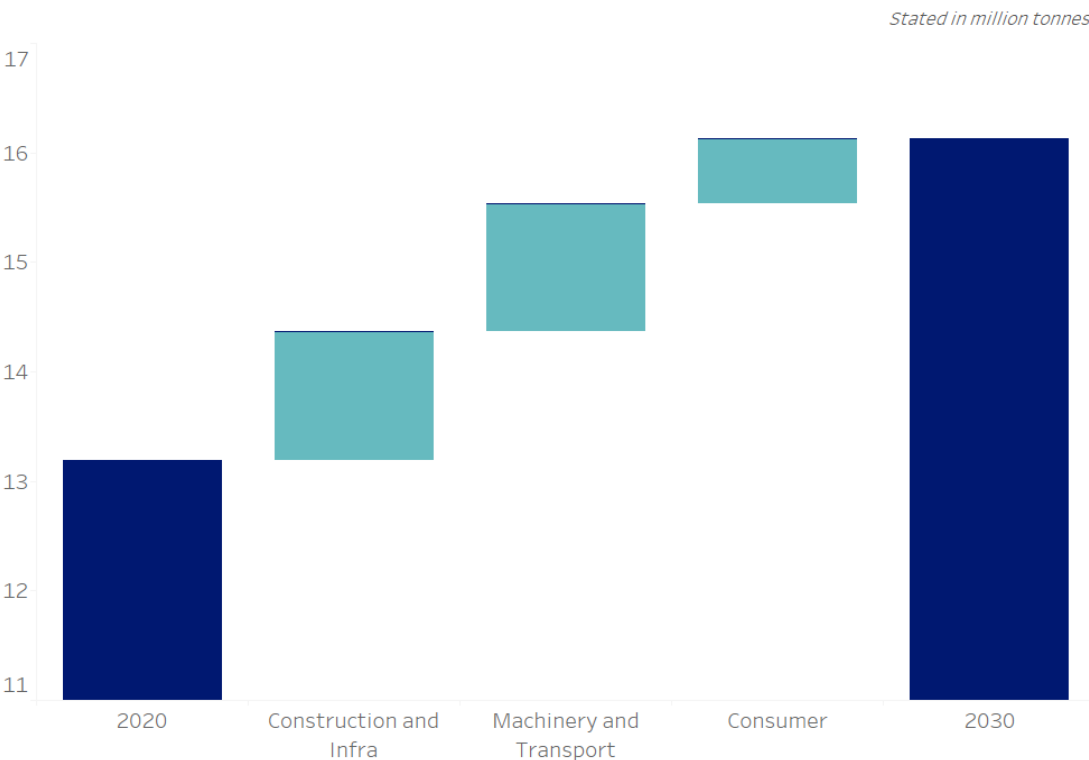
# Renewed infrastructure investment will drive global zinc consumption

ZINC DEMAND GROWTH FORECAST  
CHINA AND ROW



Source: Wood Mackenzie, Trafigura Research

GROWTH DRIVERS OF ZINC CONSUMPTION  
GLOBAL



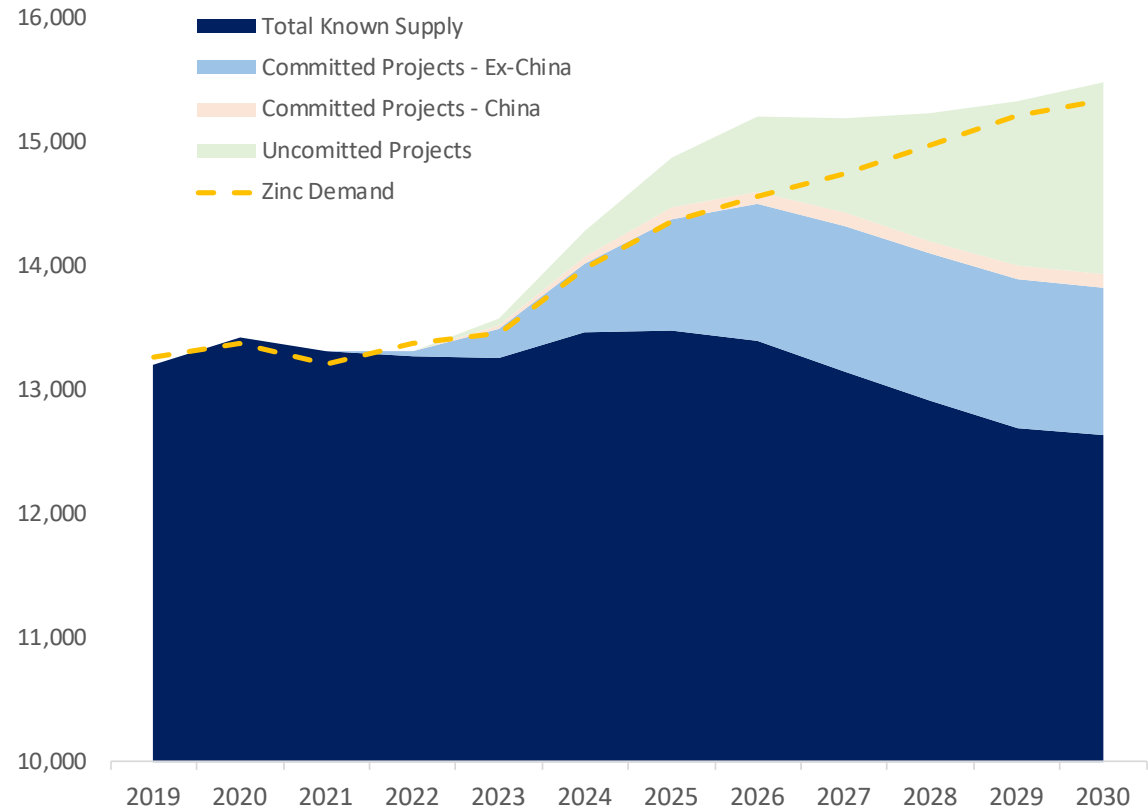
Source: Wood Mackenzie, Trafigura Research

# To meet demand, new investments still need to be incentivised

## ZINC MINE SUPPLY GAP

GLOBAL

Stated in k tonnes

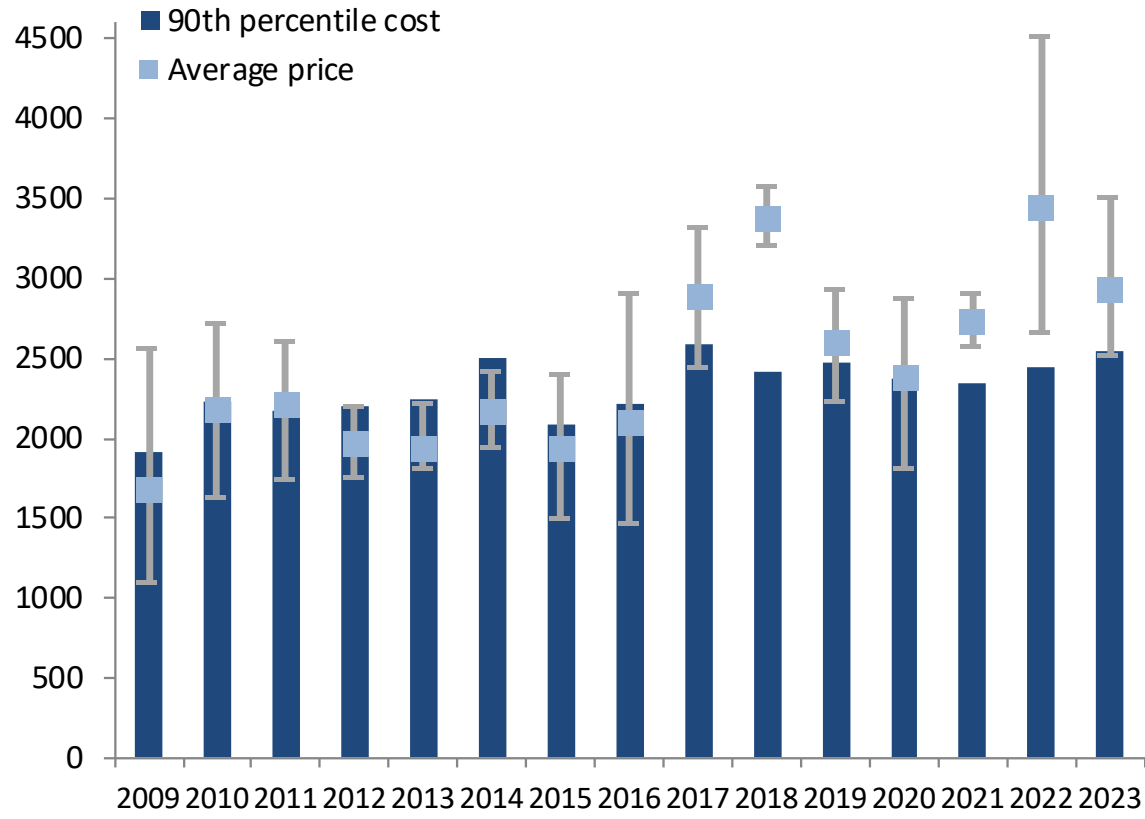


Source: Trafigura Research

## ZINC 90TH PERCENTILE COSTS AND AVERAGE PRICES

GLOBAL

Stated in \$/tonne



Source: Bloomberg, CRU, Trafigura Research



**Trafigura Group PTE Ltd**  
10 Collyer Quay #29-01/05  
Ocean Financial Centre  
Singapore 049315

**Trafigura PTE Ltd**  
Branch Office Geneva  
1, Rue de Jargonnant  
1207 Geneva  
Switzerland

**Trafigura Trading LLC**  
5 Houston Center  
1401 McKinney, Suite 1500  
Houston, Texas 77010  
United States



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