

Trafigura

# Zinc & Lead – Strategic Metals

May 2026



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## Key Takeaways

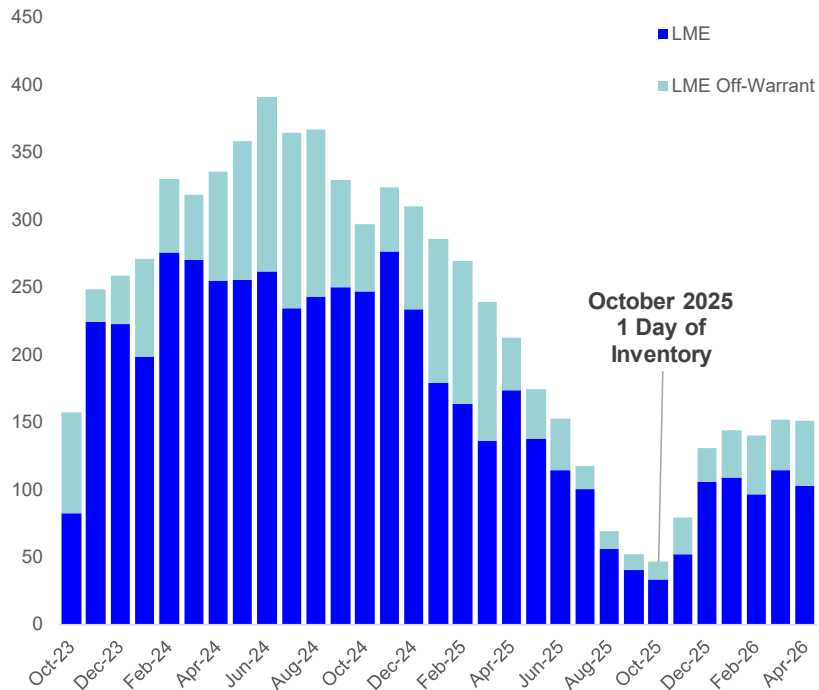
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- 1. Zinc – Very tight market conditions in 2025**
  - Tight spreads, wide arbitrages
- 2. Zinc – New Chinese supply is solving this deficit**
  - Even more incentive than before to electrify
- 3. Zinc – The underappreciated “strategic metal”**
  - High consumption in new strategic sectors
- 4. Zinc – A long term supply gap is looming**
  - New mines need to be found
- 5. Lead – “The” Critical Metal Carrier**
  - Alchemy in action
  - Invest in lead, get silver

# Zinc market became extremely tight near the end of 2025

## LME Inventories

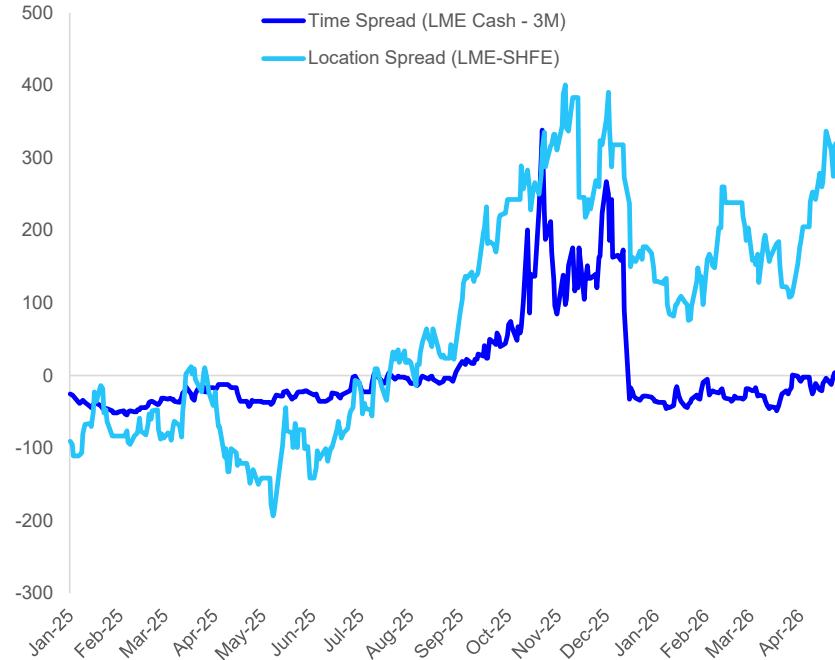
Stated as Kt



Source: Trafigura Research, LME

## Zinc Arbitrage Evolution

Stated as \$/t

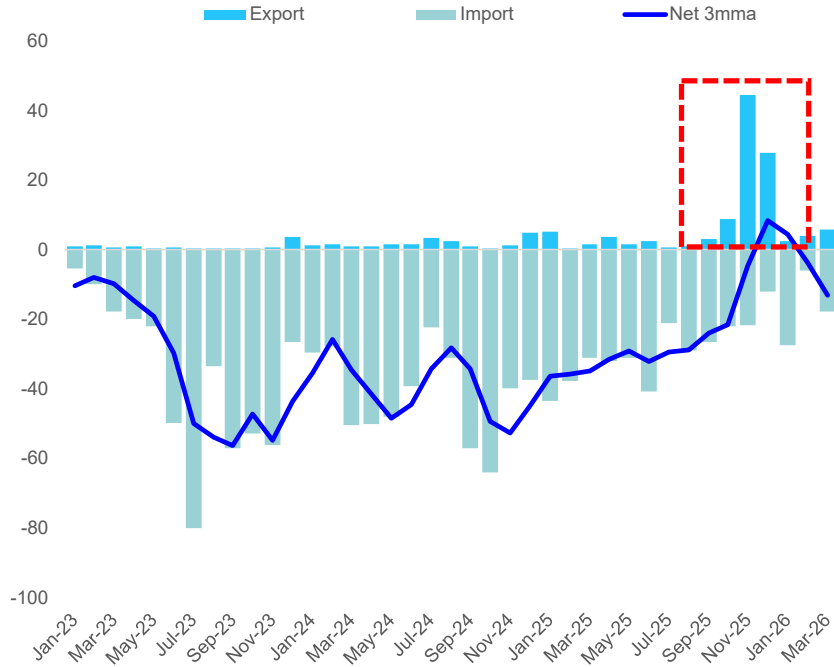


Source: Trafigura Research, LME, SHFE

# Chinese zinc supply solved this deficit, and is now self-sufficient in refined metal

China Net Exports - Refined Zinc

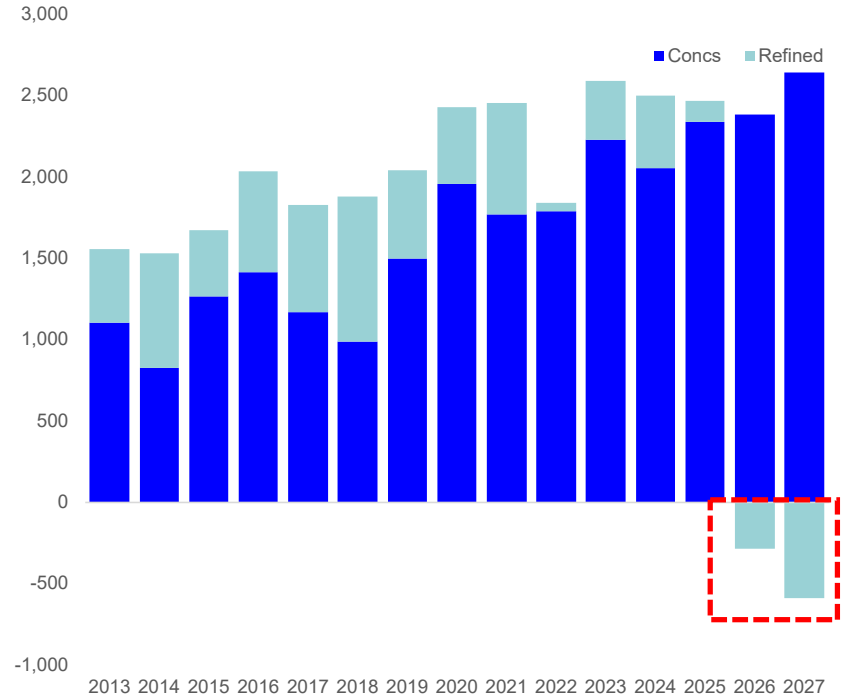
Stated as Kt



Source: Trafigura Research, TDM

China Net Import Requirement - Concs Versus Refined

Stated as Kt

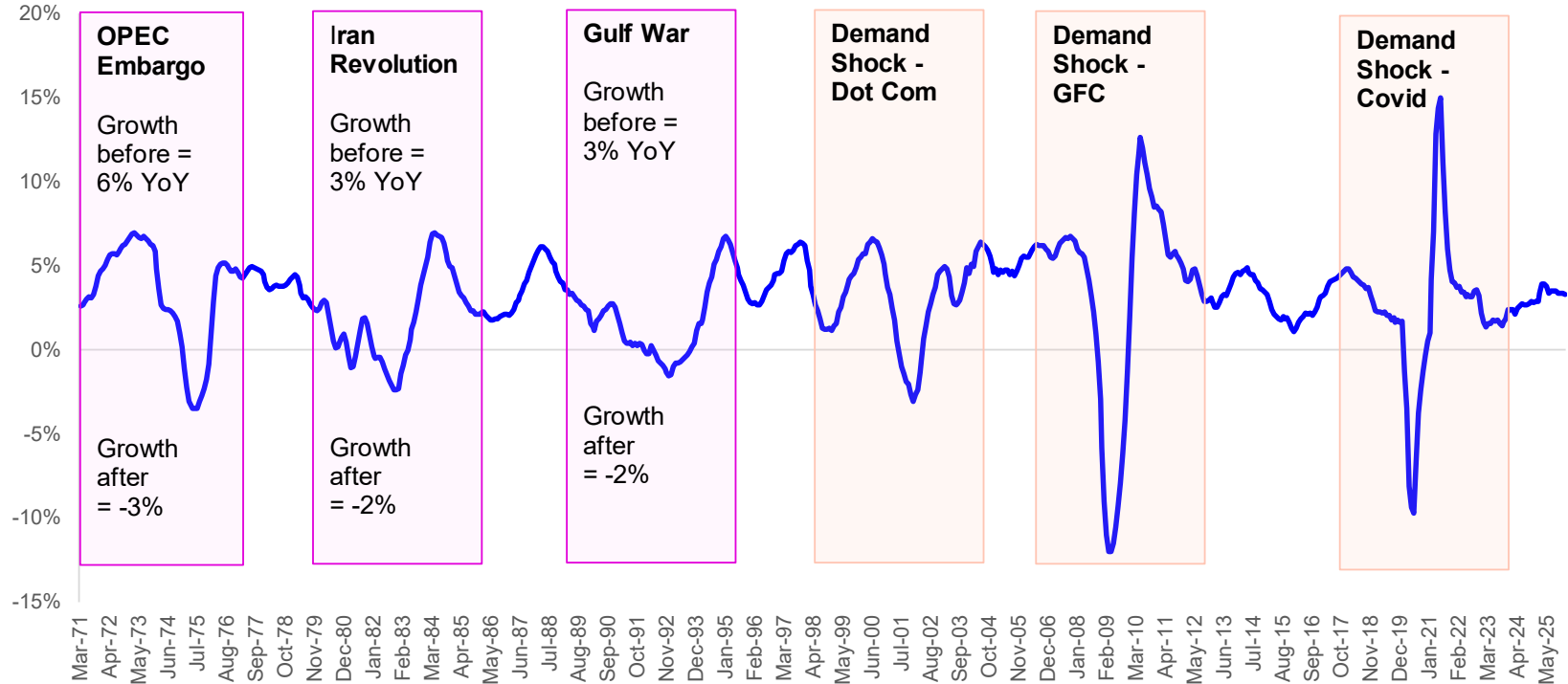


Source: Trafigura Research

# Zinc demand in short term under pressure from energy crisis

## Industrial Demand Through The Ages

Stated as % YoY, 3mma

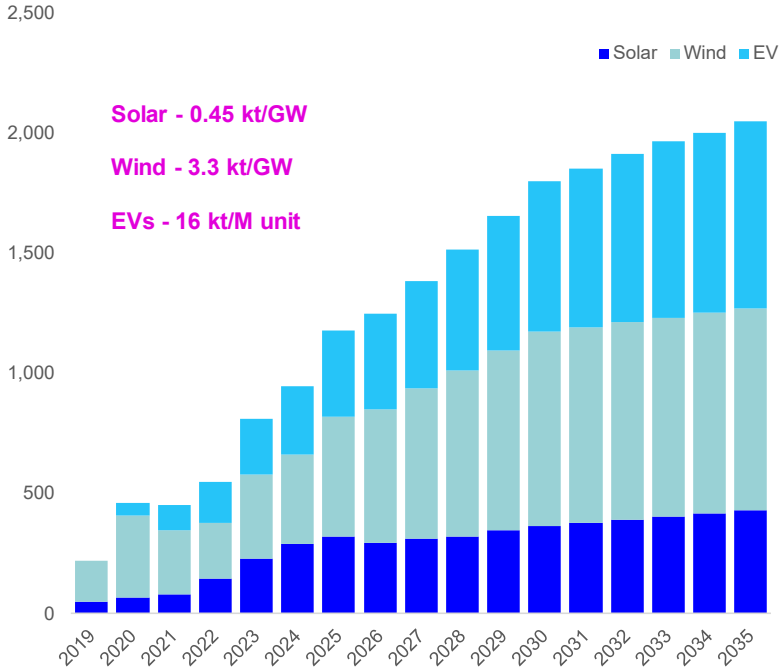


Source: Trafigura Research, Bloomberg

# Zinc is the hidden energy transition metal, with large consumption in wind power

## Zinc Demand From New Energy Sectors

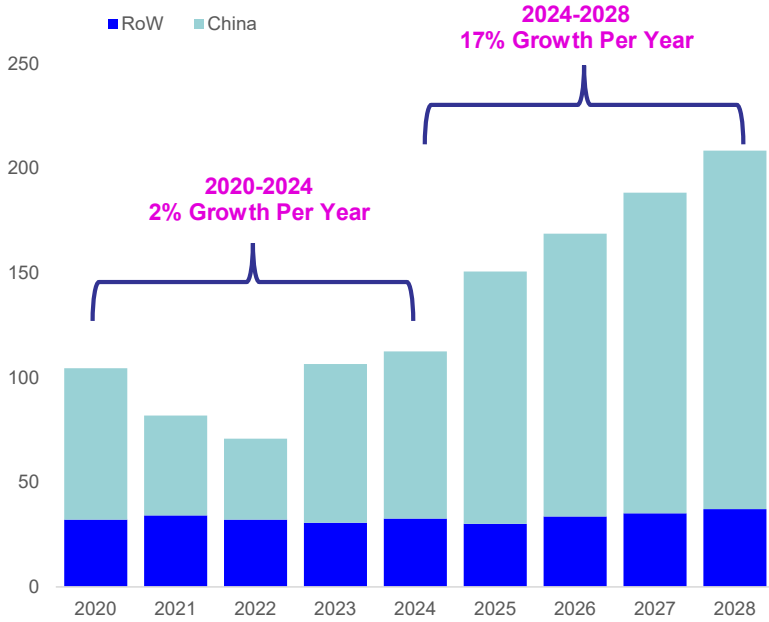
Stated as Kt



Source: Trafigura Research, Ember, Bloomberg, Rho Motion

## Wind Power Installations

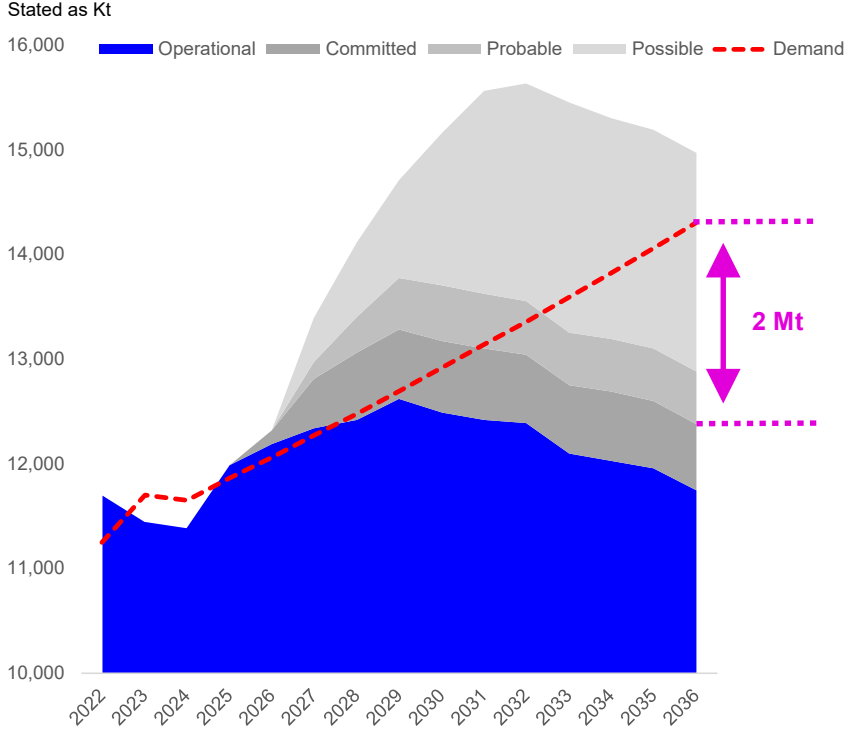
Stated as GW



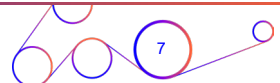
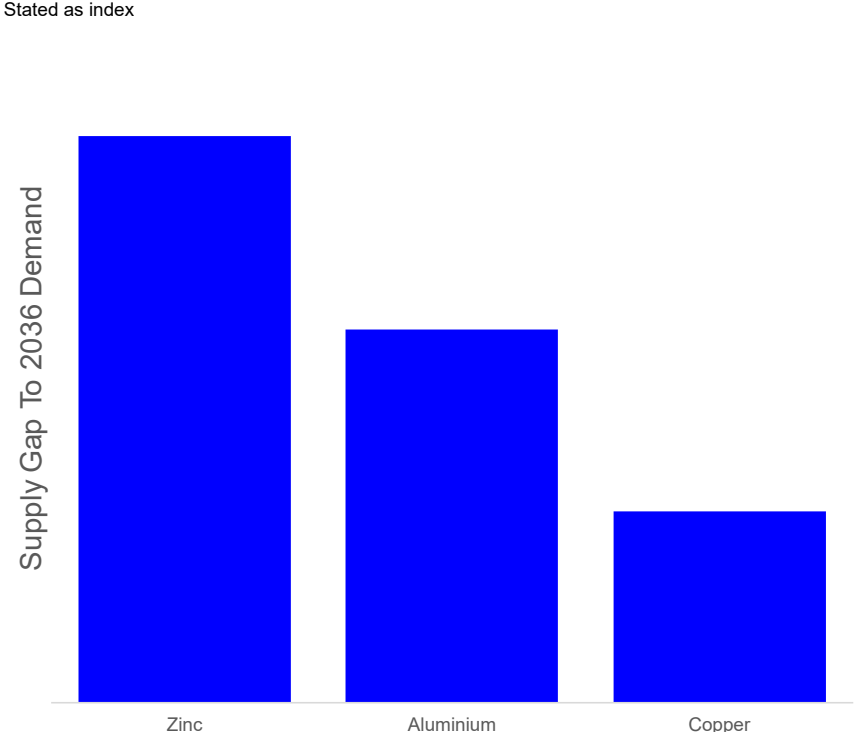
Source: Trafigura Research, Ember, Bloomberg, Rho Motion

# Zinc supply gap remains substantial despite new supply growth

## Zinc Mine Supply Gap



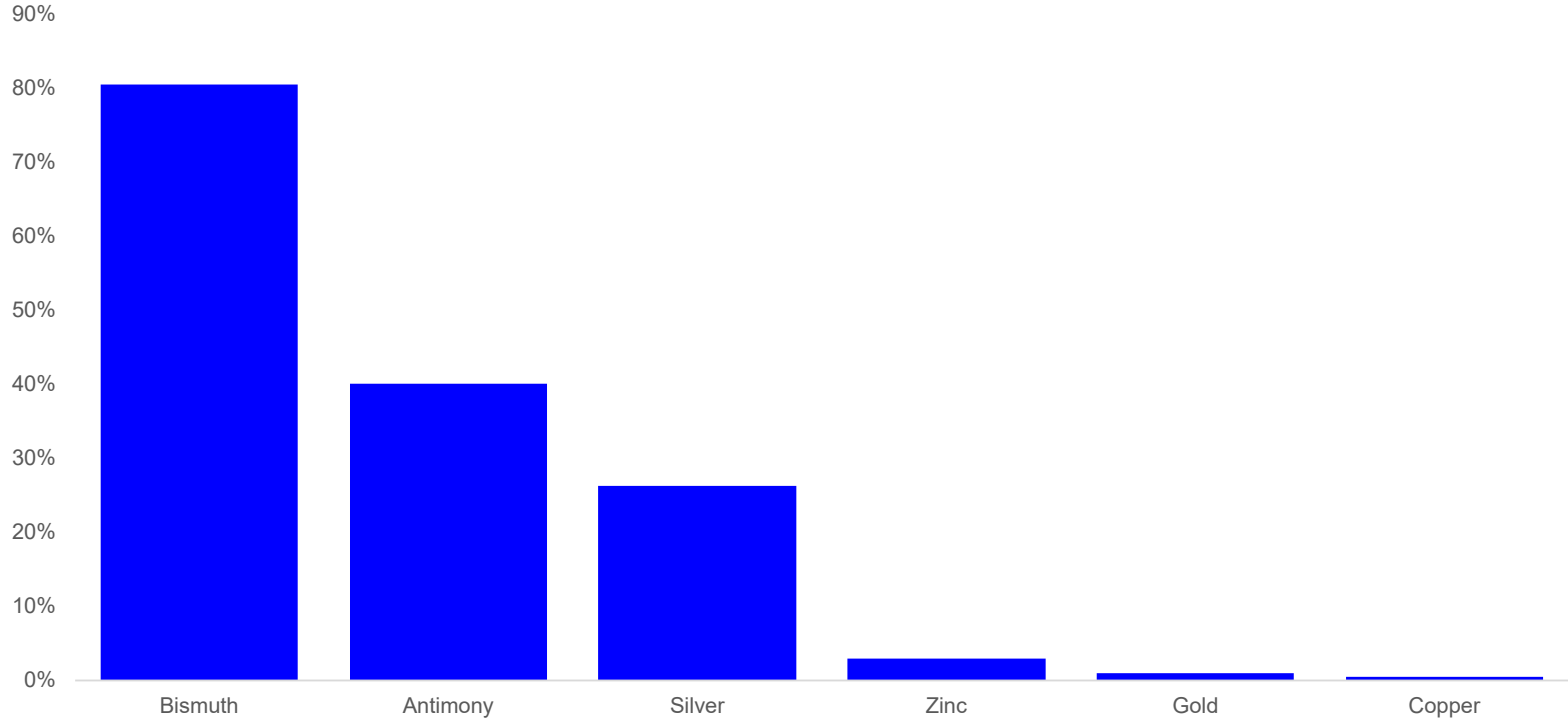
## 2036 Supply Gap - Share Of Total Demand



# Lead – The Vital Carrier Of Many Critical Raw Materials

## Share of Global Primary Supply From Primary Lead Smelting

Stated as % total supply



Source: Trafigura Research

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## Conclusions

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1. Zinc's deficit has been solved... for now
2. China is becoming a larger part of the zinc market due to smelter capacity expansions
3. Strategic energy demand is increasing the long-term supply gap for zinc
4. Lead is vital to broader critical raw material value chains as a carrier metal

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