

Zinc markets tense



While zinc demand was mixed in the first half of the year, inventories are low.

The USA and Europe held up quite well in terms of zinc demand. China has weakened. The overall low zinc inventories have led to record zinc premiums. Zinc demand is mainly driven by infrastructure projects, especially in China, and things are happening here. After the Corona-related disruptions, zinc supply recovered in 2021, with an increase of around seven percent. For Chinese zinc, a small increase in supply is expected thanks to some new projects. China ranks first in zinc mining, Peru second. Environmental regulations are demanding on zinc mines and interruptions had reduced zinc supply. Smelter operating rates are expected to increase in the second half of 2022 and in 2023, with a low growth rate assumed.

High energy prices are a cause for concern at European steel mills. As a result, smelters have been temporarily put on hold. Continuing high energy prices are generally expected. The further development of the construction and automotive sectors, where zinc plays an important role as a corrosion inhibitor, is particularly crucial for the zinc price. One argument in favor of zinc is that there are only a few new mining projects.

In the zinc sector, **Griffin Mining** - <https://www.youtube.com/watch?v=KgcS9L245MI> - is the largest zinc producer in China. The company owns 88.8 percent of the producing Caijiaying zinc-gold mine. Another important metal for the automotive and construction industries is copper. When the economy is on the upswing, there is also more demand for copper.

Copper as well as zinc and also gold and silver can be found, for example, in **Denarius Metals** - <https://www.youtube.com/watch?v=0vavK-uZyxQ> - main project, the Lomero project in Spain. Two other projects are also part of the Denarius Metals portfolio.

Current corporate information and press releases from Griffin Mining (- <https://www.resource-capital.ch/en/companies/griffin-mining-ltd/> -) and Denarius Metals (- <https://www.resource-capital.ch/en/companies/denarius-metals-corp/> -).

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