Mineral Industry Surveys

For information, contact:
E. Lee Bray, Magnesium Commodity Specialist
National Minerals Information Center
U.S. Geological Survey
989 National Center
Reston, VA 20192
Telephone: (703) 648-4979, Fax: (703) 648-7757
Email: lbray@usgs.gov

Robin C. Kaiser (Data)
Telephone: (703) 648-7948
Fax: (703) 648-7975
Email: rkaiser@usgs.gov

Internet: https://www.usgs.gov/centers/nmic

MAGNESIUM IN THE FIRST QUARTER 2020

Total magnesium imports for consumption in the first quarter of 2020 were 22% more than imports in the fourth quarter of 2019, 37% more than those in the first quarter of 2019, and 87% more than those in the first quarter of 2018.

Compared with those in the fourth quarter of 2019, imports of metal, alloys, and semifabricated products increased by 108%, 98%, and 22% respectively, but imports of scrap decreased by 19%. In the first quarter of 2020, magnesium metal accounted for 25% of the imports, with Israel (59%) and Russia (29%) being the leading sources (fig. 1). Scrap accounted for 43% of the imports in the first quarter of 2020, with Canada (39%), Mexico (19%), and China (14%) as the leading sources. Alloys accounted for 28% of the imports, with Taiwan (41%), Germany (13%), and Hungary (11%) as the leading sources (table 1).

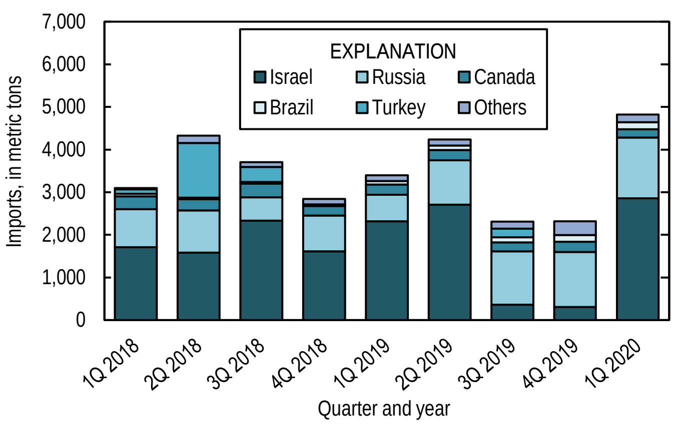

Figure 1. Quarterly imports of magnesium metal from the first quarter of 2018 through the first quarter of 2020. Source: U.S. Census Bureau.

Total magnesium exports in the first quarter of 2020 were 8% more than exports in the fourth quarter of 2019, 37% more than those in the first quarter of 2019 and in the first quarter of 2018. Canada (59%) and Mexico (10%) were the principal export destinations in the first quarter of 2020.

Exports of metal and scrap increased by 127% and 41%, respectively, compared with exports in the fourth quarter of 2020 but exports of alloys decreased by 31% and semifabricated products decreased slightly compared with those in the fourth quarter of 2019 (table 1).

The U.S. spot Western average price for magnesium decreased by 7% in the first quarter of 2020. The average U.S. spot dealer price for imported magnesium decreased by 8% during the first quarter of 2020. In Europe, the average price was unchanged at the end of the quarter compared with that of the beginning of the quarter (table 2).

Update

Although the average price in Europe was unchanged at the end of the first quarter of 2020 from the beginning of the quarter, the price increased by 17% at the end of February, compared with the price at the end of January. By mid-March, the average price was declining towards the range at the beginning of January. During January and February, producers in China shut down some capacity citing less demand. The price increase in February and early March was attributed to concerns that shutdowns of smelters in China in response to the Coronavirus Disease 2019 (COVID-19) pandemic would cause shortages of magnesium in Europe. But as many secondary aluminum smelters and diecasters in Europe temporarily shut down production in February and March in response to COVID-19, magnesium consumption decreased. In the United States, spot sales of magnesium declined dramatically in April and May according to industry sources and traders. Diecasters producing parts for the automobile industry as well as secondary aluminum smelters were reported to be decreasing magnesium consumption in response to shutdowns of automobile assembly lines, aluminum extruders, and aluminum rolling mills because of COVID-19. Magnesium consumers in the United States buy most of their magnesium on annual contracts and contracted volumes were reported to be sufficient to meet end user demand (Liu, 2020; McBeth, 2020a, b).

References Cited

Liu, Ruby, 2020, Chinese Si, Mg exports hit by auto closures: Fastmarkets-AMM, v. 128, no. 13–3, March 25, p. 15.

McBeth, Karen, 2020a, Magnesium prices fall in Europe; US demand seen weakening: Platts Metals Daily, v. 9, no. 76, April 17, p. 9–10.

McBeth, Karen, 2020b, Magnesium prices in Europe, US weaken on light bookings: Platts Metals Daily, v. 9, no. 87, May 4, p. 1, 13.

List services and web feed subscribers are the first to receive notification of USGS minerals information publications and data releases. For information on how to subscribe, go to https://www.usgs.gov/centers/nmic/minerals-information-publication-list-services.

TABLE 1
U.S. IMPORTS FOR CONSUMPTION AND EXPORTS OF MAGNESIUM[1]

(Metric tons)

		2020			
	2019	January	February	March	January–March
Imports for consumption:					
Metal	12,300	2,800	657	1,360	4,820
Waste and scrap	32,100	3,010	2,810	2,300	8,120
Alloys (magnesium content)	8,210 r	1,620	2,060	1,590	5,270
Sheet, tubing, ribbons, wire, powder, and other (magnesium content)	3,220 r	222	199	446	867
Total	55,800 r	7,650	5,730	5,700	19,100
Exports:					
Metal	1,830	239	419	499	1,160
Waste and scrap	986	89	125	216	430
Alloys (gross weight)	5,620	305	453	358	1,120
Sheet, tubing, ribbons, wire, powder, and other (gross weight)	3,330	294	211	372	878
Total	11,800	927	1,210	1,450	3,580

[r]Revised.

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

Source: U.S. Census Bureau.

TABLE 2
MAGNESIUM PRICES, FIRST QUARTER 2020

		Beginning of quarter	End of quarter
U.S. spot dealer import	dollars per pound	2.35–2.65	2.25–2.35
U.S. spot Western	do.	2.70–2.90	2.50–2.70
European free market	dollar per metric ton	2,125–2,225	2,150–2,200

do. Ditto.

Source: Platts Metals Week.