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Mineral Industry Surveys

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MAGNESIUM IN THE SECOND QUARTER 2020

Total magnesium imports for consumption in the second quarter of 2020 were 9,520 metric tons, 50% less than imports in the first quarter of 2020, 35% less than those in the second quarter of 2019, and 27% less than those in the second quarter of 2018.

Compared with those in the first quarter of 2020, imports of metal, alloys, semifabricated products, and scrap decreased by 46%, 48%, 12%, and 58% respectively. In the second quarter of 2020, magnesium metal accounted for 28% of the imports, with Russia (68%) and Israel (21%) being the leading sources (fig. 1). Scrap accounted for 36% of the imports in the second quarter of 2020, with China (40%), Mexico (13%), Taiwan (12%), and Canada (10%) as the leading sources. Alloys accounted for 29% of the imports, with the Czech Republic (22%), Taiwan (21%), and Germany (14%) as the leading sources (table 1).

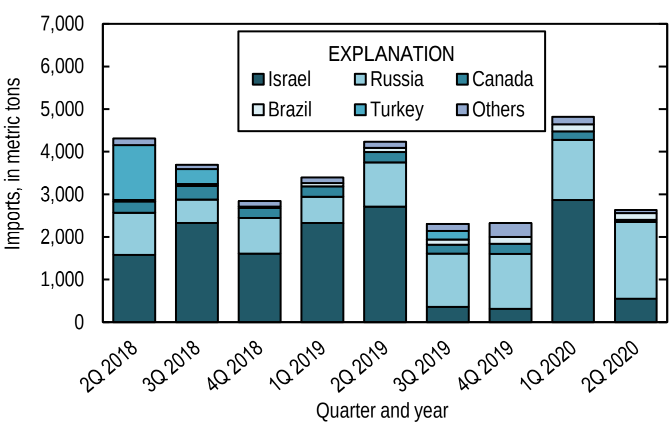

Figure 1. Quarterly imports of magnesium metal from the second quarter of 2018 through the second quarter of 2020. Source: U.S. Census Bureau.

Total magnesium exports in the second quarter of 2020 were 40% less than exports in the first quarter of 2020, 8% more than those in the second quarter of 2019 and 36% less than those in the second quarter of 2018. Canada (64%), Serbia (14%), and Mexico (9%) were the leading export destinations in the second quarter of 2020. Canada received more than 99% of metal, 9% of alloy, and 15% of semifabricated product exports. Mexico received 27% of alloy and 40% of semifabricated product exports, and Serbia received 82% of scrap exports.

Exports of metal increased by 5% compared with exports in the first quarter of 2020 but exports of alloys, semifabricated products, and scrap decreased by 98%, 48%, and 19%, respectively, compared with those in the first quarter of 2020 (table 1).

The U.S. spot Western average price for magnesium decreased by 6% in the second quarter of 2020. The average U.S. spot dealer price for imported magnesium decreased slightly during the second quarter of 2020. In Europe, the average price was 6% less at the end of the quarter compared with that of the beginning of the quarter (table 2).

Update

Magnesium prices generally trended down throughout the second quarter of 2020, attributed to decreased demand as a result of the Coronavirus Disease 2019 (COVID-19) pandemic. In the United States, decreased magnesium consumption by aluminum smelters and diecasters supplying the automobile industry accounted for most of the reductions in magnesium imports. Because many magnesium consumers make purchases on annual contracts for most of their expected consumption, only a limited volume of spot purchases were made during the quarter. Many aluminum smelters and diecasters reported that they were consuming less than their contracted deliveries during the quarter and some were even selling surplus magnesium or deferring deliveries until next year. In Europe, prices decreased during April and May, but increased in June. Decreased production in China during the summer months was cited for increased magnesium prices in Europe in June (McBeth, 2020a, b).

The municipal government of Yulin, Shaaxi Province, China announced that it would purchase and stockpile magnesium to maintain production at smelters in the province during the COVID-19 pandemic. Shaanxi Province is a leading magnesium producing province in China (Leung, 2020).

References Cited

Leung, Joshua, 2020, China's Yulin city looks to build magnesium reserves amid virus: Platts Metals Daily, v. 9, no. 110, June 5, p. 8.

McBeth, Karen, 2020a, US, Europe magnesium prices stable; excess supply seen: Platts Metals Daily, v. 9, no. 110, June 5, p. 8–11.

McBeth, Karen, 2020b, US magnesium prices weaken as demand inertia sets in: Platts Metals Daily, v. 9, no. 120, June 19, p. 10.

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TABLE 1

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

(Metric tons)

		2020			
	2019	April	May	June	January–June[2]
Imports for consumption:					
Metal	12,300	1,080	1,030	513	7,440
Waste and scrap	32,100	1,140	907	1,350	11,500
Alloys (magnesium content)	8,210	1,230	1,140	366	8,010
Sheet, tubing, ribbons, wire, powder, and other (magnesium content)	3,220	254	264	241	1,630
Total	55,800	3,710	3,340	2,470	28,600
Exports:					
Metal	1,440 r	976	180	61	2,370
Waste and scrap	932 r	93	173	83	779
Alloys (gross weight)	4,460 r	2	5	11	963
Sheet, tubing, ribbons, wire, powder, and other (gross weight)	2,940 r	149	107	161	1,210
Total	9,770 r	1,220	465	317	5,330

[r]Revised.

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

[2]May include revisions to previously published data.

Source: U.S. Census Bureau.

TABLE 2
MAGNESIUM PRICES, SECOND QUARTER 2020

		Beginning of quarter	End of quarter
U.S. spot dealer import	dollars per pound	2.25–2.35	2.20–2.35
U.S. spot Western	do.	2.50–2.70	2.35–2.55
European free market	dollar per metric ton	2,100–2,200	1,980-2,070

do. Ditto.

Source: Platts Metals Week.