



# Global Tin Market Review and Outlook

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PREPARED FOR: ASIA TIN WEEK 2019





# 1 – Plain sailing?

How has the tin market been performing?

# 2 – Choppy waters ahead?

Looking forward to H2

# 3 – Looking ahead

What could 2020 hold?

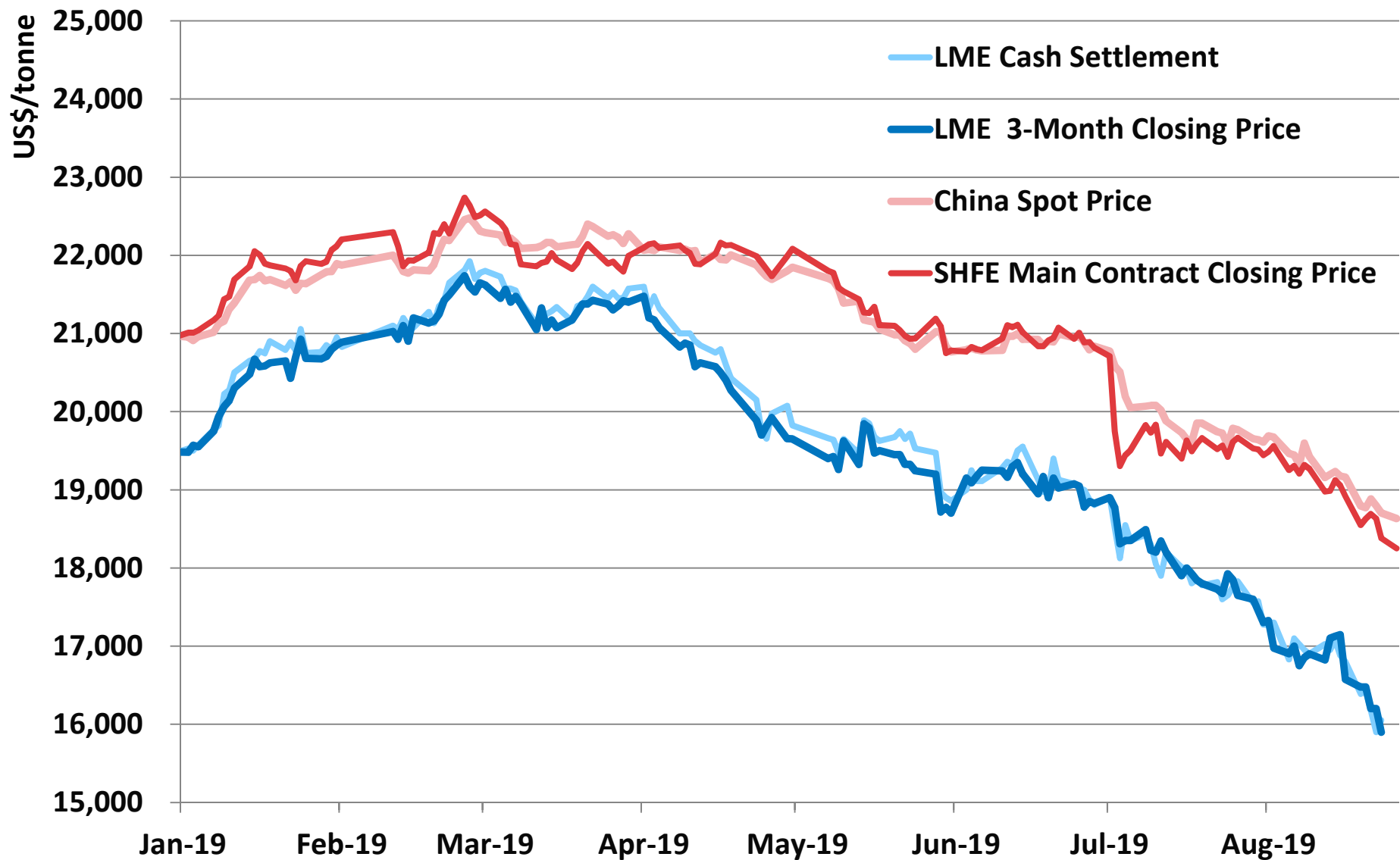


Outline

**Plain  
sailing?**

**How has the tin  
market been  
performing?**





Price falling

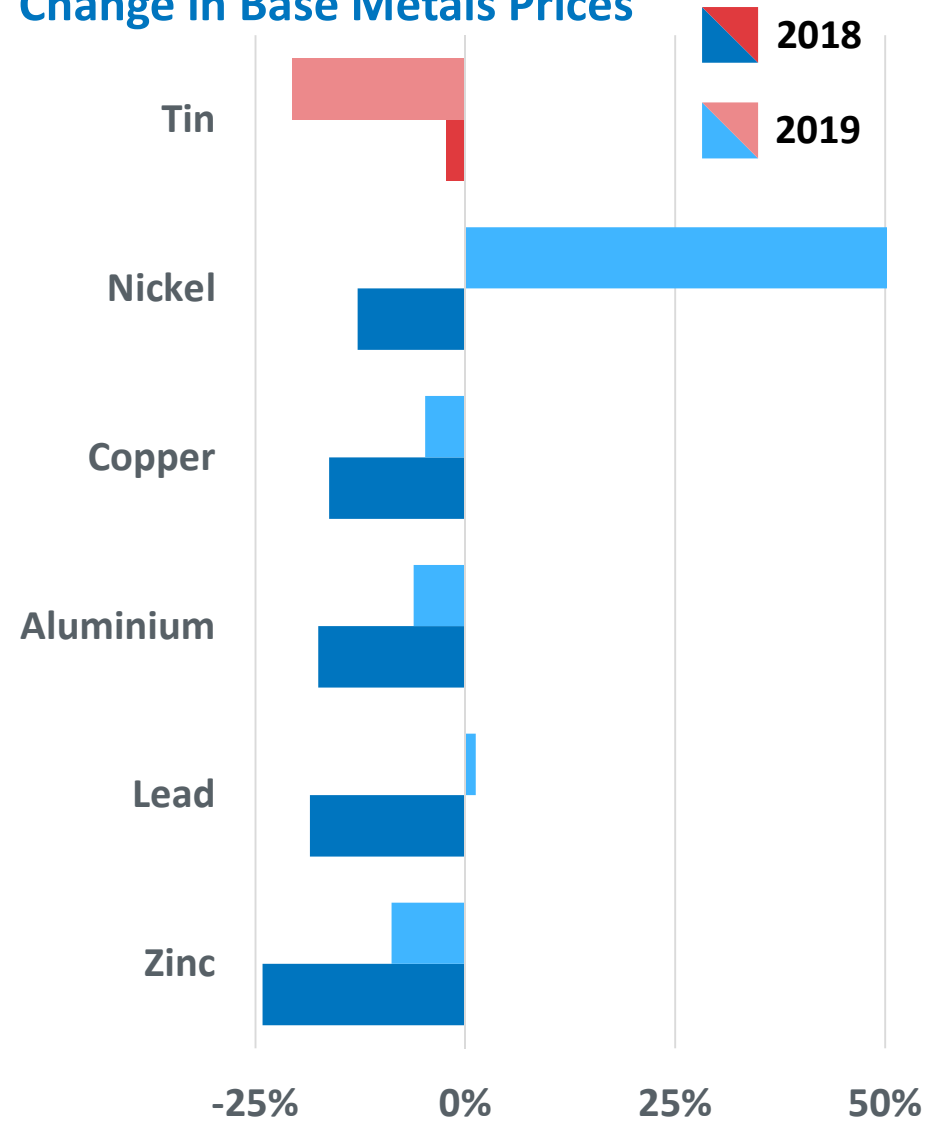


## Index LME Tin Settlement Price

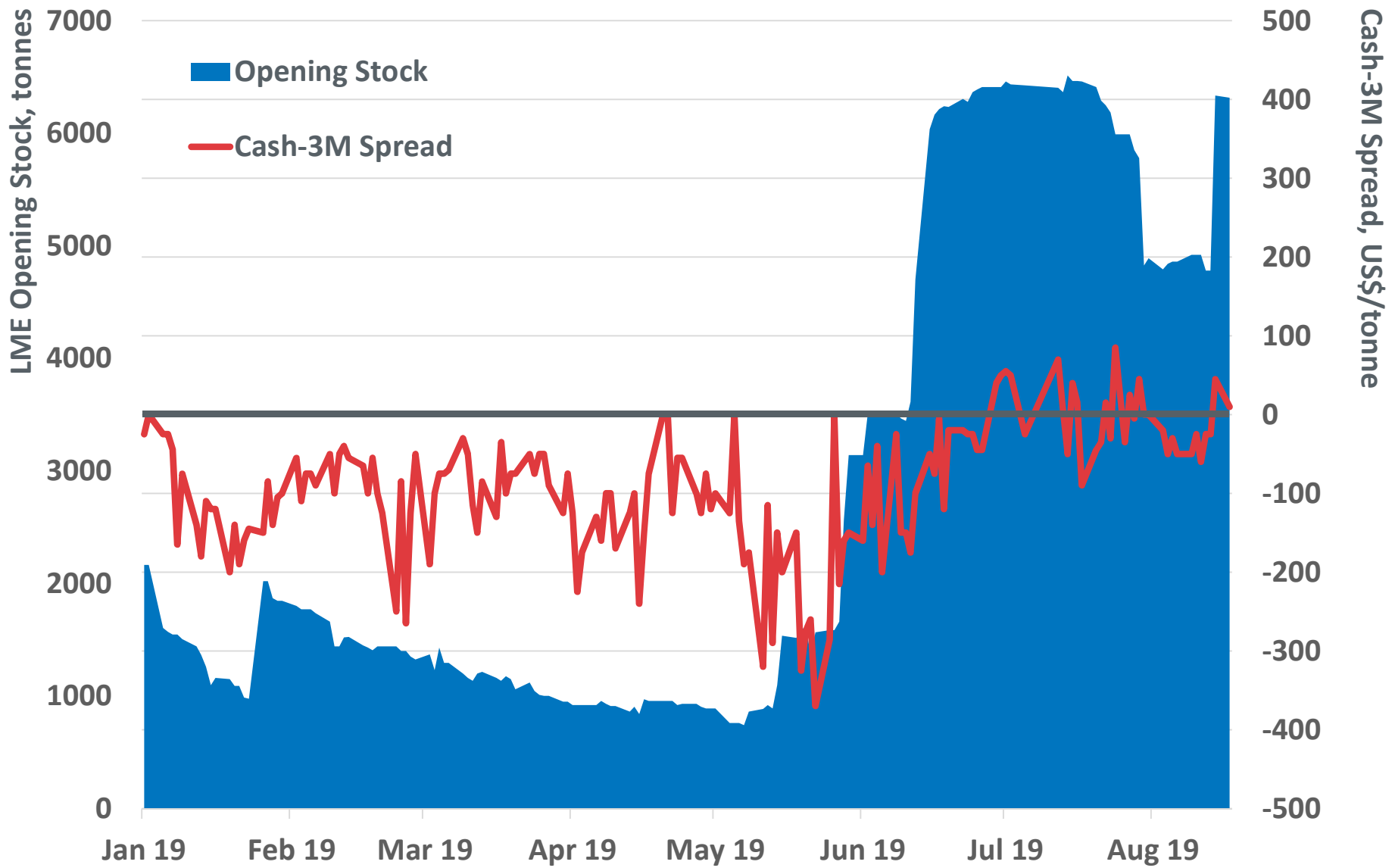
Indexed 1 Jan



## Change in Base Metals Prices

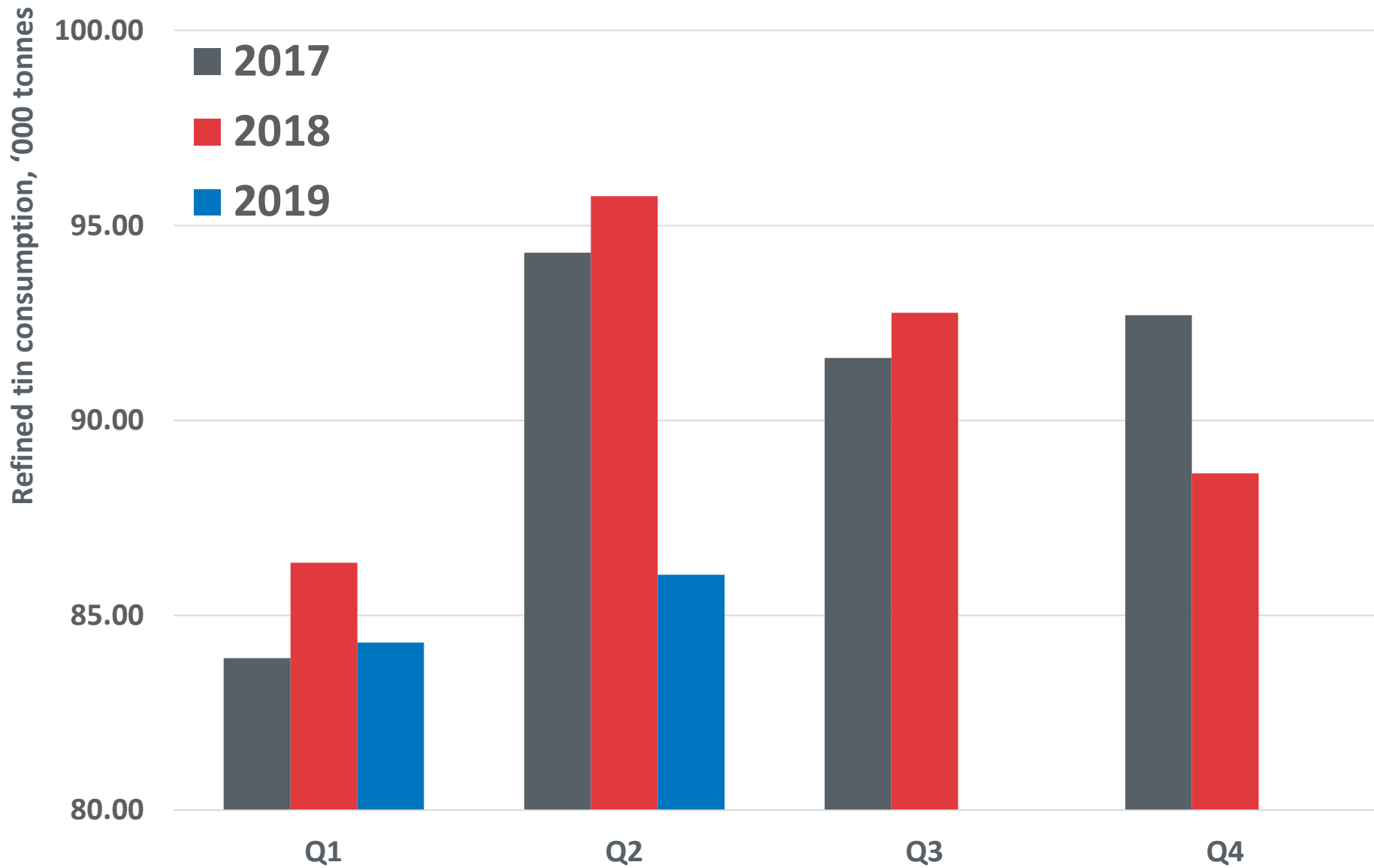


Top of the class?



Stocks up on slow market



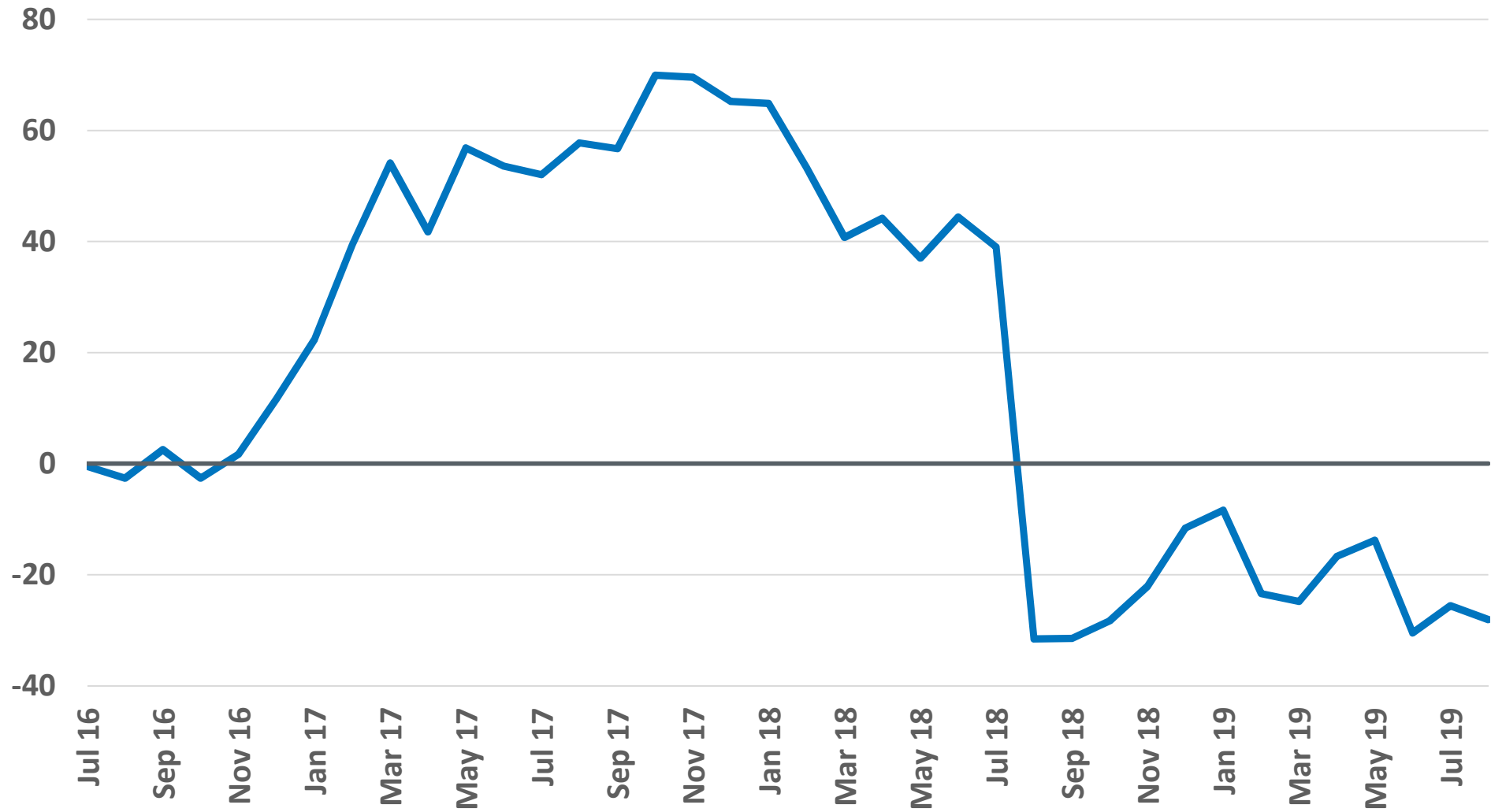


Trade uncertainty derails demand



## South Korea's semiconductor exports

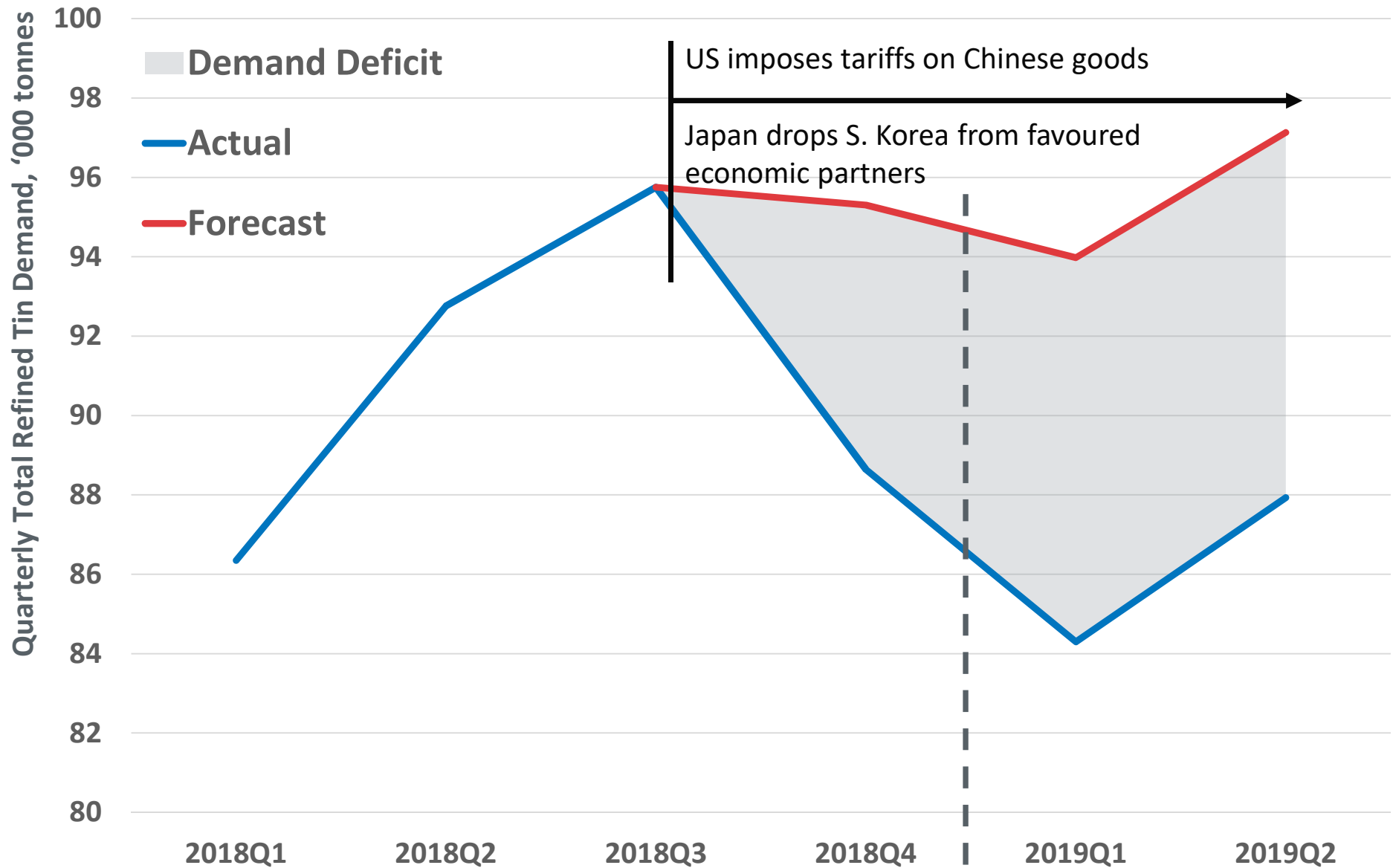
Percentage growth, monthly



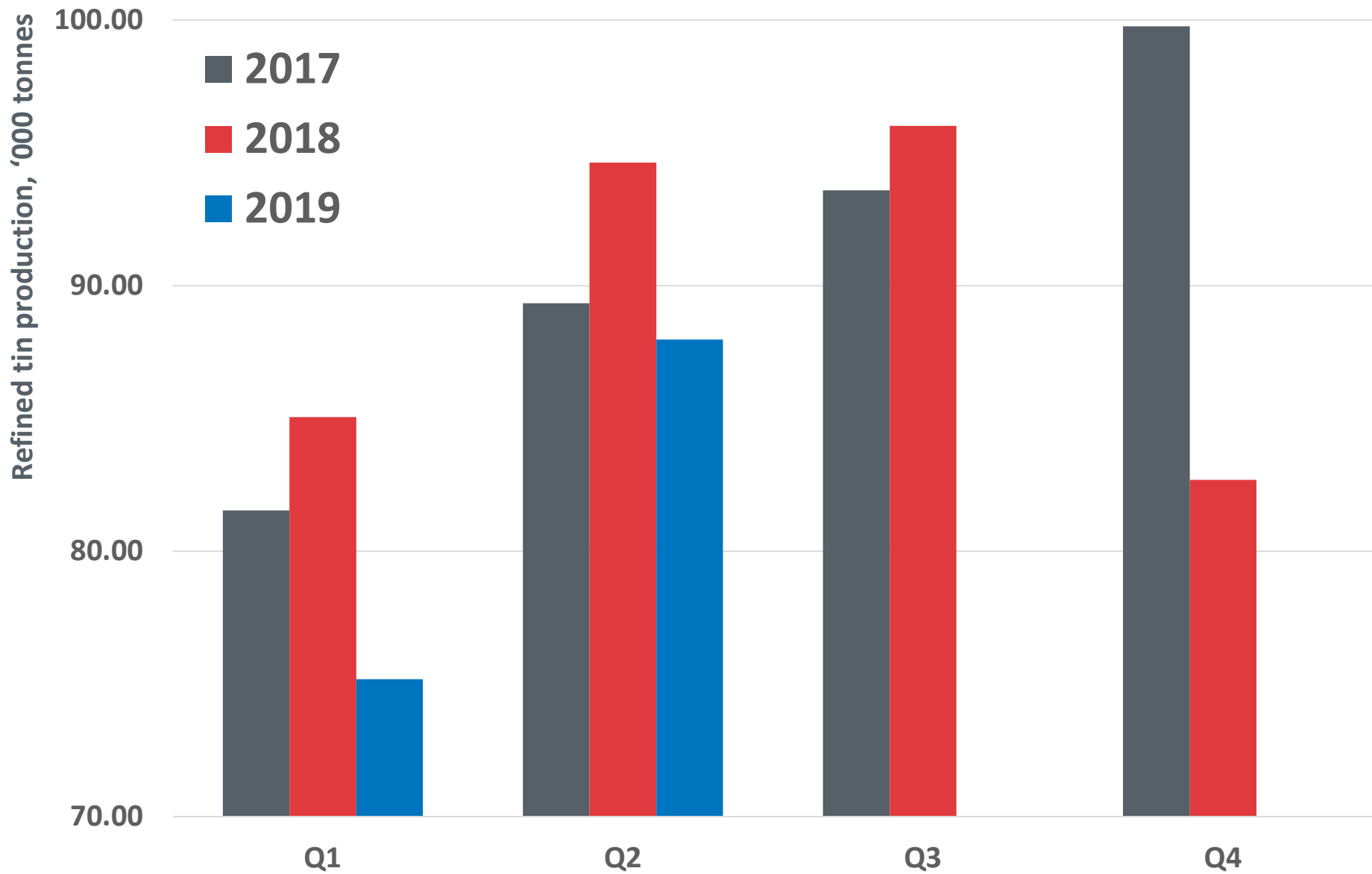
Semiconductor demand sinks





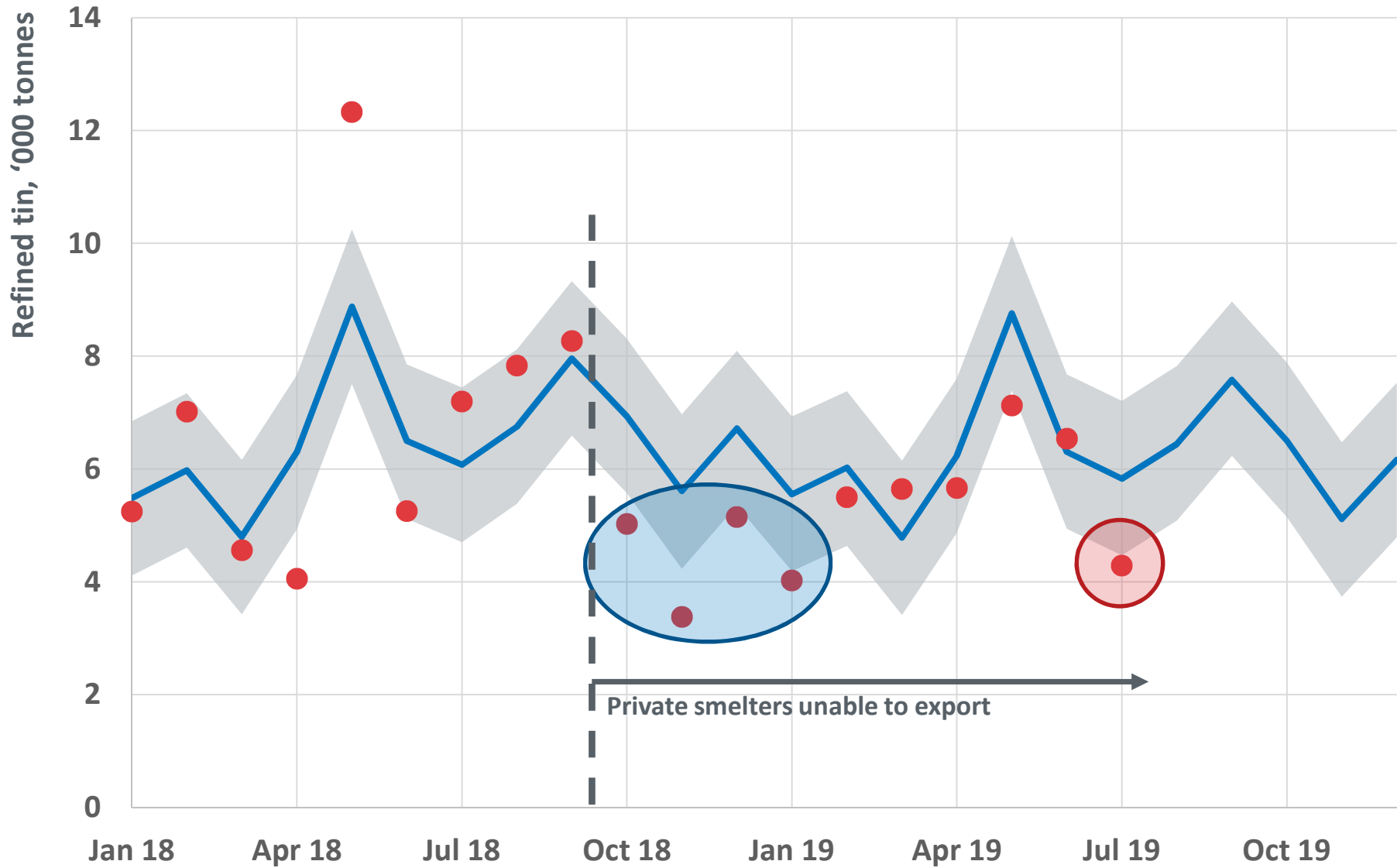


**Demand knocked by trade winds**



Production cut by Indonesian issues





Refined production recovery

Aus Tin Mining - Granville



Alphamin Resources - Bisie



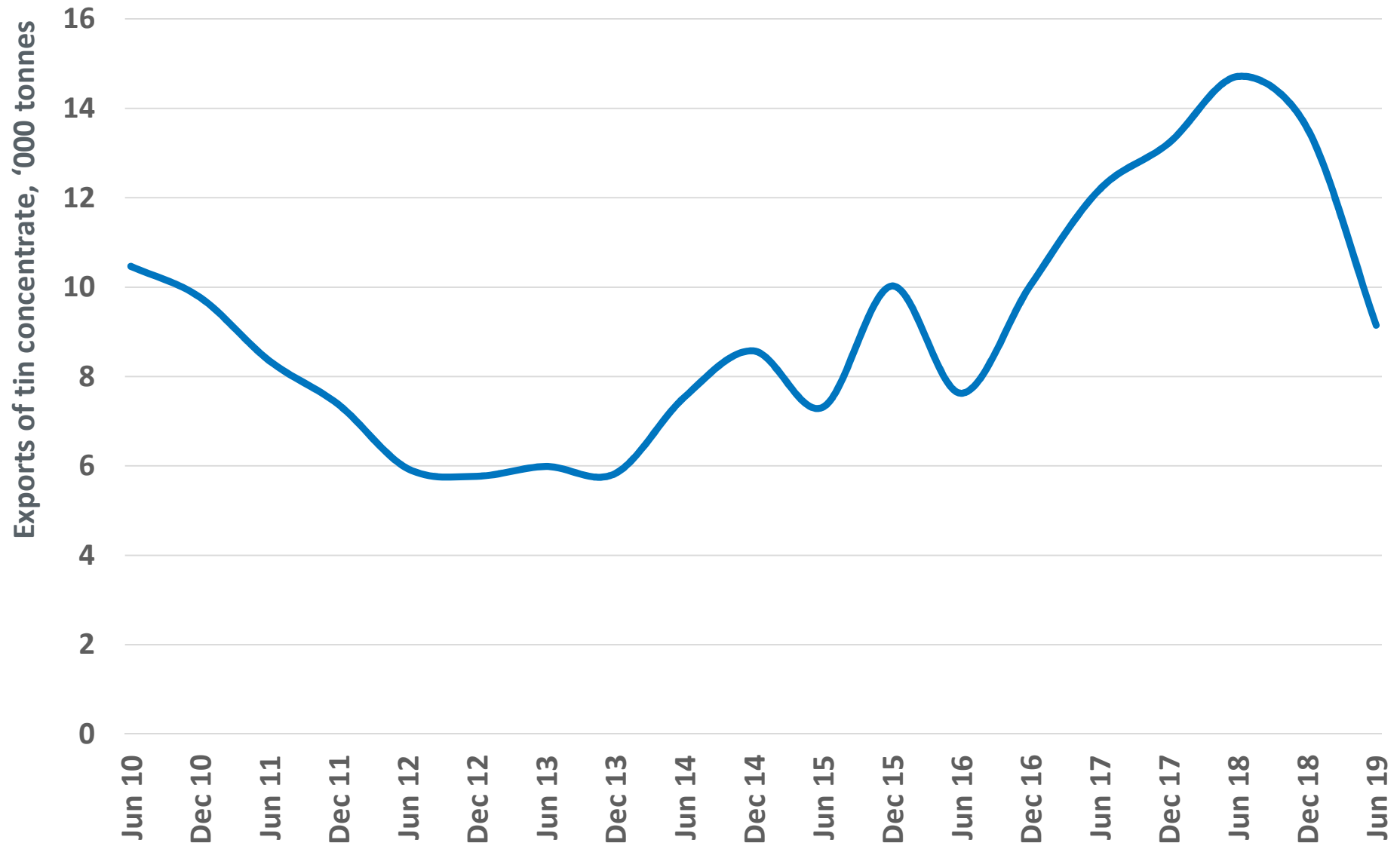
AfriTin Mining - Uis



Explorers and Developers Group Members

New mines bolster supply

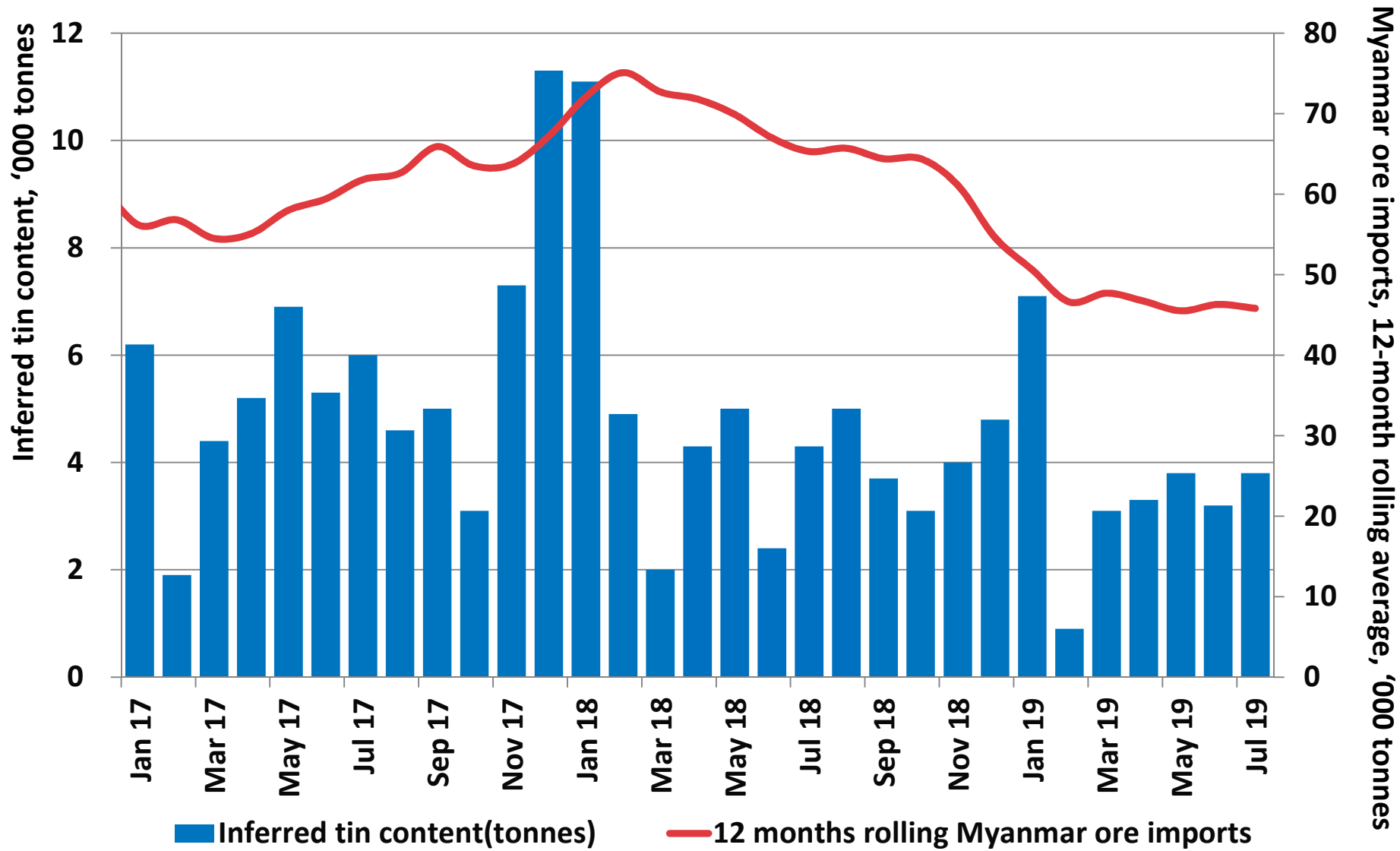




Data: CRU, ITA

**African mining muted by price**

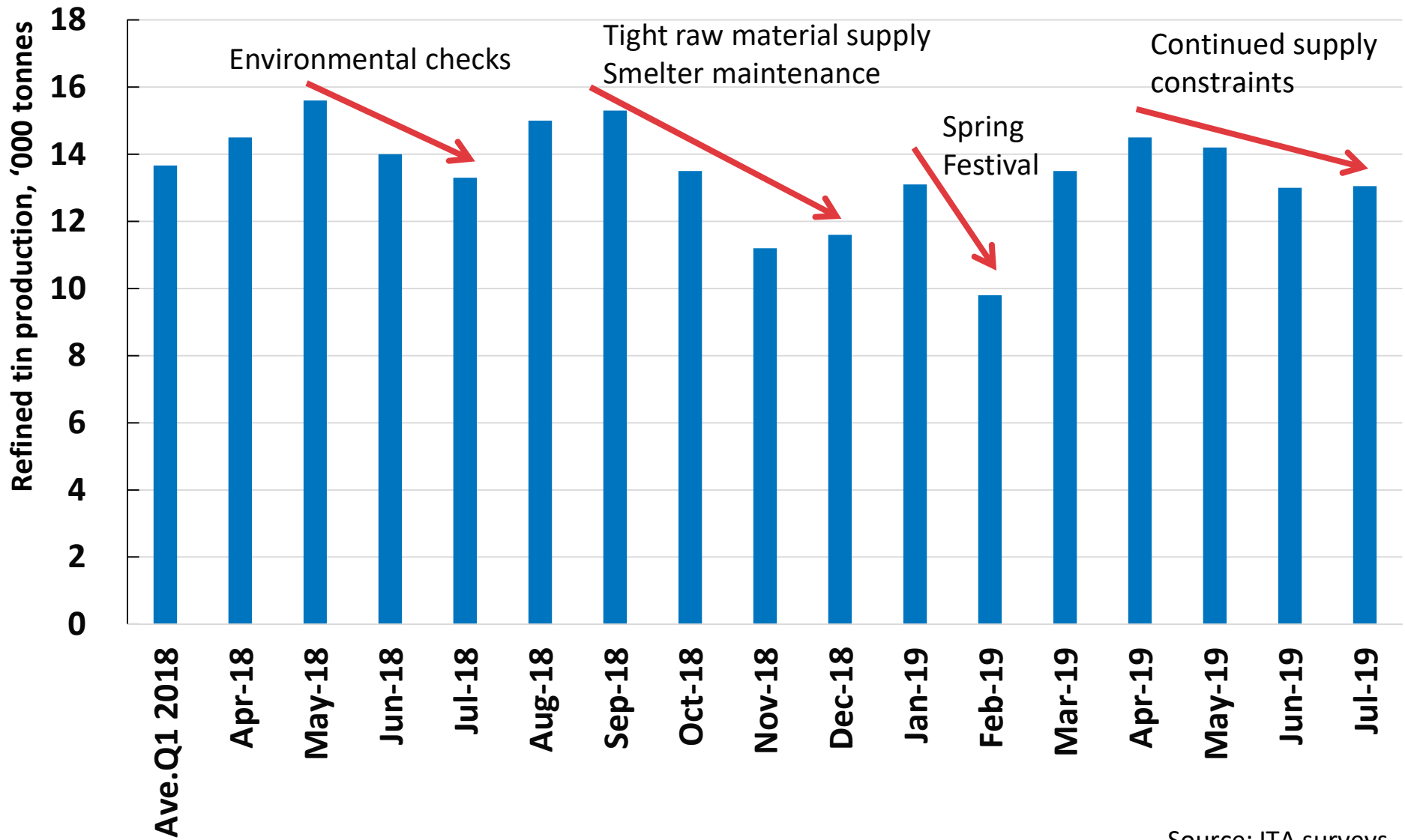




Data: China Customs, ITA estimates

**Myanmar continues decline**





Source: ITA surveys

Chinese refined production constrained





**Choppy waters ahead?**

**Looking forward to H2**



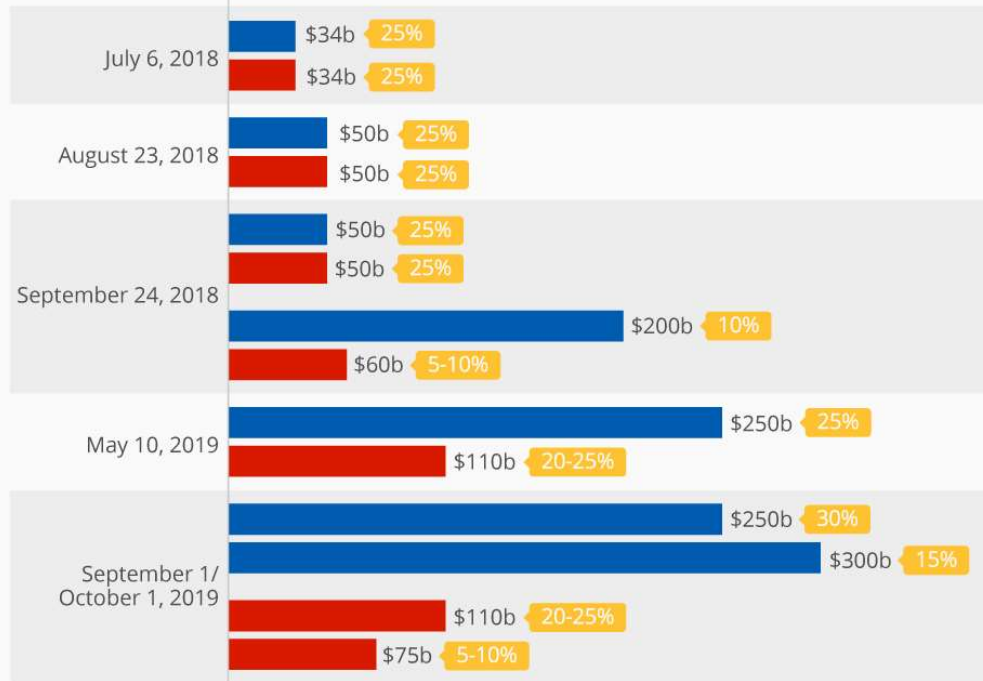
## How the U.S.-China Trade War Escalated

Cumulative tariffs between the U.S. and China in 2018/19

■ U.S. tariff action ■ Chinese tariff action ● Tariff rate

January 22/  
March 8, 2018 Trump signs tariffs on imported solar panels/steel and aluminum for all nations, including China

April 2, 2018 China puts additional 15/25 percent tariffs on \$3 billion worth of U.S. goods



@StatistaCharts Source: Media reports

statista

### US-China trade war ramping up

Tariffs from both countries continue to grow

### Talks have broken down

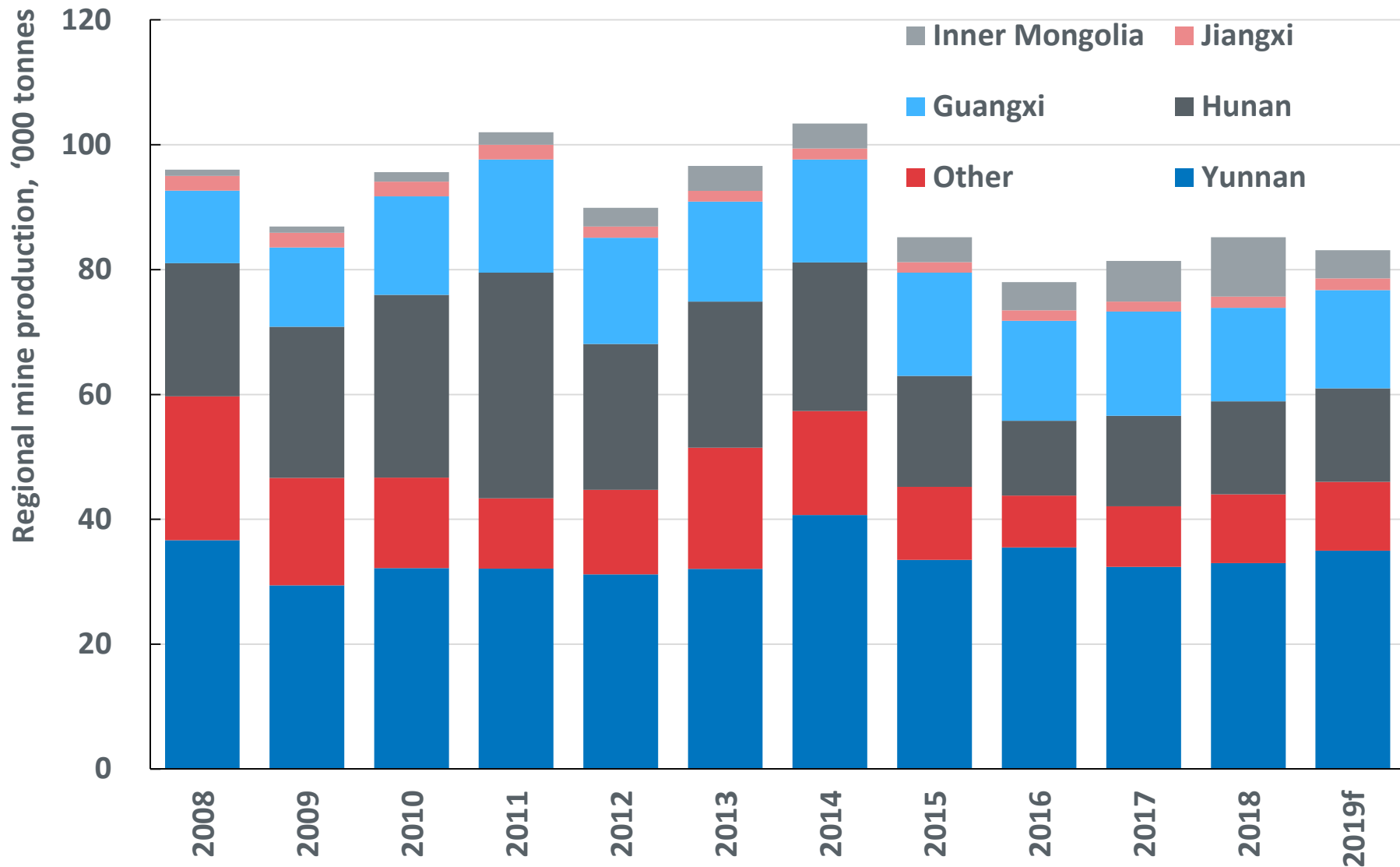
Trump claims talks are underway, which Chinese government officials deny

If no agreement reached, could last until 2020

American Elections or beyond

Trade war uncertainty set to continue

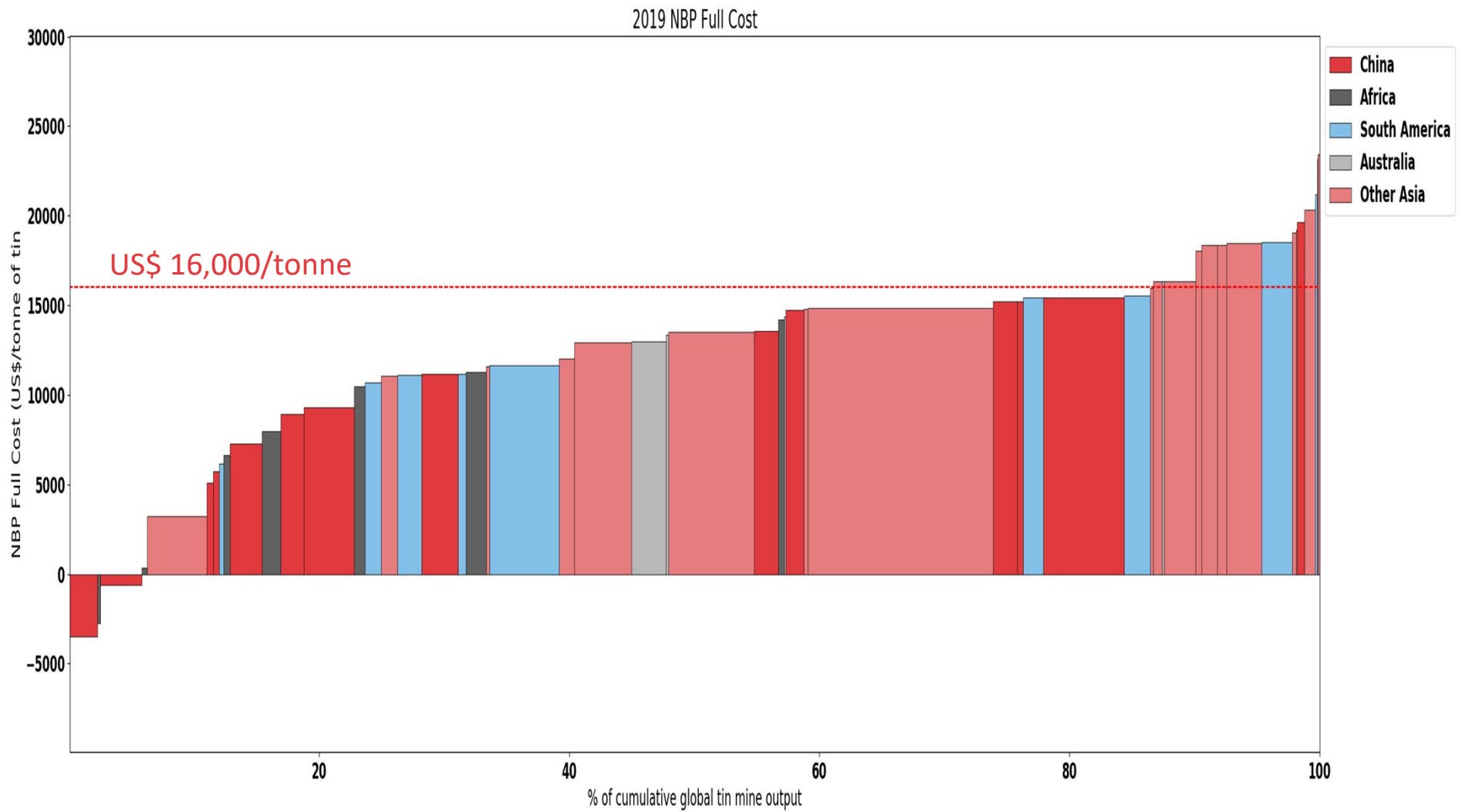




Data: ITA

Temporary mine closures reduce China output

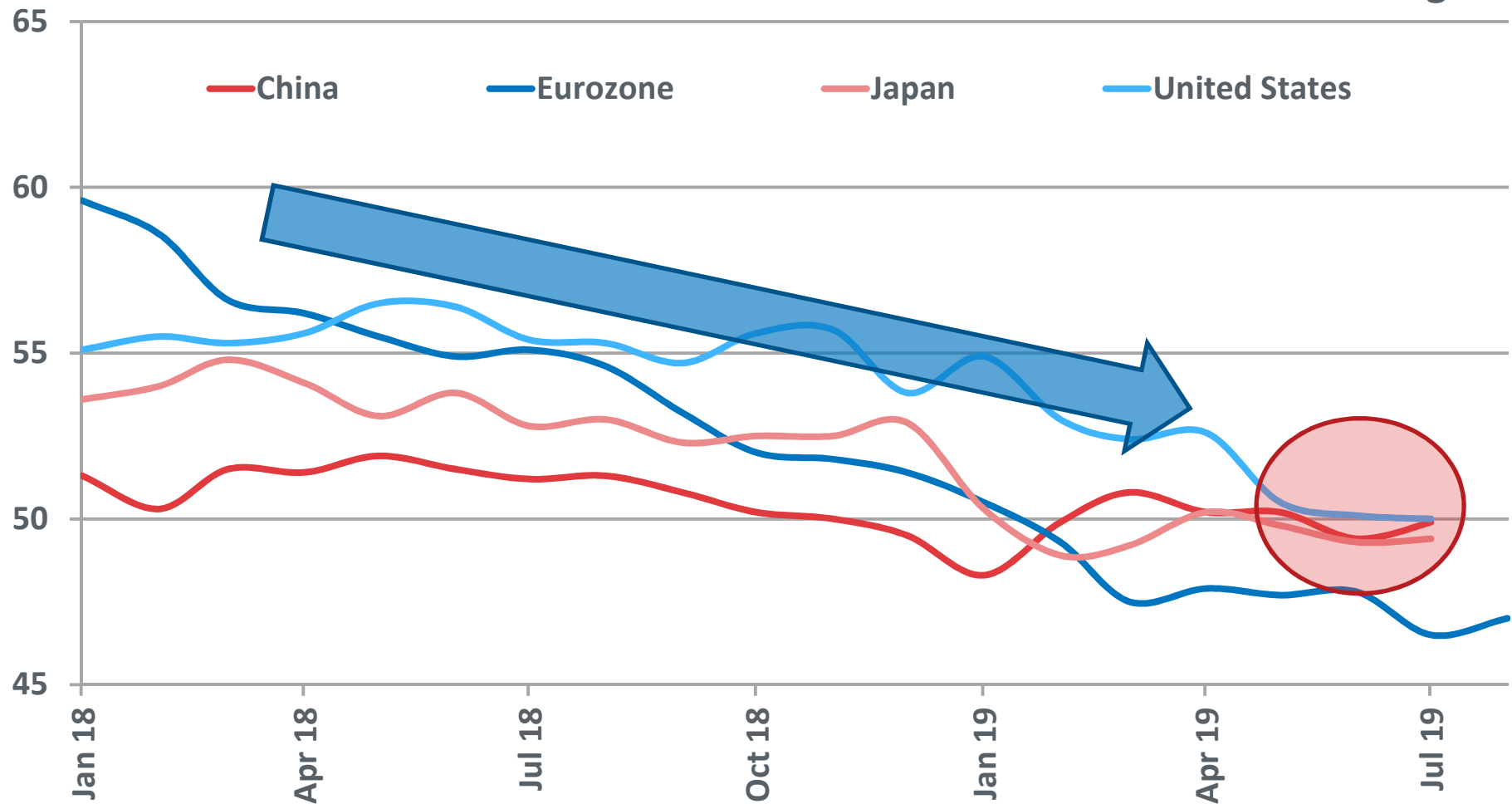




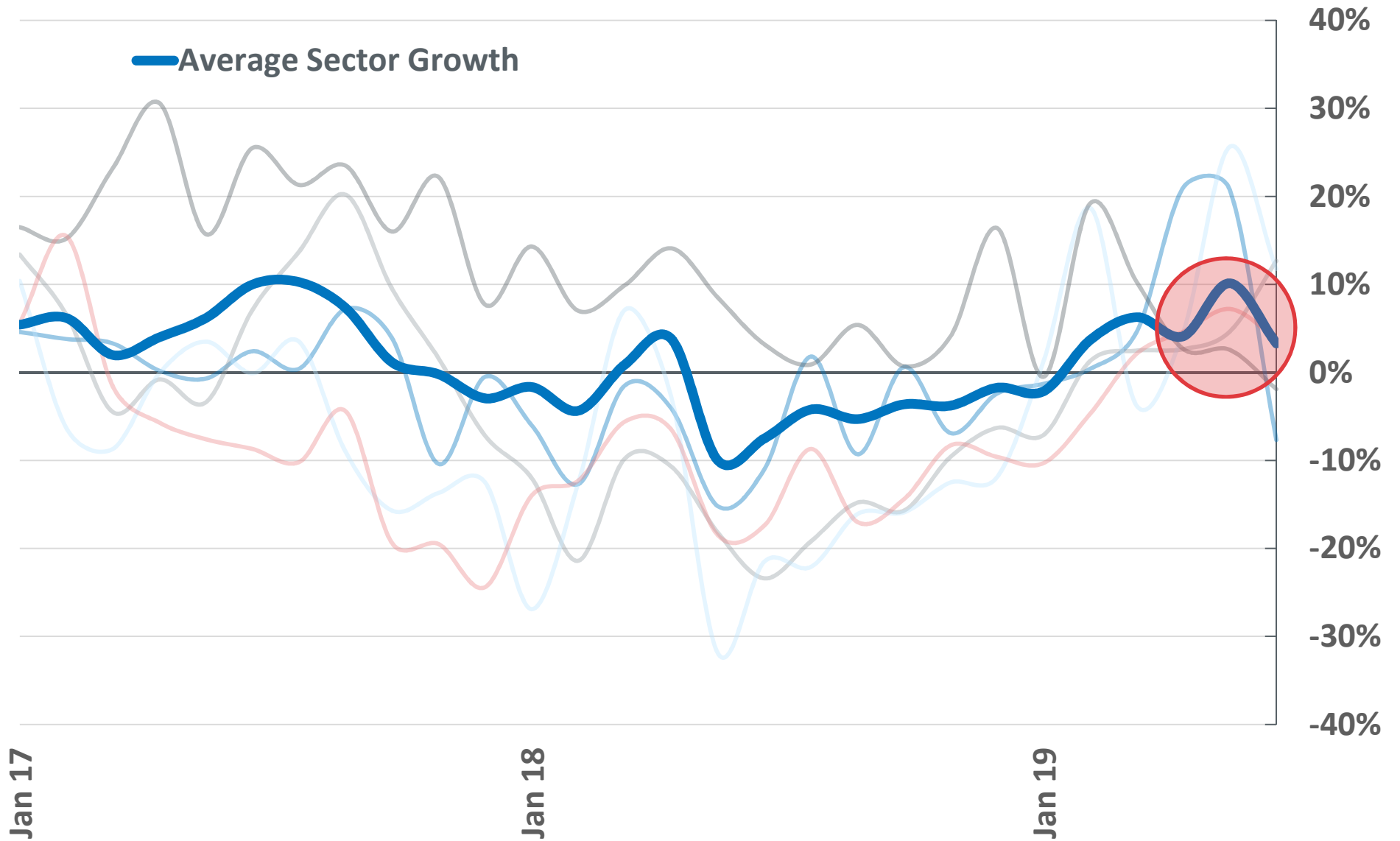
Production to be impacted by price?

# Change in PMI, 2018-19

## Manufacturing PMI

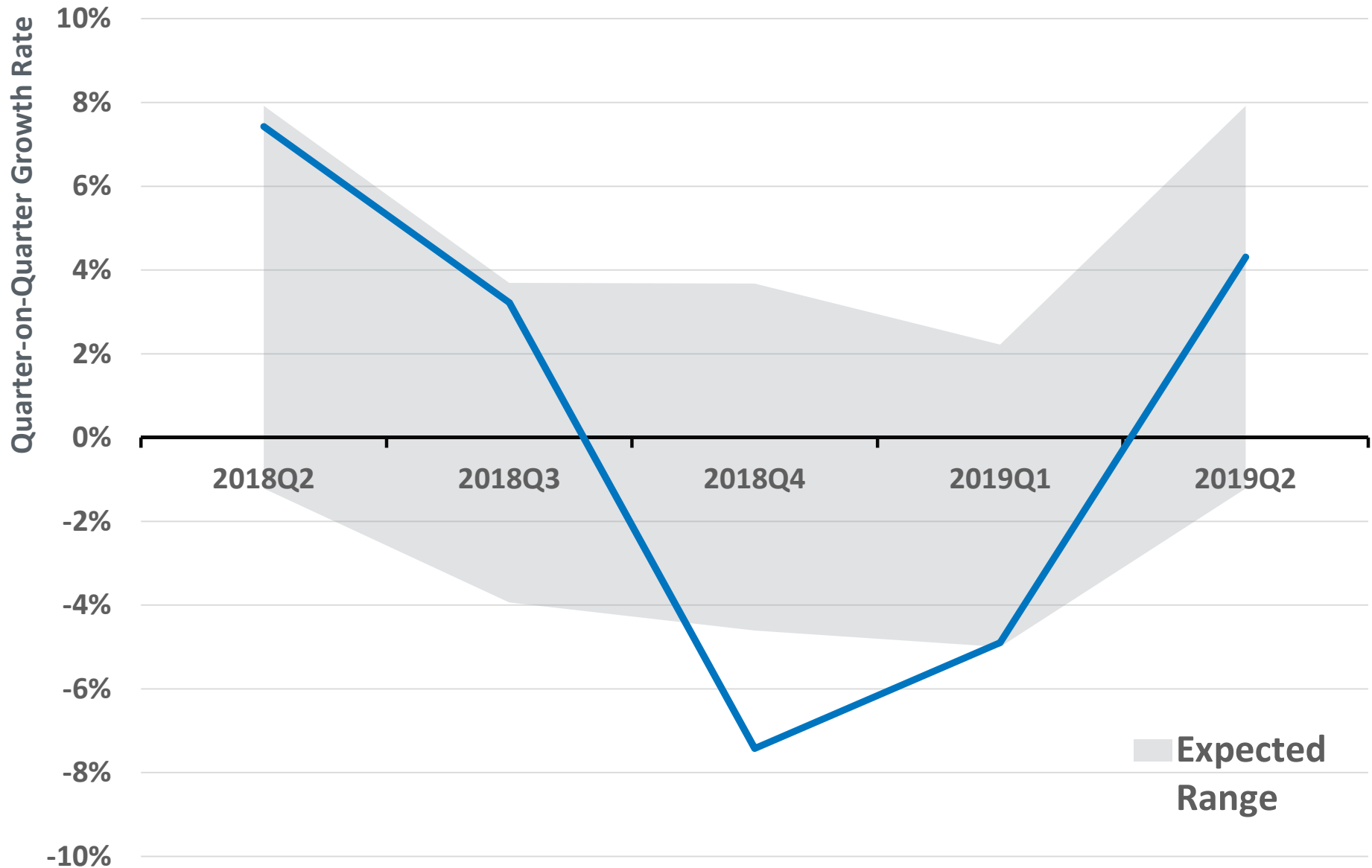


Manufacturing sector stabilising



Electronics on road to recovery?





**Growth back on track**



## World Supply/Demand Balances in Refined Tin

('000 tonnes)

	2013	2014	2015	2016	2017	2018	2019f
World Refined Production	340.7	369.2	335.8	340.1	365.1	358.2	351.9
World Refined Consumption	341.3	353.1	336.0	344.9	362.4	369.1	350.0
<b>Global Market Balance</b>	<b>-0.6</b>	<b>16.1</b>	<b>-0.2</b>	<b>-4.8</b>	<b>2.7</b>	<b>-10.9</b>	<b>1.8</b>

Balanced market?





## H2 in the balance

- ▲ **Key consumption indicators point to stabilisation**  
Manufacturing PMI & electronics market stable
- ▲ **Demand growing better than expected QoQ**  
Growing from a low base due to 2018Q4 slump
- ▲ **Stable refined tin production YoY**  
Losses due to Indonesian issues likely to be regained  
Production slightly lower due to price-related mining breaks
- ▲ **Risk of trade tensions worsening remains**



A hand holding a crystal ball. Inside the crystal ball, there is a 3D bar chart with five bars of increasing height, colored in shades of purple, blue, and green. A thick yellow arrow curves upwards from the left side of the chart, pointing towards the top right. The background inside the crystal ball is a warm, golden-brown color with some white clouds and small white sparkles. The hand holding the crystal ball is visible at the bottom and left sides, with fingers gently gripping it. The overall scene is set against a dark background with a vertical black bar on the right side.

**Looking  
ahead:**

**What could  
2020 hold?**

2020

Weilasiuo begins production?

Uis reaches design capacity (500kt ore/yr)  
Aus Tin Mining's Taronga pilot stage

Bisie reaches full capacity?  
Uis begins Phase 2



Minsur's B2 tailings project comes online

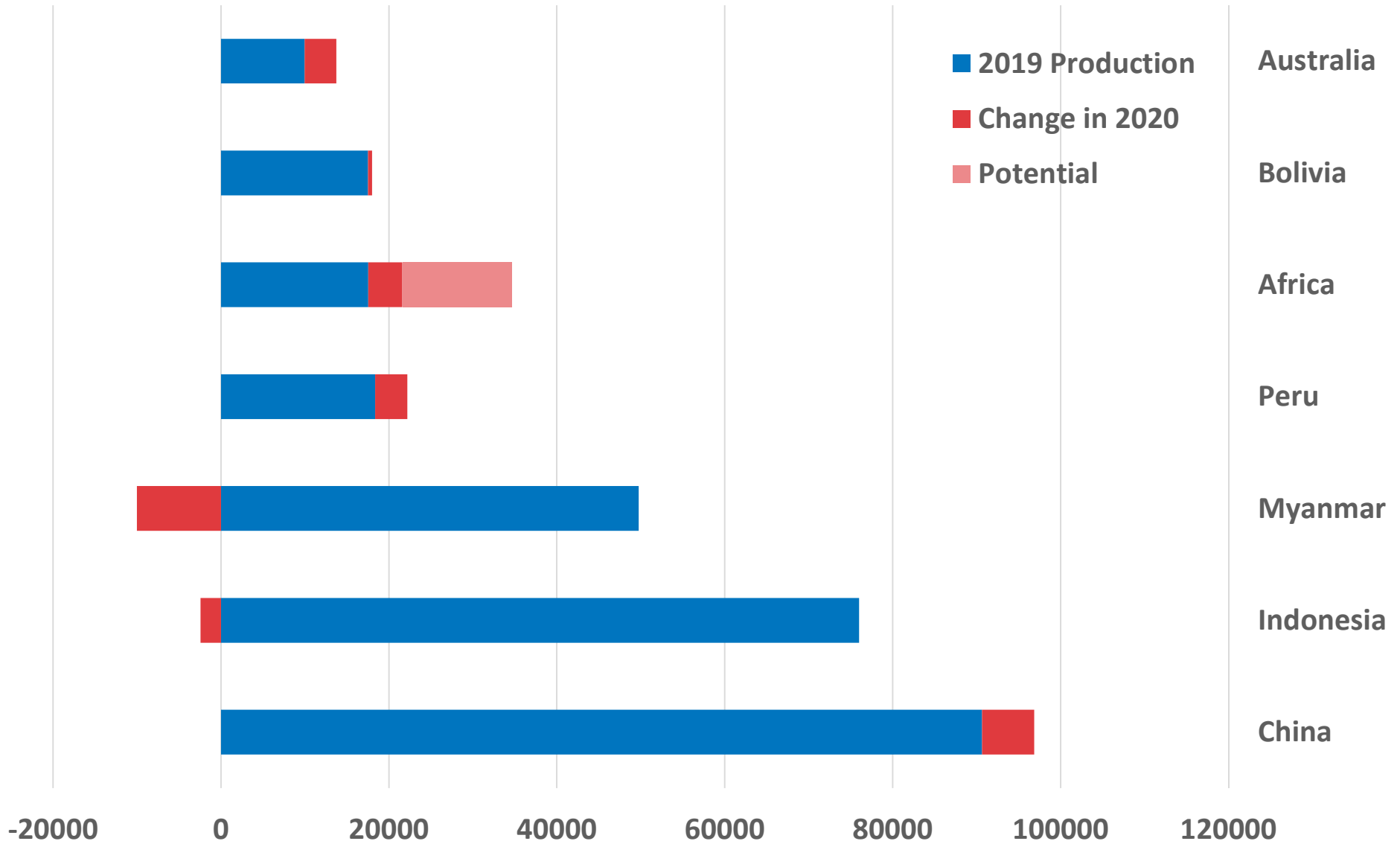


Manono lithium-tin project begins commissioning



Projects consolidate mine growth





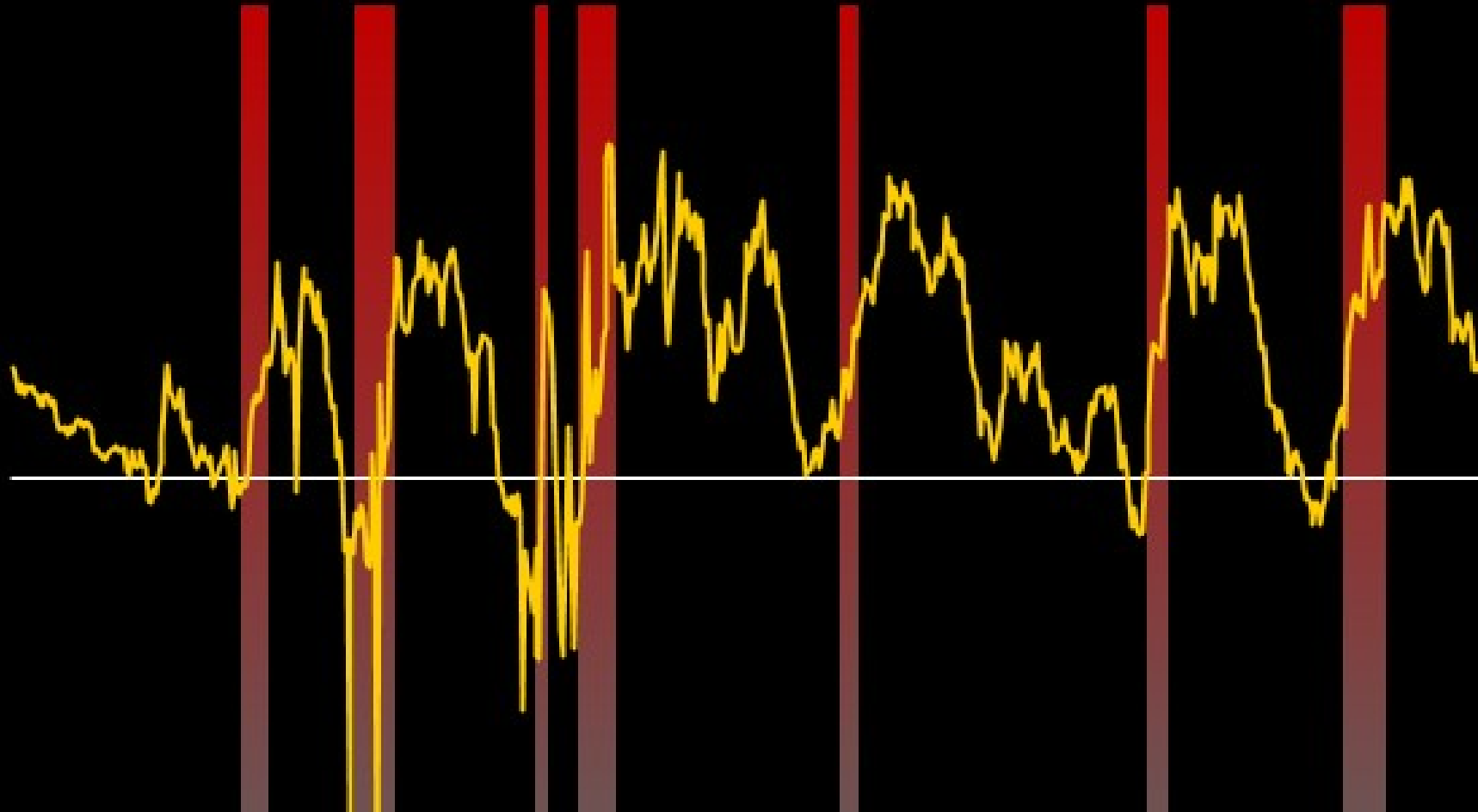
Mine supply steady



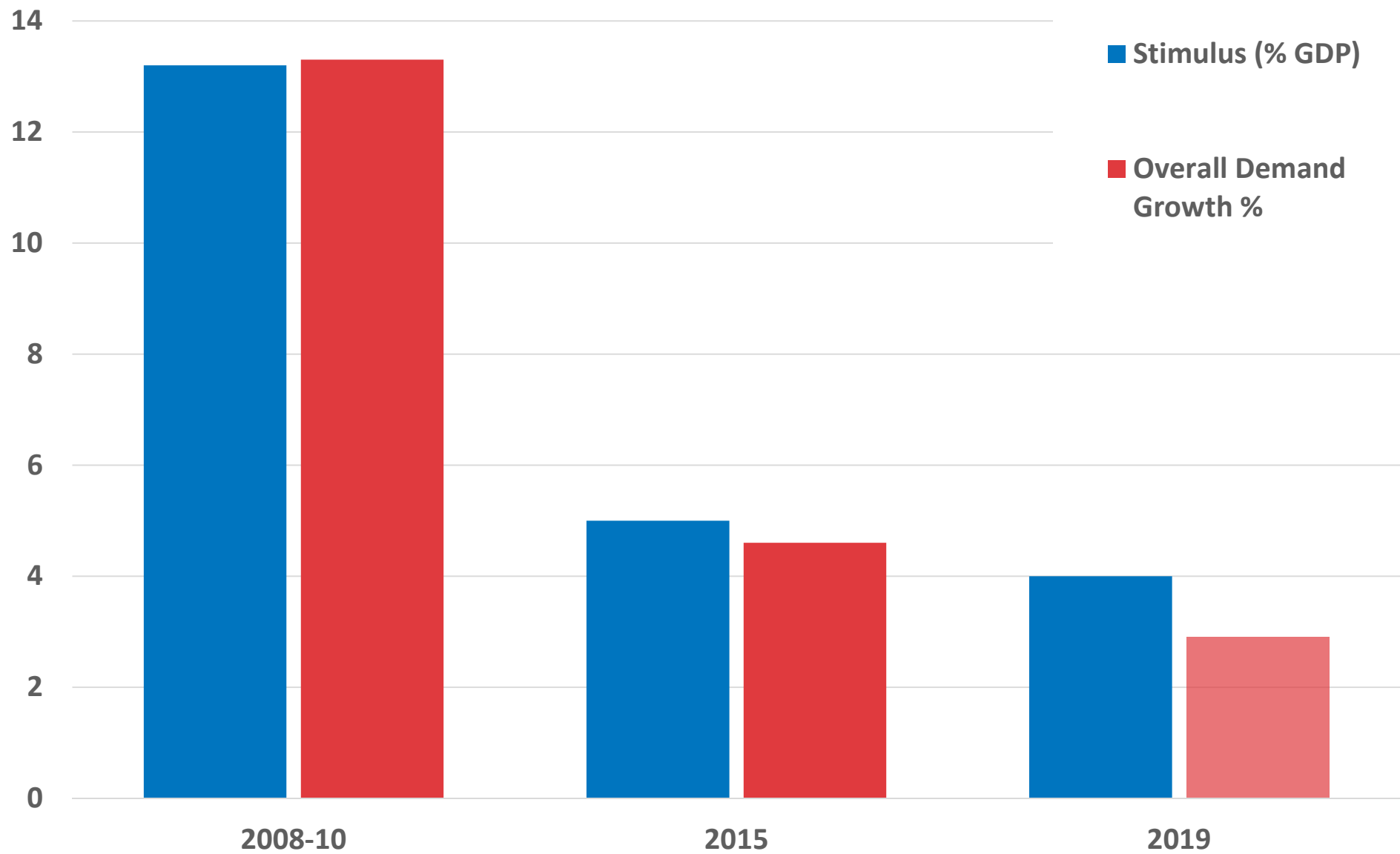
# U.S. yield curve inverts

— U.S. 3M-10Y yield curve

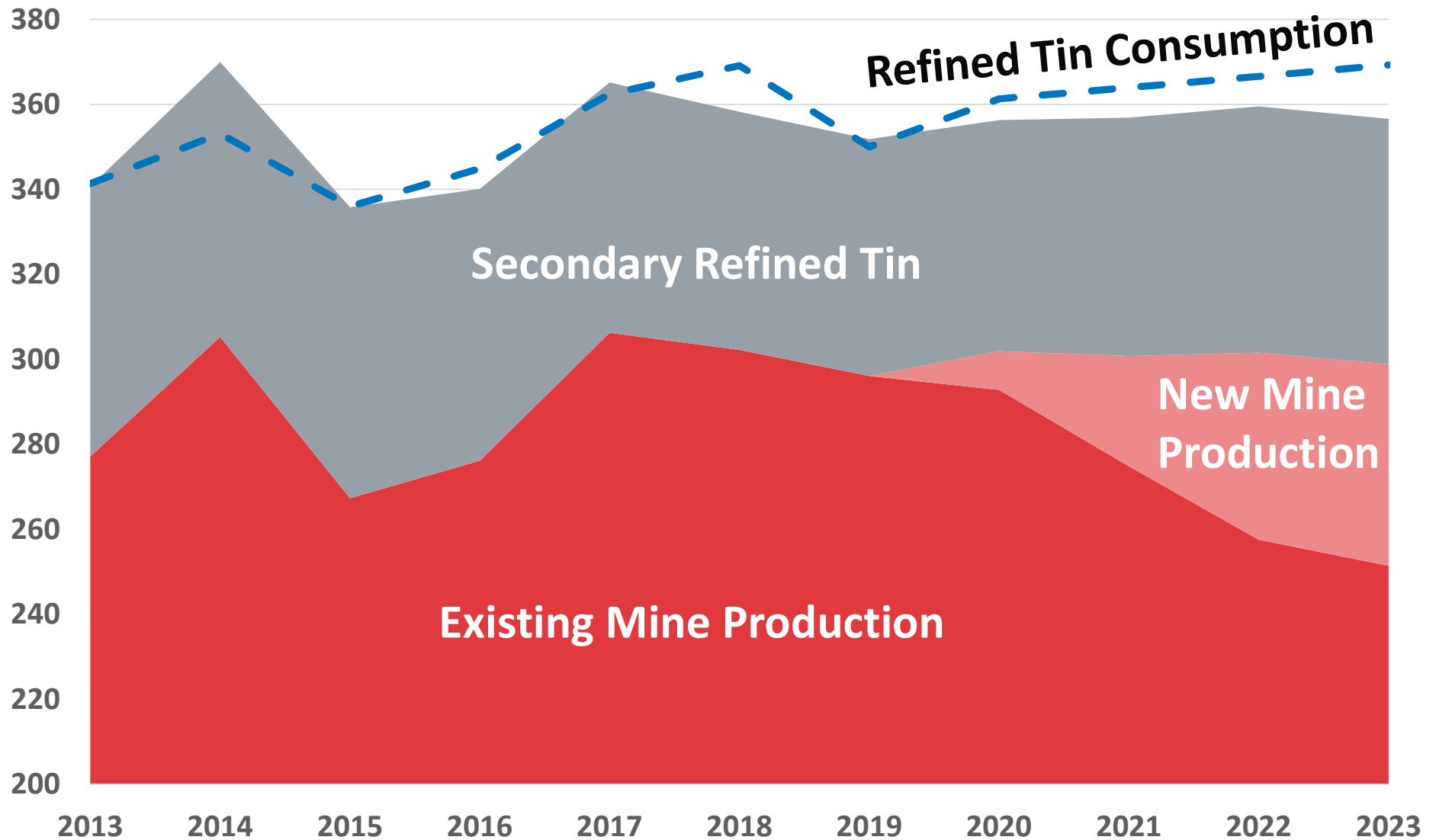
■ Recession (U.S.)



Global recession on the horizon?



Trade tensions present possible demand upside?



**Widening market deficit?**



▲ **Some indicators predicting global recession**

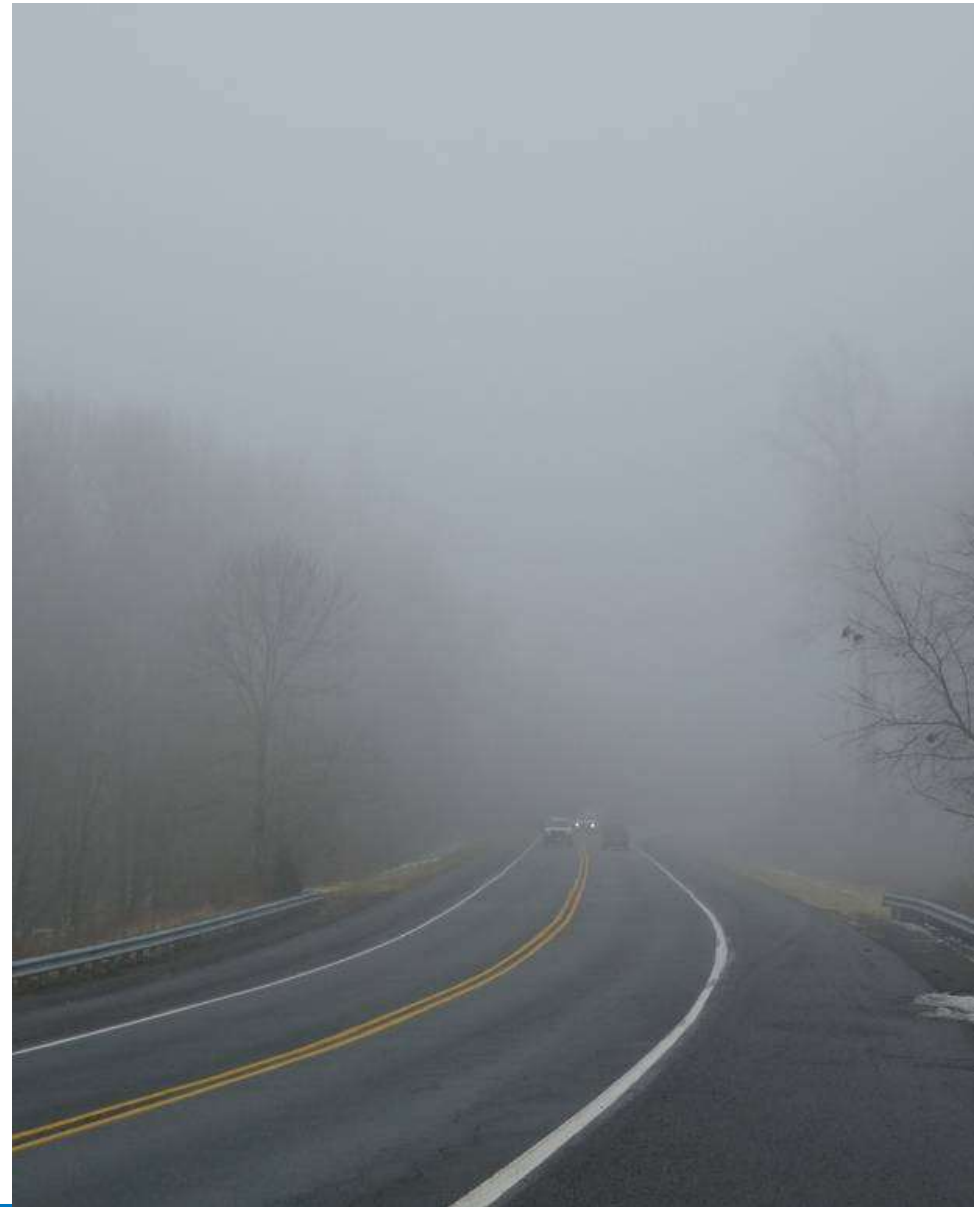
Main indicator has become less reliable over the last few years

▲ **US-China deal almost as likely as continued tensions**

Very volatile situation, could change quickly

Deal could spark demand recovery

Chinese economic stimuli could help stabilise domestic tin demand



**Unclear road ahead**



**Uncertain waters ahead**

- ▲ **2019 and 2020 unclear due to fog of trade tensions**  
Trade deal nearly as likely as continued standoff
- ▲ **Longer-term, tin fundamentals should drive demand**  
Average 2% annual growth
- ▲ **Demand growth expected to outpace new mines**  
New mines will only stabilise decline in existing mines



## Thank You

We believe that global co-operation on markets, technology, sustainability and regulatory issues is the most cost effective route to achieve long-term success for the industry. If we work together effectively then the outlook for tin is very positive.

Global co-operation for long-term success

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