

# Cobalt Market Outlook in 2022

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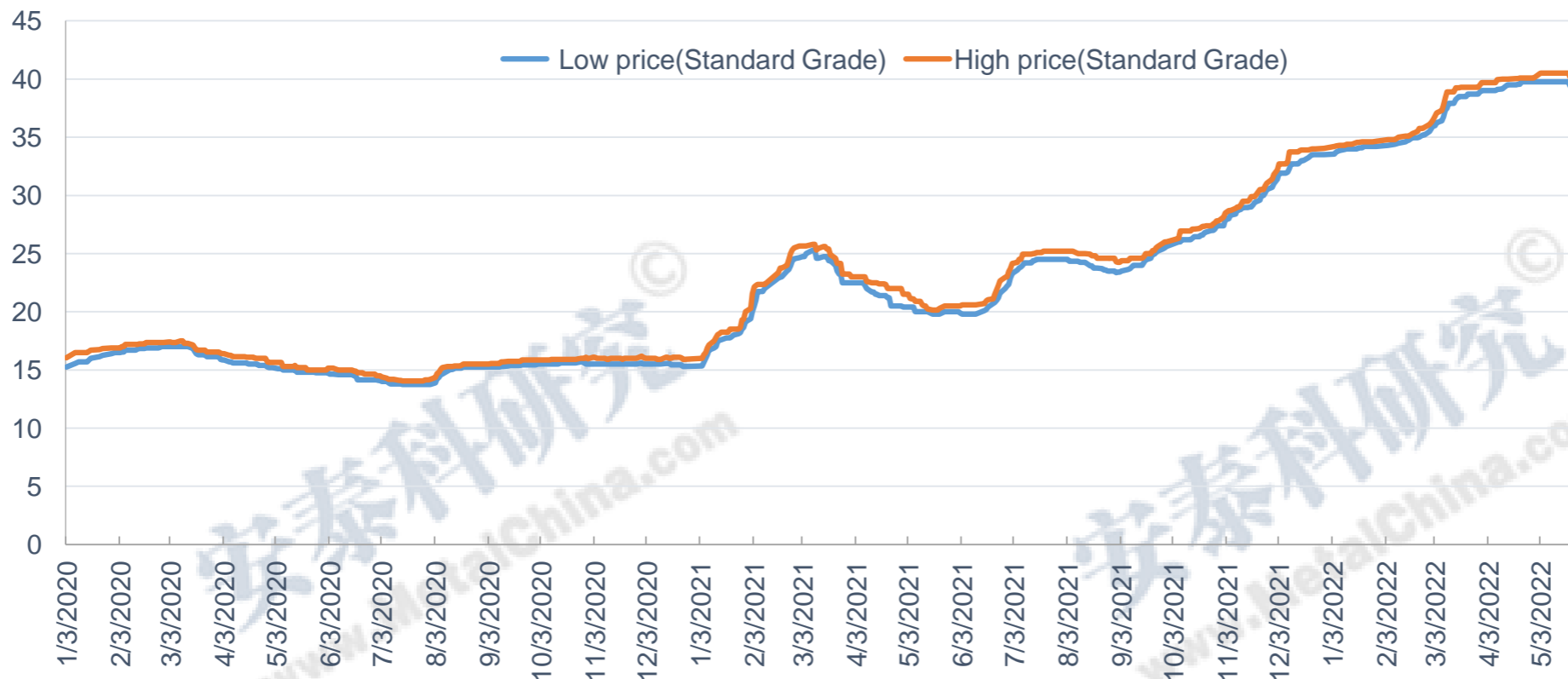
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# 1. Price trend review-European cobalt prices began to slide in late May



Sources: Antaiko

European refined metal price trend(USD/Lb)

1. European cobalt prices averaged 39.7USD / Lb in May , up 80.7% y/y.
2. Spot trading in the European cobalt market continued to decline, there is potential for further decline.

# 1. Price trend review- review-Cobalt prices at home and abroad are seriously inverted



Sources: Antaiko

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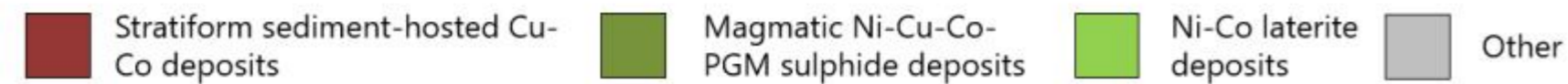
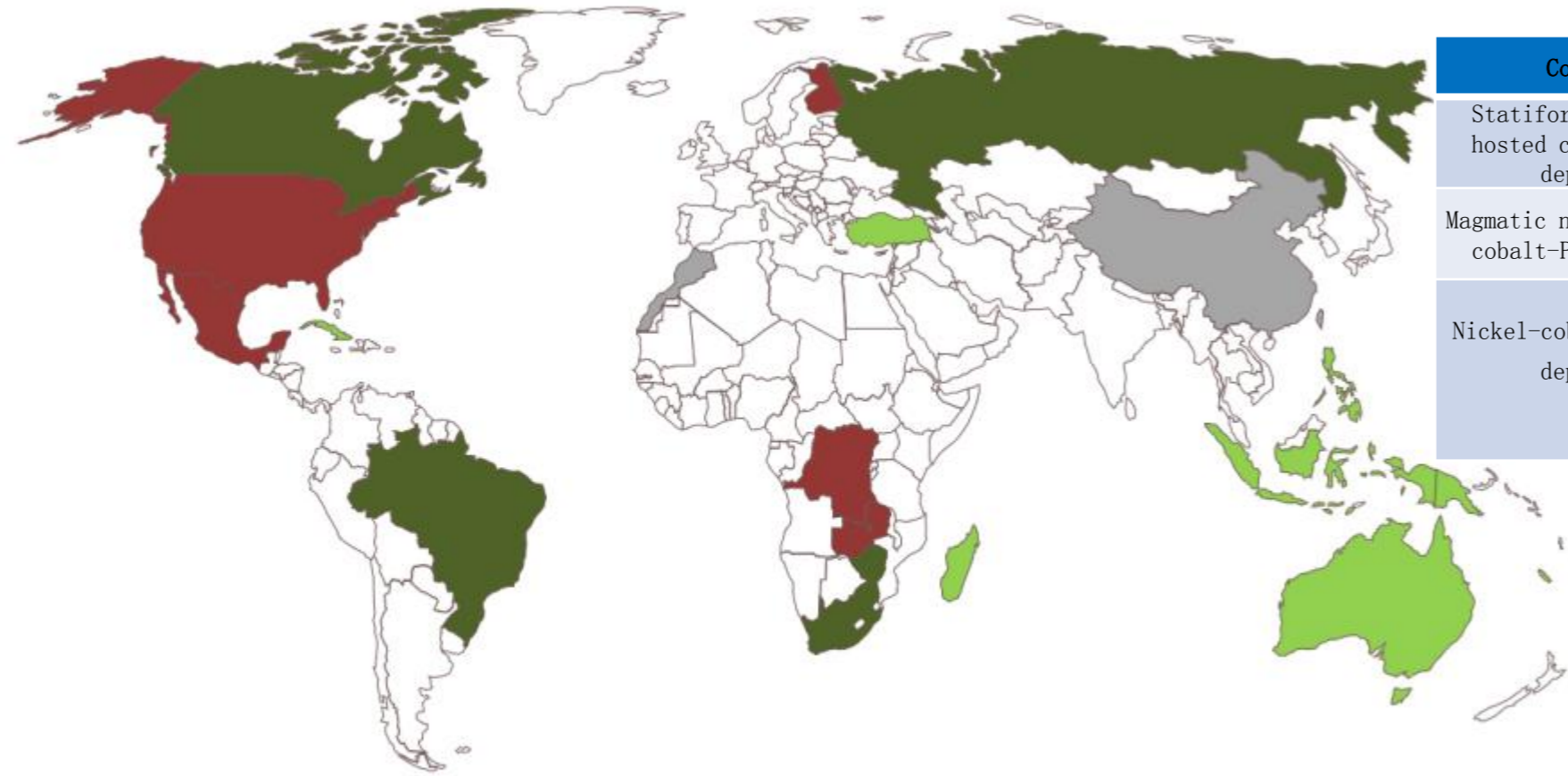
**China refined metal price trend (yuan/t)**

**China cobalt sulphate(20.5%) price trend (yuan/t)**

1. The average domestic cobalt price fell from 540,000 yuan/t to 500,000 yuan/t , due to the epidemic and the impact of the price of nickel and cobalt lithium rose sharply in the first quarter, downstream demand continued to be depressed in China.
2. Domestic and foreign metal cobalt price difference.
3. MB cobalt prices have failed to reflect the global market picture.
4. In May, the domestic chemicals price continued to decline, the material purchase price is higher than the sales price, cobalt smelter are facing losses.

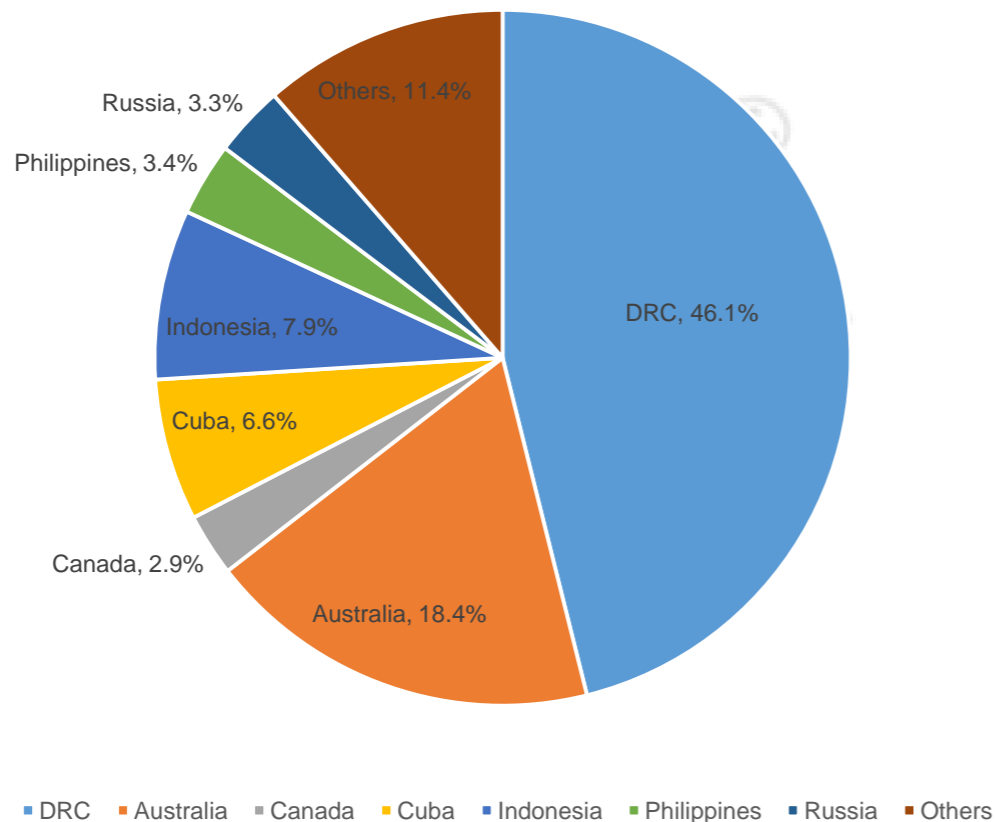
Three principal deposit types

Country	Main products	By-products	Location
Stratiform sediment-hosted copper-cobalt deposits	Copper	Cobalt	DRC, Zambia
Magmatic nickel-copper-cobalt-PGM deposits	Nickel	Copper, Cobalt, PGMS	Canada, Russia and South Africa
Nickel-cobalt laterite deposits	Nickel	Cobalt	Australia, Cuba, New Caledonia, Madagascar, Papua New Guinea, and Philippines



Cobalt Resources by mine producing country and main deposit type,2021

Cobalt is a scarce resource and its distribution is highly uneven



Sources: USGS

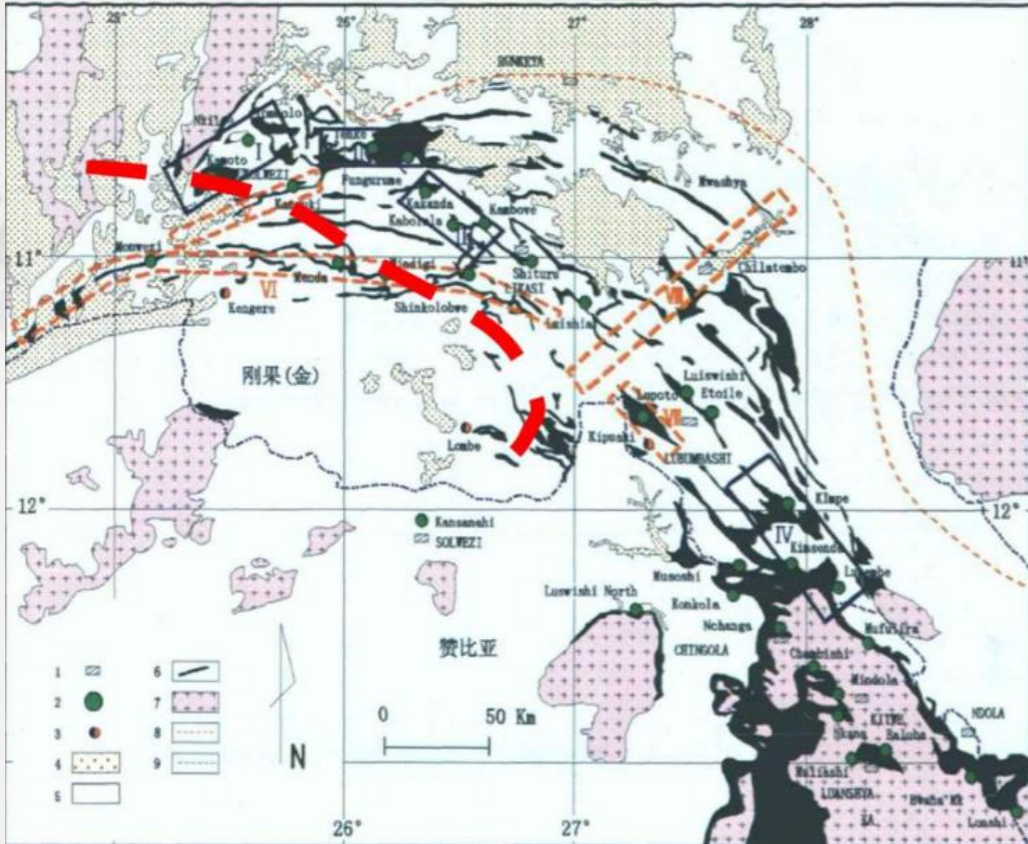
Global cobalt resource distribution , 2021

Country	2020	2021
USA	53	69
Australia	1,400	1,400
Canada	220	220
China	80	80
DRC	3,600	3,500
Cuba	500	500
Indonesia	/	600
Madagascar	100	100
Morocco	14	13
Papua New Guinea	51	47
Philippines	250	260
Russia	400	250
Others	560	610
<b>Total</b>	<b>7,100</b>	<b>7,600</b>

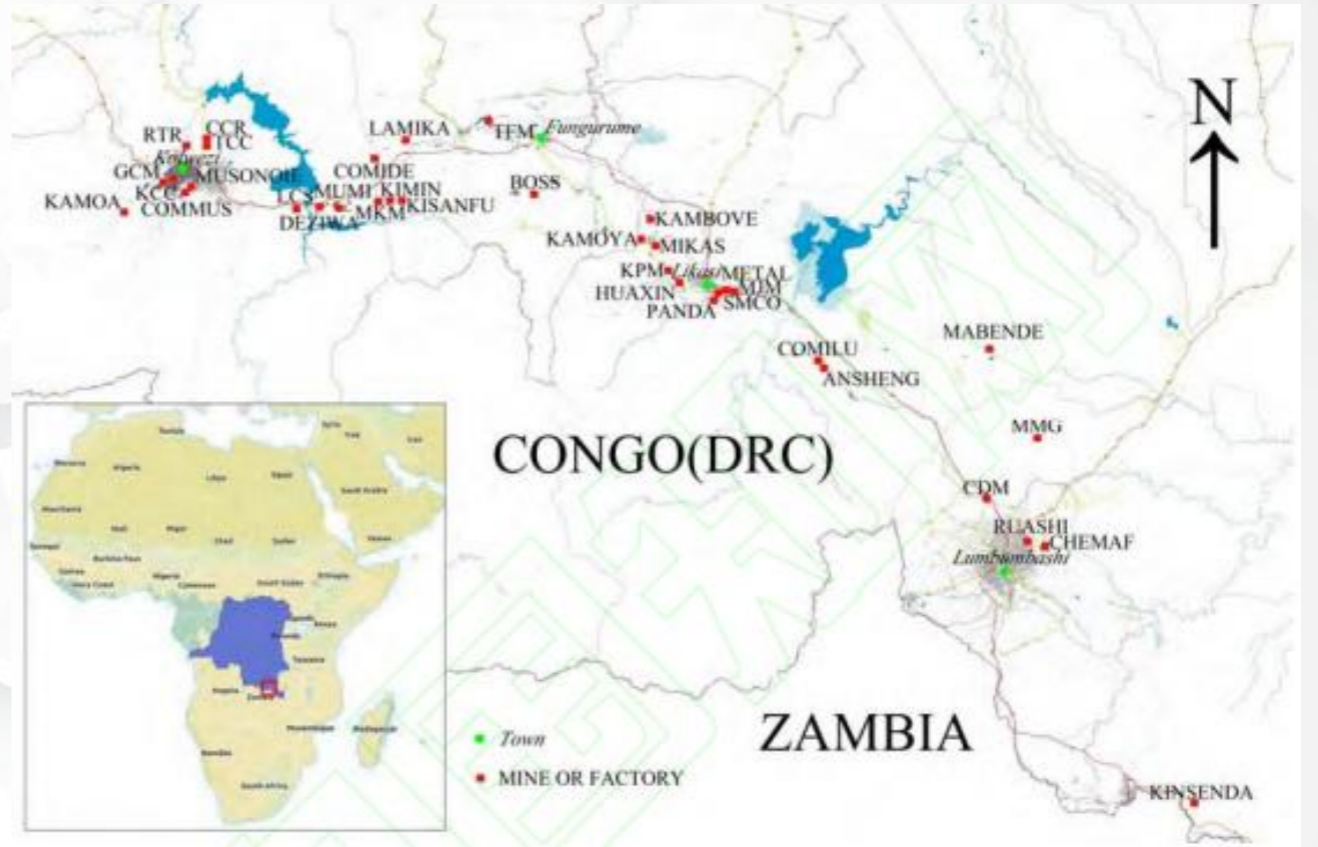
Sources: USGS

World:Estimated cobalt reserves,2020-2021(kt)

## 2. Geology and reserves

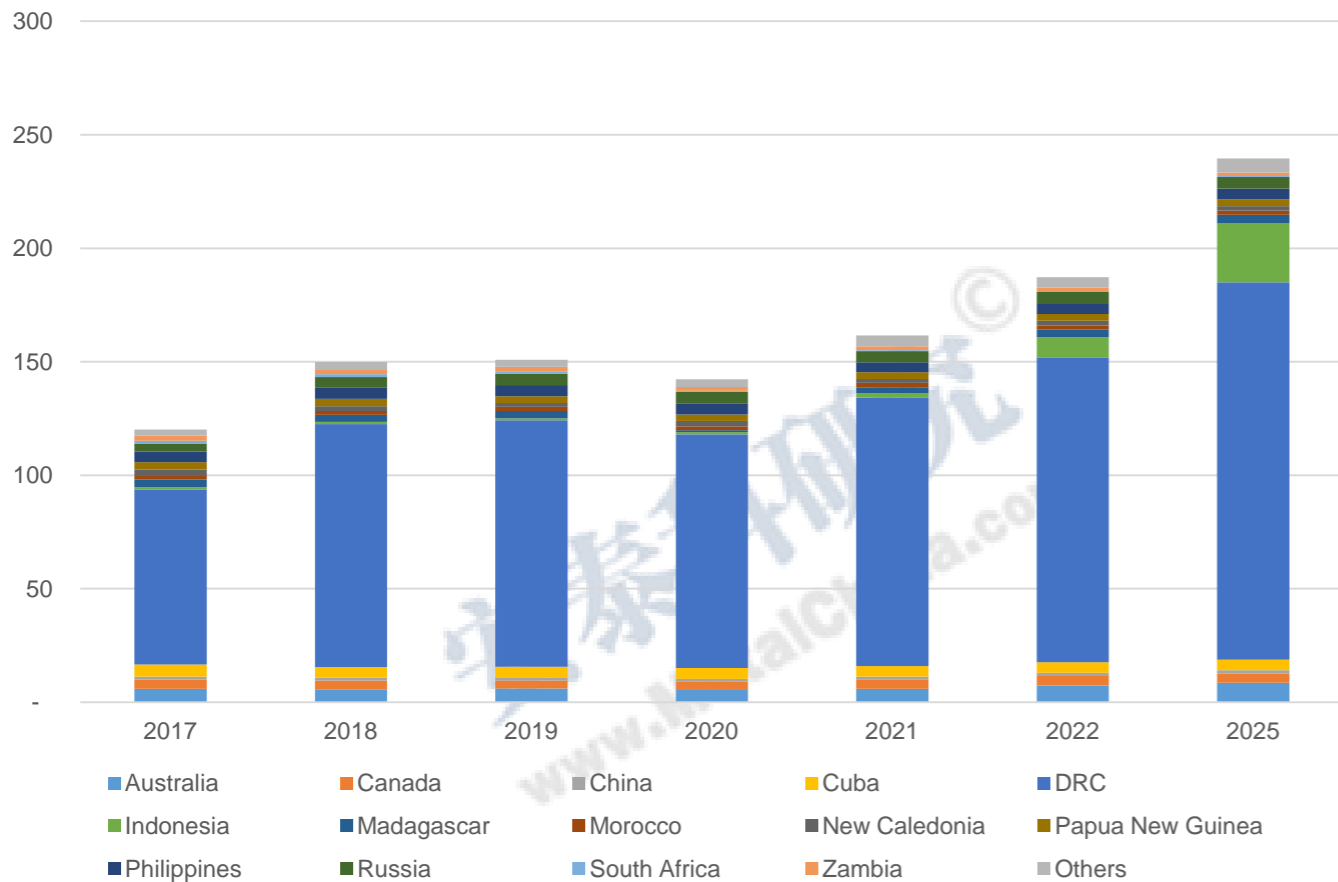


Distribution map of main copper-cobalt deposits in Katanga Copper-cobalt ore belt



Main mines of DRC

### 3. Supply and production: Resource-end expansion coexists with supply disturbance



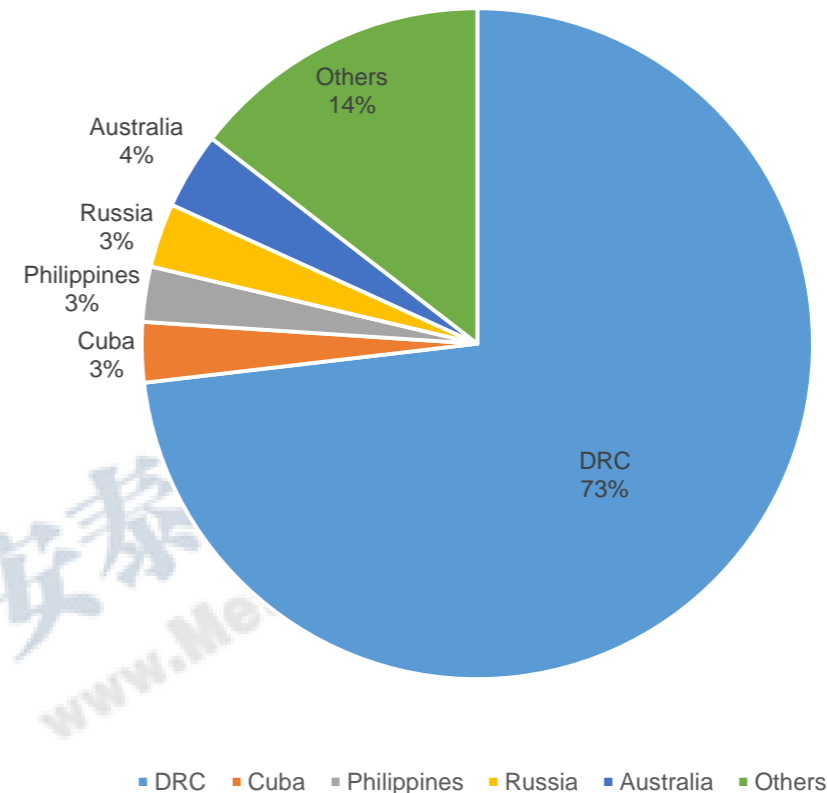
Sources: Antaiko

Global mine production by country, 2017-2025 (kt)

1. Global mine production in 2021 is 161.6kt.

2. DRC, the largest mine producer by country, produced 118.2kt in 2021.

3. Logistics and transportation problems and lack of electricity make production face many challenges.



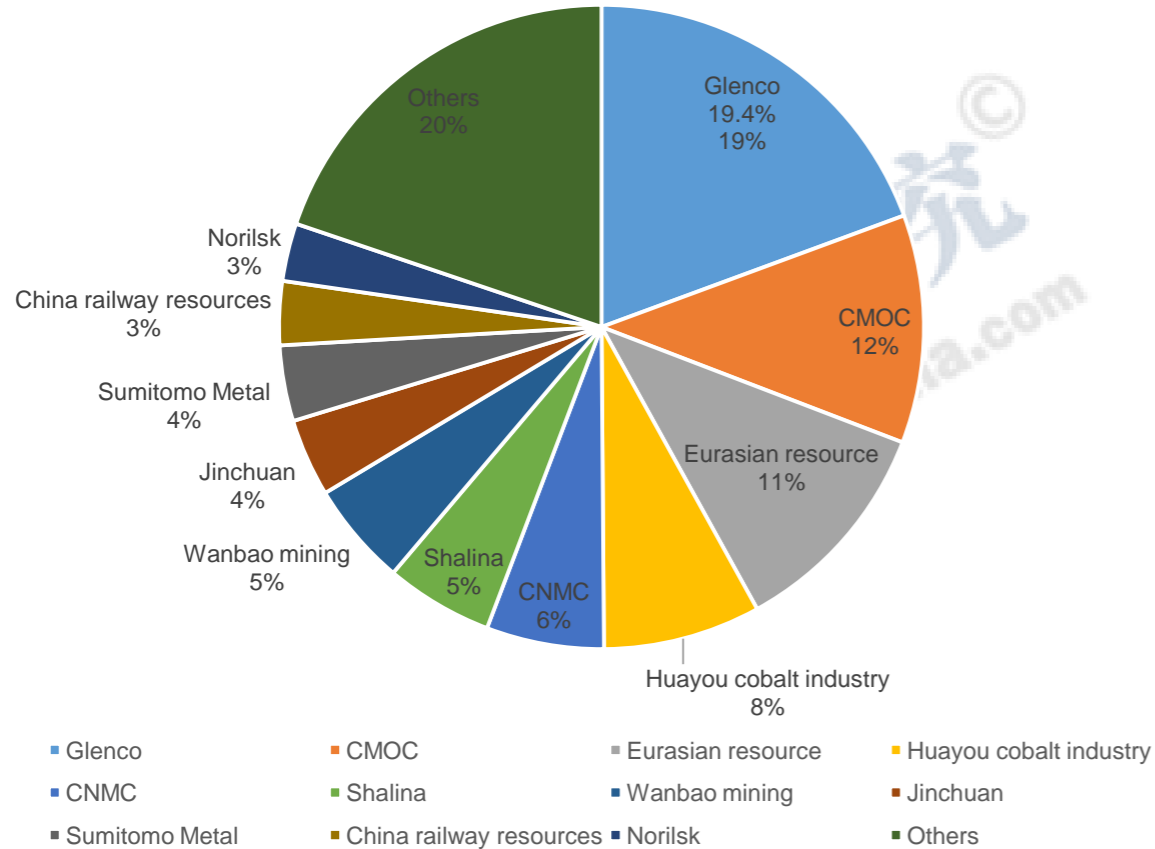
Sources: Antaiko

Main producing countries, 2021



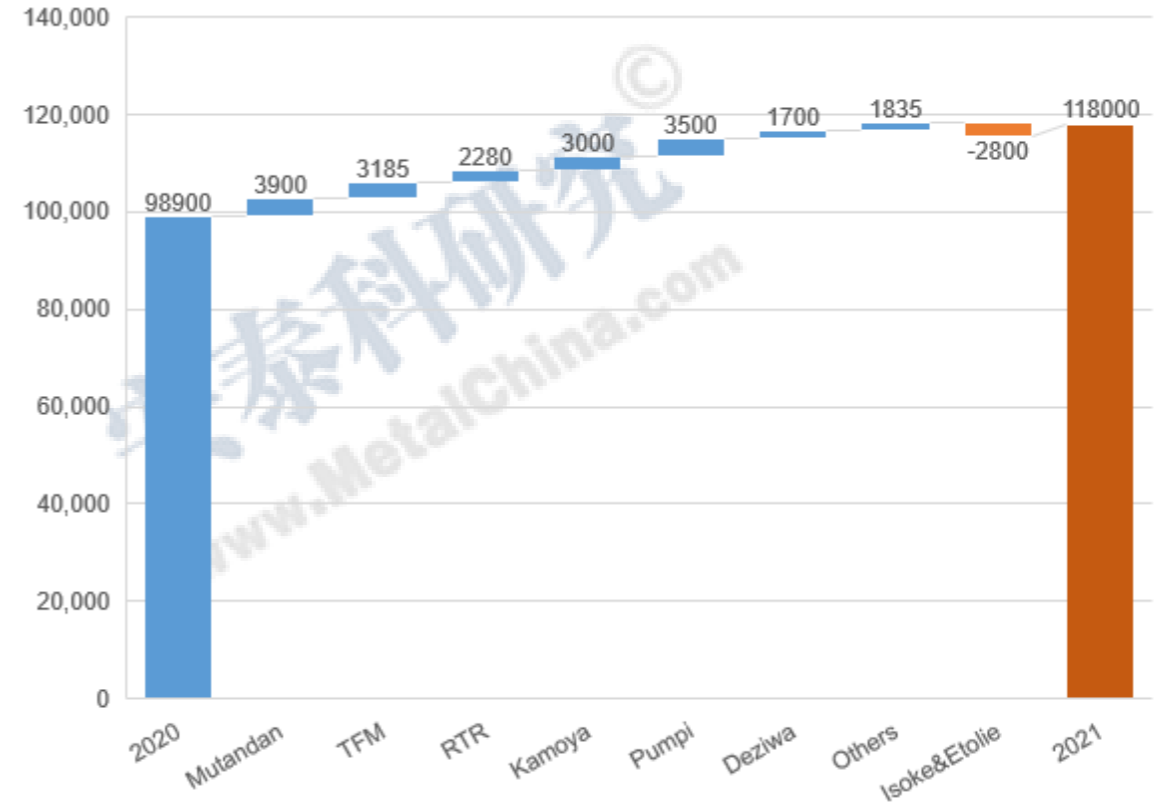
### 3. Supply and production

Glencore , the world's largest producer by company, produced 31,300 tons in 2021.



Sources: Antaiko

World main producers,2021

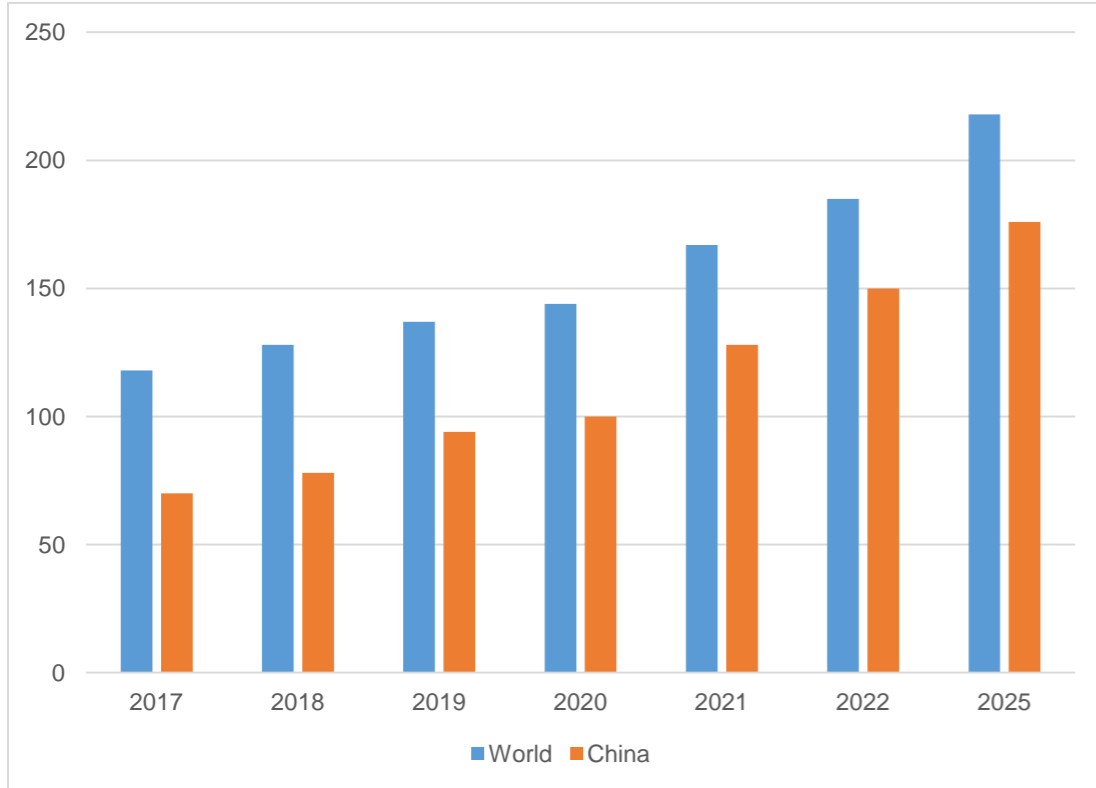


Sources: Antaiko

Supply increment in DRC, 2021(kt)

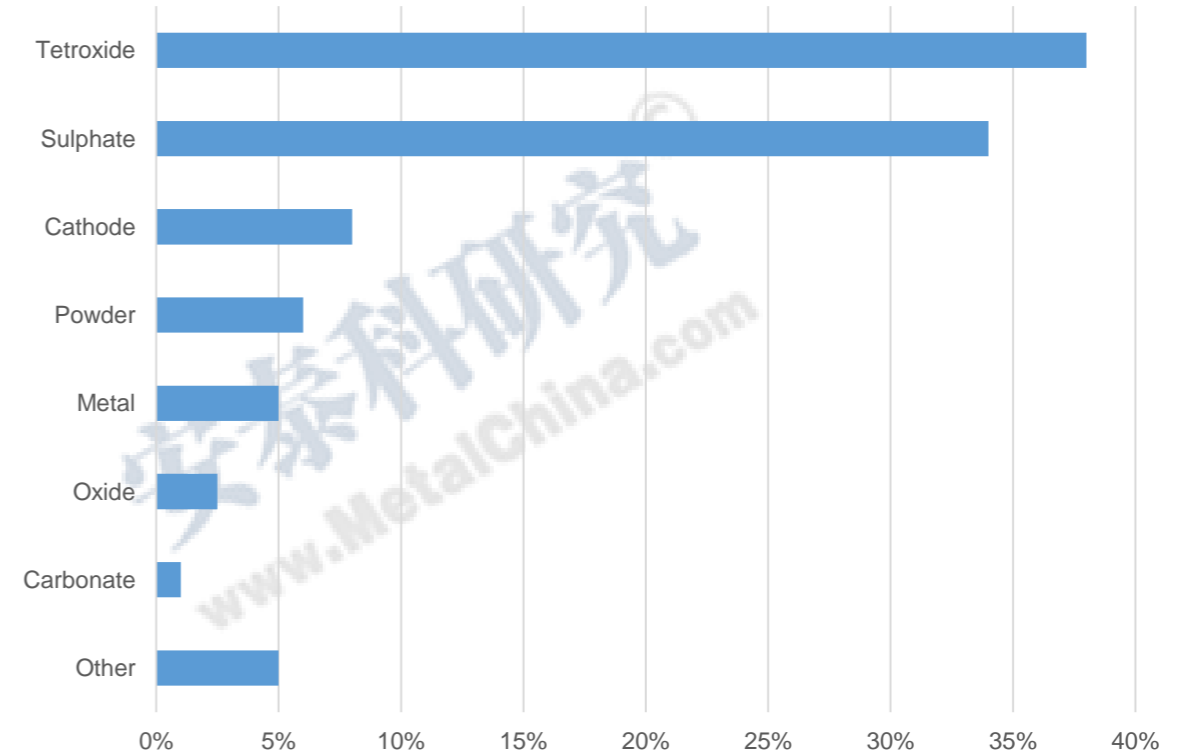
### 3. Supply and production

China remains the largest refined cobalt producer, providing 76% of refined supply, cobalt chemicals was the mainstream product.



Sources: Antaiko

Global refined production (kt)

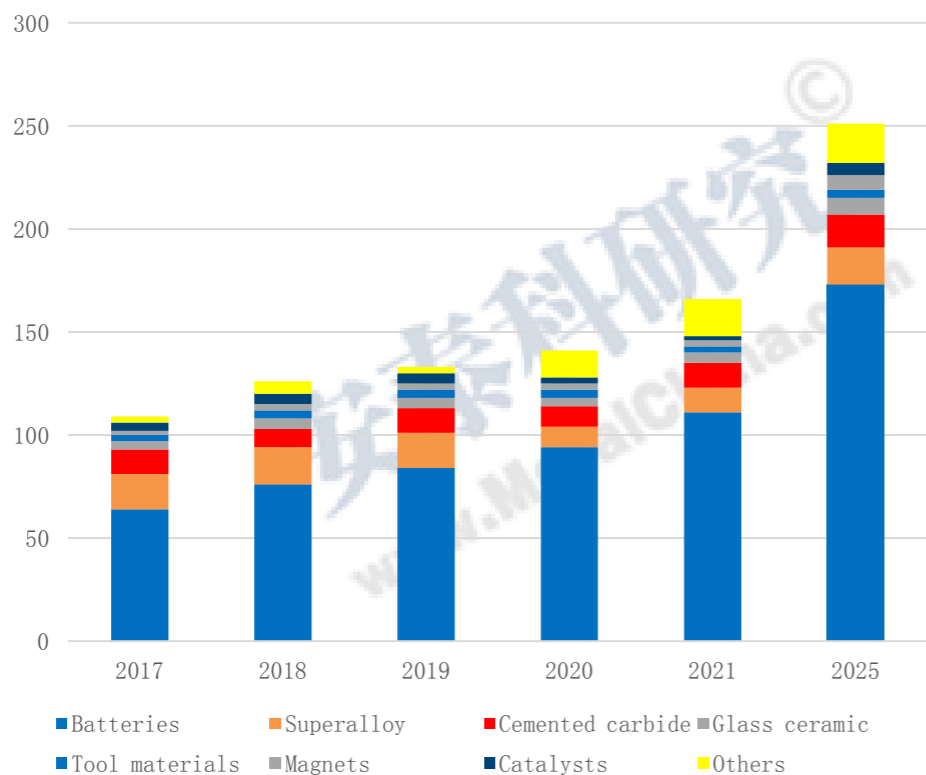


Sources: Antaiko

Production of global refined cobalt, by form, 2021(%)

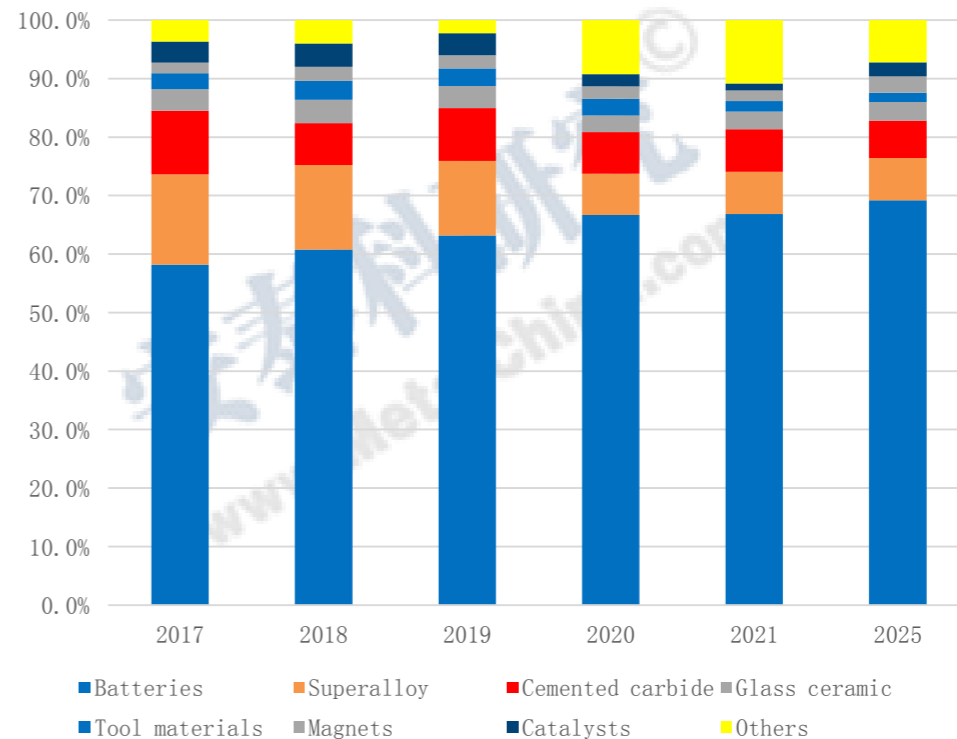
## 4.Demand and consumption trends

In 2021, the cobalt market showed demand growth of 17% , to 166kt , due to the rapid growth of the lithium-ion battery market and strong sales of electric vehicles.



Sources: Antaiko

Global consumption of cobalt in applications, 2017-2025(kt)

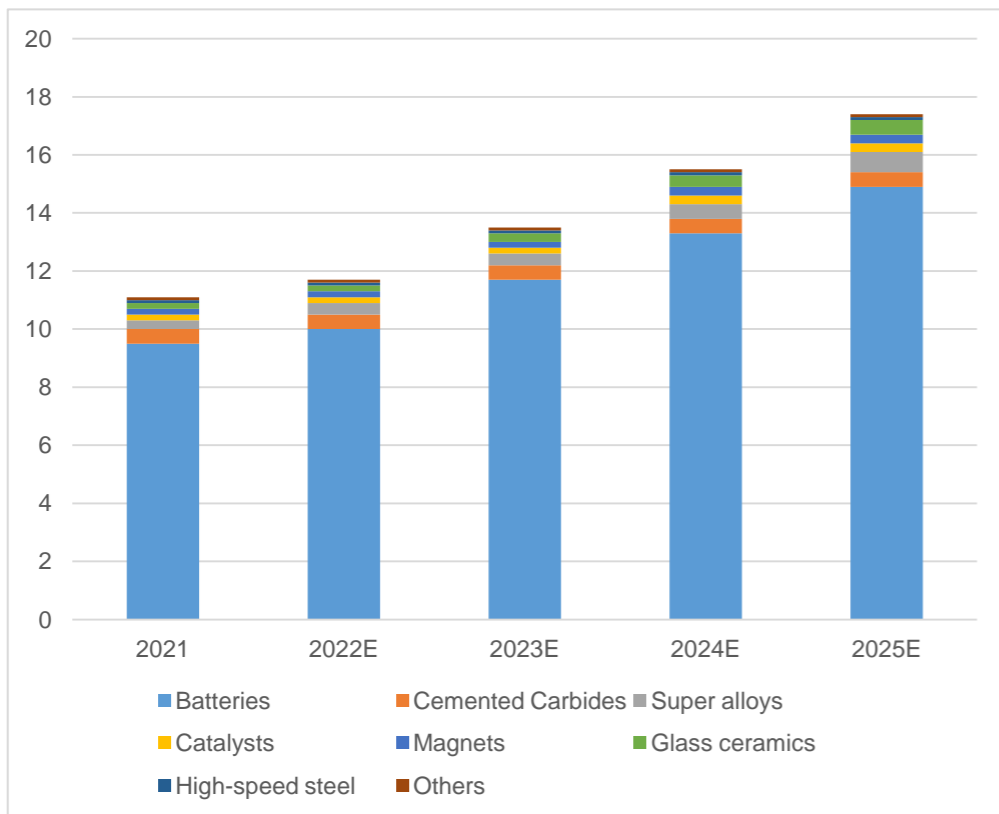


Sources: Antaiko

Consumption of cobalt in applications, 2017-2025

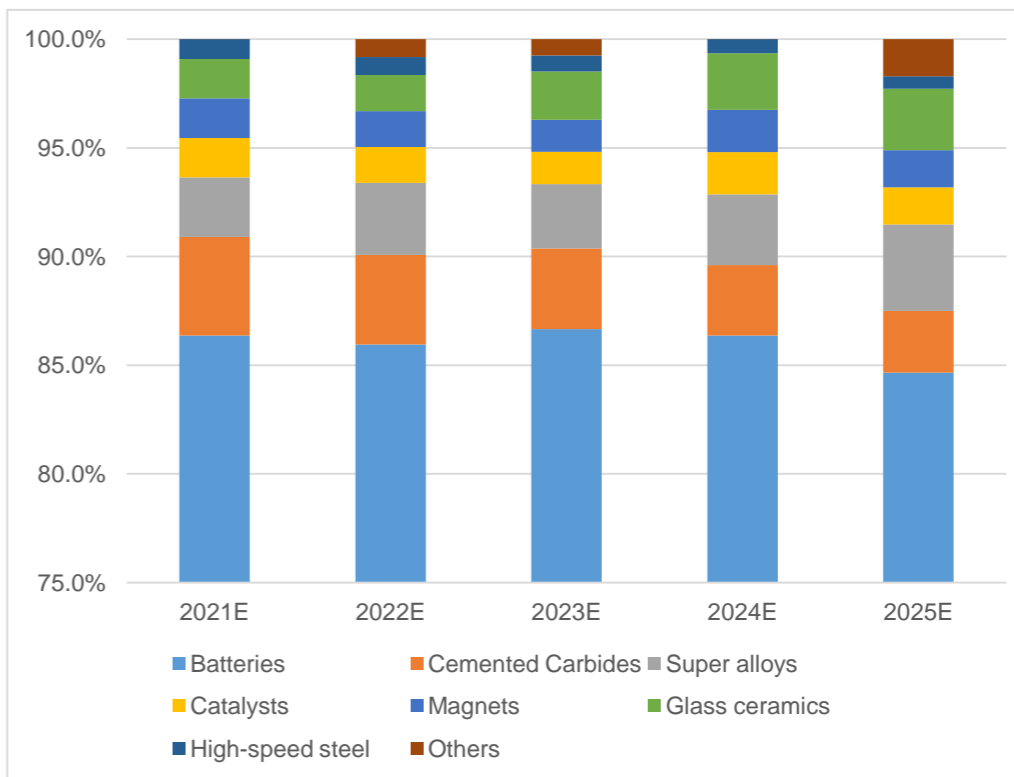
## 4.Demand and consumption trends

In 2021, cobalt consumption of China reached 111kt, up 28.6% y/y, batteries was the largest consumption area.



Sources: Antaiko

China consumption of cobalt in applications, 2017-2025E (kt)

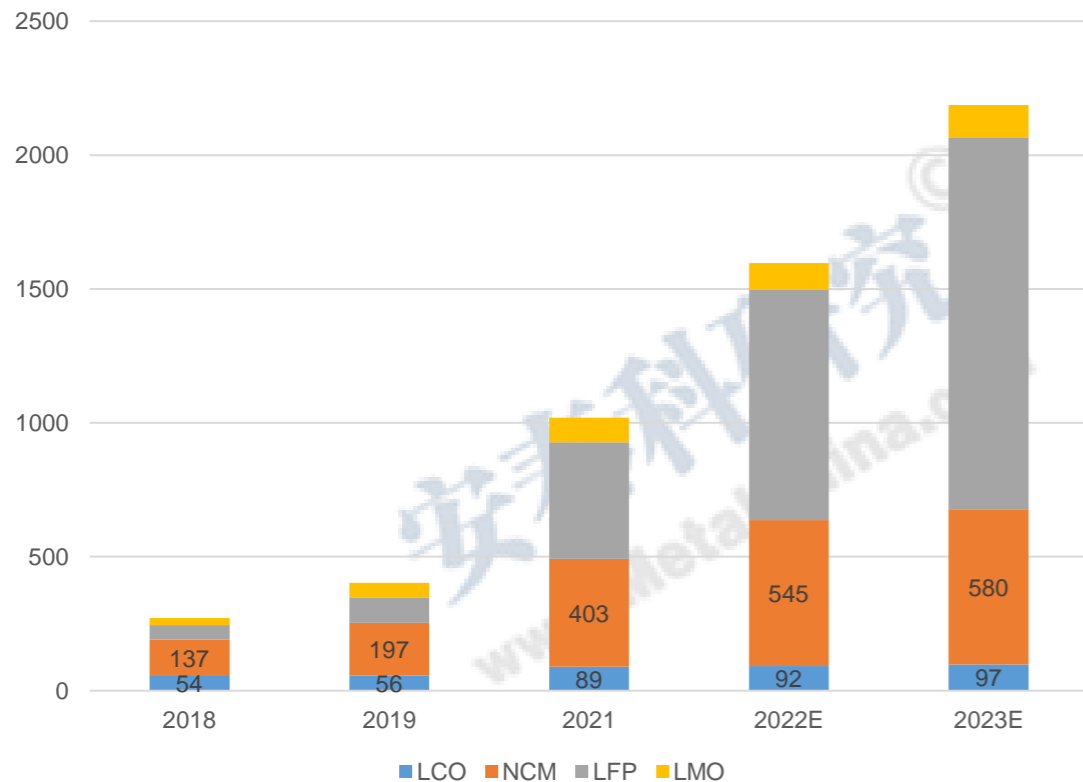


Sources: Antaiko

China consumption of cobalt in applications, 2017-2025E (%)

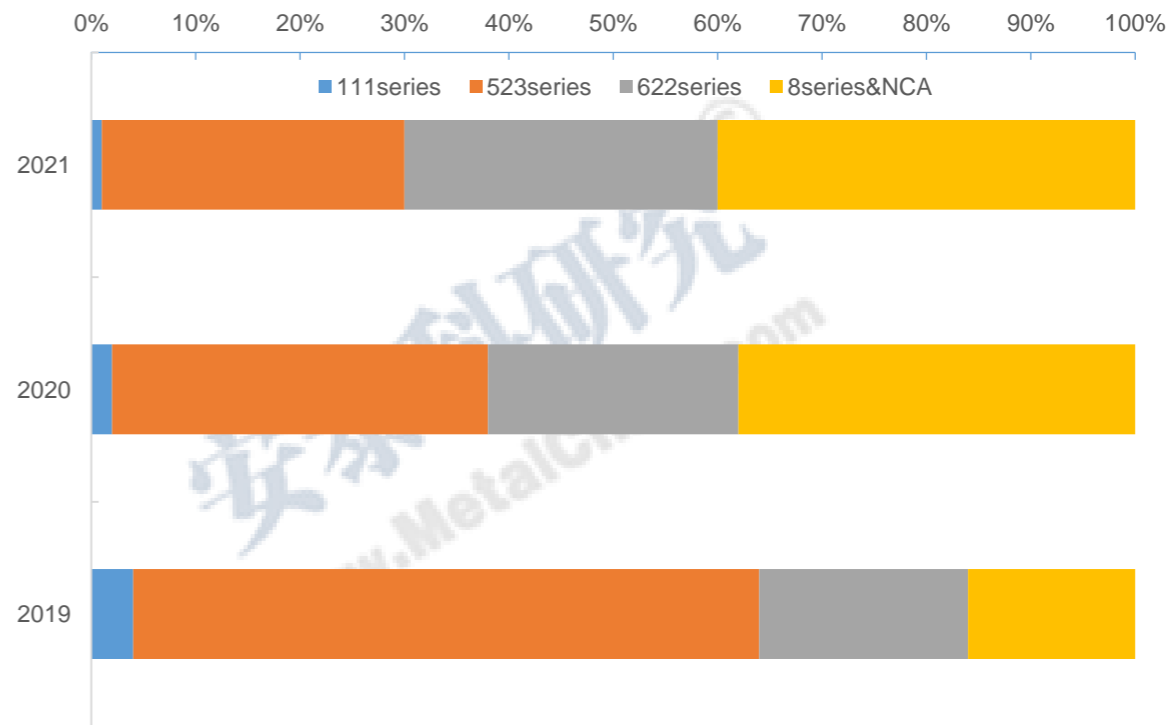
## 4.Demand and consumption trends

Despite the current difficulties, the outlook for cobalt remains positive in the long term.



Sources: Antaiko

China NCM Production,2018-2023(kt)



Sources: Antaiko

China NCM proportion by Form,2019-2021(%)

Cobalt consumption of China in 2022 will be affected by the epidemic

	2019	2020	2021	2022E	2023E
Processed supply	140	144	167	185	210
Demand	139	141	166	180	200
Balance	1	3	1	5	10
Europe price(USD/Lb)	16.5	16	30	34	29

Global market balance,2019-2023E(kt)

- 1. International cobalt prices will fall further in June to around 35USD/Lb, domestic and foreign market metal cobalt price gap will further narrow in China.**
- 2. The quotation of MB cannot reflect the complete picture of the market. The quotation should consider the market price of cobalt chemicals in China.**
- 3. Cobalt consumption in China will not recover until Q42022.**
- 4. Indonesia will become another important source of cobalt in the world in the coming years, with a future supply of 45 kt/year.**
- 5. In 2021, the secondary recovery of cobalt in China will be 25kt, by 2025, the production of cobalt from recycling will reach 43kt, with a CAGR of 15%.**

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# THANKS

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