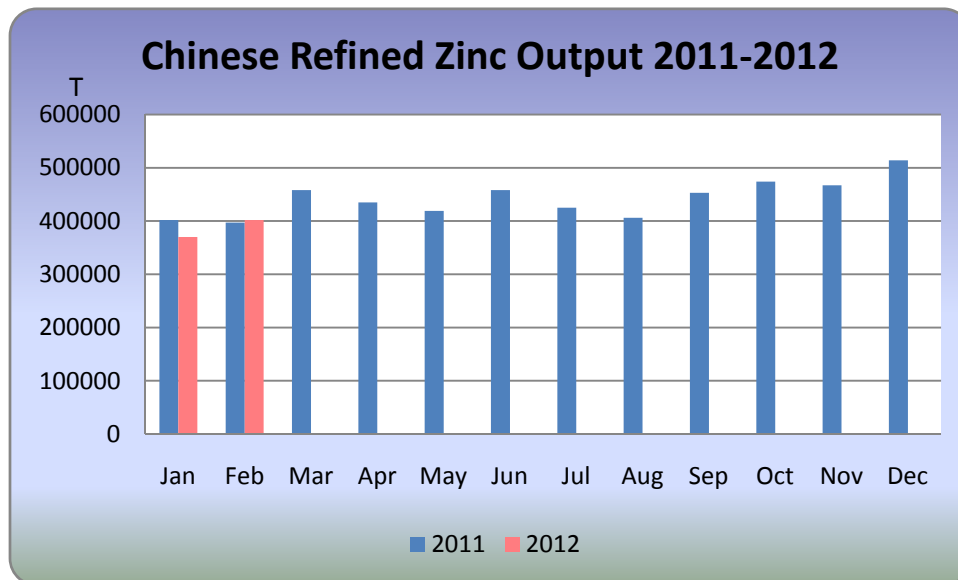


Chinese refined zinc output increases by 8.6% MOM in February 2012

BEIJING (Asian Metal) 14 Mar 12 – According to the statistics released by China State Statistics Bureau, Chinese refined zinc output reached 402,000t in February 2012, up by 2.8% year-on-year and up by 8.6% month-on-month.

The following chart shows Chinese refined zinc production from January 2011 to February 2012:



From the chart we can see that the output of refined zinc still kept at a low level in China. Zinc demand dropped to the bottom level in January as most participants left the market and enjoyed the Spring Festival holiday. Furthermore, zinc price kept fluctuating at the low level. In this case, many zinc smelters reduced or even stopped production due to the weak market in January.

After the holiday, zinc price increased slightly in China in February, and participants forecasted zinc demand would improve gradually. In this case, some zinc smelters resumed the normal production in February. With the boom season coming in March and April, Chinese zinc market would get warmer in the following months. Therefore, refined zinc production may continue to increase slightly in March.