



# Cobalt Market Outlook 2021

A rising new star ?

## A strong start for the new year

Cobalt prices started the year 2021 with higher prices, due to market prospects of its usage in the growing tech-savvy 5G smart phones and electric vehicles (EV) markets.

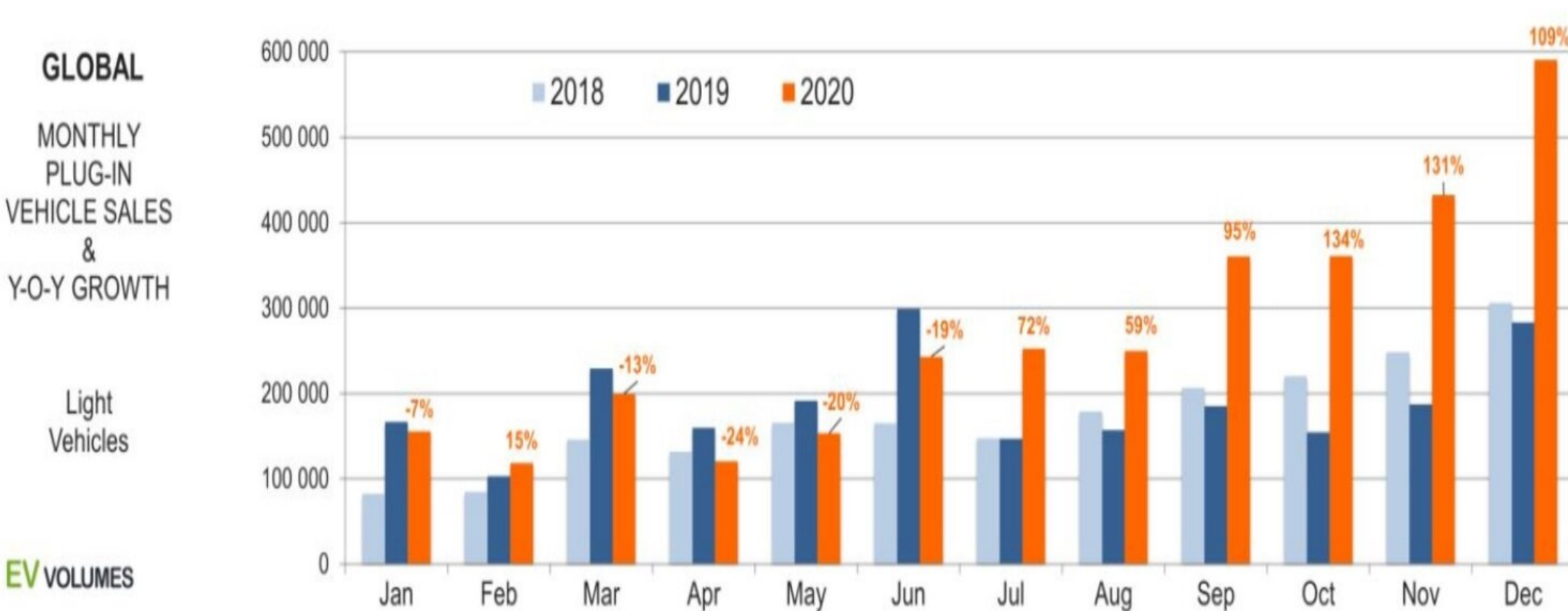


Source: LME

LME Cobalt prices jumped at late-Dec 2020, boosted by high sales of EVs and bullish market sentiment for the growth in battery raw material space.

## Cobalt price correlation with high EV sales in Dec 2020

The cobalt price spike seemed to follow the rising volume of EVs being sold at late-2020.



Source: EV volumes

## Cold start for smart phones

Unlike the EV markets, the smart phone sectors struggled in 2020 with slower sales during the coronavirus pandemic.

### The rise of 5G smartphone



#### Falling sales in China

Chinese mobile phone sales, the world largest cellphone market, dropped by 20.8% on-year in 2020, according to China Academy of Information and Communications Technology (CAICT).

5G smartphone shipments are estimated to reach 19% of the global volume of mobile phones in 2020 and expected to grow to 58% in 2024, according to International Data Corp (IDC).

#### Delay in 2021?

However, smartphone sales may delay in 2021, due to rising coronavirus cases that affected economy.

## Stellar growth for EV markets

The EV market, however, grew in strength during the pandemic year of 2020, as global EV sales soared by 43% on-year to total 3.24 million vehicles, according to the EV Volumes.

### UK to end emissions-emitting vehicles by 2030



#### More subsidies for EVs in China

China's EV sales are expected to rise 40% on-year in 2021 to 1.8 million units, supported by government subsidies, according to the China Association of Automobile Manufacturers.

UK's EV demand grew by 186% on-year to 108,000 units in 2020, and had a long term plan to end all sales of emissions-emitting vehicles by 2030.

#### More EV growth in 2021

Global EV sales are expected to have grown by 32% in 2020, and sales will rise by 43% year on year in 2021, according to Fastmarkets