



LME Response – Russian Metal still Good to Go

The LME [published its response](#) on 11 November to the Discussion Paper on Russian Metal. Taking into account the differing views, the LME decided to accept the status quo, meaning that Russian metal continues to be acceptable for good delivery on the Exchange.

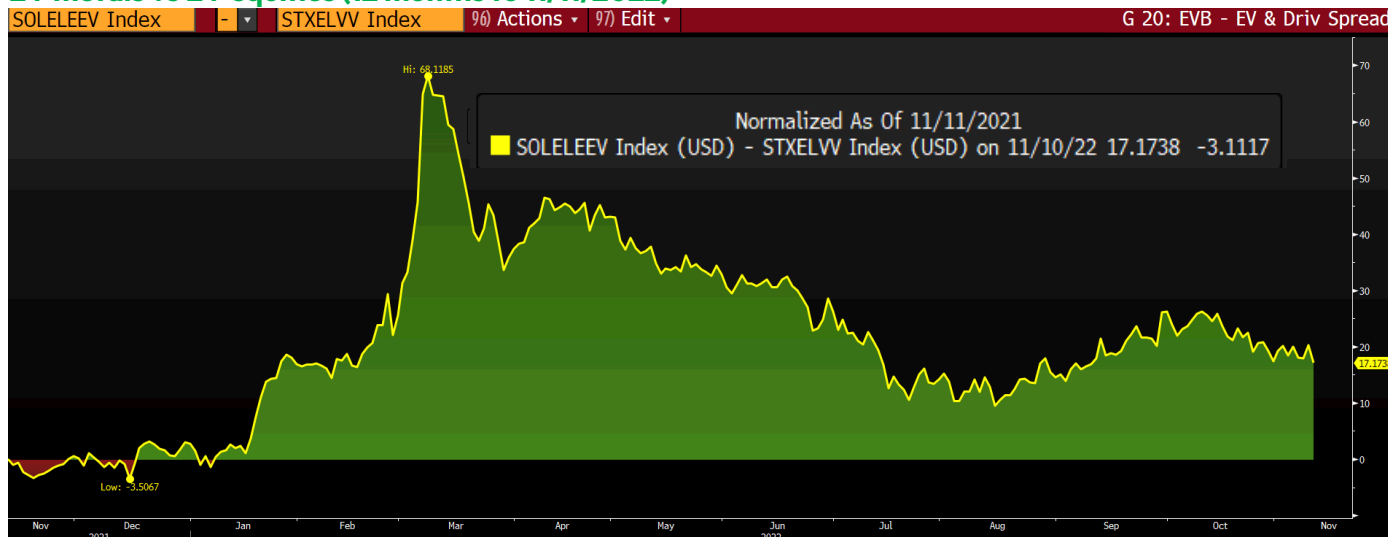
A couple of points to highlight in the LME’s decision:

1. It takes the view that the acceptability of metal from any jurisdiction should be in line with the decisions of democratically elected governments, and the Exchange’s rules should reflect governmental sanctions and/or tariffs;
2. It has a responsibility to ensure an orderly market and to date there is no evidence that Russian metal has been rejected wholesale by consumers resulting in flows into LME warehouses and market disruption.

A few respondents highlighted the ‘green’ credentials of Russian producers. The following is taken from the LME Response,

“Many Russian smelters and refineries benefit from 100% hydroelectric power which has helped ensure that they are focal players for the sustainable transition. One respondent emphasised that sourcing from Russian producers is vital for many consumers and downstream users who rely on the environmental credentials for their own decarbonisation strategies. Building on this view, another respondent discussed the growing demand for low carbon aluminium and that producers who are directly in competition with Russian producers would benefit from pursuing an LME ban on Russian metal, despite potentially having a less attractive product from an environmental perspective.”

EV metals vs EV equities (12 months to 11/11/2022)



Note: SOLELEEV = Solactive Elementum Electric Vehicle Index (USD)

Source: Bloomberg

STXELVV = STOXX Global Electric Vehicles & Driving Technology Index (USD, NTR)

Metal prices

Metal	Price USD (11 November)	Weekly change %	Year-to-date change %	Price vs 200 day moving average	Price vs 52 week high
Gold	1759.35	5.1%	-2.6%	97.6%	86.3%
Silver	21.48	7.6%	-7.0%	100.1%	82.1%
Palladium	2032	7.6%	3.0%	94.3%	67.4%
Platinum	1040	9.8%	8.4%	109.7%	90.4%
Cobalt	49077.9	-3.7%	-32.1%	70.1%	56.0%
Copper	8441	6.8%	-12.9%	96.0%	78.7%
Nickel	26025	9.6%	24.4%	99.2%	56.8%

Bloomberg codes: GOLDLNPM, SLVRLND, PLDMLNPM, PLTMLNPM, BYW1, LOCADY, LONIDY Notes. All performance data to 11 November 2022. Past performance is not an indicator of future performance and the value of an investment may fall as well as rise. Investors take on currency risk when taking unhedged exposure to commodities.

The week ahead

14 November	Eurozone: industrial production; Japan: GDP
15 November	China: industrial output, retail sales; US: PPI
16 November	US: retail sales, industrial production
17 November	Eurozone / Japan: CPI; UK: Autumn Statement; US: initial jobless claims
18 November	UK: retail sales; US: existing home sales

Further reading

- Bloomberg [China's Top EV Wastes No Time Getting Traction In Indonesia](#)
- Bloomberg [Ford, GM In Talks With Posco Chemical Battery Metal Hubs](#)
- Bloomberg [Germany Considers National Fund In Scramble for Raw Materials](#)
- Ember [The sunny side of Asia](#)
- Reuters [Australian mining magnate Forrest calls for a ban on seabed mining](#)

Metal Research Major Exchanges Total Copper Inventories (MT)



Data: as at 11 November 2022

Source: Bloomberg

Disclaimer

For professional clients and eligible counterparties only

NTree International Limited (“NTree”) is an appointed representative of Messels Ltd. which is authorised and regulated by the Financial Conduct Authority. This document does not constitute an offer to buy or sell or a solicitation of an offer to buy securities in any company.

NTree Deutschland GmbH, Mönchengladbach, Germany, is a 100% subsidiary of NTree International Ltd. and acts as a tied agent for the account and under the liability of AHP Capital Management GmbH, Frankfurt am Main, Germany. As a tied agent of AHP NTree Deutschland GmbH is allowed to provide investment brokerage and investment solicitation in regard to financial instruments in Germany and it is intended expand these activities gradually into other EU and EFTA member states. NTree International Ltd. does not provide financial services in the European Union.

NTree manages and distributes the Elementum Metal Securities range of physically-backed metal Exchange Traded Commodities (“ETC” or “ETC Securities”). This document is prepared by NTree for Elementum Metal Securities.

This document is not intended for distribution to any other country where such distribution or use would be contrary to local law or regulation. Specifically, this document is not intended for general distribution in the United States or Canada. Investing in financial markets involves a substantial degree of risk. Nothing described herein is intended to imply that an investment is “safe”, “conservative”, “risk free” or “risk averse”.

This document is intended for information purposes only and does not consider the specific investment objective, financial situation or particular needs of any potential investor and is intended only for those investors who are capable of understanding the risk of loss of all or a substantial part of their monies. Potential investors in the UK are reminded that they will not benefit from the UK investors compensation scheme.

Nothing contained herein constitutes investment, legal, tax or other advice nor is to be relied upon in making an investment or other decision. No recommendation is made positive or otherwise, regarding individual securities or investments mentioned herein. Any summary list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in short and leveraged products. Prospective clients must consult with their own legal, tax and financial advisers before deciding to invest.

This document contains the opinions of the author and such opinions are subject to change without notice. The source of data is NTree unless otherwise stated. No guarantee is made to the accuracy of the information provided which has been obtained from sources believed to be reliable. This document and the information contained herein is intended only for the use of persons (or entities they represent) to whom it has been provided.

This document is marketing material. Before investing an investor should read the Prospectus and KID available at <https://www.elementummetals.com>

Risk Factors

Investment in the ETC Securities will involve a significant degree of risk. Investors may lose the value of their entire investment or part of it. Each prospective purchaser of, or investor in, ETC Securities should be familiar with instruments having characteristics similar to the ETC Securities and should fully understand the terms of the ETC Securities and the nature and extent of its exposure to risk of loss.

Performance and capital loss: Past performance is not a reliable indicator of future results. The value of an investment may go down as well as up and can result in losses, up to and including a total loss of the amount initially invested.

Generic risks: Investments in ETCs involve numerous risks including, but not limited to, metal market risks, foreign exchange risks, interest rate risks, and liquidity risks.