



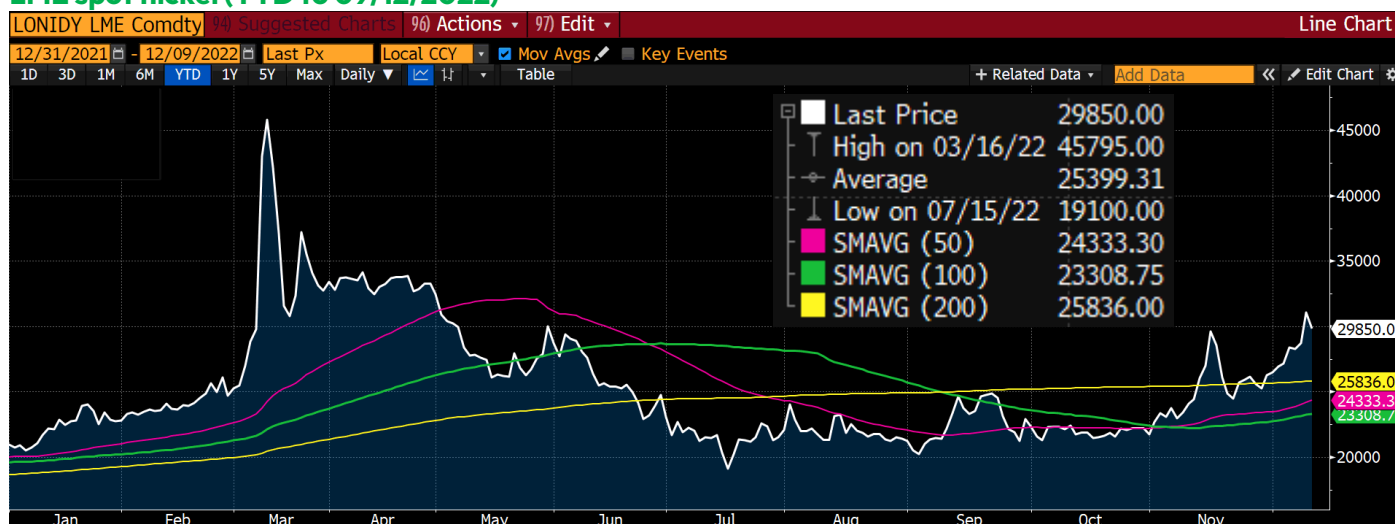
## This time its different – Glencore focuses on the looming copper deficit

Glencore gave an investor update in early December and emphasised a point made by other producers and commodity analysts, there is a scope for a significant copper deficit by 2030. Looking at the amount of metal required for the IEA’s net zero emissions pathway, Glenmore estimated that there could be a cumulative shortfall of over 50 million tonnes (MT) between 2022 and 2030 – over the period incremental demand from renewables could hit over 100 MT and electric vehicles 19 MT out of total demand of 355 MT. Highlighting the country and operational risks facing miners, Glencore highlighted the dramatic reduction in industry capex from its annual figure of \$32 billion in 2012 to a forecast \$12 billion in 2025. (See <https://edge.media-server.com/mmc/p/rxq4r4up> )

One other factor that will complicate the development of new mines is a shortage of skilled personnel. Laura Tyler, BHP’s Chief Technology Officer, gave [a speech](#) in Melbourne at which she highlighted the challenge of firms like in BHP in attracting technologists, data scientists, mathematicians in competition with pharma and tech giants like Google and Amazon but also, citing PwC, that the industry would need 21% more mining engineers and geotech engineers, and 29% more metallurgists in 2040, than it had in 2020.

Canada released its [Critical Minerals Strategy](#) that focuses on the supply of responsibly sourced critical minerals and support the development of domestic and global value chains for the green and digital economy. Of the 31 critical minerals identified, six are “prioritized in this Strategy for their distinct potential to spur Canadian economic growth and their necessity as inputs for priority supply chains.” The six are: cobalt, copper, graphite, lithium, nickel and rare earth elements. The Strategy is backed by nearly \$4 billion in Budget 2022.

## LME spot nickel (YTD to 09/12/2022)



Note: LONIDY = London Metal Exchange Cash Official Price Nickel

Source: Bloomberg

**Metal prices**

Metal	Price USD (9 December)	Weekly change %	Year-to-date change %	Price vs 200 day moving average	Price vs 52 week high
Gold	1796.15	0.6%	-0.5%	99.9%	88.1%
Silver	23.11	2.2%	0.1%	108.2%	<b>88.3%</b>
Palladium	1923	2.6%	-2.5%	89.9%	63.8%
Platinum	1001	-0.6%	4.4%	105.8%	87.0%
Cobalt	43957.2	<b>-6.2%</b>	<b>-39.2%</b>	<b>64.0%</b>	<b>50.2%</b>
Copper	8490.5	1.8%	-12.4%	97.6%	79.1%
Nickel	29850	<b>10.0%</b>	<b>42.7%</b>	<b>113.2%</b>	65.2%

Bloomberg codes: GOLDLNPM, SLVRLND, PLDMLNPM, PLTMLNPM, BYW1, LOCADY, LONIDY Notes. All performance data to 9 December 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**

12 December	India: inflation, industrial output; UK: October GDP estimate
13 December	Germany, US: CPI; Japan: Tankan Survey
14 December	US: Fed Funds rate decision; Eurozone: industrial production; UK: CPI
15 December	China, ECB, Switzerland, UK: interest rate decisions; China, US: retail sales
16 December	Eurozone, UK, US: manufacturing and service PMIs

**Further reading**

- Bloomberg [LME Draws Takeover Interest From Rivals After Nickel Crisis](#)
- Bloomberg [BYD Considers US Battery Plant, Refrains From Selling EVs After Biden Inflation Act](#)
- Mining.com [EU inks deal with Chile for easier access to battery metals](#)
- Reuters [Copper mine supply wave arrives but will it be the last?](#)
- Reuters [Anglo American cuts 2023 copper output target on poor Chilean ore grades](#)

**Metal Research Major Exchanges Total Copper Inventories (MT)**



Data: as at 8 December 2022

Source: Bloomberg

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