



Copper starts the year on a charge

Ongoing dollar weakness and a [range of measures](#) to support the property sector in China are seen as the catalysts for price rises across base metals. Copper rose nearly 9% to over \$9000 in the week ending 13 January. An analyst at Marex indicated to [Bloomberg](#) that there was more onshore buying in China as well interest from CTAs and discretionary funds. With metal stockpiles held by exchanges at low levels, any sustained pick up in physical demand will likely have an impact on prices. This point was made at by Jeremy Weir, Trafigura’s Chief Executive, at a conference in Saudi Arabia, where he [indicated](#) that markets have never been tighter and “we could be pushed into extreme price levels.”

As initiatives to find and develop critical minerals for the energy transition gather pace, Saudi Arabia’s sovereign wealth fund, PIF, and state miner, Maaden, are forming a company to invest in mining assets internationally focusing on iron ore, copper, nickel and lithium ([Bloomberg](#)). Separately, Saudi Arabia has [indicated](#) that it is seeking to attract \$170 billion of foreign investment by the end of the decade to develop its mineral reserves. The first auction of exploration licences open to foreign investors will cover copper, zinc, gold, silver and lead deposits.

In Portugal, EDP Renovaveis (EDPR), the world’s fourth-largest renewable power producer, has started generating electricity from Iberia’s first hybrid wind-solar farm. The plant combines 17,000 new photovoltaic panels, which doubled capacity to 21 MW, with the already installed wind turbines. Reuters [reported](#) that EDPR had indicated that it would be able to generate 36.5 GW annually. Portugal is targeting 80% electricity generation from renewable sources in 2026, up from around 60% at present.

LME spot copper (12 months to 13/01/2023)



Note: LOCADY = London Metal Exchange Cash Official Price Copper

Source: Bloomberg

Metal prices

Metal	Price USD (13 January)	Weekly change %	Year-to-date change %	Price vs 200 day moving average	Price vs 52 week high
Gold	1907.15	3.0%	5.1%	107.3%	93.5%
Silver	23.675	0.9%	-1.1%	112.3%	90.4%
Palladium	1739	-2.5%	-2.0%	86.3%	57.7%
Platinum	1057	-1.5%	2.5%	112.0%	91.8%
Cobalt	39242.3	-1.9%	-9.2%	63.3%	44.8%
Copper	9107	8.9%	8.6%	108.6%	84.9%
Nickel	27175	-1.1%	-10.7%	107.0%	59.3%

Bloomberg codes: GOLDLNPM, SLVRLND, PLDMLNPM, PLTMLNPM, BYW1, LOCADY, LONIDY
Notes. All performance data to 13 January 2023. 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

16 January	China: 1Y Medium Lending Facility rate
17 January	China: Fixed assets investments, GDP, Industrial output, Retail sales; Germany: CPI; UK: Unemployment rate
18 January	Eurozone, UK: CPI; Japan: BoJ rate decision; US: Retail sales, PPI, Industrial production
19 January	US: Jobless claims, Housing starts
20 January	US: Existing home sales

Further reading

- Bloomberg [Tesla Faces Higher Lithium Prices as Supplier Amends Deal](#)
- Deloitte [2023 Global Automotive Consumer Study](#)
- IEA [Energy Technology Perspectives 2023](#)
- Reuters [Sweden's LKAB finds Europe's biggest deposit of rare earth minerals](#)
- Reuters [U.S. to lend ioneer \\$700 million for Nevada lithium mine](#)

Metal Research Major Exchanges Total Copper Inventories (MT)



Data: as at 12 January 2023

Source: Bloomberg

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