



Metal Matters

30 January

As China buys up copper, the Chilean Copper Commission lowers production outlook for this decade

Despite Covid lockdowns and depressed economic activity, China purchased significant amounts of copper in 2022. The country's net imports of refined copper totalled 3.64 million tonnes (Mt) last year, the second highest level after the record 4.67Mt in 2020. The year also saw record inflows of copper concentrate. Andy Home in a piece for [Reuters](#) identifies two possible sources of demand: the [expansion of renewable power infrastructure](#) and the State Reserve Board building stockpiles.

State-owned Codelco 2022 production figures highlighted the difficulties facing copper miners in Chile. It [announced](#) production of an estimated 1.446Mt of copper compared to 1.618Mt in 2021, a reduction largely attributable to operational issues. Separately, [Reuters](#) had sight of a Chilean Copper Commission (Cochilco) report forecasting that copper production will grow at a slower rate this decade than previously expected, see chart below. Output is projected to peak at around 7.14Mt in 2030, two years later than anticipated as delays hit mining projects. A year ago, Cochilco was forecasting a peak of 7.62Mt in 2028.

In the battery space, LG Energy Solution is [forecasting](#) that 2023 global battery market demand will reach 890 GWh, a 33 percent increase on 2022's 670GWh. Growth is expected to be strongest in North America, with growth in the mid-to-high 60 percent range. European and Chinese markets are expected to expand by around 45 percent and 25 percent respectively. The expected strong growth in the North America is leading firms like Panasonic to see potential to build further EV battery plants there ([Bloomberg](#)).

Meanwhile, the clock is ticking to find a buyer for Britishvolt. If one is not found by the end of January, the site will be sold independently of the intellectual property. The Financial Times [reported](#) that EY, the administrator, has a shortlist to five potential buyers, with Australia's Recharge Industries, as one of the leading contenders. It has reportedly tabled an offer of about £30 million.

Chile Copper Outlook (million tonnes)

● Maximum ● Expected ● Minimum

Peak production in 2030, two years later than previously forecast



Source: Cochilco report seen by Reuters

Metal prices

Metal	Price USD (27 January)	Weekly change %	Year-to-date change %	Price vs 200 day moving average	Price vs 52 week high
Gold	1923.05	-0.1%	6.0%	108.3%	94.3%
Silver	23.725	-0.6%	-0.9%	113.0%	90.6%
Palladium	1642	-5.1%	-7.5%	82.9%	54.5%
Platinum	1010	-1.4%	-2.0%	106.6%	87.7%
Cobalt	38853.9	-0.5%	-10.1%	65.2%	44.3%
Copper	9345.5	1.2%	11.4%	112.1%	87.1%
Nickel	29065	1.4%	-4.5%	115.6%	63.5%

Bloomberg codes: GOLDLNPM, SLVRLND, PLDMLNPM, PLTMLNPM, BYW1, LOCADY, LONIDY

Notes. All performance data to 27 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

30 January	Germany: Q4 GDP Flash
31 January	Eurozone: Q4 Flash; France, Germany: Jan CPI; US: Consumer Confidence
1 February	US: Fed Funds Rate; China, Eurozone, Japan, UK, US: Manufacturing PMIs
2 February	Eurozone, UK: Rate decisions; US: Factory Orders, Initial Jobless Claims
3 February	China, France, Germany, Japan, UK, US: Services PMIs; US: Non Farm Payrolls

Further reading

- Bloomberg [China Mulls Protecting Solar Tech Dominance With Export Ban](#)
- Bloomberg [A \\$3.6 Billion EV Charging Boost Is Still a Missed Opportunity](#)
- pv magazine [The fastest energy change in history](#)
- Reuters [EU urges European banks to step up funding for critical minerals](#)
- Reuters [Geely plans to turn maker of London black cabs into EV powerhouse](#)

Metal Research Major Exchanges Total Copper Inventories (MT)



Data: as at 26 January 2023

Source: Bloomberg

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