



Trafigura takes \$577 million loss on fraudulent nickel trades

Trafigura [announced](#) it was taking a \$577 million charge in the first half of 2023 to cover the maximum loss of the ‘systematic fraud’ involving nickel purchases from a group of companies connected to and apparently controlled by Mr Prateek Gupta, including TMT Metals. It indicated that “since late December 2022, a small proportion of the containers purchased from these companies have been inspected as they reached their destination, and were found not to contain nickel.” While Trafigura has reportedly been trading with Gupta-controlled entities since 2015, others in the industry have apparently been backing away ([Bloomberg](#)).

[Bloomberg reported](#) that Ford is about to announce plans to build a \$3.5 billion LFP battery plant in Michigan with Chinese battery company China’s Contemporary Amperex Technology Co Ltd (CATL) as the technology partner. There is uncertainty as to whether production from the facility would be eligible for EV tax credits under the Inflation Reduction Act. Ford is looking at an arrangement where it would own the plant and it would build the batteries using CATL technology.

As part of the initiatives to build up domestic battery supply chain capacity, the U.S. Department of Energy’s (DOE) [announced](#) a conditional loan commitment of \$2 billion to Redwood Materials for the construction and expansion of a battery materials campus in McCarran, Nevada. Once operational, the project would be the first domestic U.S. facility to support production of anode copper foil and cathode active materials in a fully closed-loop lithium-ion battery manufacturing process. Currently these components are manufactured outside the U.S., predominantly in Asia. The plant will use new and recycled feedstocks to produce approximately 36,000 tonnes per year of ultra-thin battery-grade copper foil for use as the anode current collector, and approximately 100,000 tonnes per year of cathode active materials.

LME Spot Nickel (USD, 12 months to 10 February 2023)



Note: LONIDY = London Metal Exchange Cash Official Price Nickel

Source: Bloomberg

Metal prices

Metal	Price USD (10 February)	Weekly change %	Year-to-date change %	Price vs 200 day moving average	Price vs 52 week high
Gold	1859.7	-0.8%	2.5%	104.8%	91.2%
Silver	22.115	-5.9%	-7.6%	105.4%	84.5%
Palladium	1553	-4.4%	-12.5%	79.6%	51.5%
Platinum	966	-3.9%	-6.3%	101.7%	83.9%
Cobalt	34987.4	-2.3%	-19.0%	61.3%	39.9%
Copper	8905	-1.7%	6.2%	107.3%	83.0%
Nickel	27710	-4.8%	-8.9%	111.0%	60.5%

Bloomberg codes: GOLDLNPM, SLVRLND, PLDMLNPM, PLTMLNPM, BYW1, LOCADY, LONIDY
Notes. All performance data to 10 February 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.

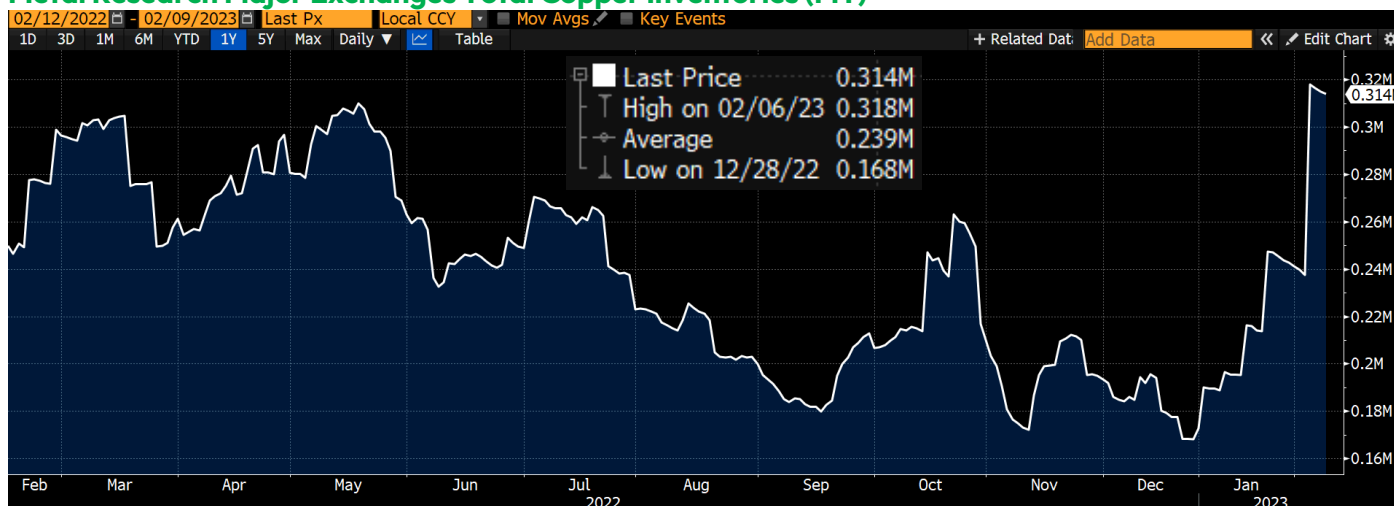
The week ahead

13 February	Germany: Jan CPI; Japan: Q4 GDP
14 February	Eurozone: Q4 GDP estimate; UK: Unemployment rate; US: Jan CPI
15 February	China: 1 Yr Medium Term Lending Facility Rate; Eurozone: Dec Industrial production; US: Jan Industrial production
16 February	China: New home prices; US: Initial jobless claims, Jan PPI, Jan Housing starts
17 February	China: Jan M2 Money supply; UK: Jan Retail sales

Further reading

- Bloomberg [Wind Turbine Giant Says It Has a Solution That Will Keep Blades Out of Landfills](#)
- IEA [Electricity Market Report 2023](#)
- Nature [A non-academic perspective on the future of lithium-based batteries](#)
- Reuters [To tap U.S. government billions, Tesla must unlock EV chargers](#)
- Reuters [Gigapresses - the giant die casts reshaping car manufacturing](#)

Metal Research Major Exchanges Total Copper Inventories (MT)



Data: as at 9 February 2023

Source: Bloomberg

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