



First Quantum suspends operations at Panama copper mine

Resource nationalism is one factor that can complicate life for mining companies. First Quantum Minerals, the Canadian miner, that owns the Cobre Panamá copper mine in Panama has been in a dispute with the government over tax and royalty payments. It came to a head last week when it announced it had [suspended](#) ore processing operations after the Panamá Maritime Authority refused to permit copper concentrate loading operations at the mine’s port, Punta Rincón. The company indicated that the mine has ceased purchasing supplies and services that are equivalent to \$20 million in weekly revenues to more than 2,000 Panamanian companies. The mine [produced](#) 89,652 tonnes of copper in 4Q 2022, and, pre-disruption, the company gave 2023 copper production guidance of 350,000-380,000 tonnes.

The US Inflation Reduction Act (IRA) has raised concerns in Europe’s about unfair competition and the need to develop similar policies. These concerns were borne out by Tesla’s [decision](#) last week to scale back its planned gigafactory in Germany and to prioritise battery-cell production in the US over Germany because of manufacturing tax breaks included in the IRA. Bloomberg reported that other companies, such as Volkswagen, Volvo AB, and battery maker Northvolt, are looking at opportunities to locate in the U.S. because of the possibility of tapping into \$370 billion in green-tech aid.

The International Renewable Energy Agency (IRENA) released the [Global Landscape of Renewable Energy Finance 2023](#). Global investment in energy transition technologies hit \$1.3 trillion in 2022, a record high up 19% from 2021 levels. Despite the rise, IRENA suggests the level needs to quadruple in order to meet the 1.5°C warming scenario, with a spend of \$5.7 trillion on average between 2021 and 2030, and \$3.7 trillion between 2031 and 2050. The report highlights how solar photovoltaic onshore and offshore wind take the lion’s share of investments and how more funds are needed for heating, cooling, and system integration.

Platinum/Palladium Ratio (5 years to 24 February 2023)



Note: PLTMLNPM = LME Platinum PM Fix USD, PLDMLNPM = LME Palladium PM Fix USD Source: Bloomberg

Metal prices

Metal	Price USD (24 February)	Weekly change %	Year-to-date change %	Price vs 200 day moving average	Price vs 52 week high
Gold	1810.95	-1.3%	-0.2%	102.0%	88.8%
Silver	21.09	-0.6%	-11.9%	100.5%	80.6%
Palladium	1394	-5.9%	-21.5%	72.4%	46.2%
Platinum	928	1.6%	-10.0%	97.8%	80.6%
Cobalt	34370.1	0.0%	-20.5%	63.2%	39.2%
Copper	8807	-0.7%	5.0%	106.3%	82.1%
Nickel	24850	-2.9%	-18.3%	99.8%	54.3%

Bloomberg codes: GOLDLNPM, SLVRLND, PLDMLNPM, PLTMLNPM, BYW1, LOCADY, LONIDY
Notes. All performance data to 24 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

27 February	China: Feb Loan Prime Rate; US: Jan Durable Goods
28 February	US: Chicago PMI, Consumer Confidence
1 March	Eurozone: Feb S&P Global Manufacturing PMI; US: Feb ISM Manufacturing PMI
2 March	Eurozone: Headline CPI; US: Initial Jobless Claims
3 March	Eurozone, US: S&P Global Composite and Service PMIs

Further reading

- Bloomberg [GM Battery Partner Tied to China Gets Cold Shoulder in Washington](#)
- Bloomberg [Nickel Shows Indonesia How to Escape the Middle Income Trap](#)
- pv magazine [CATL offers big battery discounts amid looming lithium surplus](#)
- Reuters [Yellen says EV battery mineral trade pacts can likely bypass Congress](#)
- Reuters [Ford halts F-150 EV production for another week after battery fire](#)

Metal Research Major Exchanges Total Copper Inventories (MT)



Data: as at 23 February 2023

Source: Bloomberg

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