



Stones put the LME and nickel back in the spotlight

More difficulties for the LME and the nickel market following the [discovery](#) that nine bags of nickel briquettes worth \$1.7million and held by JP Morgan in an LME warehouse contained stones rather than nickel. This led the LME to run an inspection of bagged nickel in warehouses and it [reported](#) on 23 March that “no further irregularities have been found in LME-warranted nickel in any of its licensed warehouses globally, and all warehouse operators have confirmed to the LME that they are satisfied with the integrity of the nickel underlying all warrants.” When it reported the anomaly, which remains unexplained, on 17 March, it indicated that the non-conformant warrants represented 0.14% of the live nickel stock. Primary nickel can be held in LME warehouses in the form of cathodes, pellets, or briquettes.

Norges Bank Investment Management (NBIM) [announced](#) that it had signed an agreement to acquire a 16.6 percent stake in He Dreiht, a 960 MW offshore wind construction project offshore Germany, from the utility company EnBW for around €460m. The project, expected to be operational in the latter part of 2025, will be Germany’s biggest offshore wind park and produce enough power to supply 1.1 million households. It is NBIM’s third investment in wind power following deals for a Dutch wind farm with Orsted in 2021 and its 49% stake in Iberdrola’s Spanish renewables portfolio [announced](#) in January.

Albemarle Corporation, the world’s largest lithium producer, [announced](#) plans to locate its North American lithium hydroxide facility in South Carolina. It will involve an initial investment of at least \$1.3 billion. The facility will have the ability to process diverse lithium feedstock, including lithium from recycled batteries. Initial annual production is expected to be approximately 50,000 tonnes of battery-grade lithium hydroxide. Separately, the Chilean government has plans to require new lithium projects to use a commercially unproven extraction process to reduce water usage (see Bloomberg story next page).

Spot copper/Antofagasta ratio (USD, normalised 12 months to 23 March 2023)



Note: LOCADY = LME Cash Official Price Copper USD

Source: Bloomberg

Metal prices

Metal	Price USD (24 March)	Weekly change %	Year-to-date change %	Price vs 200 day moving average	Price vs 52 week high
Gold	1993.8	1.6%	9.9%	112.0%	100.0%
Silver	23.17	5.9%	-3.2%	110.6%	89.4%
Palladium	1418	2.1%	-20.1%	75.8%	56.5%
Platinum	976	-0.3%	-5.3%	102.9%	88.7%
Cobalt	34881	0.6%	-19.3%	70.4%	39.8%
Copper	8927	3.5%	6.4%	108.6%	85.6%
Nickel	22795	-1.8%	-25.1%	93.0%	61.3%

Bloomberg codes: GOLDLNPM, SLVRLND, PLDMLNPM, PLTMLNPM, BYW1, LOCADY, LONIDY
Notes. All performance data to 24 March 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 March	Germany: Mar Ifo Business Climate, Current Conditions, Expectations
28 March	US: Jan Case-Shiller 20-City Composite Home Price Index
29 March	Germany: Apr GfK Consumer Sentiment
30 March	Eurozone: Mar Business Climate, Consumer Confidence; US:Q4 GDP, Initial Jobless Claims
31 March	Eurozone: Mar CPI, Feb Unemployment Rate; US: Feb Core PCE, Mar Chicago PMI

Further reading

- Bloomberg [Chile Pushes New Lithium Extraction Method in Risk to Future Supply](#)
- Bloomberg [Unions Balk at Biden Plan for Mineral Trade Deals With EU, Japan](#)
- Bloomberg [Ford Says Tennessee EV Plant Could Make 500,000 Trucks a Year](#)
- Mining.com [Bolivia pushes for Latin America-wide lithium policy](#)
- Reuters [GEM plans nickel joint venture in South Korea to serve US demand](#)

Metal Research Major Exchanges Total Copper Inventories (MT)



Data: as 23 March 2023

Source: Bloomberg

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