



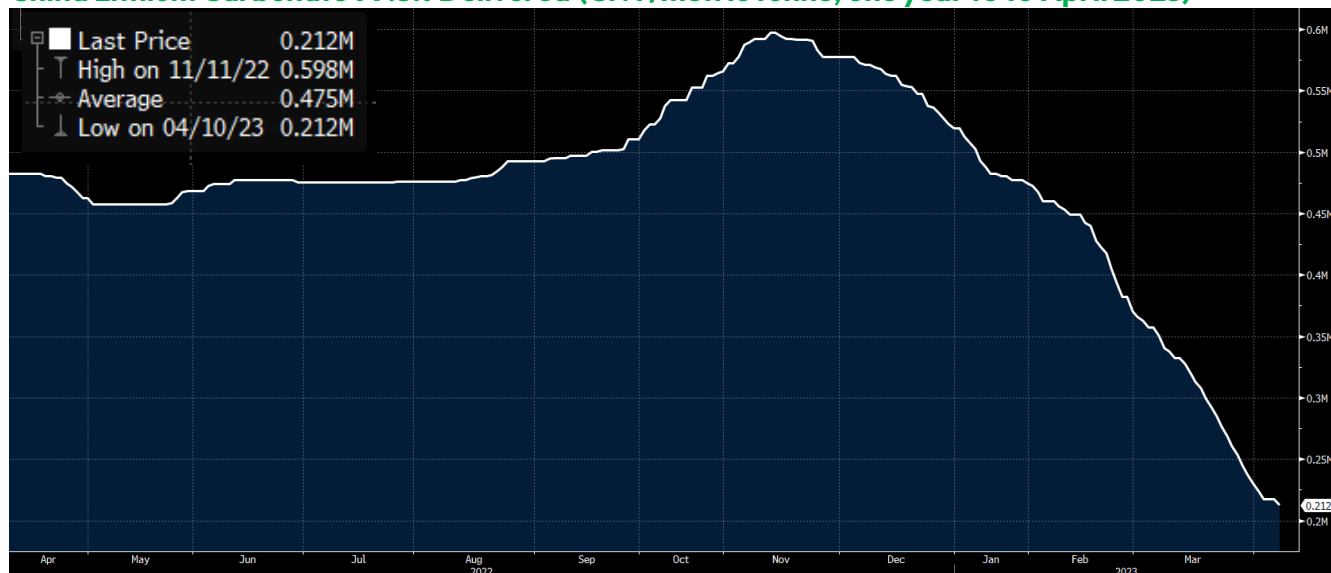
Tesla to locate its Megapack factory in China

Bloomberg [reported](#) that Tesla has chosen Shanghai as the location for its Megapack battery factory, a move that will reinforce China’s position as the global leader in battery manufacturing capacity. The factory will manufacture large-scale energy storage units for customers globally. Production is slated to start in the second quarter of 2024. Each Megapack will be able to store enough energy to power an average of 3,600 homes for one hour. Initial production will be 10,000 Megapacks a year. Energy storage is currently a small segment for batteries, IEA [data](#) shows that were 19.3 gigawatt hours (GWh) of installed stationary battery storage at the end of 2020, which is projected to grow to just over 150 GWh by 2026.

The sharp fall in lithium prices in China has [reportedly](#) prompted production cuts by some lithium producers in Yichun, which Bloomberg NEF estimates accounted for 11% of Chinese lithium carbonate production in 2022. Some producers and analysts see prospects for broader weakness in lithium prices. Bank of America, for example, recently [revised](#) its 2023 price forecasts downward: lowering spodumene by 8.4% to US\$5,038 per tonne, carbonate 27.2% to US\$48,809 per tonne and hydroxide 19.6% to US\$55,076 per tonne. Looking further out, Bank of America notes that any onshoring of lithium production in the US and EU should lift the floor under lithium prices.

The UK and Germany signed agreements with Australia to boost co-operation on critical minerals. The UK signed a [Statement of Intent](#) involving work in a number of areas that include: increasing investment links for critical minerals projects; supporting sovereign downstream processing and manufacturing capabilities; and encouraging the exchange of skills and expertise between Australian and UK firms, and with other international partners. Germany and Australia signed a [Declaration of Intent](#) to work together to create new opportunities for critical minerals projects to meet climate and energy targets.

China Lithium Carbonate 99.5% Delivered (CNY/metric tonne, one year to 10 April 2023)



Index: L4CNMJGO AMTL Index

Source: Bloomberg

Metal prices

Metal	Price USD (6 April)	Weekly change %	Year-to-date change %	Price vs 200 day moving average	Price vs 52 week high
Gold	2001.9	1.1%	10.4%	112.0%	98.6%
Silver	24.935	4.4%	4.1%	118.3%	96.2%
Palladium	1445	-3.0%	-18.6%	78.1%	57.9%
Platinum	999	1.8%	-3.1%	105.0%	90.8%
Cobalt	36365.3	4.2%	-15.8%	76.3%	41.5%
Copper	8836	-1.1%	5.4%	107.3%	85.0%
Nickel	22500	-2.6%	-26.0%	92.0%	66.0%

Bloomberg codes: GOLDLNPM, SLVRLND, PLDMLNPM, PLTMLNPM, BYW1, LOCADY, LONIDY
 Notes. All performance data to 6 April 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

11 April	China: Mar CPI/PPI
12 April	Canada: BoC rate decision; US: Mar CPI
13 April	China: Mar Imports/Exports; Eurozone: Feb Industrial Production; UK: Feb GDP estimate
14 April	US: Mar Industrial Production, Apr Univ of Michigan Sentiment

Further reading

- Bloomberg [Nickel Revolution Has Indonesia Chasing Battery Riches Tinged With Risk](#)
- Bloomberg [Teck Mining Magnate Stands Between Glencore and Mining Mega Deal](#)
- Bloomberg [Biden Is Set to Propose Toughest-Ever Rules on Auto Pollution to Spur EVs](#)
- Reuters [Canada's budget measures brighten funding prospects for critical miners](#)
- Reuters [Column: Is it time to embrace Congo's artisanal cobalt miners?](#)

Metal Research Major Exchanges Total Copper Inventories (MT)



Data: as at 5 April 2023

Source: Bloomberg

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