



## Copper related M&A activity heats up

As BMO's Colin Hamilton highlights in his latest bi-weekly [podcast](#), mining companies face a choice between digging holes in the ground or acquiring other companies with productive assets. The latter option is currently proving attractive as it is less risky. It provides an immediate payback over the building option that may take at least 15 years to deliver its first production. This week saw activity in the copper sector with BHP gaining [approval](#) from Oz Minerals' shareholders for its A\$9.6 billion takeover, which remains subject to the approval of the Federal Court of Australia.

Separately, there were [signs](#) that Glencore's proposed takeover of Teck Resources might be moving in its favour. Teck's largest non-family shareholder, China Investment Corp., is supportive of the Glencore strategy to split out and merge the coal assets of both companies and Bloomberg [reported](#) that Glass Lewis, the advisory firm, had issued a report recommending that shareholders vote against Teck's strategy to split out its coal business and suggested the Glencore offer represents a reasonably compelling alternative. A smaller deal went through in Canada with Hudbay Minerals [acquiring](#) Copper Mountain Mining for \$439 million. The combined entity will produce an expected 150,000 tonnes of copper in 2023, with costs in the second quartile on the copper cost curve.

In Indonesia, PT Trimegah Bangun Persada, also known as Harita Nickel, [became](#) Jakarta's biggest IPO this year raising 10 trillion rupiah (\$672 million) from domestic and international investors. Harita Nickel is the first company in Indonesia to process low-grade nickel ore into battery grade metal, using high-pressure acid leaching (HPAL). The OECD published [Raw Materials for the Green Transition: Production, International Trade and Export Restrictions](#), the report noting that export restrictions on critical raw materials have increased five-fold increase since it began collecting data in 2009, with 10% of global exports in critical raw materials now facing at least one export restriction measure.

## Spot LME copper (USD, 12 months to 14 April 2023)



Note: LOCADY = LME Cash Official Price Copper USD

Source: Bloomberg

**Metal prices**

Metal	Price USD (14 April)	Weekly change %	Year-to-date change %	Price vs 200 day moving average	Price vs 52 week high
Gold	2019.4	0.9%	11.3%	112.7%	98.6%
Silver	26.025	4.4%	8.7%	123.1%	100.0%
Palladium	1484	2.7%	-16.4%	80.4%	61.0%
Platinum	1043	4.4%	1.2%	109.6%	94.8%
Cobalt	36364	0.0%	-15.8%	76.6%	41.5%
Copper	9082	2.8%	8.3%	110.1%	87.5%
Nickel	24165	7.4%	-20.6%	99.1%	71.4%

Bloomberg codes: GOLDLNPM, SLVRLND, PLDMLNPM, PLTMLNPM, BYW1, LOCADY, LONIDY  
 Notes. All performance data to 14 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**

17 April	EU: ECB President Lagarde Speech; US: NY Empire State Manufacturing Index
18 April	China: GDP Growth Rate; EU: ZEW Economic Sentiment; US: Housing Starts
19 April	EU, UK: Inflation Rate
20 April	China: Loan Prime Rate 1Y & 5Y; US: Philadelphia Fed Manufacturing Index
21 April	Australia, EU, Japan, UK, US: Manufacturing, Services, Composite PMIs

**Further reading**

- Bloomberg [Biden’s Emissions Rules Leave Carmakers No Room for EV Errors](#)
- Bloomberg [The Next EV Push Is an Overhaul of the Iconic American School Bus](#)
- Bloomberg [Why Europe Is Emerging as a Green Aviation Test Bed](#)
- Mining.com [Glencore to offer lithium batteries recycling services in Spain and Portugal](#)
- Reuters [Chile to present large lithium investment plan for 2025-2030 this month - minister](#)

**Metal Research Major Exchanges Total Copper Inventories (MT)**



Data: as at 13 April 2023

Source: Bloomberg

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