



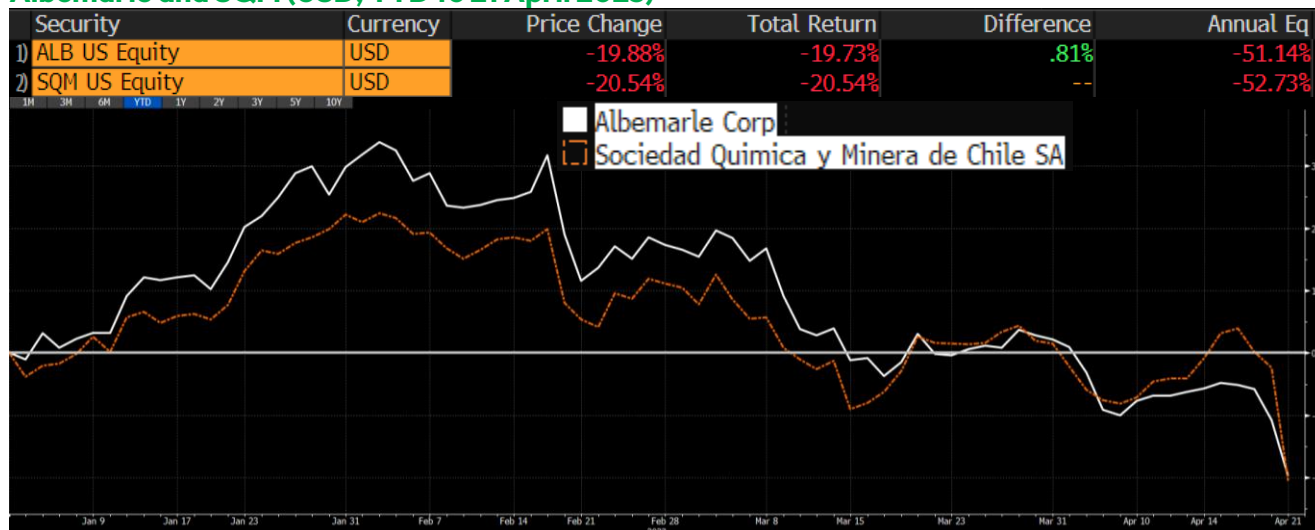
Chilean government moves to take a bigger slice of the lithium pie

The share prices of Albemarle and SQM fell significantly, see chart below, after Chile’s president, Gabriel Boric, [announced](#) on Thursday that the state would have a controlling interest in lithium projects going forward. The current contracts of the two companies, which run to 2030 for SQM and 2043 for Albemarle, are unaffected, but selling a majority stake in line with the new policy might ensure longer-term participation. Initially, Codelco, will take on the role as the state’s representative in signing up partners for any new projects. The Chilean government is also promoting downstream investments to capture more of the battery value chain. CORFO, the Chilean economic development agency, [announced](#) this week that BYD plans to build a \$290 million lithium cathode factory and will have access to preferential prices for lithium carbonate quotas.

Meanwhile in Mexico, which nationalised lithium deposits in April 2022, the lower house of parliament [voted](#) to advance the proposed overhaul of the country’s mining laws to the senate. The proposals include shortening concessions, tightening water permits and requiring miners to give back at least 10% of profits to communities. Industry has reacted negatively to the proposed changes, with Mexico’s mining chamber suggesting that the proposed measures could cost the country some \$9 billion in lost investment and up to 420,000 direct jobs.

There was a pick up in activity around Glencore’s proposed takeover of Teck Resources. Glencore [issued](#) a letter to Class B shareholders indicating that it was prepared to increase its offer if they voted on 26 April against Teck’s plan to split its coal and base metals businesses into two separate entities, whose impact would be to “introduce significant complexity and impede future transactions”. This did not sway [Sumitomo Metals](#) and the [Norges Bank Investment Management](#), both major shareholders, which came out in support of Teck’s plan. Robert Friedland, founder and executive chairman of Ivanhoe Mines, also weighed in [tweeting](#) in support of Teck Resources.

Albemarle and SQM (USD, YTD to 21 April 2023)



Source: Bloomberg

Metal prices

Metal	Price USD (21 April)	Weekly change %	Year-to-date change %	Price vs 200 day moving average	Price vs 52 week high
Gold	1973.65	-2.3%	8.8%	109.8%	96.3%
Silver	25.155	-3.3%	5.1%	118.3%	96.7%
Palladium	1628	9.7%	-8.3%	88.6%	66.9%
Platinum	1128	8.1%	9.4%	117.9%	100.0%
Cobalt	35757.8	-1.7%	-17.2%	76.6%	40.8%
Copper	8816	-2.9%	5.1%	106.5%	85.9%
Nickel	24335	0.7%	-20.0%	99.6%	71.9%

Bloomberg codes: GOLDLNPM, SLVRLND, PLDMLNPM, PLTMLNPM, BYW1, LOCADY, LONIDY

Notes. All performance data to 21 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

24 April	Germany: Ifo Business Climate; US: Dallas Fed Manufacturing Survey
25 April	US: S&P/Case-Shiller Home Price, New House Prices
26 April	Australia: Inflation Rate; Germany: GfK Consumer Confidence; US: Durable Goods Orders
27 April	EU: Economic Sentiment; US: GDP Growth Rate
28 April	Germany: GDP Growth Rate; Japan: BoJ Interest Rate Decision; US: Core PCE Price Index

Further reading

Bloomberg [Top Miner Vale Is Looking for Copper in Peru as Demand for EV Metals Surges](#)

Bloomberg [Anglo American Scours for Opportunities to Join Copper Dealmaking Surge](#)

Bloomberg [Jaguar Land Rover to Spend £15 Billion on EVs and Autonomous Tech](#)

Reuters [North America wind power sector needs cost cuts and supply-chain revamp](#)

Volkswagen [Volkswagen and PowerCo SE will build their largest cell factory to date in Canada](#)

Metal Research Major Exchanges Total Copper Inventories (MT)



Data: as at 20 April 2023

Source: Bloomberg

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