



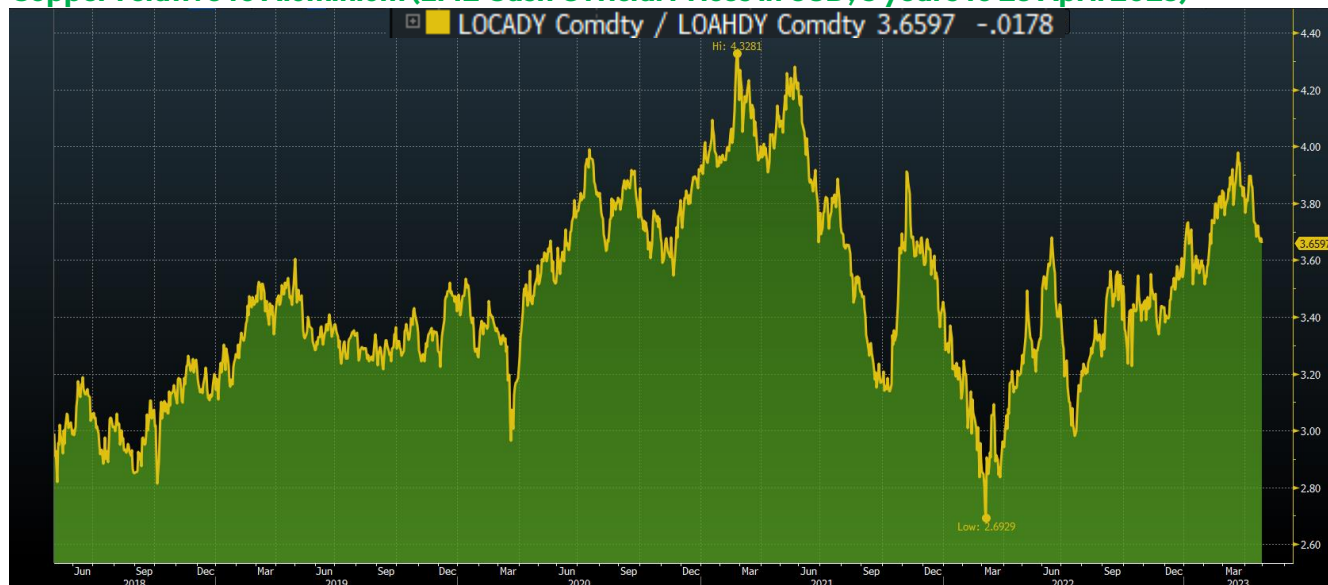
Glencore still pursuing Teck Resources as politicians weigh in

There were developments in Glencore’s proposed takeover of Teck Resources. First, Teck Resources [withdrew](#) its proposal to split out the coal business, indicating that it would take on board shareholder feedback and return with “a revised value-enhancing separation to maximize value for shareholders.” In the interim, the business will focus on ramping up the QB2 project to full production and advancing its pipeline of copper growth projects. In response, Glencore [reiterated](#) that its offer was still on the table and, perhaps in light of opposition to the deal from Canadian Conservative politicians, its commitment to ensure that “its proposal delivers real benefits to Canada.” On [Bloomberg TV](#), PM Trudeau indicated that the takeover would be subject to the government’s usual “rigorous process” prior to approval.

Meanwhile, in Mexico, Reuters [reported](#) that the Senate approved the new mining law in a fast-tracked process on Saturday. The mining law shortens mining concessions from 50 to 30 years, tightens water extraction permits, and requires some mining profits to be returned to local communities. Separately, Reuters [reported](#) that China’s CMO had resolved its dispute with DRC state-owned miner Gécamines over royalties at Tenke Fungurume Mining (TFM), the world’s second largest cobalt mine. BMO’s Colin Hamilton, [estimates](#) that 15-20kt of cobalt are likely stockpiled since the start of the suspension in July last year and it is likely that these will be drip fed gradually into the market.

Another auto manufacturer secured access to critical minerals with Stellantis and Australia’s Alliance Nickel [signing](#) a binding offtake agreement for the supply of 170,000 tons of nickel sulphate and 12,000 tons of cobalt sulphate in total over an initial five-year period. This represents approximately 40% of forecast annual production of the NiWest Nickel-Cobalt Project in Western Australia. In addition, Stellantis agreed to purchase €9.2 million in new equity in Alliance Nickel, giving it an 11.5% shareholding on completion and rights to nominate one director to the Alliance board.

Copper relative to Aluminium (LME Cash Official Prices in USD, 5 years to 28 April 2023)



Source: Bloomberg

Metal prices

Metal	Price USD (28 April)	Weekly change %	Year-to-date change %	Price vs 200 day moving average	Price vs 52 week high
Gold	1982.55	0.5%	9.3%	110.0%	96.8%
Silver	24.765	-1.6%	3.4%	115.7%	95.2%
Palladium	1497	-8.0%	-15.7%	82.1%	64.7%
Platinum	1074	-4.8%	4.2%	111.7%	95.2%
Cobalt	35384.2	-1.0%	-18.1%	77.0%	40.4%
Copper	8571	-2.8%	2.2%	103.2%	87.3%
Nickel	23770	-2.3%	-21.9%	97.0%	71.4%

Bloomberg codes: GOLDLNPM, SLVRLND, PLDMLNPM, PLTMLNPM, BYW1, LOCADY, LONIDY
Notes. All performance data to 28 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

2 May	AU: RBA Rate Decision; EU: Inflation Rate Flash; US: JOLTS Job Openings
3 May	EU: Unemployment Rate; US: Fed Interest Rate Decision, ISM Services PMI
4 May	CN: Caixin Manufacturing PMI; EU: ECB Interest Rate Decision; US: Balance of Trade
5 May	CN: Caixin Services PMI; DE: Factory Orders; US: Non Farm Payrolls

Further reading

- Bloomberg [One of the World’s Lithium Leaders Looks Like a Shaker Source](#)
- IEA [Global EV Outlook 2023](#)
- Reuters [Nickel Asia to open two more Philippine mines, eyes power unit IPO](#)
- Reuters [Indonesia to allow Freeport, Amman Mineral to ship copper concentrate until 2024](#)
- World Bank [Commodity Markets Outlook](#)

Metal Research Major Exchanges Total Copper Inventories (MT)



Data: as at 27 April 2023

Source: Bloomberg

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