



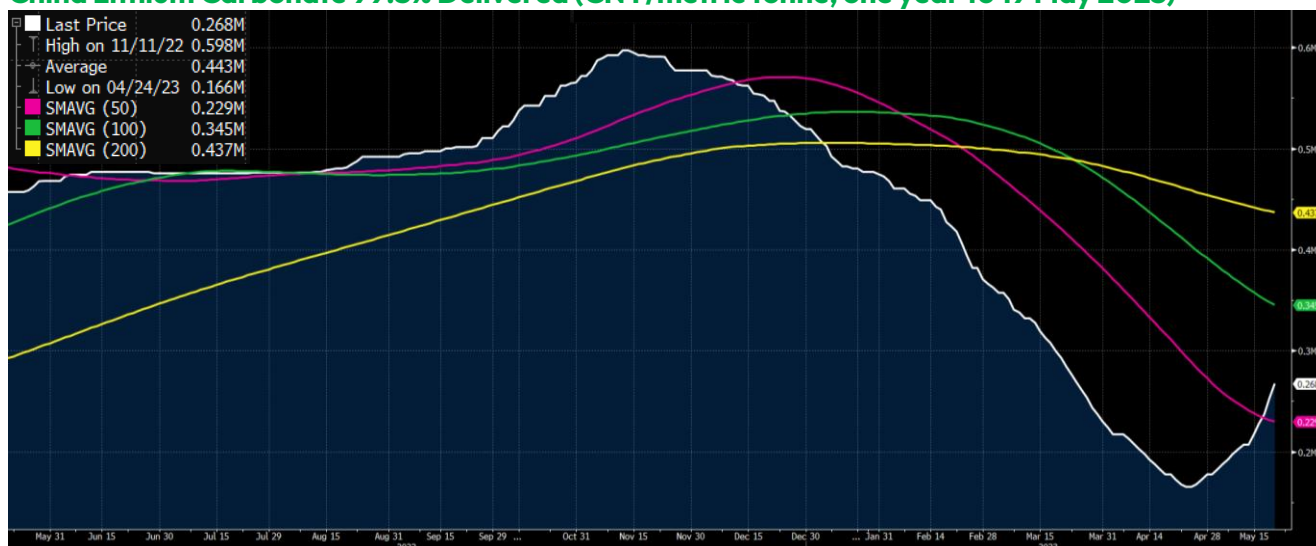
## SQM sees potential for tightness in lithium market with pick up in demand

As part of the the government plan to create increased state control over the lithium industry, Reuters [reported](#) that the Chilean state miner Codelco, has created two subsidiaries: Salares de Chile SpA, which will operate operate lithium activities and, Minera Tarar SpA, which will focus on the Atacama salt flats. Separately, SQM’s CEO [announced](#) on an earnings call that it would begin talks with Codelco on lithium projects. In its [quarterly results](#), SQM highlighted weak demand in China and high inventory levels across the supply chain in 1Q 2023. It has seen a pick up in demand, which is reflected in a recovery in prices (see chart below) and expects the market to be tight because of delays in bringing new projects online, caused both by tighter environmental regulations and the impact of lower lithium prices on higher cost producers.

The Australian government [announced](#) a number of grants worth a total of A\$50m to accelerate the development of critical mineral projects. They include A\$5.5m to Australian Energy Storage Solutions Pty Ltd for a pilot to set up Australia’s first precursor cathode active material manufacturing plant in Kwinana, Western Australia; A\$2.0m to NSW-based Clareville Pty Ltd for testing and scale up on its novel flotation separation additive; which increases recovery of key critical minerals, such as lithium, cobalt and vanadium, by 50 per cent; and A\$2.2m to Evolution Mining Ltd in Queensland to support [Ernest Henry Operations](#) to retrieve cobalt from mine waste.

Meta is [committed](#) to using 100% renewable power for its operations. Last week, rPlus Energies, which develops large-scale renewable energy generation and electric storage projects in the US, [announced](#) a long-term power purchase agreement (PPA) with Idaho Power for the construction of a new 200 MW solar facility, Pleasant Valley Solar, which will be the largest solar facility in the Idaho Power system. Construction will start later this year. The project provide electricity to Meta's new data centre in Kuna. Idaho Power is targeting 100% clean energy generation by 2045.

## China Lithium Carbonate 99.5% Delivered (CNY/metric tonne, one year to 19 May 2023)



Index: L4CNMJGO AMTL Index

Source: Bloomberg

**Metal prices**

Metal	Price USD (19 May)	Weekly change %	Year-to-date change %	Price vs 200 day moving average	Price vs 52 week high
Gold	1961.6	-2.9%	8.2%	107.7%	95.8%
Silver	23.66	-0.8%	-1.2%	108.6%	90.9%
Palladium	1518	-1.8%	-14.5%	84.5%	65.6%
Platinum	1071	-0.9%	3.9%	109.8%	94.9%
Cobalt	30602.3	-1.7%	-29.2%	69.5%	34.9%
Copper	8222	-0.2%	-2.0%	98.3%	84.7%
Nickel	21465	-3.7%	-29.4%	87.3%	68.8%

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

Notes. All performance data to 19 May 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**

22 May	CN: Loan Prime Rate 1 and 5 Yr; EU: Consumer Confidence;
23 May	AU, DE, EU, FR, UK, US: PMIs – Manufacturing, Services, Composite; US: New Home Sales
24 May	DE: Ifo Business Climate; UK: Inflation Rate; US: FOMC Minutes
25 May	DE, US: GDP Growth Rate; GfK Consumer Confidence; US: Chicago Fed National Activity
26 May	UK: Retail Sales; US: Durable Goods Orders, Core PCE Price Index, Personal Spending

**Further reading**

- Bloomberg [Korea’s Battery Makers Embrace LFP Cells as China Strides Ahead](#)
- Bloomberg [LG, Stellantis Project Hangs in Balance as Canada Politicians Fight Over Money](#)
- Bloomberg [Why So Many Electric Car Chargers in America Don't Work](#)
- Reuters [Not enough resources for EVs to be only cleaner car option, Toyota says](#)
- Reuters [Analysis: GM's 2025 EV output could be crimped by battery bottleneck](#)

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



Data: as at 18 May 2023

Source: Bloomberg

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