

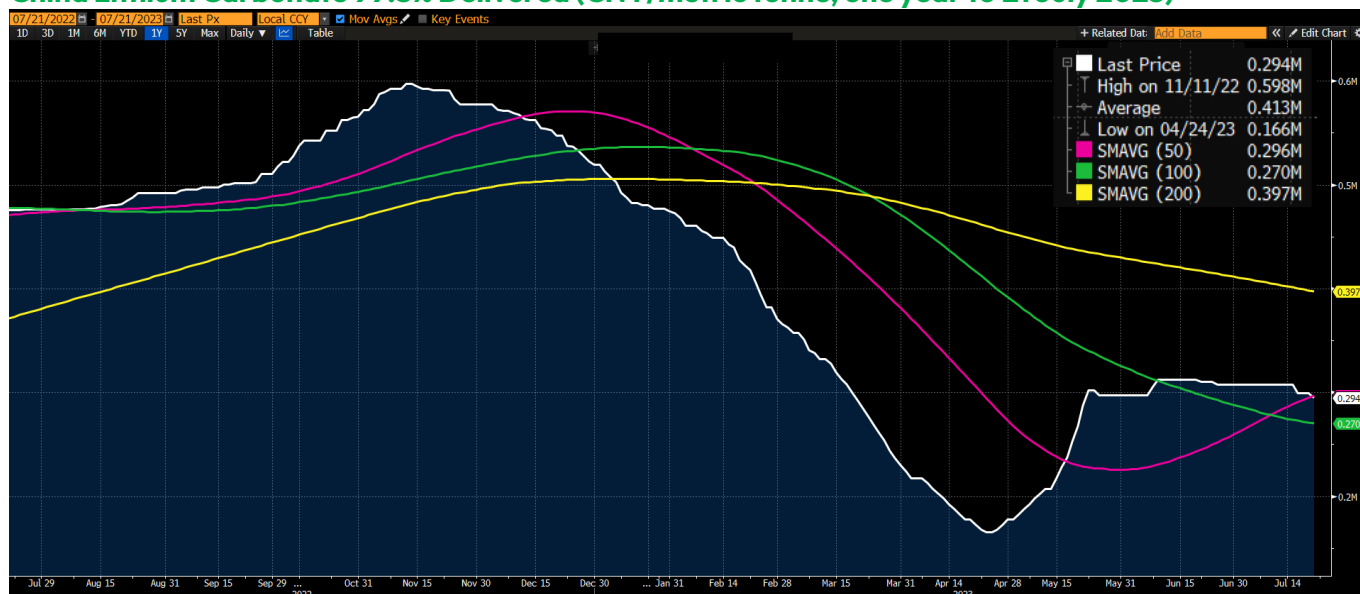


Tata Group chooses UK over Spain as location for £4 billion gigafactory

Tata Group [announced](#) plans to build a gigafactory in the UK with the capacity to produce 40GWh of cells annually. It will involve an investment of over £4 billion and Jaguar Land Rover and Tata Motors will be anchor customers, with supplies commencing from 2026. The gigafactory will produce battery cells and packs for a variety of applications within the mobility and energy sectors. The UK government [indicated](#) that the plant will create up to 4000 highly-skilled jobs and is expected to meet almost half the battery production the UK will need by 2030. The BBC [reported](#) that Tata had been in negotiations for months to secure state aid for the project and that the government had confirmed offering a "large" incentive. There are concerns about the level of support to secure the deal and whether the approach taken is scalable to help develop other battery plants and EV infrastructure in the UK.

The week saw the release of a number of production reports by mining companies, including [Anglo American](#), Antofagasta, [BHP](#), [Freeport-McMoRan](#), [Glencore](#), [Rio Tinto](#). Antofagasta [reported](#) copper production of 295,500 tonnes in H1 2023, an increase of 10% compared to H1 2022 (268,600 tonnes). The desalination plant for Los Pelambres is nearing the end of its commission phase and achieved an average production of 160 litres per second of desalinated water in June 2023, and is expected to achieve its design capacity of 400 litres per second during H2 2023. In terms of the outlook, Antofagasta downgraded expected copper production because of delays to the completion of the desalination plant and the concentrator expansion at Los Pelambres, as well as the ongoing drought conditions. 2023 guidance is now 640-670,000 tonnes versus 670-710,000 tonnes previously. In the production statement, Iván Arriagada, the CEO, indicated that the firm's ambition is to "grow our business to 900,000 tonnes of annual copper production".

China Lithium Carbonate 99.5% Delivered (CNY/metric tonne, one year to 21 July 2023)



Index: L4CNMJGO AMTL Index

Source: Bloomberg

Metal prices

Metal	Price USD (21 July)	Weekly change %	Year-to-date change %	Price vs 200 day moving average	Price vs 52 week high
Gold	1960.6	0.4%	8.1%	104.9%	95.7%
Silver	24.73	-0.2%	3.3%	108.9%	95.0%
Palladium	1298	2.4%	-26.9%	80.1%	56.1%
Platinum	961	-1.6%	-6.8%	96.9%	85.2%
Cobalt	35043	0.1%	-18.9%	90.1%	57.0%
Copper	8422	-2.6%	0.4%	99.4%	89.3%
Nickel	20810	-2.3%	-31.6%	85.6%	66.7%

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

Notes. All performance data to 21 July 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.

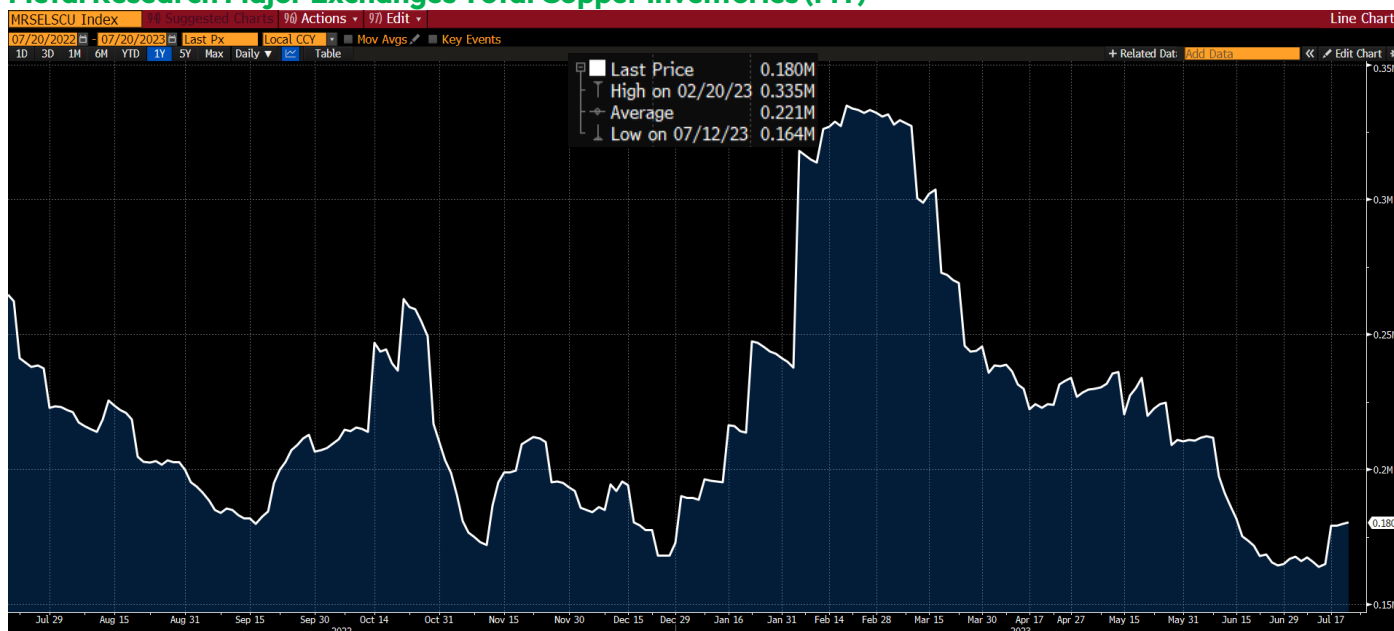
The week ahead

24 July	AU, EU, JP, UK, US: Manufacturing & Services PMIs; US: Chicago Fed National Activity Index
25 July	DE: Ifo Business Climate; US: S&P/Case-Shiller House Price, CB Consumer Confidence
25 July	AU: Inflation Rate; US: New Home Sales, Fed Interest Rate Decision
27 July	DE: GfK Consumer Confidence; EU: ECB Interest Rate Decision; US: Durable Goods Orders, GDP Growth Rate, Pending Home Sales
28 July	AU: PPI; JP: BoJ Interest Rate Decision; DE, ES, FR: Inflation Rate; EU: Economic Sentiment; US: Core PCE Price Index

Further reading

- Bloomberg [World’s Biggest Wind Power Projects Are in Crisis Just When World Needs Them Most](#)
- Bloomberg [Nickel Set to Flood the LME, Turning Metal Squeeze Into Glut](#)
- IEA [Keeping cool in a hotter world is using more energy, making efficiency more important than ever](#)
- Reuters [Bolivia hikes lithium resources estimate to 23 million tons](#)
- Reuters [Oman fund invests in Italian lithium-free energy storage](#)

Metal Research Major Exchanges Total Copper Inventories (MT)



Data: as at 20 July 2023

Source: Bloomberg

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