



Another week, Hancock Prospecting steps into another lithium deal

On 27 October Gina Rinehart's Hancock Prospecting [announced](#) that it had built an 18% strategic stake in Azure Minerals, which, on 26 October, issued a statement that it had [received](#) an A\$1.63bn takeover offer from SQM Minerals, the Chilean lithium miner, that the board recommended unanimously to shareholders. The offer came in the form of a scheme of arrangement subject to a number of conditions, including that no shareholder other than SQM holds a greater than 19% interest in Azure. Given that Hancock Minerals [acquired](#) 60 million of its 81.5 million shareholding on 26 and 27 October, its intent seems to be clear. In its announcement, it indicated that it has the "capacity to support and expedite the development" of the [Andover lithium project](#). Interestingly, SQM's offer also included a simultaneous conditional off-market takeover offer in the event of the scheme of arrangement not being successful. One to watch.

Anglo American [released](#) its Q3 production report. Copper production increased by 42% to 209,100 tonnes on the back of growth in production at Quellaveco in Peru to 87,500 tonnes from 20,300 tonnes. Production in Chile dropped by 4% to 121,600 tonnes, with the decline attributable to lower grade and throughput at Los Bronces. The company revised production guidance for 2023 to 830,000–870,000 tonnes (previously 840,000–930,000 tonnes) as a result of issues in Chile. Separately, Codelco's copper production figures for the first three quarters of 2023 [showed](#) a 9% drop to 966,000 tonnes compared to 2022. It reported a 31% fall in EBITDA to \$3.237m in the nine months to end September on the back of factors such as falling sales and rising costs, which rose to \$2.04lb from \$1.57lb.

TotalEnergies has [started](#) commercial operations of Myrtle Solar, its solar farm located south of Houston, Texas. Myrtle has a capacity of 380 megawatts peak (MWp) of solar production and 225 MWh of co-located batteries. 70% of Myrtle's capacity will supply electricity to the company's industrial plants at Port Arthur and La Porte in Texas, and Carville in Louisiana. The remaining 30% of Myrtle's capacity will supply electricity to Kilroy Realty under a 15-year corporate power purchase agreement.

Copper relative to Aluminium (LME Cash Official Prices in USD, 5 years to 27 October 2023)



Source: Bloomberg

Metal prices

Metal	Price USD (27 October)	Weekly change %	Year-to-date change %	Price vs 200 day moving average	Price vs 52 week high
Gold	1982.9	-0.3%	9.3%	102.7%	96.8%
Silver	22.755	-2.0%	-5.0%	97.8%	87.4%
Palladium	1139	3.5%	-35.8%	82.7%	54.7%
Platinum	903	0.9%	-12.4%	93.2%	80.1%
Cobalt	33705.7	0.7%	-22.0%	100.6%	60.3%
Copper	7963.5	1.1%	-5.0%	93.5%	84.4%
Nickel	18000	-1.9%	-40.8%	81.0%	57.7%

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

Notes. All performance data to 27 October 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

30 Oct	DE: GDP Growth Rate; DE, ES: Inflation Rate; EU: Economic Sentiment; UK: Mortgage Approvals US: Dallas Fed Manufacturing Index
31 Oct	CN: NBS Manufacturing and Non-Manufacturing PMIs; JP: BoJ Interest Rate Decision EU: GDP Growth Rate, Inflation Rate; US: S&P Case/Shiller House Price Index, Chicago PMI
1 Nov	CN, JP: Manufacturing PMIs (Caixin and Jibun Bank); UK: Nationwide House Prices US: JOLTS Job Openings, ISM Manufacturing PMI, Fed Interest Rate Decision
2 Nov	AU: Balance of Trade; EU: HCOB Manufacturing PMI; UK: BoE Interest Rate Decision US: Initial Jobless Claims, Factory Orders
3 Nov	CN: Caixin Services PMI; DE: Balance of Trade; EU: Unemployment Rate; UK: S&P Global/CIPS Services PMI; US: Non Farm Payrolls, Unemployment Rate, ISM Services PMI

Further reading

- Bloomberg [Battery Makers Hunt for Graphite Ahead of China Controls](#)
- Bloomberg [Germany Stands Ready to Back Strategic Asset Siemens Energy](#)
- Bloomberg [Beam Solar Energy From Space? These Scientists Achieve a Breakthrough](#)
- Reuters [Europe's wind power goal hits new snag: security](#)
- Reuters [Indonesia's high-grade nickel ore reserves may be depleted in 6 years](#)
- Reuters [Toyota aims to put 1,000 km-range Lexus EV on the road by 2026](#)

Metal Research Major Exchanges Total Copper Inventories (MT)



Data: as at 27 October 2023

Source: Bloomberg

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