



## Anglo American's production report highlights challenges facing copper producers in Chile

Anglo American [released](#) its production report for Q4 2023. For the full year, copper production increased by 24% to 826kt, although fourth quarter production at 230kt was down 6% on Q4 2022. The fall was due to a 16% decline in production in Chile, largely caused by lower grade and harder ore at Los Bronces. 2024 guidance is for production of 730-790kt, split approximately 60/40 between Chile and Peru. Production in Chile is subject to water availability, while production in Peru will be weighted to the second half of the year. 2024 unit costs in Peru are projected to be ca. 110 cents/lb, considerably lower than the ca. 190 cents/lb figure for Chile. For nickel production from its two mines in Brazil, 2024 guidance is 36,000-38,000 tonnes.

LG Chem [announced](#) that it has signed a long-term cathode material supply contract with General Motors (GM), worth KRW 25 trillion (\$18.6 billion). It builds on the [2022 binding agreement](#) between the two companies for the supply of NCMA (nickel, cobalt, manganese and aluminium) cathode materials. Over a ten year period, from 2026 through 2035, LG Chem will supply GM more than 500,000 tons of cathode materials. The materials will be produced at LG Chem's plant in Tennessee. Separately, as GM looks to build up its capacity in battery technology and manufacturing, it [announced](#) that it has hired Kurt Kelty, whose previous experience includes leading Tesla's battery development team, to be vice president of Batteries.

ASX-listed Syrah Resources [announced](#) the start of active anode material (AAM) production at its 11.25ktpa Vidalia facility in Louisiana. Vidalia is the first vertically integrated natural graphite AAM supplier outside China, processing natural graphite from Syrah's Balama Graphite Operation in Mozambique. Syrah has an offtake agreement with Tesla to supply 8ktpa AAM, subject to production ramp-up and qualification. Syrah is planning to hit 80% of its 11.25ktpa capacity within six months and full capacity within 18 months. It is looking at further expansion AAM production capacity at Vidalia to 45ktpa and has applied to the US Department of Energy for a \$350 million loan.

## Copper relative to Aluminium (LME Cash Official Prices in USD, 5 years to 9 February 2024)



Source: Bloomberg

**Metal prices**

Metal	Price USD (9 February)	Weekly change %	Year-to-date change %	Price vs 200 day moving average	Price vs 52 week high
Copper	8091.5	-3.7%	-4.5%	97.7%	88.7%
Cobalt	27557.78	0.0%	-5.6%	87.3%	75.8%
Nickel	15725	-2.5%	-3.5%	82.5%	56.7%
Palladium	875	-7.5%	-23.0%	73.0%	52.7%
Platinum	879	-2.9%	-12.1%	93.2%	77.9%

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

Source: LME

Notes. All performance data to 9 February 2024. 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**

12 Feb	IN: Inflation Rate; US: Monthly Budget Statement; AU: Westpac Consumer Confidence
13 Feb	AU: NAB Business Confidence; EU, DE: ZEW Economic Sentiment Index; US: Inflation Rate, CPI
14 Feb	UK: CPI, PPI; EU, JP: GDP Growth Rate; EU: Industrial Production
15 Feb	JP: Industrial Production; UK: GDP Growth Rate, Goods Trade Balance; EU, IT: Balance of Trade US: Retail Sales, NY Empire State Manufacturing Index, Philadelphia Fed Manufacturing Index, Industrial Production, Business Inventories, Net Long-term TIC Flows
16 Feb	DE: Wholesale Prices; FR: Inflation Rate; US: PPI, Housing Starts, Michigan Consumer Sentiment

**Further reading**

Bloomberg	<a href="#">AI-Powered Zambian Copper Mine May Become World's Third Largest</a>
Bloomberg	<a href="#">China's Clean Technology Is Made of Dirty Metals</a>
Bloomberg	<a href="#">California Offshore Wind Goals Threatened by Marine Sanctuaries</a>
Bloomberg	<a href="#">Congo Artisanal Cobalt Monopoly Can Launch in Months, CEO Says</a>
Reuters	<a href="#">China's refined nickel trade signals new production trends</a>
Reuters	<a href="#">US solar dominates new build as developers widen search</a>
Reuters	<a href="#">Pressure groups sue LME for allowing trade of 'polluting' Indonesian metal</a>

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



Data: as at 9 February 2024

Source: Bloomberg

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