



With producers on the ropes, Australia adds nickel on the Critical Minerals List

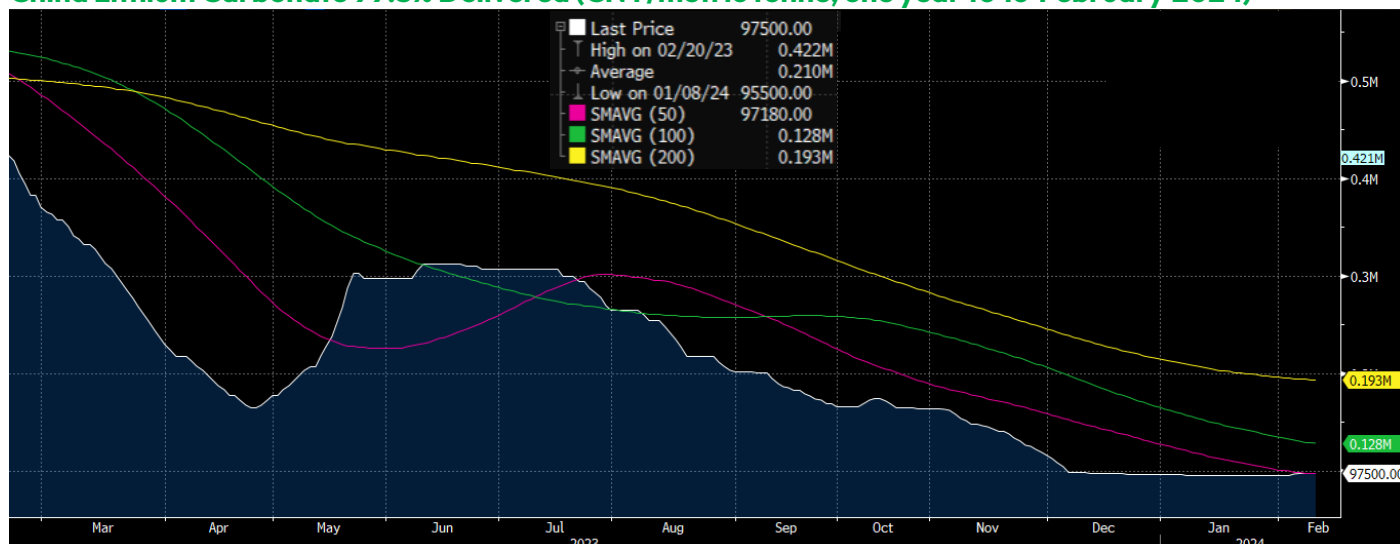
Australia [placed](#) nickel on the Critical Minerals List on Friday. The decision was taken after six operating nickel facilities either announced reduction in operations or have gone into care and maintenance since the last update of the list in December. Earlier in the week, BHP in its [Half Year 2024 Exceptional Items Update](#) indicated that it would take a non-cash impairment charge of approximately US\$2.5 billion (post tax) (approximately US\$3.5 billion pre-tax) against the carrying value of Western Australia Nickel and is considering placing Nickel West into care and maintenance. Nickel producers will now have access to financing under the A\$4 billion Critical Minerals Facility and critical minerals-related grant programmes.

In nickel-related developments in New Caledonia, Glencore [decided](#) to transition Koniambo Nickel SAS (KNS) into care and maintenance. Glencore, which will seek to identify a potential new industrial partner for KNS, indicated that KNS would still be loss-making even with the proposed support of the French government. Reuters [reported](#) that Citi analysts estimate that halting production would avoid a negative impact on Glencore’s EBITDA of up to \$400m. Separately, it was reported that the French government has agreed to provide a €140 million loan to Prony Resources to avert its collapse.

RWE [announced](#) that it has completed the construction of three new battery energy storage systems totaling 190 MW (361 MWh) in the US. The three new BESS, Bright Arrow (Texas), Big Star (Texas) and Mesquite 4 (Arizona), are all paired with solar PV electricity output. Its global installed capacity is now about 700 MW. It is targeting battery storage capacity of 6 GW worldwide by 2030.

EnerSys [selected](#) Greenville, South Carolina as the location for a lithium-ion cell gigafactory. It is planning a \$500 million investment, which would be backed with potential federal, state and local funding as well as Inflation Reduction Act tax benefits. The operation, with a production capacity of four gigawatt hours (GWh) per year, would manufacture lithium-ion cells for commercial, industrial and defence applications.

China Lithium Carbonate 99.5% Delivered (CNY/metric tonne, one year to 16 February 2024)



Source: Bloomberg

Metal prices

Metal	Price USD (16 February)	Weekly change %	Year-to-date change %	Price vs 200 day moving average	Price vs 52 week high
Copper	8322	2.8%	-1.8%	100.6%	91.2%
Cobalt	27557.78	0.0%	-5.6%	87.7%	75.8%
Nickel	16090	2.3%	-1.3%	85.3%	60.5%
Palladium	945	8.0%	-16.8%	79.8%	58.0%
Platinum	895	1.8%	-10.5%	95.4%	79.3%

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

Source: LME

Notes. All performance data to 16 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

19 Feb	ES: Balance of Trade; CA: PPI
20 Feb	CN: Loan Prime Rate 1Y & 5Y; EU: Current Account; CA: Inflation Rate; JP: Balance of Trade
21 Feb	EU: New Car Registrations; UK: CBI Industrial Trends Orders; US: FOMC Minutes
22 Feb	JP, DE, EU, FR, UK, US: Manufacturing, Services and Composite PMIs; EU: Inflation Rate
23 Feb	CN: House Price Index; DE: GDP Growth Rate, Ifo Business Climate

Further reading

Bloomberg	Africa Moves a Step Closer to Continent’s First Cobalt Refinery
Bloomberg	Copper Bounces as Analysts See Short Covering Fueling Big Gains
Bloomberg	Freeport’s CEO Change May Herald Dealmaking Shift
Bloomberg	Tycoon Birla’s Hindalco Bids for Indian Critical Minerals Leases
Reuters	Exxon aims to make key lithium technology decision by year end
Reuters	Congo’s Gecamines offers to buy some of Khazakh miner ERG’s copper assets
Reuters	Aurubis to work with Codelco on sustainable copper mining

Metal Research Major Exchanges Total Copper Inventories (MT)



Data: as at 16 February 2024

Source: Bloomberg

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