



Zijin Mining to embark on significant expansion of copper production capacity in Tibet

Zijin Mining Group has received [approval](#) for the addition of 200,000 tonnes per day of ore mining and processing capacity for its Julong Copper Mine in Tibet, which would increase the mine's overall capacity to 350,000 tonnes per day. It is expected that production will start in 2025. With this expansion, the annual copper output of Julong Copper is expected to increase from 154 kt in 2023 to approximately 300-350 kt. It indicated that a Phase 3 expansion is also under consideration that would make Julong the world's largest copper mine. Outside Tibet, Zijin Mining is investing in the expansion of its copper production capacity at its mines in the DRC (Kamoa-Kakula) and Serbia (Cukaru Peki and Bor).

The week included results from [Teck Resources](#). Focusing on copper, production at Quebrada Blanca (QB) in Chile is ramping up and reached 34,000 tonnes of concentrate in the fourth quarter. This took Teck's total copper production for the year to 296.5 kt. 2024 will see the first full year of QB operating at capacity, which will lead to a significant uplift in overall copper production. Teck's 2024 guidance is for production of 465-540 kt, including 230-275 kt at QB. Teck highlighted how inflationary pressures on key inputs, such as mining equipment, labour and contractors, are expected to persist through 2024.

Among the other miners reporting, Anglo-American's [results](#) highlighted the challenges facing its PGM, diamond and nickel businesses. It announced a post-tax impairment charge of \$0.5 billion for its principal nickel producing asset, the Barro Alto mine in Brazil. Separately, Eramet [confirmed](#) in its results that it would not provide any funding for the loss-making Société Le Nickel in New Caledonia and it will be soon announcing a solution to "enable the long-last neutralisation" of €320m of external debt sitting on its balance sheet. In contrast, its Weda Bay Nickel operation in Indonesia, owned jointly with Tsingshan (51.3%) and the Indonesian state (10%), contributed €425m to its EBITDA, a 24% increase. Weda Bay's nickel ore sales were up 72%, hitting a new record of 33.2 Mwmt. Eramet and BASF continue to evaluate an HPAL project that would process part of the ore from the Weda Bay Nickel mine to produce intermediate nickel and cobalt product.

Spot Platinum (XPT)/Palladium (XPD) ratio (five years to 23 February 2024)



Source: Bloomberg

Metal prices

Metal	Price USD (23 February)	Weekly change %	Year-to-date change %	Price vs 200 day moving average	Price vs 52 week high
Copper	8442.5	1.4%	-0.4%	102.0%	93.0%
Cobalt	27557.78	0.0%	-5.6%	88.0%	75.8%
Nickel	17180	6.8%	5.4%	91.9%	67.1%
Palladium	973	3.0%	-14.3%	83.1%	59.8%
Platinum	904	1.0%	-9.6%	96.7%	80.1%

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

Source: LME

Notes. All performance data to 23 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

26 Feb	UK: CBI Distributive Trades; EU: ECB President Lagarde Speech US: New Home Sales, Dallas Fed Manufacturing Index; JP: Inflation Rate
27 Feb	DE, FR: Consumer Confidence; US: Durable Goods Orders, S&P/Case-Shiller Home Price, CB Consumer Confidence
28 Feb	ES, IT: Business Confidence; EU: Economic Sentiment; US: GDP Growth Rate, Goods Trade Balance, Wholesale Inventories; JP: Industrial Production
29 Feb	DE: Retail Sales, Unemployment Rate; DE, ES, FR: Inflation Rate, GDP Growth Rate CA: GDP Growth Rate; US: Core PCE Price Index, Personal Income, Chicago PMI
1 Mar	CN, EU, DE, ES, FR, UK, CA, US: Manufacturing PMIs; EU, IT: Inflation Rate US: ISM Manufacturing Employment, Michigan Consumer Sentiment

Further reading

Bloomberg	A Tale of Two Metals Will Determine the Future of Energy
Bloomberg	US Bets on \$2.3 Billion African Railway to Help Deliver EV Revolution
Bloomberg	Ready for an 800-Volt Jolt? Carmakers Are Unveiling New Fast-Charging EVs
Bloomberg	These Are the Challenges of Building a US Battery Industry
Reuters	West challenges China's critical minerals hold on Africa
Reuters	Zimbabwe wants lithium miners to plan new capacity despite price dive
Reuters	Mining pain may be just getting started: podcast

Metal Research Major Exchanges Total Copper Inventories (MT)



Data: as at 23 February 2024

Source: Bloomberg

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