



South African PGM producers focus on capital preservation

South Africa's PGM producers are struggling against the backdrop of weak prices and soft demand. This week saw half-year results from [Impala Platinum](#) (Implats) and [Northam Platinum](#), with both reporting falls in earnings in excess of 88%. Impala scrapped the dividend and postponed spending on various projects to save about 10 billion rand. Nico Muller, the CEO, indicated that "further actions may be necessary to ensure business sustainability in the medium term." Implats highlighted that they expect the palladium, platinum and rhodium markets to remain in deficit in 2024. Similar sentiments were expressed by Paul Dunne, Northam Platinum's CEO, who also underlined his firm's efforts to install self-generation capacity, which includes the development of an 80MW solar farm at its Zondereinde mine and metallurgical complex.

SQM, the world's second largest lithium producer, [released](#) its results, which showed a 82% fall in 4Q earnings that resulted in an overall 48.5% reduction in annual earnings to \$2,012.7 million. Lithium sales volumes reached a new record with sales of over 170,000 tonnes (51,000 tonnes in 4Q). The company believes that the supply glut will continue in 2024, however it continues to expand production and expects its lithium production in Chile to reach 210,000 tonnes in the first quarter. It is expecting global demand for lithium to grow by 20% and sees the outlook for average lithium prices as relatively stable. It is planning capex of \$2.4 billion for 2024-25, including \$1.3 billion for lithium capacity expansion projects in Chile.

ASX-listed Syrah Resources [announced](#) a binding offtake agreement with Korea's Posco Future M for natural graphite fines from its Balama Graphite Operations in Mozambique. Key terms of the six-year offtake agreement include supply of up to 2 kt per month in the year following commissioning, with the option to increase to 5 kt per month from the second year. Posco Future M is planning to grow its natural graphite active anode material (AAM) production capability from ca. 74 ktpa in 2023 to 182ktpa in 2030. Syrah is negotiating other supply arrangements with anode processing and downstream companies outside China and aims to sell at least 100 ktpa of graphite fines from 2026.

LME Cash Official Price Nickel (USD, 1 year to 1 March 2024)



Source: Bloomberg

Metal prices

Metal	Price USD (1 March)	Weekly change %	Year-to-date change %	Price vs 200 day moving average	Price vs 52 week high
Copper	8394	-0.6%	-1.0%	101.4%	92.4%
Cobalt	27557.78	0.0%	-5.6%	88.2%	75.8%
Nickel	17175	0.0%	5.4%	92.4%	67.2%
Palladium	935	-3.9%	-17.7%	80.9%	57.4%
Platinum	872	-3.5%	-12.8%	93.8%	77.3%

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

Source: LME

Notes. All performance data to 1 March 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

4 Mar	AU: Judo Bank Services and Composite PMIs
5 Mar	JP, EU, DE, FR, IT, UK, CA, US: Services and Composite PMIs US: Factory Orders, RCM/TIPP Economic Optimism Index
6 Mar	AU: GDP Growth Rate; DE: Balance of Trade; UK: Spring Budget CA: BoC Interest Rate Decision, Ivey PMI; US: ADP Employment Change; JOLTS Job Openings
7 Mar	AU, CN, CA, US: Balance of Trade; DE: Factory Orders; EU: ECB Interest Rate Decision JP: Current Account
8 Mar	DE: Industrial Production; FR: Balance of Trade; EU: Employment Change, GDP Growth Rate US: Unemployment Rate, Participation Rate

Further reading

Bloomberg	India Top Court Rejects Vedanta's Plea to Restart Copper Smelter
Bloomberg	Indonesia Says Its Nickel Supply Will Keep Global Prices Low
Bloomberg	China Solar Installations Seen Remaining Near Record in 2024
Bloomberg	A Startup's Technology Takes Aim at Lithium-Ion Batteries' Fire Problem
Reuters	Copper super-bulls bide their time in the options market
Reuters	Top Codelco execs see debt growing as production recovers
Reuters	Brazil holds the key to Latin America's solar potential

Metal Research Major Exchanges Total Copper Inventories (MT)



Data: as at 1 March 2024

Source: Bloomberg

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