



Anglo American in play as BHP launches unsolicited bid

News broke of BHP’s [\\$38.8bn bid](#) for Anglo American, which would involve spinning out Anglo’s South African PGM and iron ore assets, leaving the combined group with “[large, low-cost, long-life Tier 1 assets focused on iron ore and metallurgical coal as well as future facing commodities, including potash and copper](#)”. Anglo American’s initial [response](#) was to reject the offer, which it described as undervaluing the company and involving significant execution risk. BHP’s move highlights how, for large mining companies, the scope to acquire assets is potentially the most cost-effective way to grow copper assets given the costs and complexities of developing greenfield sites. On this point and in the context of the projected looming copper deficit, BlackRock’s Olivia Markham [indicated](#) in an interview that \$12,000 copper is required to incentivise investments in new mines. Returning to the bid, Reuters [reported](#) that BHP is considering an improved offer. Aurubis [broke ground](#) on projects to expand the tankhouse and build two additional solar power plants at the site of its copper smelter at Pirdop in Bulgaria. This will involve a total investment of €400m of which €120m will be for the tankhouse expansion. This will increase annual copper processing capacity from 230,000 tonnes to 340,000 tonnes. The tankhouse is scheduled to be commissioned in the second half of 2026.

Following its April meetings, the International Nickel Study Group (INSG) [issued](#) an updated nickel market outlook. There have been downward revisions to their 2024 forecasts compared to their last update in October 2023, which reflect factors such as lower growth rates in demand for nickel in EV batteries and production capacity being taken offline in Australia. The INSG forecasts are shown in the following table:

	2024 forecast (April 2024)	2024 forecast (October 2023)	2023	2022
World Primary Nickel Production	3.554Mt	3.713Mt	3.356Mt	3.060Mt
World Primary Nickel Usage	3.445Mt	3.474Mt	3.193Mt	2.963Mt
Surplus	109kt	239kt	163kt	98kt

LME Cash Official Price Nickel (USD, 1 year to 26 April 2024)



Source: Bloomberg

Metal prices

Metal	Price USD (26 April)	Weekly change %	Year-to-date change %	Price vs 200 day moving average	Price vs 52 week high
Copper	9869	1.2%	16.4%	117.2%	100.0%
Cobalt	27153.6	-0.9%	-7.0%	88.4%	75.1%
Nickel	19180	0.7%	17.7%	106.8%	76.4%
Palladium	970	-3.5%	-14.6%	88.7%	59.9%
Platinum	916	-1.5%	-8.4%	99.6%	81.6%

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

Source: LME

Notes. All performance data to 26 April 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

29 Apr	DE, ES: Inflation Rate; ES: Business Confidence; EU: Economic Sentiment US: Dallas Fed Manufacturing Index, Treasuring Refunding Financing Estimates
30 Apr	JP: Industrial Production, Retail Sales; CN: NBS & Caixin Manufacturing PMIs EU, DE, ES, FR, IT: GDP Growth Rate; EU, FR: Inflation Rate; CA: GDP US: S&P/Case-Shiller Home Price Index, Chicago PMI, CB Consumer Confidence
1 May	AU, JP, UK, CA, US: Manufacturing PMIs; JP: Consumer Confidence US: ISM Manufacturing Employment, Fed Interest Rate Decision
2 May	AU, CA, US: Balance of Trade; EU, DE, ES, FR, IT: Manufacturing PMIs US: Non-farm Productivity, Unit Labour Costs, Factory Orders
3 May	AU, UK, CN, US: Services & Composite PMIs, FR: Ind'l Production; EU, US: Unemployment Rate

Further reading

Bloomberg	BHP's \$39 Billion Copper Play Was Years in the Making
Bloomberg	World's Biggest Energy Traders Are Returning to Metals
Bloomberg	Battery Giant CATL's Newest Pack Can Power Cars Even Further
Bloomberg	More Chinese Nickel Seen Flowing Overseas After LME's Russia Ban
Reuters	China's EV strategy of going small and cheap to pay big dividends in Asia
Reuters	First Quantum could remove copper concentrate from Panama mine after election, CEO says
Reuters	US solar panel makers seek import tariffs to protect new domestic factories

Metal Research Major Exchanges Total Copper Inventories (MT)



Data: as at 26 April 2024

Source: Bloomberg

Disclaimer

For professional clients and eligible counterparties only

NTree International Limited (“NTree”) is an appointed representative of Messels Ltd. which is authorised and regulated by the Financial Conduct Authority. This document does not constitute an offer to buy or sell or a solicitation of an offer to buy securities in any company.

NTree Deutschland GmbH, Germany, is a 100% subsidiary of NTree International Ltd. and acts as a tied agent for the account and under the liability of AHP Capital Management GmbH, Frankfurt am Main, Germany. As a tied agent of AHP NTree Deutschland GmbH is allowed to provide investment brokerage and investment solicitation in regard to financial instruments in Germany and it is intended expand these activities gradually into other EU and EFTA member states. NTree International Ltd. does not provide financial services in the European Union.

NTree manages and distributes the Elementum Metal Securities range of physically-backed metal Exchange Traded Commodities (“ETC” or “ETC Securities”). This document is prepared by NTree for Elementum Metal Securities.

This document is not intended for distribution to any other country where such distribution or use would be contrary to local law or regulation. Specifically, this document is not intended for general distribution in the United States or Canada. Investing in financial markets involves a substantial degree of risk. Nothing described herein is intended to imply that an investment is “safe”, “conservative”, “risk free” or “risk averse”.

This document is intended for information purposes only and does not consider the specific investment objective, financial situation or particular needs of any potential investor and is intended only for those investors who are capable of understanding the risk of loss of all or a substantial part of their monies. Potential investors in the UK are reminded that they will not benefit from the UK investors compensation scheme.

Nothing contained herein constitutes investment, legal, tax or other advice nor is to be relied upon in making an investment or other decision. No recommendation is made positive or otherwise, regarding individual securities or investments mentioned herein. Any summary list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in short and leveraged products. Prospective clients must consult with their own legal, tax and financial advisers before deciding to invest.

This document contains the opinions of the author and such opinions are subject to change without notice. The source of data is NTree unless otherwise stated. No guarantee is made to the accuracy of the information provided which has been obtained from sources believed to be reliable. This document and the information contained herein is intended only for the use of persons (or entities they represent) to whom it has been provided.

This document is marketing material. Before investing an investor should read the Prospectus and KID available at <https://www.elementummetals.com>

Risk Factors

Investment in the ETC Securities will involve a significant degree of risk. Investors may lose the value of their entire investment or part of it. Each prospective purchaser of, or investor in, ETC Securities should be familiar with instruments having characteristics similar to the ETC Securities and should fully understand the terms of the ETC Securities and the nature and extent of its exposure to risk of loss.

Performance and capital loss: Past performance is not a reliable indicator of future results. The value of an investment may go down as well as up and can result in losses, up to and including a total loss of the amount initially invested.

Generic risks: Investments in ETCs involve numerous risks including, but not limited to, metal market risks, foreign exchange risks, interest rate risks, and liquidity risks.