



Anglo American bid opens door to other copper-related M&A activity

The week saw comment about how Rio Tinto and Glencore might respond to BHP's bid for Anglo American. Bloomberg [suggested](#) that Rio would be waiting to see if the proposed deal resulted in some form of restructuring that made Anglo's copper assets easier to target. Rio has been interested in the Collahuasi copper mine, in which Anglo and Glencore each hold 44% stakes, for a number of years, and during the 2015 commodity downturn made offers to both for their stakes in the mine. Reuters [reported](#) that sources had indicated that Glencore is studying an approach for Anglo, which, given its assets in South Africa, could prove a more natural fit. There is also the sense that if one party launches a successful bid for Anglo, it will lock up management resources leaving the door open for the other major players to pursue other potential targets, such as First Quantum Minerals and Teck.

Brookfield Renewable and Microsoft [announced](#) the signing of a global renewable energy framework agreement, which will deliver Microsoft over 10.5 GW of new renewable energy capacity in the US and Europe between 2026 and 2030. The agreement is almost eight times larger than the largest single corporate purchase power agreement (PPA) ever signed. The agreement will contribute to Microsoft's goal of achieving 100% of its electricity consumption matched by zero carbon energy purchases by 2030. Brookfield Renewable currently has operating capacity of nearly 33 GW and a development pipeline of 155 GW.

ASX-listed Anson Resources through its US subsidiary A1 Lithium and LG Energy Solution have [signed](#) an offtake agreement for the supply of battery-grade lithium carbonate from its [Paradox Basin](#) project in Utah. The initial 5-year term is expected to commence in 2027, with the ability to extend for a further five years. LG Energy Solution will purchase 4,000 dry metric tonnes per year, which is about 40% of planned initial production capacity. Exploration and testing of the brine in the Basin is ongoing, which could prove to be one of the largest lithium resources in North America.

Copper relative to Aluminium (LME Cash Official Prices in USD, 5 years to 3 May 2024)



Source: Bloomberg

Metal prices

Metal	Price USD (3 May)	Weekly change %	Year-to-date change %	Price vs 200 day moving average	Price vs 52 week high
Copper	9737	-1.3%	14.9%	115.2%	97.6%
Cobalt	26235	-3.4%	-10.1%	86.0%	72.6%
Nickel	18760	-2.2%	15.1%	104.7%	78.4%
Palladium	954	-1.6%	-16.0%	87.9%	58.9%
Platinum	963	5.1%	-3.7%	104.8%	85.8%

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

Source: LME

Notes. All performance data to 3 May 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

7 May	JP: Jibun Bank Services PMI; AU: RBA Interest Rate Decision; DE, FR: Balance of Trade EU: Retail Sales; CA: Ivey PMI; US: RCM/TIPP Economic Optimism Index
8 May	DE: Industrial Production; US: 10-Year Note Auction
9 May	JP: BoJ Summary of Opinions; CN: Balance of Trade; UK: BoE Interest Rate Decision US: 30-Year Bond Auction
10 May	CN, JP: Current Account; UK: GDP Growth Rate, Business Investment, Industrial Production US: Michigan Consumer Sentiment, Monthly Budget Statement

Further reading

Bloomberg	Billionaire Bolloré Weighs Building EV Battery Factory in France
Bloomberg	Albemarle Plans More Lithium Auctions in Bid to Demystify Prices
Bloomberg	Daimler CEO Calls Missing Electric Truck Chargers a Top Concern
Bloomberg	Tycoon Sees \$3.5 Billion Investments in Namibia Green Hydrogen
Reuters	Automakers win extension on use of Chinese graphite in EV tax credits
Reuters	High-flying zinc shrugs off European smelter restarts
Reuters	US reforms green law to speed clean energy, infrastructure permits

Metal Research Major Exchanges Total Copper Inventories (MT)



Data: as at 3 May 2024

Source: Bloomberg

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