



Anglo American announces its restructuring plan

With the 22 May deadline for BHP to submit a formal bid approaching, Anglo American [presented](#) its restructuring plan. It will result in the company being focused on copper, premium iron ore and crop nutrients. Steelmaking coal, Anglo American Platinum and De Beers will be divested. Duncan Wandblad, the CEO, outlined that the company has a self-funded pathway to reaching over 1 Mtpa of copper production by the early 2030s thanks to its copper assets in Chile and Peru. He identified sustainability as the key challenge facing the sector, “The top 20 undeveloped copper resources today remain sterilised because of sustainability-related constraints, in particular communities and water, which, as we have seen in Quellaveco, are often interlinked.” Analysts have been busy calculating what kind of price BHP would have to pay to launch a successful bid, JP Morgan [suggests](#) that it would need to raise its bid to about £32.

A short squeeze in the copper market saw the May, June and July copper futures on the CME end the week at over \$5 per pound. Reuters [reported](#) that commodity traders, Trafigura and IXM, were looking to buy physical copper to deliver against short positions on the CME. Access to physical copper is an issue because, as Bloomberg [indicated](#), much of the copper held in LME-registered warehouses is not deliverable against CME contracts. At the end of April, over 80% was of Bulgarian, Chinese, Indian or Russian origin. No surprise that South American producers and traders are working to boost shipments to the US.

Gresham House Energy Storage Fund plc [announced](#) that its Penwortham project, a 50MW/50MWh BESS, in Lancashire has gone into commercial operation. Plans to double Penwortham's capacity to 50MW/100MWh are underway. The project was built under an engineering, procurement and construction management contract by Statera Energy. Separately, Statera Energy [submitted](#) planning permission for a 500MW battery storage facility at Culham in Oxfordshire, which, if permissioned, would go live in 2027. The project has [met](#) local opposition.

Spot Platinum (XPT)/Palladium (XPD) ratio (five years to 17 May 2024)



Source: Bloomberg

Metal prices

Metal	Price USD (17 May)	Weekly change %	Year-to-date change %	Price vs 200 day moving average	Price vs 52 week high
Copper	10398	4.6%	22.7%	122.0%	100.0%
Cobalt	25634	-1.3%	-12.2%	85.2%	70.9%
Nickel	20735	10.7%	27.2%	116.5%	89.6%
Palladium	989	-0.5%	-12.9%	92.3%	65.2%
Platinum	1065	7.6%	6.5%	115.6%	99.1%

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

Source: LME

Notes. All performance data to 17 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

20 May	CN: Loan Prime Rate 1 & 5 Year; DE: PPI; ES: Balance of Trade
21 May	AU: RBA Meeting Minutes; EU: Balance of Trade; UK: CBI Industrial Trends Orders CA: Inflation Rate
22 May	JP: Reuters Tankan Index, Balance of Trade, Machinery Orders; EU: New Car Registrations UK: Inflation Rate; DE: 10-Year Bund Auction; US: FOMC Minutes
23 May	AU, JP, EU, DE, FR, UK, US: Manufacturing, Services & Composite PMIs US: Chicago Fed National Activity Index
24 May	JP: Inflation Rate; UK: Gfk Consumer Confidence; DE: GDP Growth Rate FR: Business Confidence; US: Durable Goods Orders, Michigan Consumer Sentiment

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Bloomberg	US Blames China's CMO for Predatory Tactics Behind Cobalt Glut
Bloomberg	Macron Calls State of Emergency Over Protests in New Caledonia
Bloomberg	Vale Indonesia Gets Special Mining Permit Extension Until 2035
Reuters	Chile gives Albemarle option to boost lithium quota by 240,000 metric tons
Reuters	White House moves to protect US solar manufacturers from Chinese competition
Reuters	Australia to invest \$15 billion in renewable energy, critical minerals

Metal Research Major Exchanges Total Copper Inventories (MT)



Data: as at 17 May 2024

Source: Bloomberg

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