



BHP to suspend nickel activities in Western Australia

BHP [announced](#) that it will temporarily suspend its Nickel West operations and West Musgrave project (Western Australia Nickel) from October 2024. It cited oversupply in the global nickel market and the sharp fall in forward consensus nickel prices in the period to 2030 caused by the growth of alternative low-cost nickel supply as reasons for the suspension, which it plans to review by February 2027. In terms of actions, BHP will suspend mining and processing operations at the Kwinana nickel refinery, Kalgoorlie nickel smelter and Mt Keith and Leinster operations and the development of the West Musgrave project. It will implement a care and maintenance programme of work to ensure the ongoing safety and integrity of its mines and related infrastructure. BHP also plans to continue to invest in exploration to extend the resource life of Western Australia Nickel and will invest approximately AUS\$450 million per annum to enable a potential re-start. Lastly, in addition to providing support for its workforce, it will create a fund to support local communities.

AIM-listed Zinnwald Lithium [provided](#) an operational update that included a 50% increase in the mineral resource estimate for its flagship Zinnwald project in Saxony, Germany. Its latest estimate is that it will produce 16,000 tpa to 18,000 tpa of battery grade lithium. This would make Zinnwald the second largest hard rock lithium project in the EU and the third biggest in Europe by both resource size and contained lithium. The company will now conduct a pre-feasibility study. Given the increased estimates, it will also apply to be designated as a strategic project under the EU's Critical Raw Materials Act in the extraction and processing categories. It is receiving funding from the State of Saxony to develop the project and is awaiting a decision on federal funding under the Temporary Crisis and Transition Framework programme to support the "Resilience and Sustainability of the Battery Cell Manufacturing Ecosystem". Zinnwald Lithium also holds exploration licences in a number of adjoining areas to the Zinnwald project.

China Lithium Carbonate 99.5% Delivered (CNY/metric tonne, one year to 12 July 2024)



Source: Bloomberg

Metal prices

Metal	Price USD (12 July)	Weekly change %	Year-to-date change %	Price vs 200 day moving average	Price vs 52 week high
Copper	9673	-1.4%	14.1%	109.7%	89.1%
Cobalt	24951	-1.4%	-14.5%	87.0%	69.0%
Nickel	16625	-3.2%	2.0%	95.5%	74.4%
Palladium	967	-5.8%	-14.9%	95.2%	73.0%
Platinum	992	-3.0%	-0.8%	105.9%	93.1%

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

Source: LME

Notes. All performance data to 12 July 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

15 July	CN: GDP Growth Rate, Fixed Asset Investment; CN, EU: Industrial Production US: NY Empire State Manufacturing Index, Fed Chair Powell Speech
16 July	EU: ECB Bank Lending Survey, Balance of Trade; EU, DE: ZEW Economic Sentiment Index CA: Inflation Rate; US: Retail Sales, Export Prices, Import Prices, Business Inventories
17 July	JP: Reuters Tankan Index; EU, UK: Inflation Rate; US: Building Permits, Industrial Production
18 July	JP: Balance of Trade, Exports; EU: New Car Registrations, Deposit Facility Rate, ECB Interest Rate Decision; US: Philadelphia Fed Manufacturing Index, Net Long-term TIC Flows
19 July	JP: Inflation Rate; UK: Gfk Consumer Confidence; DE: PPI; ES: Balance of Trade

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Bloomberg	Iron Ore's \$100 Floor at Risk of Collapse From Jump in Supply
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Bloomberg	China's CATL in Talks to Raise \$1.5 Billion Supply Chain Fund
Reuters	Oklo's nuclear order book shows potential of small reactors
Reuters	Renewables growth rate insufficient to reach 2030 target, says IRENA
Reuters	VW's MAN and E.ON join forces to charge electric trucks
Reuters	Engie, CDPQ team up in race against Iberdrola for UK's Electricity North West

Metal Research Major Exchanges Total Copper Inventories (MT)



Data: as at 12 July 2024

Source: Bloomberg

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