



Workers at Escondida reject BHP's wage offer

In copper-related news, workers at BHP-owned Escondida, which accounts for about 5% of global copper production, [rejected](#) the company's wage offer so pushing talks to mediation to avert a strike. The union is pushing for 1% of dividends to be distributed equally among workers and feels that the current BHP offer uses "one-time bonuses that try to hide the definitive loss of conditions." Mediation, once initiated, could last for up to ten days. The last strike at Escondida took place in 2017 and lasted [44 days](#).

In China, Bloomberg [reported](#) that there are signs of buyers returning to the copper market after what a CRU analyst described as a "partial buyers' strike" in the second quarter. Rising import premiums, a modest drawdown in stockpiles, and a tick-up in output rates at copper processing plants are factors that point to a pick up in interest. Over the second half of the year, there are expectations that China's power networks will make more purchases of copper with the State Grid Corp. of China [indicating](#) that it would boost the network of ultra-high-voltage lines. For more, listen to BMO's [Metal Matters: Getting the Grid Connection Back](#).

TSX-listed Generation Mining has [obtained](#) federal government approval for the construction of water management structures and operation of key infrastructure for the Marathon Palladium-Copper Project in Ontario. The mine, for which financing is still required to build and operate, is expected to produce an average of 166 koz of payable palladium and 41 Mlbs of payable copper per year over a 13-year mine life.

Statera Energy [announced](#) that it has received planning permission from Dorset Council for a 400MW battery energy storage system (BESS) for up to 6 hours duration near Chickerell, Dorset. The site's proximity to an existing National Grid substation will enable Statera to store and deliver instantaneous power. The project is Statera's largest consented BESS project to date.

Copper relative to Aluminium (LME Cash Official Prices in USD, 5 years to 2 August 2024)



Source: Bloomberg

Metal prices

Metal	Price USD (2 August)	Weekly change %	Year-to-date change %	Price vs 200 day moving average	Price vs 52 week high
Copper	8977	-0.5%	5.9%	100.8%	82.7%
Cobalt	24250.9	-2.0%	-16.9%	86.4%	67.8%
Nickel	16155	3.9%	-0.9%	93.8%	75.9%
Palladium	904	-0.4%	-20.4%	90.7%	68.3%
Platinum	972	3.8%	-2.8%	103.1%	91.3%

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

Source: LME

Notes. All performance data to 2 August 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

5 Aug	AU, JP, CN, EU, DE, FR, UK: Services and Composite PMIs
6 Aug	AU: RBA Interest Rate Decision; DE: Factory Orders; EU: Retail Sales CA, US: Balance of Trade; US: Exports, Imports, RCM/TIPP Economic Optimism Index
7 Aug	AU: Ai Group Industry Index; DE: Balance of Trade, Industrial Production; CA: Ivey PMI
8 Aug	JP: BoJ Summary of Opinions, Current Account; AU: NAB Business Confidence CN, FR: Balance of Trade; US: Initial Jobless Claims
9 Aug	CN: Current Account; CN, DE, IT: Inflation Rate, Balance of Trade; CA: Unemployment Rate

Further reading

Bloomberg	Mining Powerhouse Australia to Tighten Up Exploration Rules
Bloomberg	Electric Car Gloom Filters Down to Battery-Material Producers
Bloomberg	Scramble for Undersea Power Cables Fuels Green-Energy Windfall
Reuters	EIB and Deutsche Bank team up to support EU wind power industry
Reuters	Solvay to supply Europe with rare earth metals to reduce reliance on China
Reuters	China discounts its way to record solar module exports
Reuters	New horizons but same old problems for LME warehousing

Metal Research Major Exchanges Total Copper Inventories (MT)



Data: as at 2 August 2024

Source: Bloomberg

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