



BHP estimates world needs 10 Mtpa new mined copper supply in the next 10 years

BHP published an Insights report, “[How copper will shape our future](#)”, in which it estimates growth in global copper demand of around 70% to over 50 Mt a year by 2050. Annual growth in demand slowed to 1.9% per annum in the fifteen years to 2021, but the growth in demand coming from the energy transition and digital infrastructure, e.g. data centres, could see that rise to 2.6% annually in the period to 2035. On the supply side, BHP sees cost and stakeholder challenges facing both brownfield and greenfield projects, which have significant implications for growth in primary supplies. Access to capital is also a potential issue for miners, the level of required expansion capex from 2025–2034 is estimated be around a quarter of a trillion US dollars, which compares a total spend on copper projects of approximately US\$150 billion over the last 10 years. To meet demand, BHP estimates scrap supply will increase from around one third of global copper today to around 40% by 2035, and reach around a half of total copper consumption by 2050.

Bloomberg [reported](#) on the pressures on copper smelters and the possibility of closures as plants become uneconomic to operate. Annual treatment and refining charges are negotiated in the fourth quarter. For 2024, the benchmark was set at \$80/t of ore and 8 cents/lb of contained metal. In a poll of miners, traders, and smelters, the range for the benchmark was \$20–\$40/t and 2–4 cents/lb. The benchmark is expected to be negotiated with Antofagasta because Freeport-McMoRan, which has often set the benchmark, will have fewer concentrates to sell following the construction of its Gresik copper smelter in Indonesia.

RWE [announced](#) additions to its green energy portfolio in the US. It has broken ground on three battery energy storage systems (BESS) in Texas. Onsite construction is now underway at RWE’s Crowned Heron 1 and Crowned Heron 2 and Cartwheel 1 BESS projects in Texas. The three facilities will have a total power capacity of 450 MW and storage capacity of 900 MWh and will provide storage capacity to support the Electric Reliability Council of Texas (ERCOT) grid.

Metal prices

Metal	Price USD (4 October)	Weekly change %	Year-to-date change %	Price vs 200 day moving average	Price vs 52 week high
Copper	9784	-0.8%	15.4%	107.2%	90.1%
Cobalt	22056	-1.7%	-24.4%	85.0%	63.1%
Nickel	17600	5.7%	8.0%	103.1%	82.7%
Palladium	1008	-2.2%	-11.3%	102.8%	82.6%
Platinum	992	-2.1%	-0.8%	104.1%	93.1%

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

Source: LME

Notes. All performance data to 4 October 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 Oct	DE: Factory Orders; UK: Halifax House Price Index; EU: Retail Sales
8 Oct	AU: NAB Business Confidence, RBA Meeting Minutes; DE: Industrial Production FR, CA, US: Balance of Trade; US: Exports, Imports, RCM/TIPP Economic Optimism Index
9 Oct	AU: Westpac Consumer Confidence Index; DE: Balance of Trade; US: FOMC Minutes
10 Oct	DE: Retail Sales; IT: Industrial Production; IMF: World Economic Outlook; EU: ECB Monetary Policy Meeting Accounts; US: Core Inflation Rate, Inflation Rate, 30-Year Bond Auction
11 Oct	JP: Reuters Tankan Index; DE: Inflation Rate; UK: GDP, Goods Trade Balance, Industrial Production; CA: BoC Business Outlook Survey; US: PPI, Michigan Consumer Sentiment Prel

Further reading

Bloomberg	Northvolt's Funding Travails Hit Battery Projects from Germany to Canada
Bloomberg	China's Fast-Growing Copper Champion Is Reshaping Global Metal Supply
IOL	South Africa needs R1.5 trillion for Just Energy Transition, says Ramokgopa
New York Times	U.S. Ramps Up Hunt for Uranium to End Reliance on Russia
Reuters	Mining industry struggles with valuation gap amid shift to copper
Reuters	Breakingviews: EV tariffs are only the first step in EU-China war

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