



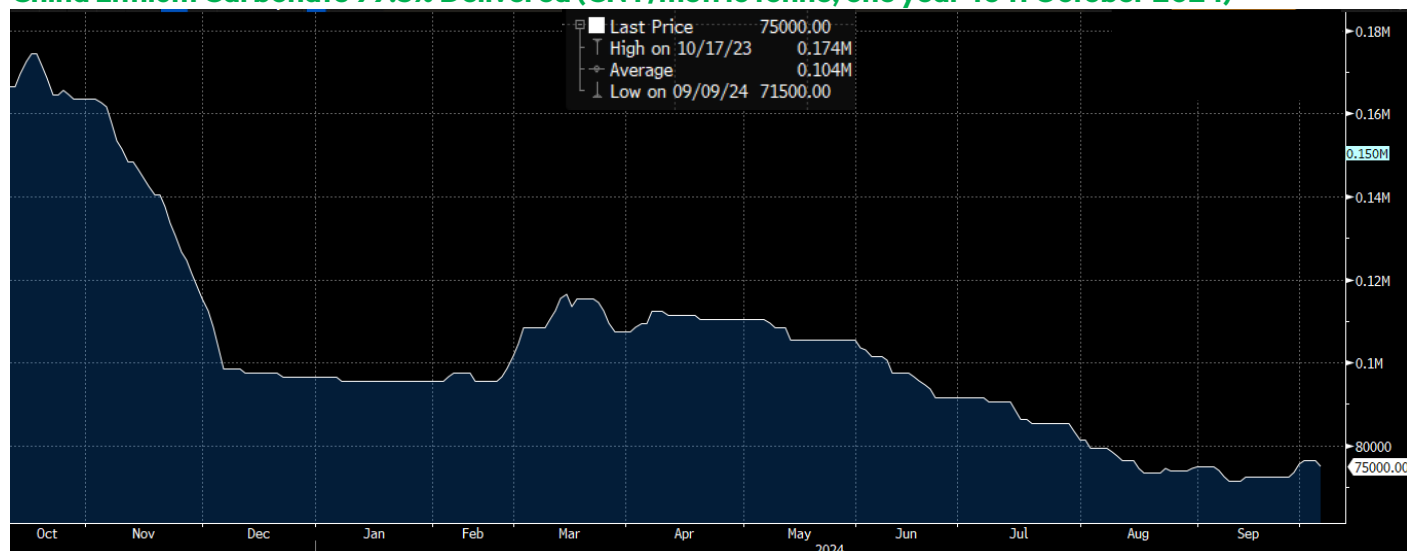
Rio Tinto makes lithium statement with Arcadium Lithium acquisition

Rio Tinto [announced](#) it would acquire Arcadium Lithium for \$6.7 billion in an agreed deal. The all-cash transaction for US\$5.85 per share represents a 90% premium to Arcadium’s closing price of \$3.08 per share on 4th October. Arcadium Lithium has expertise in lithium chemicals manufacturing and extraction processes in addition to Tier 1 assets. The deal will make Rio the second largest global producer of lithium with LCE production capacity of 373 ktpa and give it the largest resource base of any producer. Rio underlined its confidence in the long-term outlook for lithium, and referenced September 2024 projections from BMI of a more than 10% compound annual growth rate in lithium demand through to 2040.

Cameco CEO, Tim Gitzel, highlighted the tailwinds supporting the nuclear industry in a Bloomberg TV [interview](#): the path to net zero and incremental demand for electricity coming from data centres. He described the current environment as “best fundamentals I’ve ever seen for nuclear in my 40-year career.” Bloomberg also [reported](#) on comments by Nicolo Maes, CEO of Orano, who said that the company is looking to prolong the life of mines in Canada and Kazakhstan, as well as develop new projects in Mongolia and Uzbekistan, with the drive for diversification a result of “some tensions in the East and in Africa.” He indicated that the €1.7 billion expansion of its uranium enrichment facility at Tricastin would be completed by 2030.

The UK has [launched](#) a scheme to attract investment into renewable energy storage, which could result in the first investment in long duration energy storage (LDES) facilities for 40 years. Technologies covered by the scheme include pumped storage hydro, liquid air energy storage, compressed air energy storage and flow batteries. There is currently 2.8 GW of LDES across four existing pumped storage hydro schemes in Scotland and Wales. The National Electricity System Operator has estimated that a total of 11.5 to 15.3 GW of LDES will be required by 2050 to achieve net zero. Ofgem will design the investment support, which will be split into two application routes: one focusing on mature technologies, the other on new innovation.

China Lithium Carbonate 99.5% Delivered (CNY/metric tonne, one year to 11 October 2024)



Source: Bloomberg

Metal prices

Metal	Price USD (11 October)	Weekly change %	Year-to-date change %	Price vs 200 day moving average	Price vs 52 week high
Copper	9597	-1.9%	13.2%	104.8%	88.4%
Cobalt	22065	0.0%	-24.4%	85.7%	63.1%
Nickel	17615	0.1%	8.1%	103.1%	82.8%
Palladium	1073	6.4%	-5.5%	109.9%	87.9%
Platinum	977	-1.5%	-2.3%	102.5%	91.7%

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

Source: LME

Notes. All performance data to 30 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

14 Oct	CN: Vehicle Sales; IN: Inflation Rate
15 Oct	DE: Wholesale Prices; UK: Unemployment Rate; FR,CA: Inflation Rate; EU: Industrial Production; EU, DE: ZEW Economic Sentiment Index; US: NY Empire State Manufacturing Index
16 Oct	JP: Machinery Orders; IT, UK: Inflation Rate; US: Export & Import Prices; EU: ECB President Lagarde Speech
17 Oct	JP, EU, IT: Balance of Trade; EU: ECB Interest Rate Decision; US: Retail Sales, Philadelphia Fed Manufacturing Index, Industrial Production, Business Inventories, Net Long-term TIC Flows
18 Oct	JP: Inflation Rate; CN: House Price Index, GDP Growth Rate, Industrial Production, Retail Sales, Fixed Asset Investment; ES: Balance of Trade; US: Building Permits, Housing Starts

Further reading

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Bloomberg	Teck CEO Says Canada Must Spend More to Erode China's Critical Minerals Dominance
Bloomberg	Japan's New Economy Minister Seeks to Maximize Nuclear Restarts
Reuters	Slow charge point rollout risks stalling US EV sales momentum
Reuters	Nuclear start-up seeks to revitalise project management
Reuters	Unclear EU policy on Russian nuclear fuel imports hurts investment, says Orano
Reuters	Zinc facing supply deficit as mine output falls again

Metal Research Major Exchanges Total Copper Inventories (MT)



Data: as at 11 October 2024

Source: Bloomberg

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