



## Weekly Precious Metals News Articles: August 12, 2022

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**Below is a cross section of relevant news article to the world of Precious Metals:**

Markets, Supply & Demand, Investment, and Industrial Applications.

**Printable PDF version attached.** Enjoy-

### Gold



**Friday LBMA: Gold \$1,796.70/toz Silver \$20.54/toz**

- [Gold Weekly Forecast: Next direction depends on September Fed hike bets](#)
  - Gold closed the fourth straight week in positive territory.
  - Despite the soft US inflation data, the greenback managed to stage a recovery.
  - XAU/USD needs to flip \$1,800 into support to target \$1,830.
- [Gold-to-silver ratio heading lower - setup like 1989-03](#)
  - Fear is starting to become an issue. Traders are starting to realize inflation, CPI, PPI, and global currencies are reacting to the sudden policy shift by the US Fed and global central banks. This fear is showing up in the Gold-to-Silver ratio as well.
  - My research suggests the closest comparison to the current Gold/Silver setup may be found by looking at the early 2000~2003 US markets. Let's investigate this setup a bit further
- [Big Inflation Miss Sees Gold Price Spike vs. Plunging Dollar as Rate-Hike Bets Sink](#)
  - The GOLD PRICE spiked Wednesday by more than 1% to peak above \$1800 per ounce for a 2nd day running against a plunging US Dollar after new data from the world's largest economy said US consumer prices were unchanged overall last month from June thanks to a sharp retreat in gasoline prices.
  - On an annual basis, headline CPI inflation dropped to 8.5% from June's 40-year high of 9.0% (itself downwardly revised by 0.1), slower than the 8.7% predicted by consensus forecasts from analysts.
- [Gold ticks up on softer dollar, spotlight on U.S. CPI print](#)
  - U.S. CPI print due at 8:30 a.m. ET Wednesday
  - Dollar index down 0.4%
  - BoE will probably have to raise interest rates further - Ramsden

## **Semiconductor Related Articles (impacting Precious Metals electronics):**

- [\*\*Samsung to invest US\\$3.3 billion, produce new chip parts in Vietnam amid China's concerns over US-led semiconductor alliance\*\*](#)
  - Samsung president Roh Tae-moon discussed the new investment and other initiatives in Vietnam with Prime Minister Pham Minh Chinh last Friday
  - The firm is preparing trial production of its flip-chip ball grid array, used for semiconductor packaging, at its Samsung Electro-Mechanics complex
- [\*\*Corruption is sending shock waves through China's chipmaking industry\*\*](#)
  - The arrests of several top semiconductor fund executives could force the government to rethink how it invests in the sector.
- [\*\*Chinese smartphone brands see declines in 2Q22, says DIGITIMES Research\*\*](#)
  - China-based smartphone brands saw their combined shipments slip -5.2% sequentially q/q, and -4.6% y/y to come to around 150 million units in Q2'2022.
- [\*\*TSMC July sales hit new high, up over 6% from June\*\*](#)
  - TSMC reported on Wednesday a new sales record in July, +>6% from a month earlier, despite worries over growing inventory in the global semiconductor industry.
  - TSMC posted US\$6.23 billion in consolidated sales in July, +6.2% from June, and the July figure also exceeded the previous high recorded in May.
  - The July sales also soared by 49.9% y/y, TSMC said.

## **Silver**

- [\*\*Silver and palladium broke up, will gold follow?\*\*](#)
  - Silver made quite a move up on Monday, gaining over 4%.
  - Palladium closed the day up 5.3%, and at one point, it was up 6%.
  - Silver broke above the 50-day moving average, which used to be an effective resistance since the beginning of the month, and made a six-week high. More positive vibes for investors are likely to come from a quick return above \$20.
  - Pd rose on Monday to \$2250, the high since May, developing the uptrend of the last two months. Confident buying pushed palladium above the 200-day average yesterday, although sellers have stepped near it over the past four months. This looks like a fundamental change for long-term investors in confirmation of the upward trend since June.
  - So far, silver and palladium are now showing more bullish signals, while gold remains anchored at the 50-day moving average and below the local lows of May and June. However, gold is often in slightly earlier stages of market cycles as a more liquid instrument.
- [\*\*CFTC charges World Series of Poker player with manipulating gold and silver markets\*\*](#)
  - The CFTC said that Daniel Shak, who heads a small hedge fund SHK Management LLC, entered large orders for gold and silver futures that he intended to cancel before execution while also placing orders on the opposite side of the gold or silver futures market. And this happened on hundreds of occasions.
  - Spoofing is a tactic of manipulating gold and silver markets by making bids or offers and canceling them before execution.
  - "By placing the spoof orders, Shak intentionally or recklessly sent false signals of increased supply or demand that were designed to trick market participants into executing against orders on the opposite side of the market, which he actually wanted filled," the CFTC said in a press release. "Shak's spoof orders allowed him to fill orders on the opposite side of the market sooner, at a better price, and/or in larger quantities than they otherwise would have been filled."

## **Precious Metals Mining:**

- [\*\*Anglo American Platinum completes the sale of its interest in Bokoni Platinum\*\*](#)
  - AMPLATS announces that, together with its joint venture partner Atlatsa Resources Corporation, it has completed all the conditions precedent related to the sale of their joint 100% interest in Bokoni Platinum Mines to a wholly owned subsidiary of African Rainbow Minerals Limited for a total cash consideration payable at closing of R3.5 billion. Transaction is expected to be 1 September 2022, when African Rainbow Minerals will take over ownership, control, and management of Bokoni.
- [\*\*Implats' full year headline earnings hit by lower PGM prices, disruption to metal output\*\*](#)
  - A period of extended maintenance on its No. 3 furnace combined with community disruption at the mines and Eskom-related power interruptions led to a 3.6% decline in gross concentrate production for the 12 months. Gross concentrate of 6E production consequently came out at 3.17 Moz compared to 3.29 Moz in the previous year.
  - Post furnace downtime, gross refined volumes fell 5.6% to 3.09 Moz compared to 3.27 Moz previously when Implats benefited from increased availability of processing capacity due to the timing of annual processing maintenance.
- [\*\*Is sustainable mining possible? The EV revolution depends on it.\*\*](#)
  - A proposal for a 'sustainable mine' in Minnesota has the backing of Tesla. But will it win over the community? It is a growing conundrum for climate activists: meeting the Biden administration's ambitious goals for cutting car emissions hinges on the quick approval of large, invasive projects environmentalists are predisposed to resist. Mining companies are trying to use the timelines for the energy transition to their advantage, promising wary conservation and tribal groups to shape projects around community concerns.

## **E-Waste & Precious Metals Recycle Related:**

- [\*\*How the Manufacturing of Catalyst Affects Recycling From PHD Chemist | Zach Henneman\*\*](#)
  - PHD Chemist Zach Henneman (*Matt: and you and I shall refer to the new IPMI President as Mr. Zach*) shares how the manufacturing of catalyst affects recycling, his journey to becoming the manager of a fire assay lab, and how fire assay dates back to the old testament!
- [\*\*Analysis: Future to bring large copper shortfalls\*\*](#)
  - *Matt: Same message I've been sending for years, Copper Recyclers are well positioned long term*
  - Electrification is going to require huge amounts of copper in the coming decades, so much so that boosting mining, recycling and materials substitution together won't be enough to meet demand, according to a study.
  - S&P Global recently published a report titled "The Future of Copper: Will the looming supply gap short-circuit the energy transition?" It notes that a push toward clean energy sources will drive total demand for copper from 25 million metric tons today to about 50 million metric tons by 2035.
  - The analysis forecasts that there won't be enough available under any scenario.
  - "The chronic gap between worldwide copper supply and demand projected to begin in the middle of this decade will have serious consequences across the global economy and will affect the timing of Net-Zero Emissions by 2050," the report concludes
- [\*\*Researchers scale up rare earth recycling technology\*\*](#)
  - Researchers previously demonstrated a method for recycling scrap permanent magnets in consumer electronics using membrane solvent extraction. Now the technology has met a critical step toward deployment. The system has been scaled up to achieve high-purity separations, as reported in Advanced Engineering Materials. "The system is modular and scalable with a small footprint and minimal waste," said ORNL's Ramesh Bhawe.

- “We’re working with partners toward commercialization and exploring applications to recycle REEs used in growing technology areas, such as wind power and electric vehicles,” said ORNL’s Syed Islam.
- [Washington Post: Time to end planned obsolescence](#)
  - A major news outlet released an analysis of 14 popular consumer devices, finding that most could stop working in three to four years because of batteries that are impossible to replace.
  - “Nearly 50% of the companies I contacted, including Sony, Dyson, Logitech, Google-owned Fitbit, Amazon, Therabody and Samsung-owned JBL refused to answer or just ignored my specific questions.”
  - He called for an end to planned obsolescence and adding repairability scores to packaging – as France does – or labeling that lists the battery recharge count and how much it costs to replace the battery.

## Platinum



**Friday active trading 16:00 EST: Platinum \$944/toz Palladium \$2,214/toz**

- [EMA Withdraws CARB Emissions Challenge](#)
  - On Dec. 22, 2021, CARB adopted the Heavy-Duty Engine and Vehicle Omnibus Regulation, a package of stringent emission standards, test procedures, and other emission-related requirements applicable to new heavy-duty on-highway engines and vehicles sold in California. The Omnibus Regulation requires heavy-duty engine and vehicle manufacturers to comply with the new standards on Jan. 1, 2024, giving manufacturers only two years of lead time.
- [U.S. EPA Continues Its Aggressive Emissions Standards Stance with Proposed Standards for Heavy-Duty Highway Engines and Vehicles](#)
  - Proposed Option 1 sets initial emissions standards for model year 2027 to 2030 engines and vehicles, and applies a more stringent set of standards to model year 2031 and later engines and vehicles. In addition, Proposed Option 1 includes longer useful life and warranty periods for heavy-duty engines and vehicles than those proposed under Proposed Option 2. U.S. EPA has indicated that it prefers to pursue Proposed Option 1 due primarily to the lower estimated cost of implementation, greater reduction of criteria pollutants (in particular NOX), and greater monetized health benefits to the public.

## Fuel Cells/Hydrogen Economy Related Articles:

- ['Structural growth': Global sales of fuel cell vehicles jump 80% in 2021](#)
  - Battery electric vehicles (EVs) may be set to dominate the auto market in the coming decades, but fuel cell technologies could still have a sizeable role to play in the decarbonisation of transport.
  - That is the conclusion of a new research note from banking giant Credit Suisse, which yesterday detailed how global sales of FCEV’s increased by 80% in 2021 with 17,500 units sold.
- [Fuel cell-powered truck maker Hyzon’s stock suffers record plunge after accounting questions raise delisting fears](#)
  - Disclosures of myriad of issues leads to multiple analyst downgrades, with J.P. Morgan recommending investors get out
- [BMW is making room for hydrogen in next-generation Neue Klasse EV - Green Car Reports](#)

- As reported by Automotive News, BMW chairman Oliver Zipse mentioned this during the automaker's recent half-year earnings call, saying fuel-cell vehicles will be needed to achieve BMW's electrification goals. BMW is aiming for half of its global sales by volume to be electric by 2030.
- Zipse called hydrogen "the missing piece of the puzzle that can complement electromobility in places where battery-electric drivetrains are unable to gain traction." But he didn't provide details on how far along BMW is in development of a fuel-cell Neue Klasse model.
- [\*\*In time, everyone is going to want green hydrogen, Plug's CEO says\*\*](#)
  - "When you think about how you move wind power from Northern Denmark into Central Europe, hydrogen pipelines are the most effective way to do it. The cost is about 50% less to move the same level of energy," Marsh said. He also believes that only hydrogen can reduce the carbon dioxide (CO<sub>2</sub>) footprint of both mobility and industrial applications, which are exactly the same.
- [\*\*Fuel-cell maker Hyzon Motors craters after disclosing financial troubles\*\*](#)
  - Hyzon Motors is the latest electrification startup to crash after going public through a special purpose acquisition company. The maker of hydrogen fuel cell systems for heavy-duty trucks pulled its forward financial guidance, sending its shares down 38%.
  - Hyzon told the Securities and Exchange Commission late Thursday that it won't report second-quarter earnings as expected on Aug. 15. And it said its financial reports for the first quarter and full-year 2021 no longer can be relied upon.
- [\*\*Hyundai to export heavy-duty hydrogen electric trucks to Germany\*\*](#)
  - The hydrogen-electric vans dispatched to Germany will bolster the XCIENT Gas Cell's presence in Europe. A fleet of 47 have already been dispatched to Switzerland, clocking up over 4 million kilometers on the highway as of July this 12 month.
- [\*\*ReNew commits \\$8 billion for Egypt renewable hydrogen facility\*\*](#)
  - ReNew Power has announced that it has inked a preliminary agreement to work with the Egyptian government on a new renewable hydrogen plant in that African country. It will involve an investment as high as \$8 billion for the production of the zero-carbon emission fuel.
  - According to a texted statement by ReNew Chair Sumant Sinha, the goal is to achieve the production of 220,000 tons, or 2.2 million kg, of renewable hydrogen/year in coming years.
- [\*\*American Airlines invests in ZeroAvia hydrogen electric aviation company\*\*](#)
  - American Airlines announced that it has invested in hydrogen electric aviation company ZeroAvia in a step forward toward zero-emission aviation. Beyond the investment itself, the company has also signed a memorandum of understanding (MoU) to order up to 100 of ZeroAvia's engines.
- [\*\*BMW and Toyota plan to release jointly-built fuel cell cars in 2025\*\*](#)
  - The automakers aren't relying solely on EVs.

## **Palladium**

- [\*\*Reverse Proof American Eagle palladium coin on sale Sept. 8\*\*](#)
  - Release of the Reverse Proof 2022-W American Eagle, High Relief palladium \$25 coin on Sept. 8 by the United States Mint is restricted to a maximum of 7,500 coins.
- [\*\*GM Outsells Tesla In July As Semiconductors & Clean Tech Outperform\*\*](#)
  - The National Passenger Car Information Exchange Association released July auto data. Passenger vehicle sales increased 40.8% y/y to 2.134mm though off by -2.5% m/m. Top sellers were BYD 162k, SAIC-GM 59k, and Geely 32k, while Tesla sold 28k/-64% MoM from June's 78k.

## **PGM Minor Metals (Rhodium, Iridium, Ruthenium, Osmium)**



**Friday JM USA Index Price: Rhodium \$14,800/toz Iridium \$4,400/toz Ruthenium \$540/toz**

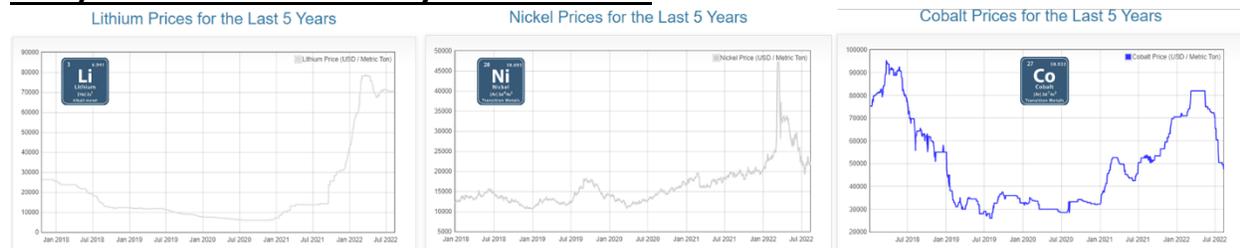
- [Plug Power sees Inflation Reduction Act creating a ‘boom’ in its green hydrogen business, and stock soars](#)
  - “With the passage of the Act, we expect a boom for our electrolyzer and green hydrogen business,” said Marsh said, according to a FactSet transcript. “All applications that use gray hydrogen [produced from fossil fuels] today, such as fertilizer manufacturing, will now be able to buy green hydrogen at a competitive price with gray.”
- [US climate bill includes massive, game-changing green hydrogen incentives](#)
  - And tucked away in its arcane text is a tax credit of up to \$0.60 per kg for green hydrogen – defined as hydrogen that can be proven to create less than 0.45 kg (1 lb) of lifecycle CO<sub>2</sub>e emissions per kg of hydrogen, as verified by a third party, for projects that begin construction before 2033. This 60-cent subsidy gets a 500% bonus multiplier if the laborers and mechanics employed in the construction of any new facilities are paid "wages not less than the prevailing rates [for such work] in the locality in which such facility is located."
  - *Matt: US Bill just passed the House of Representatives, and is now headed to Biden for Signature.*
- **Ru and Pt PVD Products:** [Seagate: Outperforming Western Digital On Major Fronts](#)
  - Seagate has outperformed Western Digital in the All-Important Data Center HDD segment.
  - Seagate’s next-generation HDD will go into production at least a full year ahead of Western Digital.
  - 90+% of exabytes in cloud data centers are stored on HDDs, remaining 10% are stored on SSDs.
  - Seagate posted Q4-FY results that missed estimates and gave weak guidance. Seagate's CEO Dave Mosley said the continuation of macro issues is continuing and the company is reducing production to maintain "supply discipline." The company is also managing expenses, Mosley added.

## Clean Energy General News

- [Hundreds of new mines required to meet 2030 battery metals demand](#)
  - The report concludes the industry needs to build 50 more lithium mines, 60 more nickel mines and 17 more cobalt mines by 2030 to meet global net carbon emissions goals.
- [Toyota’s Push for Hydrogen Fuel Cells Over Electric Batteries](#)
  - Toyota maintains hydrogen-fueled cars not only provide a viable option to BEVs but also support a diverse marketplace. The automaker also points out many current cars could be converted to run on hydrogen, allowing owners to keep their current vehicle.
  - When Toyota unveiled the Prius in 1997, the automaker effectively brought hybrid-electric vehicles to the mainstream. Since then, they’ve continued to be a champion of alternative fuels and a more sustainable future for transportation.
  - But now Toyota has said it’s ready to move from HEVs to hydrogen fuel-cell technology. More importantly, it says its data suggests battery-electric cars might not be as green as we think. Additionally, it says electric cars simply don’t offset carbon emissions enough to make a difference, particularly in light of the rise in energy-consuming industries such as cryptocurrency.

- *Matt: Toyota has been right all along. And the world needs FCEV's and also more Hybrids for CO2 reduction, not to ban these Hybrids for unobtainium 100% BEV's with excessive mining requirements.*
- **Glencore's smelter warning galvanises the zinc price: Andy Home**
  - The LME zinc price jumped to a six-week high last week after Glencore warned of the continuing margin squeeze on its European smelters. (*Matt: One use is Zinc used on Wind Turbine Blades*)
  - What looked at the time like a seasonal power price spike has morphed into structurally higher pricing.
  - It's a "very challenging" time to be in the zinc smelting business, Glencore said.
  - This isn't really news, but the reminder from one of the market's biggest operators was enough for the LME three-month price to spike higher to \$3,554.50 per tonne, up 26% from its July low of \$2,824.50.
- **Supercharging the (Power Grid) Reliability Crisis**
  - *Matt: Where have I heard this important clean energy argument before?*
  - Even as grid regulators and independent system operators continue to raise the alarm over eroding reliability performance, little is happening to address its root causes. Even worse, the newly proposed Inflation Reduction Act extends and expands existing renewable electricity tax credits. The inevitable result will be to accelerate coal plant closures in favor of intermittent power sources, even as new reliability warnings, collapsing reserve margins and rolling blackouts become endemic. Reliable, dispatchable generation is coming off the grid far faster than reliable alternatives are replacing it.

## **BEV / LiB Mineral & Battery Market News**



**Friday: Lithium \$70,474/mt Nickel \$22,787/mt Cobalt \$47,455/mt**

- **Insatiable Lithium Demand Fuels Investment Boom in Australia**
  - Carmakers and miners inking deals amid \$42 billion funding gap
  - Liontown shares swelled 76 times in just three years
- **Mobility Notes: 5-Min Monthly Read**
  - Inflation Reduction Act of 2022: Tax credits for EVs & charging infrastructure through 2032
  - \$7,500 tax credit for purchase of new electric vehicle (EV) and \$4,000 for a used EV. Eligibility cap of first 200,000 EVs sold per manufacturer (which excluded Tesla and GM) is removed.
  - To be eligible for tax credits, starting 2024 the vehicle will require at least **40% value of battery critical minerals to be processed in a country which has free trade agreement with the US**. The requirement increases to **80% starting 2027**. This may be a difficult requirement to meet.
  - A new up-to 30% credit (max. \$40,000) for commercial plug-in chargeable and fuel cell vehicles
  - 30% credit for charging/refueling stations
  - \$3 billion funding for the US Postal Service to purchase EVs and install charging infrastructure.
  - \$1 billion funding for zero tailpipe emitting Class 6/7 trucks, transit and school buses
- **U.S. automakers say 70% of EV models would not qualify for tax credit under Senate bill**
  - Automakers have been privately expressing concern about the proposal's increasing requirements for vehicles' batteries and critical-mineral contents to be sourced from the United States.
  - John Bozzella, heads of the Alliance for Automotive Innovation that represents GM, Toyota Motor, and Ford Motor among others, said a July 27 proposal by Senators Chuck Schumer and Joe Manchin would make 70% of 72 U.S. electric, plug-in hybrid, and fuel-cell EVs ineligible upon passage.

- *Matt: US Bill just passed the House of Representatives, and is now headed to Biden for Signature.*
- **Tesla's battery deals highlight Chinese dominance of key materials for electric vehicles**
  - Tesla signed new contracts with two of its current Chinese battery material suppliers highlighting the extent to which American EV manufacturers rely on China for critical minerals and materials.
  - Zhejiang Huayou Cobalt Co. and CNGR Advanced Material Co. renewed pricing agreements to provide Tesla with supplies of ternary precursors, chemical concoctions essential for lithium-ion batteries to store energy for electric cars, up until the mid-2020s. China dominates the world's lithium-ion manufacturing market, producing ~79% of all LiB's that entered the global market in 2021.
  - Huayou Cobalt will supply Tesla with processed cobalt for batteries from July 1, 2022, to the end of 2025, and CNGR will supply Tesla with LiB cathode material precursors from 2023 to 2025.
- **Tesla Produced 3 Million EVs, 2 Million Run-Rate By End Of 2022**
  - Tesla just recently announced that it has produced 3 million EVs since production began in 2008.
  - If Tesla hits its run-rate goal, it should be able to produce the next 3 million EVs in a short time compared to the first.
- **Elon Musk Suggests Tesla's Next Gigafactory Might Be In Canada**
  - This is the second time Canada is mentioned as a potential location for the next Gigafactory; official announcement to come this year.
  - *Matt: Oh Canada ... The true North strong and free*
- **Indonesia says Tesla strikes \$5 billion deal to buy nickel products**
  - "We are still in constant negotiation with Tesla ... but they have started buying two excellent products from Indonesia," Coordinating Minister for Maritime and Investment Affairs Luhut Pandjaitan said in an interview broadcast on Monday. He said Tesla signed a five-year contract with nickel processing companies operating out of Morowali in Sulawesi Island. The nickel materials will be used in Tesla's lithium batteries.
  - The (Indonesian) government plans to impose export tax on these NPI or Ferronickel metals to boost revenue while encouraging more domestic production of higher-value products, Sr. official told Reuters.
  - *Matt: Previously Musk insisted no Tesla Indonesia NPI if mine tailings were dumped in ocean, and that he refused to do business with a country that would allow that. We'll see how this plays out.*
- **Elemental Recycling receives funding boost**
  - Freestone Holdco LLC, a portfolio company of Dallas-based Tailwater Capital LLC, has announced signing definitive agreements to make an investment in Houston-based Elemental Recycling. That firm is developing a process designed to convert discarded plastic and tires into what it calls high-quality graphite and hydrogen.

Regards –

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76 Os Osmium	77 Ir Iridium	78 Pt Platinum	79 Au Gold

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