



Weekly Precious Metals News Articles: February 12, 2021

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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

- **Gold prices inch higher, poised to register first weekly gain in 3 weeks**
 - Gold futures inched higher Friday, with prices looking to register their first weekly gain in three weeks, after a reading on U.S. consumer sentiment revealed a drop to its lowest in six months. <https://www.msn.com/en-us/money/markets/gold-prices-inch-higher-poised-to-register-first-weekly-gain-in-3-weeks/ar-BB1dD8Yk>
- **JPMorgan Says Commodities May Have Just Begun a New Supercycle** <https://www.bloomberg.com/news/articles/2021-02-10/j-p-morgan-sees-commodity-supercycle-already-kicking-off>
- **Gold, silver see price rallies ahead of Powell Speech**
 - Gold and silver futures prices are higher and have hit fresh daily highs in early U.S. trading Wednesday. The two precious metals markets have stabilized so far this week, but traders are still looking for the next catalyst to break prices out of their near-term trading ranges. April gold futures were last up \$17.00 at \$1,854.60 and March Comex silver was last up \$0.168 at \$27.555 an ounce. <https://www.kitco.com/news/2021-02-10/Gold-silver-see-price-rallies-ahead-of-Powell-Speech.html>
- **ETF Monthly commentary**
 - Gold ETF inflows total almost 14t in January as outlook remains supportive for gold investment <https://www.gold.org/goldhub/data/global-gold-backed-etf-holdings-and-flows/2021/january>

Semiconductor Related Articles (impacting Precious Metals electronics):

- **Taiwan's chip industry sets eighth annual record**
 - Taiwan's semiconductor industry produced more than NT\$65 billion (US\$2.29 billion) last year, as the sector expanded capacity to meet rising global demand for 5G, IoT and high-performance computing applications. Taiwan is home to the world's largest foundry operator, TSMC, and the largest IC packaging and testing service provider, ASE.
 - Major foreign semiconductor companies, such as US-based DRAM maker Micron Technology Inc, also have production lines in Taiwan. <https://www.taipetimes.com/News/biz/archives/2021/02/08/2003751956>
- **Semiconductor industry leaders call for trade deal**
 - More than 100 Taiwanese and US semiconductor industry leaders and government officials joined a virtual meeting, which included "prominent" officials from US President Joe Biden's administration, the ministry said.

<https://www.taipeitimes.com/News/front/archives/2021/02/06/2003751859>

- **Passive Components: What To Expect in a Post-Pandemic “Revenge Economy”**
 - The raw material price index for passive components has increased by 21% since Sept’20, and in step with increased demand for passive components. Prices for base metals such as nickel, copper, aluminum and zinc, palladium, ruthenium and silver all have increased sharply. This increase in the cost of production for passive components is historically indicative of strong demand.
<https://www.tti.com/content/ttiinc/en/resources/marketeye/categories/passives/me-zogbi-20210208.html>
- **Geo Political Risk Hot Spot: South China Sea Tensions: Chinese Warplanes Intrude Taiwan Airspace; US Aircraft Carrier Enters Seaway**
 - “A total of six J-10 fighters, four J-16s, two SU-30s, a Y-8 reconnaissance aircraft and two Y-8 anti-submarine aircraft, were sent by China,” the statement read. On Saturday, Beijing had sent eight nuclear-capable bombers and four fighter jets into the same airspace. Taiwan’s air force was sent up to respond, the statement said.
<https://www.ibtimes.com/south-china-sea-tensions-chinese-warplanes-intrude-taiwan-airspace-us-aircraft-3129875>
- **Gartner Says Apple & Samsung Extended Lead as Top Semiconductor Customers in 2020**
 - Apple remained the No. 1 semiconductor chip buyer in 2020, representing 11.9% of the total worldwide market, according to preliminary results from Gartner, Inc. Samsung #2.
 - The top 10 original equipment manufacturers (OEMs) increased their semiconductor spend by 10% in 2020, and accounted for 42% of the total market, up from 40.9% in 2019. The top 10 companies in 2020 remained the same as in 2019.
<https://www.gartner.com/en/newsroom/press-releases/2021-02-09-gartner-says-apple-and-samsung-extended-their-lead-as>

Silver

- **Global Silver Demand Forecasted to Rise 11% in 2021, Reaching 1.025 Billion Ounces**
 - Against an improving macroeconomic backdrop, the main segments of silver demand are expected to rise this year. Led by industrial and physical silver investment, global silver demand is expected to achieve an eight-year high of 1.025 billion ounces in 2021.
 - Physical investment, which covers silver bullion coin and bar purchases, is expected to achieve a six-year high in 2021 of 257 million ounces (Moz), as investors continue to add silver to their investment holdings.
[Global Silver Demand Forecasted to Rise 11 Percent in 2021, Reaching 1.025 Billion Ounces \(silverinstitute.org\)](https://www.silverinstitute.org/news/2021-02-09-global-silver-demand-forecasted-to-rise-11-percent-in-2021-reaching-1.025-billion-ounces)
- **Silver demand to hit 8-year highs, but what about prices? The Silver Institute weighs in**
 - Global demand for silver will rise to eight-year highs in 2021 on surging interest from industrial and physical markets, said The Silver Institute in a report on Wednesday.
 - “Against an improving macroeconomic backdrop, the main segments of silver demand are expected to rise this year,” according to the report. “This reflects expected gains in the critical segments of industrial demand, physical investment, jewelry, and silverware fabrication.”
<https://www.kitco.com/news/2021-02-10/Global-silver-demand-to-hit-8-year-highs-this-year-The-Silver-Institute.html>

Precious Metals Mining:

- **Mines dole out bumper dividends**
 - Last week Sibanye-Stillwater, the world’s biggest platinum group metals producer, flagged a huge increase in annual profit, putting income-hungry investors in line for bumper dividends.

- A few days later Anglo American Platinum gave a similarly upbeat profit guidance that almost certainly means much of the money would flow back to shareholders.
<https://www.businesslive.co.za/bd/opinion/editorials/2021-02-09-editorial-mines-dole-out-bumper-dividends/>
- **Russia’s top gold company shifts mines to hydropower**
 - Move by Polyus to ditch use of coal comes as global warming becomes bigger issue in Russia
<https://www.ft.com/content/9d61a23b-eac9-46d9-9ebc-305339e54d08>
- **Investors set for commodities ‘bull run’ as prices rise in tandem**
 - The broad upswing in commodity prices since the depths of the coronavirus crisis represents just the first leg of a sector-wide “bull market” fanned by government spending, analysts and investors say.
 - Wall Street banks are telling their clients to increase their exposure to raw materials, which are poised to benefit from a vaccine-driven global economic recovery, aided by fiscal stimulus. Some are even predicting a prolonger period of commodity-intensive growth that marks a repeat of the so-called “supercycle” of the 2000s — where oil and metal prices hit record highs as China’s rapid industrialisation caught the industry napping.
<https://www.ft.com/content/27086ad8-bc84-4e2e-9195-91880fa6916f>

E-Waste & Precious Metals Recycle Related:

- **Auto recycling – a misunderstood industry**
<https://autorecyclingworld.com/auto-recycling-a-misunderstood-industry/>
- **Hydro and Northvolt joint venture Hydrovolt starts building Norway’s first recycling plant for electric vehicle batteries**
 - Norwegian aluminium and renewable energy company Hydro announces that Hydrovolt, its joint venture with Northvolt, has started constructing the battery recycling plant in Norway.
<https://autorecyclingworld.com/hydro-and-northvolt-joint-venture-hydrovolt-starts-building-norways-first-recycling-plant-for-electric-vehicle-batteries/>
- **Hydrogen technology focus of new recycling consortium**
 - BEST4Hy members say they will focus on the recycling of proton exchange membrane fuel cells (PEMFCs) and solid oxide fuel cells (SOFCs). “The project aims to adapt two existing recycling processes applied already to other technologies and to validate a novel dismantling process for PEMFCs,” states the group, adding, “Ambitious targets for recycled content in new stacks/cells have been set and will be validated by fuel cell producers, to prove the viability of higher value, closed-loop recycling.”
<https://www.recyclingtoday.com/article/hydrogen-cell-recycling-europe-hensel-germany/>

Platinum

- **Platinum Surges to Six-Year High on Industrial Bounceback Bets**
[Platinum Surges to Six-Year High on Industrial Bounceback Bets - Bloomberg](https://www.bloomberg.com/news/articles/2021-02-09-platinum-surges-to-six-year-high-on-industrial-bounceback-bets)
- **Platinum, palladium and rhodium all in deficit in 2020:-Johnson Matthey**
 - The 10-million ounce a year palladium market saw a shortfall of 606,000 ounces, continuing a run of deficits stretching back to at least 2015, the company said in a report.
 - The 1-million-ounce rhodium market, meanwhile, was undersupplied by 84,000 ounces.
 - JM PGM Market Report – February 2021
<https://www.brecorder.com/news/40062419/platinum-palladium-and-rhodium-all-in-deficit-in-2020-johnson-matthey>
- **JM PGM Market Report – February 2021**
 - 44-page report on the supply and demand fundamentals of the Pt/Pd/Rh markets.
<https://matthey.com/en/news/2021/pgm-market-report-february-2021>
- **Platinum group metals outlook: constrained supply, very strong demand growth – WPIC**

- “The most material driver is the substitution of palladium by platinum. I think we’re starting to see widespread recognition that it’s happening but it’s still proprietary and confidential. But we’re starting to see estimates of anything between one and one-and-a-half-million ounces of substitution, people are saying, by 2025. It’s our view that it’s happening a lot quicker and will be a lot sooner.
<https://www.miningweekly.com/article/platinum-group-metals-outlook-constrained-supply-very-strong-demand-growth-wpic-2021-02-08>
- **Healthy PGM-derived dividends ahead, capital investments to be limited – RMB**
 - The financial results of platinum group metals (PGM) and iron-ore miners, which are due to be published in the month ahead, are expected to reveal healthy dividends for shareholders and a strong rise in taxes paid to the fiscus, but little in the way of capital investment in South Africa
<https://www.miningweekly.com/article/healthy-pgm-derived-dividends-ahead-capital-investments-to-be-limited-rmb-2021-02-08>
- **WPIC: Platinum Essentials**
 - Platinum Above Ground Stocks (AGS) are low relative to historic levels as well as those of palladium and rhodium and should not deter further investment in platinum
https://platinuminvestment.com/files/543339/WPIC_Platinum_Essentials_February_2021.pdf

Fuel Cells/Hydrogen Economy Related Articles:

- **World's First Gigafactory for Proton Exchange Membrane Technology Coming to New York**
 - New York Gov. Andrew Cuomo's office said Plug Power's new innovation center in the Rochester suburb of Henrietta would be a "Gigafactory for Proton Exchange Membrane technology." Plug Power said the facility would produce fuel cell stacks for its hydrogen fuel cell engines, used in fleet vehicles, material handling equipment, and drones, as well as electrolyzers needed to generate hydrogen fuel.
 - Matt: Plug Power has some 38,000 8-10kW forklift systems in the field, for a total of ~380MW worth of PEM's over the past 12 years or so. 1GW worth of Tesla Model 3's is over 12,000 BEV's.
<https://www.thomasnet.com/insights/world-s-first-gigafactory-for-proton-exchange-membrane-technology-coming-to-new-york/>
- **Green hydrogen production is accelerating and with it, platinum-based electrolyser capacity**
 - The expansion of hydrogen production capacity and associated infrastructure will facilitate the adoption of PEM fuel cell electric vehicles. The combined impact on platinum demand as these two PEM technologies take off will be significant over the longer term.
<https://platinuminvestment.com/about/60-seconds-in-platinum/2021/02/10#>
- **Hyosung Heavy Industries to Build World's Largest Liquefied Hydrogen Plant**
 - Hyosung Heavy Industries announced on Feb. 5 that it has signed a joint venture (JV) deal with Linde plc, the world's largest industrial gas company, to promote its liquefied hydrogen business.
 - Linde Hydrogen will build a 13,000-ton liquefied hydrogen plant on the site a site in Ulsan owned by Hyosung Group by early 2023. It will be the largest in the world as a single hydrogen plant. Ground will be broken as early as February 2021
<http://www.businesskorea.co.kr/news/articleView.html?idxno=60007>
- **Fuel-Cell Truck Startup Hyzon Agrees to Merge With Decarbonization Plus SPAC**
 - Hyzon Motors Inc., a fuel cell truck startup, has agreed to go public via a merger with Decarbonization Plus Acquisition Corp., according to people with knowledge of the matter.
<https://nz.finance.yahoo.com/news/fuel-cell-truck-startup-hyzon-034042999.html>

Palladium

- **China's auto sales rise by 29.5% in January amid recovering demand**
 - China's auto sales rose by 29.5% y/y to over 2.5 million units in January.
 - Auto sales dropped 11.6% m/m in January due to the shortage of automobile chips.

- Last month, sales of passenger vehicles went up by 26.8% year on year to 2.05 million units, while those of new energy vehicles (NEVs) more than doubled to 179,000 units.
<https://news.cgtn.com/news/2021-02-10/China-s-auto-sales-rise-by-29-5-in-January-amid-recovering-demand-XL7lyFeaxW/index.html>
- **Johnson Matthey Moves with the Times**
 - The stock offers near-term upside on industry recovery as economies recover from Covid-19.
 - JM will benefit from tougher emissions standards boosting its core catalytic converter business.
 - JM has established expertise in the growth markets of hydrogen and LiB materials and technology.
<https://seekingalpha.com/article/4402966-johnson-matthey-moves-times>
- **New Type of DRAM Could Accelerate AI**
 - The transistors in the capacitorless DRAM developed by U.S.-based researchers includes a tungsten-doped indium oxide semiconductor, **palladium top and bottom gates**, nickel source and drain electrodes and hafnium oxide dielectrics.
<https://spectrum.ieee.org/tech-talk/semiconductors/memory/new-type-of-dram-could-accelerate-ai>

PGM Minor Metals (Rhodium, Iridium, Ruthenium)

- **Iridium in OLED: Omdia: QDTV to Out-ship OLED by more than 2X from 2020-2025**
 - Consumers are showing a strong preference for high end TV features according to Omdia's latest TV market forecast. High end TV sets based on technologies like Quantum Dot, QD-OLED, microLED and OLED will make-up 30% of the TV market by 2025.
<https://www.nanosysinc.com/news/2021/2/4/omdia-qdtv-to-out-ship-oled-by-gt21-from-2020-2025>
- **Iridium Crucibles for LED Production and all PM's for MEMS: The future of "smart" cities is in street lights**
 - Cities are rushing to replace their legacy street lights with "smart" LED fixtures that could one day be able to find you a parking space, monitor air quality, and announce an oncoming thunderstorm.
 - "Streetlights are becoming the backbone of larger smart city initiatives," per a report by the Northeast Group, a smart cities market intelligence firm.
 - Cities will invest \$8.2 billion in them in the next 10 years, the report said.
 - It will take time: "Overall, over 90% of streetlights will be LED by 2029 and 35% will be connected," Northeast Group said. Street lighting can be up to 40% of a city's energy bills, so you see huge cost savings across the board.
 - Sensors placed on streetlights have manifold applications and will have more in the future.
 - An Intel white paper envisions a day when street lights do everything from traffic and parking control to guiding people out of danger during an emergency (by flashing in the direction of evacuation).
<https://www.axios.com/smart-cities-street-lights-859992a6-6931-48e5-81ba-7f0a0b8058d9.html>

BEV / LiB Battery Market News

- **Explained: How the New Caledonia government collapse may affect the nickel market**
 - The coalition government in New Caledonia, a French territory in the Pacific that is the world's fourth-largest nickel ore producer, collapsed on Tuesday after pro-independence politicians resigned. Riots broke out in December sparked by protests led by pro-independence political parties over the sale of Vale SA's nickel business in the country.
 - "This year, we are looking at a much more balanced nickel market – potentially even moving to deficit in Q3 briefly," said Andrew Mitchell, head of nickel research at Wood Mackenzie.
<https://www.cnbctv18.com/market/commodities/explained-how-the-new-caledonia-government-collapse-may-affect-the-nickel-market-8208171.htm>
- **Nickel prices: How did we get here and what comes next?**

- Nickel prices have risen substantially over the past 12 months and are edging closer to the US\$9 per lb. or US\$20,000 per tonne threshold that analysts believe could spur investment in new supply.
- The battery market has to use Class 1 nickel, which rules out NPI and any other type of nickel with iron content. That means about 60% of the nickel production that has come online over the past several years cannot be used in the battery market. In context, of the 2.5 million tonnes of refined nickel produced in 2020, only about 600,000 tonnes or roughly **25%, is suitable for the production of battery precursors and cathodes.**
- Given the steep battery-driven demand growth curve, nickel consumers are starting the flash the warning signal that within just a few years there will not be enough battery-grade metal available. <https://www.northernminer.com/commentary/nickel-prices-how-did-we-get-here-and-what-comes-next/1003828036/>
- **Nickel price: Indonesia halts deep-sea mining disposal**
 - Indonesia will no longer permit mining waste to be disposed in the ocean to allay concerns about the environmental impact of processing nickel used in electric vehicle (EV) batteries, a government official and a corporate mining source said.
 - The Southeast Asian nation, the world's biggest nickel producer, has not officially banned so-called deep-sea tailings (DST) but by not issuing new permits it could delay planned projects and complicate efforts to dispose of waste. <https://www.mining.com/web/facing-green-pressure-indonesia-halts-deep-sea-mining-disposal/>
- **Roskill's study on future demand and supply security of nickel for electric vehicle batteries for the European Commission's JRC**
 - EU27 nickel demand from the automotive sector is forecast to total 560kt Ni by 2040, an increase of 543kt Ni from 17kt Ni in 2020.
 - For nickel sulphate capacity, the core product required by batteries, the availability of suitable nickel feedstocks rather than processing capacity is the biggest "bottleneck" risk in the supply chain. <https://batteryindustry.tech/roskills-study-on-future-demand-and-supply-security-of-nickel-for-electric-vehicle-batteries-for-the-european-commissions-jrc/>
- **Global Plugin Vehicle Sales Up 43% In 2020, European Sales Up 137%** <https://cleantechnica.com/2021/02/08/global-plugin-vehicle-sales-up-43-in-2020-european-sales-up-137/>
- **Flash Wearout Drives Tesla Recall**
 - That NAND flash wears out is nothing new, but there's been a great deal of innovation around the technology in the last decade to improve its endurance, reliability and longevity, and that includes the eMMC, an embedded mass storage device that integrates the NAND flash memory, controller and interface in one package.
 - The general rule of thumb in automotive is that components such as memory chips should be able to last a decade, so that on average, the vehicle doesn't outlive them. <https://www.eetimes.com/flash-wearout-drives-tesla-recall/#>
- **As Tesla sales reportedly spike, the new Model S and Model X haven't pleased everyone**
 - Tesla's significant refresh of the Model S and Model X – including new styling, more powerful options, and a divisive cabin redesign, is already proving a success in terms of sales, according to a new report, though the hunt for higher values per vehicle isn't leaving everyone happy.
 - The refreshed Model S and Model X are now \$10,000 more expensive, part of Tesla's push to have the EVs reclaim their premium position now that the more affordable Model 3 and Model Y are around to offer a gateway to new owners. <https://www.slashgear.com/as-tesla-sales-reportedly-spike-the-new-model-s-and-model-x-havent-pleased-everyone-31657475/>
- **All the mines Tesla needs to build 20 million cars a year - MINING.COM**

- Elon Musk and his merry band of executive vice presidents had plenty of advice for the mining and metals industry at the company's Battery Day event in September, where the road map to a \$25,000 Tesla was laid out.
- How easy it is to mine lithium (just add salt), just how much of it there is in Nevada (enough for 300 million EVs), how to be environmentally friendly ("put the chunk of dirt back where it was") and, given these facts, why miners haven't been trying harder.
- Musk's prime raw material worry is nickel. Musk said "Well, I'd just like to re-emphasise, any mining companies out there, please mine more nickel. Okay. Wherever you are in the world, please mine more nickel and don't wait for nickel to go back to some long, some high point that you experienced some five years ago, whatever. Go for efficiency, obviously environmentally friendly nickel mining at high volume. Tesla will give you a giant contract for a long period of time, if you mine nickel efficiently and in an environmentally sensitive way. So hopefully this message goes out to all mining companies. Please get nickel."
<https://www.mining.com/all-the-mines-tesla-needs-to-build-20-million-cars-a-year/>
- **CATL launching three battery projects, \$4,5 billion**
 - CATL plans to invest 29 billion RMB (\$4,5 billion) in the power and energy storage battery projects in Zhaoqing. The projects are as follows:
 1. Construction of a power and energy storage battery production base in Zhaoqing City, Guangdong Province. 12 billion RMB (\$1,9 billion).
 2. Construction of the fifth and sixth phases of the power battery manufacturing base in the Lingang Economic and Technological Development Zone of Yibin City, Sichuan Province. 12 billion RMB (\$1,9 billion).
 3. CATL's holding subsidiary, Times FAW Construction of Times FAW power battery production line expansion in Xiapu County, Ningde City, Fujian Province. 5 billion RMB (\$774 million).
<https://batteryindustry.tech/catl-launching-three-battery-projects-45-billion/>
- **Tesla to submit investment proposal as Indonesia's battery plan is taking shape**
 - Tesla is due to submit a proposal about the company's plan to establish a car battery plant and energy storage system in the Indonesian archipelago today, as the country's plan to dominate the electric car battery market begins to take shape. Tesla's proposal could be one in a series of ore processing and battery investments that the Indonesian government hope would make up the bulk of the country's \$64 billion investment target for this year.
 - Matt: Recall Indonesia dominates global Ni reserves. Tesla wants greater control in the Ni mining over concerns of competing Chinese owned mines dumping toxic Ni mine tailing directly into the local oceans in a region known as the Coral Triangle. Recall Elon asking for long-term Responsibly mined Ni agreements with mines. Is this part of Telsa planned response?
<https://batteryindustry.tech/tesla-to-submit-investment-proposal-as-indonesias-battery-plan-is-taking-shape/>

Regards –