



Weekly Precious Metals News Articles: December 4, 2020

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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 jumps 2%, silver up 6% as dollar slides**
 - Gold jumped more than 2% on Tuesday, rebounding from a five-month low in the last session, and silver soared over 6%, as the dollar slid, with U.S. stimulus bets adding to bullion's appeal as an inflation hedge.
<https://www.cnbc.com/2020/11/30/gold-markets-coronavirus.html>
- **The Bank of England Must Return Australia's Gold**
 - Australia has a national gold reserve of 80 tons that is owned by the government, controlled by the Reserve Bank of Australia and represents a sizeable portion of the wealth of the Australian people.
 - However, these national gold reserves are not located on Australian soil, but rather are held in London, deep within the vaults of the Bank of England. Australia itself holds little physical gold bullion. Instead Australia possesses a claim-check from the BoE for our own national gold supply.
<https://www.theftsnews.com/the-bank-of-england-must-return-australias-gold/>
- **Gold rebounds from 5-month lows as virus fears outweigh vaccine cheer**
 - Following sharp losses in the previous two sessions, spot gold rose 0.4% to \$1,784.37 per ounce by 0349 GMT. U.S. gold futures gained 0.4% to \$1,787.90.
 - Gold clocked its worst monthly fall in four years on Monday, falling to \$1,764.29 per ounce, the lowest level since July 2.
<https://www.cnbc.com/2020/12/01/gold-markets-coronavirus.html>

Semiconductor Related Articles (impacting Precious Metals electronics):

- **Global IC foundry output value to rise over 20% in 2020**
 - TSMC is expected to report record profits in 2020. GlobalFoundries, UMC, VIS, SMIC and TSMC are also running their 8-inch fabs in full capacity, with 12-fab capacity also running tight.
 - The acceleration in digital transformation is being driven by demand for RF front-end modules, RF switches, power management ICs and others that are related to 5G handsets.
<https://www.digitimes.com/news/a20201126VL200.html>
- **Gamers, Desktops Drive Graphic Chip Demand**
 - GPU shipments between July and September rose 10.3 percent over the previous quarter. The biggest gainer was AMD, which logged an 18.7 percent quarterly increase. The GPU

market analyst reckons AMD's gain was market leader Intel's loss, the latter shedding two percentage points of market share during the third quarter.

<https://www.eetimes.com/gamers-desktops-drive-graphic-chip-demand/#>

- **WSTS Semiconductor Market Forecast Autumn 2020**
 - Worldwide Semiconductor Market (minus on chip memory) is forecasted to be US\$ 433 billion in 2020, an increase of 5.1% from 2019.
 - WSTS expects the world semiconductor market to be up by 5.1% to US\$ 433 billion in 2020. This reflects expected growth in all major product categories, except Optoelectronics and Discrete Semiconductors. The largest growth contributors are Memory with 12.2%, followed by Sensors with 7.4%. In 2020, Americas and Asia Pacific regions are expected to grow.
<https://www.wsts.org/76/Recent-News-Release>

Silver

- **China could drive 4.2 TW of solar capacity by 2050 under decarbonization plan**
 - Business intelligence firm Bloomberg New Energy Finance has spelled out how China's 40-year transition towards a net-zero-carbon economy could see \$6.4 trillion invested in new solar and wind generation capacity, with PV capacity rising to 4,226 GW by mid-century.
 - Matt: 4,226 GW of PV installed in China by 2050 is the equivalent of 3.4 billion Toz of silver at today's loadings. That's 3.4 years supply of Silver. Impressive.
<https://www.pv-magazine.com/2020/12/01/china-could-drive-4-2-tw-of-solar-capacity-by-2050-under-decarbonization-plan/>
- **(World's largest Solar PV Module producer) Longi hits annual module target with a month to spare**
 - PV manufacturer Longi Solar today announced it had hit its 20 GW annual solar module shipment target last month. The Xi'An-based monocrystalline solar company.
 - Shanghai-listed Longi is the world's largest solar company, with a market value of RMB262 billion (US\$40 billion) at the close of trading today.
 - Matt: 20 GW / 11 months → 28.8 GW est for 12 months, versus 115 GW forecast total global 2020 Solar PV new installations is 25% of the global capacity. And they are cooking.
<https://www.pv-magazine.com/2020/12/03/longi-hits-annual-module-target-with-a-month-to-spare/>
- **Silver ETFs Surge as Industrial Metal Outperforms**
 - After selling off since early November, silver and its related ETFs are showing signs of life on Tuesday, rallying along with stocks and index ETFs on the first day of December.
 - Silver futures prices are surging in midday U.S. trading Tuesday, up more than 6.5%, amid significant short covering in the futures market, as well as bottom picking in the cash market. After a considerable drop in November that drove gold to a five-month low and silver to a nine-week low to close the month, bulls are now expressing interest in the commodities.
<https://www.etftrends.com/equity-etf-channel/silver-etfs-surge-as-industrial-metal-outperforms/>
- **Sensors for a 'smart' wound bandage may track healing, immune response**
 - Finally, the sensor was also able to detect the influence of Ag+ silver ions, a known antimicrobial agent, that suppressed pyocyanin production by the bacteria.
https://www.eurekalert.org/pub_releases/2020-12/sios-sfa120220.php

Precious Metals Mining:

- **Franco-Nevada (FNV) Up 26% YTD: What's Driving the Rally?**
 - Franco-Nevada Corporation FNV is well poised to gain from rally in gold prices, robust portfolio of streaming and royalty agreements, debt-free balance sheet, and expected savings from its prudent cost management. The company's shares have gained 26.3% year to date, compared with the industry's rally of 16.2%. Notably, the S&P 500 rallied 12.9% in the said period.

<https://finance.yahoo.com/news/franco-nevada-fnv-26-ytd-151603934.html>

- **Nornickel to sell less palladium, nickel than it produces in 2020 - head of sales**
 - Nornickel sees its 2020 nickel and palladium sales down 5% to 7% year-on-year, he added. It sold 230 000 t of nickel and 3.0-million troy ounces of palladium in 2019.
 - The company hopes to sell the stockpile caused by Covid-19 in 2021, Berlin said, adding that Nornickel's 2021 nickel and palladium production would be flat and copper output would decline.
 - He sees the 2020 global market deficit at 400,000 ounces of palladium. The nickel market will be in surplus by 100,000 tonnes.

<https://www.mining.com/web/nornickel-to-sell-less-palladium-nickel-than-it-produces-in-2020-head-of-sales/>
- **Impala Platinum Could Be Among The Gainers From The Hydrogen Wars**
 - The EU plans to boost renewable hydrogen capacity from 1GW today to 40GW in 2030.
 - Over the past year, projects for around 11GW of electrolysers were announced worldwide.
 - PEM electrolysers could account for around half of new capacity, and they use iridium.
 - The iridium market could slip into deficit by 2024, there are only three major producers in the world.
 - Iridium has the potential to become a \$4.8 billion market, Impala offers best exposure to this metal.
 - Matt: Ir could slip into deficit? LOL, I think author is a couple years late to the party. Ir has tripled (3.2x) in price since June'2016 because the market is balanced?

<https://seekingalpha.com/article/4392699-impala-platinum-be-among-gainers-from-hydrogen-wars>
- **Darwendale PGM Mine: New mine eyes exports in 2022**
 - Work on opening Zimbabwe's next giant platinum mine, Great Dyke Investments (GDI) in Darwendale is ahead of schedule, with the mine expected to increase Zimbabwe's exports of platinum and platinum group metals in 2022.

<https://www.herald.co.zw/new-mine-eyes-exports-in-2022/>
- **Marathon Palladium Project (Canada) – Townhall with Investors**
 - Generation Mining Ltd. Executives provide a quick update on the Feasibility Study which is concluding very shortly. Then I wrap up with a presentation on the Marathon Palladium Mining Projects basket outlook: Pd, Cu, Pt, Au, Ag.

https://six.com/event/conversation-with-management-update-on-the-marathon-feasibility-study/?utm_bmc_r_source=client_email&utm_source=client_email
- **Generation Mining meets Sibanye-Stillwater's milestone | Kitco News**

<https://www.kitco.com/news/2020-11-30/Generation-Mining-meets-Sibanye-Stillwater-s-milestone.html>

E-Waste & Precious Metals Recycle Related:

- **So what's YOUR 'e-scrap' worth? From phones to iPods and laptops, there's gold in them thar gadgets!**
 - The average household is holding on to 20 unwanted electrical appliances
 - Even better, the average resale value of these items is a heartening £620
 - Items can be sold on websites such as eBay, Gumtree or Facebook Marketplace

<https://www.thisismoney.co.uk/money/news/article-9006187/How-cash-Christmas-selling-old-phones-e-scrap.html>
- **Why e-waste is a growing problem**
 - The world produced over 53 million tons of electronic waste in 2019. But mountains of trash and a lack of recycling are not the only issues. E-waste can be highly toxic and damaging to our health.

<https://www.dw.com/en/why-e-waste-is-a-growing-problem/av-5573467>
- **Electronic waste on the decline, new study finds**

- A new study found the total mass of e-waste generated by Americans has been declining since 2015. The biggest contributor to this decline is the disappearance of the large, bulky cathode-ray tube (CRT) televisions and computer monitors from American homes. Since about 2011, CRT displays have been on the decline in the waste stream, helping to lead the overall decline in total e-waste mass.
<https://phys.org/news/2020-12-electronic-decline.html>

Platinum

- **WPIC: Platinum for a 5th Generation**
 - Platinum sensors are helping to unleash the power of new technology, including 5G networks.
 - High-precision temperature measurement is essential for many key technologies, and a prerequisite for effective technical solutions. Platinum temperature sensors are known for their high stability, repeatability and fast response times.
https://platinuminvestment.com/files/sixtysecs/WPIC_60seconds_Platinumforafifthgeneration_12022020.pdf
- **WPIC: China's renewed appetite for platinum jewellery enhances global platinum jewellery rebound**
 - The platinum jewellery market has seen a dramatic 32% rebound in the second half of 2020, after a COVID-19 reduced first half. Volumes rose 27% q/q to 498 koz in Q3'2020, close to pre-pandemic levels. Projections for Q4'2020 point to a +6% y/y increase to 539 koz, the first since Q1 2017. Global jewellery demand in 2021 is forecast to grow by +13% (+246 koz) to 2,072 koz, the first annual growth in platinum jewellery demand since 2013.
https://platinuminvestment.com/files/853345/WPIC_Platinum_Perspectives_November_2020.pdf

Fuel Cells/Hydrogen Economy Related Articles:

- **China makes vigorous efforts for fast-track development of fuel cell vehicles**
 - China FCEV sales 2015 to 2019: 10, 629, 1275, 1,527 and 2,737 according to CAAM. The absolute volume was rather small versus BEV's and PHEVs.
 - The most important factor that curbs FCV popularization may be the high Total Cost of Ownership. Despite the relatively low sales, local governments are actively rolling out policies to support FCV industry development.
<http://autonews.gasgoo.com/m/70017781.html>
- **Cummins Eyes A Low Carbon Future**
 - "The production of green hydrogen and the adoption of fuel cell technologies in markets that are served by fossil fuels today will be critical to lowering greenhouse gas emissions globally and also will enable Cummins to achieve carbon neutrality by 2050," Linebarger added. "We will continue to bring hydrogen fuel cell products to market and we have many products already in the field, including in on-highway trucks, rail, marine and other applications, as well as hundreds of electrolyzers."
<https://www.post-journal.com/news/page-one/2020/11/cummins-eyes-a-low-carbon-future/>
- **Nikola shares drop as GM pulls plug on investment deal**
 - GM is backing away from an agreement to take a stake in electric automaker Nikola Corp., marking the collapse of a deal that has been problematic since it was announced just two months ago. Nikola shares fell nearly 25% on Monday.
 - GM has instead signed a nonbinding memorandum of understanding to supply Nikola with its Hydrotec fuel cell system. This supplier agreement replaces its previous transaction announcement made on Sept. 8, 2020 to take a 11% stake in Nikola and produce a fuel cell pickup by the end of 2022. The investment was valued at \$2 billion at the time.
<https://techcrunch.com/2020/11/30/nikla-shares-drop-as-gm-pulls-plug-on-investment-deal/>
- **Cummins to Open Hydrogen Fuel Cell Plant in Germany**

- Power solutions supplier Cummins continues to invest further in its Hydrogenics business, announcing November 12 that it will open a new facility next year in Germany that will make hydrogen fuel cell systems. The new plant in Herten will initially focus on building fuel systems that power trains for rail transport provider Alstom.
- Expected to be finished by July 2021, the facility will have a capacity of 10 megawatts per year. It will produce one megawatt of fuel cell systems each month for Alstom's "Coradia iLint" hydrogen-powered trains, along with aftermarket support.
<https://www.thomasnet.com/insights/cummins-to-open-hydrogen-fuel-cell-plant-in-germany/>
- **Nikola: December Might Be Tough After Failure To Negotiate A Deal With GM Ahead Of Major Lock-Up Expiration**
 - Original strategic partnership replaced with MOU targeting supply of GM fuel cell and battery systems to Nikola.
 - Major lock-up looming with ~161 million shares becoming eligible for sale on December 1.
 - Business plan requires Nikola to raise an additional \$3 billion over the next couple of years.
 - Given the disappointing outcome with GM and impending lock-up expiration, investors should remain on the sidelines or even consider outright shorting the shares.
<https://seekingalpha.com/article/4392268-nikola-december-might-be-tough-after-failure-to-negotiate-deal-gm-ahead-of-major-lock-up>
- **Alstom To Supply Italy's First 6 Hydrogen Trains**
 - Alstom will supply six hydrogen fuel cell trains, with the option for eight more, to FNM (Ferrovie Nord Milano), the main transport and mobility group in the Italian region of Lombardy, for a total amount of approximately €160 million. The first train delivery is expected within 36 months of the date of the order.
<https://cleantechnica.com/2020/11/30/alstom-to-supply-italys-first-6-hydrogen-trains/>

Palladium

- **China Auto Market Continues COVID Rebound in Bright Spot in Global Auto Market**
 - Chinese auto sales grew at least 8 percent year over year in October. This follows a 7.4% jump in September. October marked seven straight months of year over year growth in China. China's growth stands in stark contrast to many other markets around the world, which continue to be thwarted by COVID cases.
<https://www.natlawreview.com/article/china-auto-market-continues-covid-rebound-bright-spot-global-auto-market>
- **U.S. auto sales lose momentum in November: Wards Intelligence**
 - The pace of U.S. auto sales slowed in November, data from analytics firm Wards Intelligence showed on Tuesday, amid a spurt in coronavirus infections.
 - Auto sales in the United States managed to bounce back since hitting a pandemic-fueled bottom in April, leading major automakers to ramp up production and boost weak inventories at dealerships.
<https://www.reuters.com/article/us-usa-autos-sales-idUSKBN28C01J>

PGM Minor Metals (Rhodium, Iridium, Ruthenium)

- **Rhodium: Emissions Clampdown Sends Rhodium Prices on Explosive Rally**
 - Already the most expensive precious metal and one of the rarest elements on Earth, rhodium prices have more than doubled in 2020.
 - Matt: Wall Street Journal report requires subscription. But the simple fact WSJ is noticing the Rhodium market is significant.
<https://www.wsj.com/articles/emissions-clampdown-sends-rhodium-prices-on-explosive-rally-11606737904>
- **Iridium: Hydrogen investment by PGMs-linked fund bodes well for South Africa**

- The Copenhagen innovator produces green hydrogen peroxide with the help of iridium, a PGM that Southern Africa hosts to a far greater extent than any other region of the world, and AP Ventures is looking to support the deployment of these green hydrogen peroxide systems in South Africa.
<https://www.polity.org.za/article/new-hydrogen-investment-by-pgms-linked-venture-fund-bodes-well-for-south-africa-2020-12-01>

BEV / LiB Battery Market News

- **Western Australia establishes battery taskforce**
 - The Western Australian government on Monday named the members for its Future Battery Industry taskforce who will actively explore global opportunities to grow the state's critical minerals industry.
https://www.miningweekly.com/article/wa-establishes-battery-taskforce-2020-11-30/rep_id:3650
- **The rare earths 'basket problem' is intensifying – CRU Research**
 - The transition to a green economy represents a major opportunity for rare earths demand in the coming decades, with so-called 'magnet rare earths', especially neodymium (Nd) and praseodymium (Pr), used in green applications: from offshore wind turbines, to electric vehicle powertrains.
<https://www.crugroup.com/knowledge-and-insights/insights/2020/the-rare-earth-basket-problem-is-intensifying/>
- **LME Week 2020: \$1 trillion needed for key energy transition metals by 2035 | Wood Mackenzie**
 - Matt: This \$1T is for mostly Lithium Battery Materials, Li, Co, V, Ni. I say we need to add \$1.5T in mining expansions for Cu, and PGM's (Pt, Ru, Ir) to that list as well. PGM investment needed now, to allow 10-year funding to operations timeline, and LiB minerals needed by 2025 to enable 2030 continued BEV and transportation LiB ramp. Copper needed now as well.
[https://www.woodmac.com/press-releases/lme-week-2020-\\$1-trillion-needed-for-key-energy-transition-metals-by-2035/](https://www.woodmac.com/press-releases/lme-week-2020-$1-trillion-needed-for-key-energy-transition-metals-by-2035/)
- **Nickel Monthly News For The Month Of November 2020**
 - Nickel spot prices were slightly higher in November, LME inventory slightly higher than last month.
 - Nickel market news - Wood Mackenzie forecasts nickel demand to increase by 2/3rds by 2040. New US trade group ZETA calls for emissions caps, total EV adoption by 2030.
<https://seekingalpha.com/article/4392217-nickel-monthly-news-for-month-of-november-2020>
- **BHP says copper output needs to double in 30 years, criticises pricing system**
 - Decarbonisation and electrification are the main drivers for the future of metals commodities, delivering on the commitment of moves towards a low-carbon economy.
 - To keep pace with these mega trends, copper production will have to double over the next 30 years.
 - Matt: 75% of global copper goes into wiring. For Clean Energy, consider that the average ICE vehicle uses 55 lbs. of Cu, Hybrid/PHEV uses 110 lbs. Cu, and BEV uses 165 lbs Cu. Also, 1 MW of wind energy (a typical wind turbine) needs 3.6 mt of copper.
<https://www.miningweekly.com/article/bhp-says-copper-output-needs-to-double-in-30-years-criticises-pricing-system-2020-12-03>
- **Green trend stirs copper and nickel markets as supply tightens - Nikkei Asia**
 - Demand high but Biden factor and China dominance fuel uncertainty
<https://asia.nikkei.com/Spotlight/Market-Spotlight/Green-trend-stirs-copper-and-nickel-markets-as-supply-tightens>

Metals and what they are used for

	Growing use	Conventional use
Copper	Electric cables for electric cars, renewable energy generators	Electric cables for infrastructure
Nickel	Cathode material for automobile batteries	Raw material for stainless steel
Cobalt	Automobile batteries	Special steel
Aluminum	Car materials	Beverage can, construction material
Platinum	Catalyst for fuel cell cars	Catalyst for diesel cars

Source: Nikkei research

Regards –