

Investments - Flash



M. Alain Freymond - Partner & CEO

INVENTORIES AT THEIR LOWEST FOR INDUSTRIAL METALS

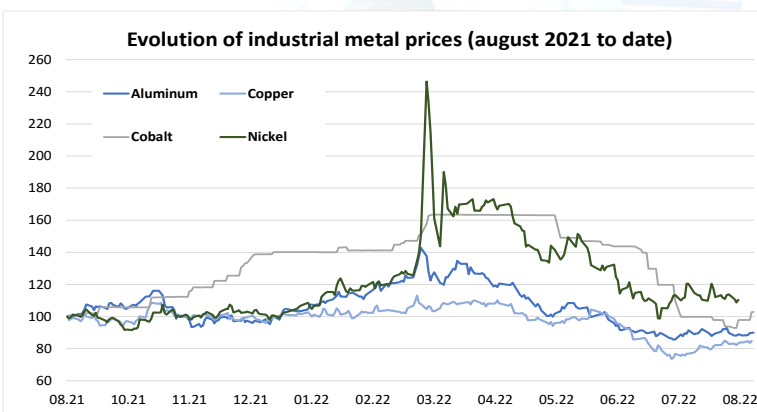
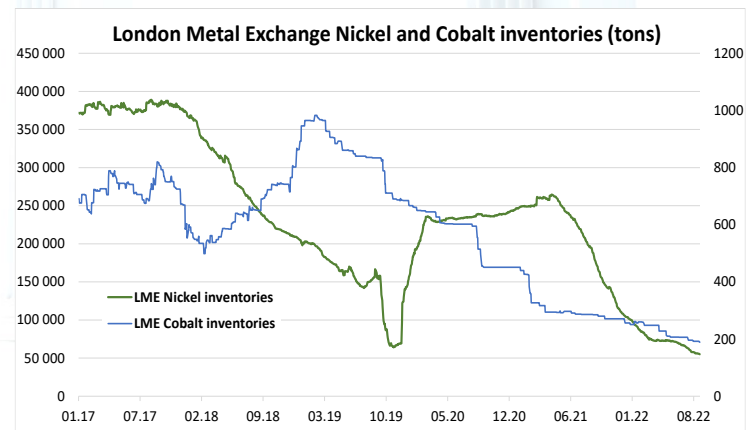
New uptrend in formation?

Industrial metal prices were largely affected by the drop in Chinese demand during the first half of the year, following the confinement of many cities and the sharp decline in industrial activity. The Chinese slowdown will only be temporary and a recovery in activity will lead to a return in demand for industrial metals. This element has lowered the tensions that were materializing with the introduction of sanctions against Russian exports, but a Chinese economic recovery in the current context of particularly low stocks in Shanghai warehouses will necessarily have a further impact on prices.

A reversal of the upward trend for aluminum, copper, cobalt and nickel in particular seems very likely. In addition to this factor, the reorganization of industrial metal supply sources as global demand rises will also have an effect on prices.

The new needs for industrial metals that are essential for the implementation of the energy transition desired by the main G20 governments is also an extremely important factor in the evolution of global demand. While global demand clearly appears to be on the rise, the fall in capex in recent years continues to weigh on supply levels. The current low inventories also suggest that prices will be under pressure in the near future.

Our outlook is therefore very positive for all industrial metals, which should benefit from this increased demand for infrastructure, wind power projects, rail and the growing electric car sector.



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