

# Investments - Flash



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## A CHANGING PERSPECTIVE FOR INDUSTRIAL METALS

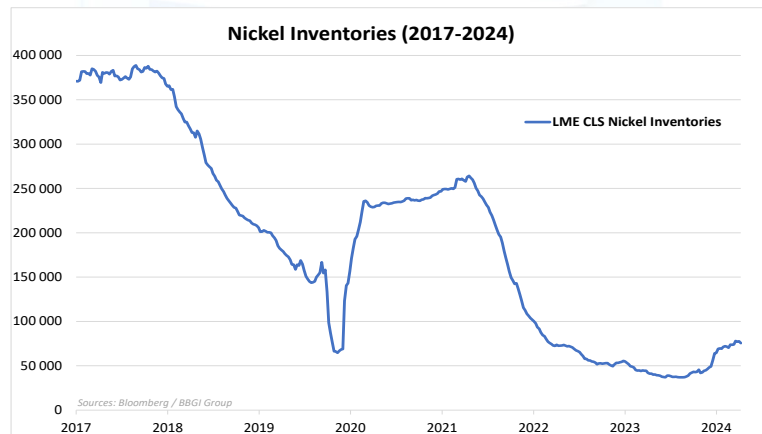
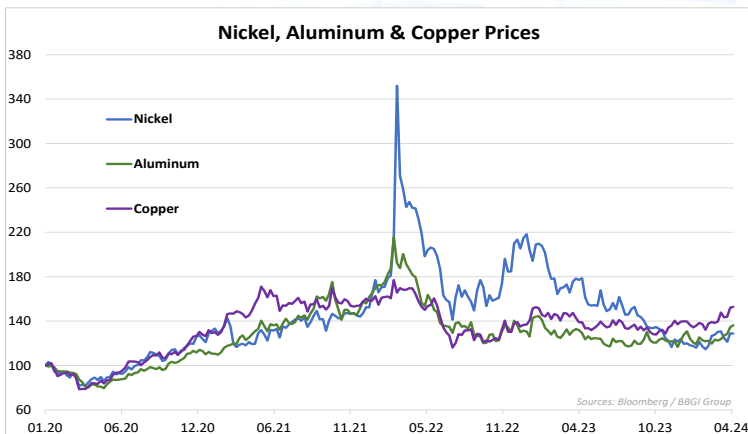
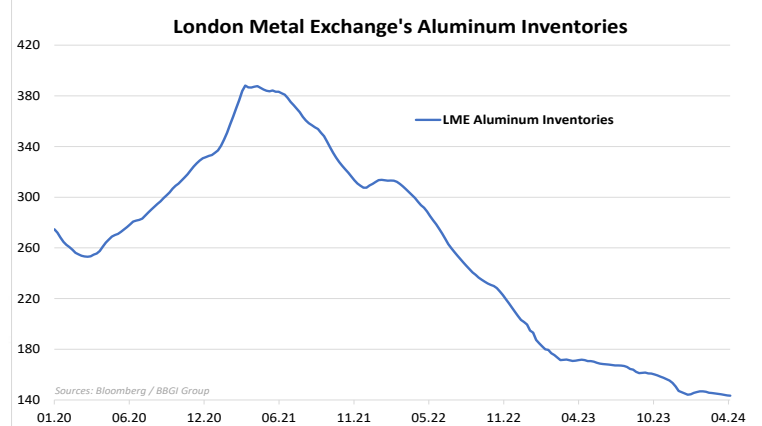
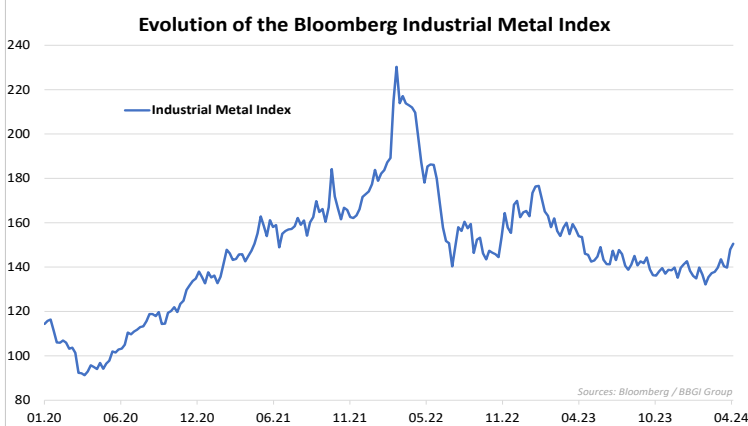
Rising prices driven by renewed Chinese growth

At the start of 2024, the industrial metals segment was still largely penalized by a mixed global growth outlook, overestimated recession risks in Europe and insufficient momentum in China. In recent days, perceptions have improved somewhat, thanks in particular to more positive developments in China. The index's recovery of nearly +8% bears witness to this, and follows stagnation in the 1st quarter (-0.7%) and a long phase of horizontal consolidation since June 2022. Moreover, inventory levels for most industrial metals are particularly low, and cannot easily be used as an adjustment variable in the face of recovering demand.

This is bound to have a further positive impact on prices. A reversal of the upward trend is expected for aluminum, copper, nickel and zinc. New requirements for industrial metals, essential for the implementation of the energy transition,

are also a major factor in the evolution of global demand. The fall in capex in recent years continues to weigh on supply levels, limiting the risk of further increases in inventories. Our outlook is positive for all highly depreciated industrial metals, which will benefit from increased demand from infrastructure, wind power projects, railways and the fast-growing electric automotive sector when global demand picks up again.

Recent price adjustments for aluminum, copper, nickel and zinc do not yet reflect the expected positive evolution of the global economic environment that we project for 2024, and should appreciate by +10% to +15% in the coming months.



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