

INSIDE METAL

WEDNESDAY, MAY 15, 2019

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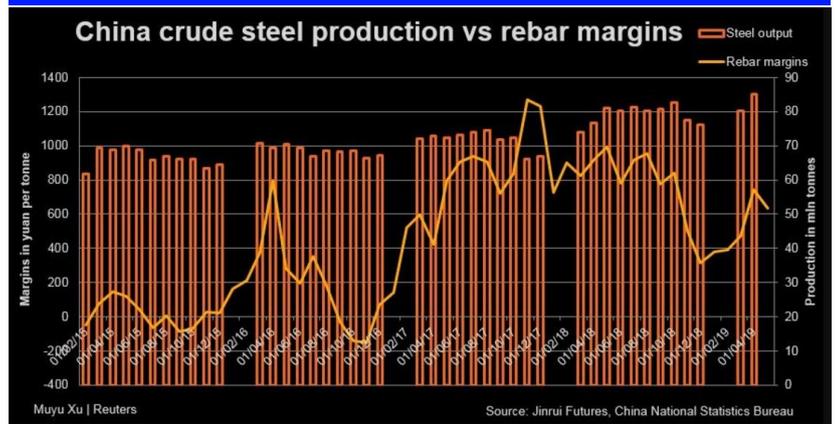
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TOP NEWS

China April steel output climbs to monthly record, stoked by firm profit margins

China's crude steel production rose 12.7% in April from March to its highest monthly level on record, official data showed on Wednesday, bolstered by firm demand and good profitability in steelmaking. The world's top steelmaker churned out 85.03 million tonnes of crude steel last month, up from 80.33 million tonnes in March and 76.7 million tonnes at the same time last year, data from the National Bureau of Statistics (NBS) showed.

CHART OF THE DAY



Mexico says deal to repeal U.S. steel tariffs could be close

Mexico is closing in on a deal to repeal U.S. President Donald Trump's punitive tariffs on steel and aluminum, a senior Mexican official said on Tuesday, potentially moving a step nearer to the ratification of a major trade deal struck last year. "We are, I think, close to negotiating the lifting of the tariffs," Mexican Economy Minister Graciela Marquez told Canadian broadcaster CBC after meeting with Canadian Foreign Minister Chrystia Freeland in Toronto.

China April aluminium output grows 3.9% on year as smelters restart

China's aluminium output rose from the previous month to its third-highest daily rate on record in April, according to Reuters calculations based on official data, as smelters ramped up production to cash in on higher prices. The world's top aluminium producing country churned out 2.92 million tonnes of the metal last month, the National Bureau of Statistics said on Wednesday. That was up 1.4% from 2.88 million tonnes in March, which saw the end of winter restrictions on output aimed at curbing pollution, and was up 3.9% year-on-year, the bureau said.

U.S. leaves rare earths, critical minerals off China tariff list

The United States has again decided not to impose tariffs on rare earths and other critical minerals from China, underscoring its reliance on the Asian nation for a group of materials used in everything from consumer electronics to military equipment. The minerals are set to be among the few items spared from U.S. tariffs in an escalating trade war with China, which is by far the world's biggest producer of rare earths.

Barrick Gold prepping sale of Zambian copper mine in H2 - sources

Barrick Gold Corp, the world's second largest bullion miner, is preparing its Zambian copper mine Lumwana for sale in the second half of 2019, looking to target Chinese buyers, three sources with knowledge of the matter said. Fresh from two major deals in recent months, Barrick has said it plans to shed \$1.5 billion of less productive mines, which have little expansion potential.

Aurubis confirms bleak profit outlook on lean markets, shutdowns

Aurubis AG, Europe's largest copper producer, on Wednesday confirmed a reduced full-year earnings forecast on weak market environment and plant shutdowns, while posting a slump in its quarterly earnings. Aurubis expects operating pre-tax earnings (EBT) in its 2018/19 fiscal year to fall "significantly" by more than 15% compared with the previous year. The copper producer in February had forecast full-year operating EBT to be "moderately lower".

Rothschild withdraws from advising Adani on Australia coal project

Rothschild & Co has decided not to advise India's Adani in the financing or development of the \$4 billion Carmichael coal mine in Queensland, Australia, a letter from the bank to an environmental group said. The bank is also not advising the firm on the planned sale of stake in the Abbot Point Coal export terminal, said the May 12 confidential letter to Friends of the Earth, France.

Livent aims to boost lithium sales to EV sector by 2020

Livent Corp aims to derive more than half of its lithium sales from the electric vehicle industry by next year, a shift for a company that historically has supplied the white metal for use in greases and other industrial products, its chief executive said Tuesday in an interview. Philadelphia-based Livent has struggled in recent months to retain some customers and offset gyrations in the price of lithium it produces. While the company's lithium is used in Tesla Inc vehicles, Livent has not expanded into the automotive space as rapidly as some peers have.

EXCLUSIVE-India fears US-China trade war will lead to dumping of Chinese steel-sources

India fears China could soon start flooding excess steel into its market after the United States raised tariffs on Chinese products due to the escalating trade war between the world's two largest economies, according to three government sources and four industry officials. As a result, the Indian steel industry has asked the Indian government to put in so-called safeguard duties of as much as 25 percent to protect it from growing imports. These would be imposed on steel that the government determines has been dumped in India at prices below the cost of production.

Brazil's Vale says may expand Carajas Serra Sul mine, doubling output

Brazilian miner Vale SA said on Tuesday it is considering doubling the output of its Carajas Serra Sul iron ore mine in the northern part of the country after 2020, saying the move would allow it to cut the use of tailings dams. One such dam, used to store the muddy, toxic mining debris, collapsed in late February, killing more than 230 people.

BHP to keep Nickel West, Rio looks to Jadar lithium for battery boom

Global miner BHP will hold on to the Australian nickel operations it previously put up for sale, while Rio Tinto is working on copper and lithium projects as the mining industry bets on demand for electric vehicle (EV) batteries. The biggest mining companies say they are well positioned to provide the metals needed for the shift to EV technology, although they acknowledge the political risks and environmental issues in some of the countries where the best supplies are found.

MARKET NEWS

Gold prices edged lower, retreating from a one-month peak hit in the previous session as optimism surrounding trade talks between Washington and Beijing soothed investor concerns, boosting global stocks and the **dollar**. **Copper** and most other base metals rose, as investors took a breather from a recent escalation between the United States and China, following comments from U.S. President Donald Trump that trade talks with Beijing had not collapsed.

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(Inside Metals is compiled by Rupali Shukla in Bengaluru)

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