

INSIDE METALS



THURSDAY, DECEMBER 20, 2018

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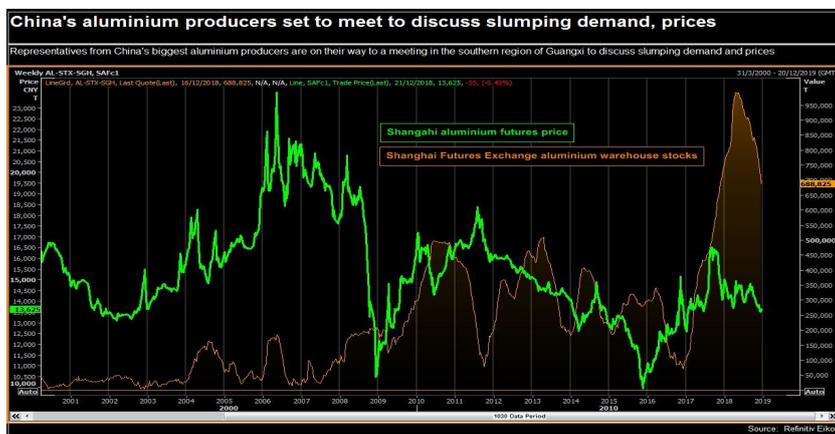
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TRADE SERIES: EDITION 3

CHART OF THE DAY



TOP NEWS

Aluminium plunges, Rusal shares soar as U.S. to lift sanctions

The U.S. Treasury said it will lift sanctions on the core empire of Russian businessman Oleg Deripaska, including aluminium giant Rusal and its parent En+, watering down the toughest penalties imposed since Moscow's 2014 annexation of Crimea. London aluminium prices sank to a 16-month low after the U.S. Treasury's announcement, while shares in Rusal, the world's largest aluminium producer after China's Hongqiao, surged to an eight-month high.

Codelco agrees 3-year "evergreen" deals with clients in strategy overhaul

Chilean state miner Codelco has agreed to sell France's Nexans, China's Minmetals and U.S.-based Southwire 50,000 to 100,000 tonnes of copper each from 2019 to 2021 in rolling deals known as "evergreens", sources close to the matter said. The contracts - which roll annually, meaning that from 2020 they would be extended for three years until the end of 2022 and so on, if both parties agree - mark a change in tactics at Codelco, which typically sells copper through annual deals.

China's aluminium firms to meet to discuss market slump -sources

Representatives from China's biggest aluminium producers will hold a meeting on Friday in the southern region of Guangxi to discuss slumping demand and falling prices, said three sources familiar with the matter. The producers held a similar gathering in late 2015 and the meeting comes as a protracted price decline leaves smelters struggling to turn a profit, even after significant output cuts. China is the world's biggest producer and consumer of aluminium.

Canada expands steel, aluminum tariff exemptions

Canada said on Wednesday it will exclude some imported steel and aluminum from its newest import tariffs and quotas following a request from the construction industry in British Columbia, which depends on imported metal. The government also said it would give additional relief to some companies that have contractual obligations. In Canada, automakers frequently buy U.S. steel under contract, import and distribute it to their Canadian suppliers as well as their own plants, but it was not immediately clear which companies would be affected.



Orocobre says lithium carbonate prices slump, does not see recovery soon

Shares in Orocobre Ltd tumbled on Thursday, dragging on other lithium producers, after it said prices it received for its lithium carbonate sank sharply this quarter, and that it did not see prospects for a strong rebound early next year. Orocobre will receive an average of \$10,800 per tonne on approximately 2,850 tonnes of lithium carbonate in the fourth quarter, a drop of 26.5 percent from \$14,699 a tonne in the prior quarter.

COLUMN-Trump takes the 2019 outlook for commodities hostage: Russell

Forecasting the year-ahead outlook for commodities, while popular among analysts, is a bit of a mug's game at the best of times, but the view for 2019 is made even more complicated by one volatile factor: Donald Trump. While there are other drivers of commodity prices next year, the mercurial U.S. president looms large over the sector, and the actions of his administration will either amplify or partially nullify the established trends.

Thyssenkrupp to propose Merz as chairwoman as year of turmoil ends

Thyssenkrupp will propose as chairwoman Martina Merz, whose background includes roles at Volvo, Bosch and Lufthansa, the German company said, as it prepares to spin off its capital goods units. Appointed to its supervisory board last month, Merz, 55, is expected to be confirmed as a member at a shareholder meeting on Feb. 1, Thyssenkrupp said. Once confirmed, she will be proposed as the board's chairwoman.

Noble Group completes \$3.5 billion restructuring to emerge as smaller, unlisted firm

Noble Group, the once mighty commodity trader, on Thursday completed its drawn out \$3.5 billion debt restructuring to emerge as a smaller, unlisted Asia-focused coal-trading business. The completed restructuring effectively closes the saga of Noble's collapse from Asia's biggest commodity trader with a market value of over \$6 billion to less than \$80 million that began in February 2015 when its accounting practices were questioned by Iceberg Research.

Zambia pricing itself out of global mining market -industry body

Zambia is pricing itself out of the global mining market with proposed increases in mining taxes, the head of the local mining body said on Thursday. Some mines would become loss-making as a result of the Zambian government's plans to impose new mining duties and increase royalties to bring down mounting debt, Zambia Chamber of Mines President Goodwell Mateyo told a news conference.

Lonmin's biggest mining union tries to block Sibanye deal

A South African union has filed an appeal to overturn a mining deal in which Sibanye-Stillwater intends to acquire rival Lonmin, Sibanye said on Wednesday. The Association of Mineworkers and Construction Union (AMCU), protesting to job cuts related to the deal, launched an appeal with the Competition Appeals Court.

FOCUS-Recharge: LG and Samsung take heart as China flags more open car battery market

For automotive battery makers LG Chem Ltd and Samsung SDI Co Ltd, the Chinese market has begun to offer promise after painful loss-making investments. The reason for their hardship: a government list of recommended battery suppliers published three years ago that became linked to generous car subsidies and did not include foreign firms. Since then, Chinese rivals led by Contemporary Amperex Technology (CATL) and BYD Co Ltd have virtually locked up the world's biggest market for electric vehicle batteries.

MARKET NEWS

Gold prices edged higher supported by a softer **dollar** and weakness in the equities market, after the U.S. Federal Reserve delivered a less-dovish outlook on monetary tightening than many had expected. London **aluminium** prices sank to a 16-month low after the United States said it would withdraw sanctions on Russian aluminium producer Rusal, while other metals fell on signs the U.S. Federal Reserve would continue to hike interest rates.

(Inside Metals is compiled by Shaina Ahluwalia in Bengaluru)

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