

Macro Roundup Article

Headline: [The Pursuit of Anglo American Highlights a Global Copper Problem](#)

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Tweet: Copper futures are trading above spot prices as traders bet on a structural mismatch between supply and demand. BlackRock forecasts at least a 20% jump in prices is needed to catalyze large-scale investment which can take a decade to start production.

Summary: After its £31bn bid for Anglo American was rebuffed last week, BHP — the world's largest mining group — is mulling an improved offer. Other suitors may emerge too. On the surface, the effort to acquire the UK-listed mining group's complex and sprawling business may seem more trouble than it is worth. But it is what is below ground that is luring buyers. Anglo American owns lucrative copper mines in Chile and Peru, and prices for the shiny red metal have been soaring recently. Contracts for copper futures have been rising well above the spot price since the start of 2023. The acquisition of Anglo American's mining sites, however, makes little contribution to boosting global copper output. It highlights a worrying reality: it is simpler and cheaper to buy out a rival copper miner than to build a new mine. This raises significant concerns for meeting the rising copper demands of the global economy and the green transition.

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Primary Topic: Energy

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