

Price decline for copper exaggerated



The copper price has fallen sharply in recent weeks, although inventories are historically low.

At the end of June, LME warehouses contained just under 700,000 tons of registered copper, the lowest level ever this century. Recession fears replacing inflation fears are causing metal prices, especially copper, to fall. A drop in demand is expected at the onset of a recession and therefore metals become cheaper. However, lower demand is offset by global supply problems. Copper has fallen sharply in price, especially since the beginning of March. After the crash at the time of the financial crisis, this is now one of the biggest price declines for copper.

In this context, it is interesting to note that the copper price hardly moved during the longest economic boom, namely from 2009 to 2021. The fall in the copper price was therefore mainly caused by fear of a recession. Copper processors now seem to be reducing their inventories, which has a negative impact on the price. So an entry opportunity has formed here. This is because significantly higher copper demand is expected in the next few years.

Much more copper is installed in electric cars, wind and solar energy plants than in comparable vehicles with combustion engines or in gas and coal-fired power plants. A new supercycle for raw materials should be in the offing, even if it doesn't look that way in terms of prices at the moment. China is also ordering more copper again. In June, more copper was imported than ever before this year. China's copper imports were around 25 percent higher than in the same month last year. A look at companies with copper in their projects could be worthwhile.

Copper, for example, is owned by **Hannan Metals** - <https://www.youtube.com/watch?v=CwSzQ6lq18> - in Peru, where it is one of the largest landowners in terms of area. The focus is on copper, along with gold and silver.

Aurania Resources - <https://www.youtube.com/watch?v=BHvuKK-v-r8> - is active in the Andes in Ecuador. The Lost Cities Cutucu project contains gold and copper.

Current corporate information and press releases from Hannan Metals (- <https://www.resource-capital.ch/en/companies/hannan-metals-ltd/> -) and Aurania Resources (- <https://www.resource-capital.ch/en/companies/aurania-resources-ltd/> -).

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