

JPM | The Nickel Spike, China Energy Thoughts, Greenland Grab, Copper & Silver Feedback & Aus Golds updates

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Good Morning, lots on today so I'll leave you with one quote from a HF investor yesterday (which sums up how a lot of people feel) before we get into it -

"All my commods trades played out within 2 weeks, now I have no idea what to do"

Key Highlights Today

- **NICKEL (+9%):** Vale Indonesia suspends all mining operations temporarily (See full thoughts attached & [Benny's View Here](#))
- **AN EXCITING BATTERY, ESS & LITHIUM TOUR (Jan 12-23):** At Yichun's lithium mines, Sungrow (#1 ESS installer), EVE/CALB & BYD/NIO on battery production/EV demand as well as Anode/Cathode materials companies (Please see Details attached)
- **CHINA ENERGY:** Addressing key investor questions on a post-Maduro Venezuela; Limited impact to China oil majors, tailwinds for Nan Ya Plastic/ chems?- Parsley Ong ([Link](#))
- **COPPER (+8% in 5 sessions) & SILVER (+6%):** Feedback from investors on the outperformance
- **GREENLAND:** Quick context on mineral content & stock exposure
- **AUS GOLDS:** Newmont sees 60koz impact from [Boddington Bushfires](#), Several Pre-quarterlies announced this morning on BGL/CMM/RR

Top Commodity & Equity Moves

Best Movers		
Ticker	Last Price	%1D
LME Nickel (\$/t)	18524.0	8.9
Platinum Spot \$/Oz	2446.4	7.9
Alumina (RMB/t)	2737.0	4.0
China Nickel Sulphate (rmb/t)	27950.0	2.9
China Li2Co3 (Rmb/t)	122500.0	2.9

Worst Movers		
Ticker	Last Price	%1D
US NatGas (\$/mmbtu)	3.4	-4.9
WTI (\$/bbl)	57.1	-2.0
Brent (\$/bbl)	60.6	-1.9
LME Cobalt (\$/t)	55830.0	-0.9
LME Steel Scrap (\$/t)	370.0	-0.5

Best Performers		
Ticker	Last Price	%1D
BLUESCOPE STEEL	29.5	20.8
LIONTOWN LTD	1.9	14.8
CHALICE MINING L	2.4	11.2
GOLDWIND SCIEN-A	24.0	10.0
MING YANG SMAR-A	16.2	10.0

Worst Performers		
Ticker	Last Price	%1D
RELIANCE INDUSTR	1507.6	-4.5
SUZHOU MAXWELL-A	186.7	-3.8
CAPSTONE COPPER	14.1	-3.4
PTT OIL & RETAIL	13.1	-3.0
STEEL AUTHORITY	146.4	-2.9

Detailed Highlights

NICKEL (+9%): Vale Indonesia suspends all mining operations temporarily (See full thoughts attached & [Benny's View Here](#))

- **On Friday 2nd January, PT Vale Indonesia temporarily suspended all nickel mining operations** pending regulatory approval of its 2026 Work Plan and Budget (RKAB), in compliance with Indonesian law. The company expects this delay to be short-term, with no material impact on its current financial condition or long-term business sustainability.
- **As a reminder INCO is over 5% of Indonesia Refined Nickel Output** and the largest reserve/resource holder in Indonesia (~10% of reserves).
- **LME Nickel prices were up 9% yesterday and +26% in the last 10 days** since we wrote about Nickel output curbs. We continue to recommend buying Nickel Miners which trade very cheap on earnings (HSD), and think Nickel prices could head to \$20k as you get more signs of cuts here.

CHINA ENERGY: Addressing key investor questions on a post-Maduro Venezuela; Limited impact to China oil majors, tailwinds for Nan Ya Plastic/ chems?- Parsley Ong ([Link](#))

- **3 Clarifications on China Energy:** (1) While Venezuela represented 4% of China's crude oil import slate in 2025, the majority is processed by independents/teapots due to US sanctions and not SNP/PTR listcos. (2) Sinopec listco and CNOOC listco do not have commercial assets in Venezuela, while Petrochina's assets are split between parentco and listco (majority parentco). **We estimate Venezuela represents <5% of 1P reserves for CNPC and <2% of 2P for Sinopec group.** (3) Loss of Venezuelan crude oil (if it happens) would not affect Chinese refining much, in our view, as **other heavy grades can replace Venezuelan Merey**. While teapots might lose the "sanctioned crude oil discount", as of early January 2026, Venezuelan Merey crude oil was trading at a \$9/bbl discount to Brent, but a \$5/bbl premium to Russian ESPO, and an \$8/bbl premium to WCS (unsanctioned, heavy).
- **Stock picks:** We like Petrochina for its successful decoupling from oil prices via China gas, with JPMe 2H DPS of Rmb0.26/sh representing 3.6% of the current H-share price. A lower oil price and interest rate environment might also accelerate the recovery in oil-based chemical stocks - we are OW Nan Ya Plastics and Hengli Petchem. We are N-rated on Sinopec given a weak near-term earnings outlook, and would revisit after more clarity on its 15th FYP strategy. Meanwhile, we expect Chinese OFS stocks to see limited direct benefits from a potential increase in Venezuela drilling, with western OFS companies like SLB/HAL/BKR the key beneficiaries.

China Oil Majors: Select Projects in Venezuela

Contract Date	Project	Investment Entity	Ownership	Note
Jun 2007	Posa Oilfield	PetroParia	32% Sinopec Group, 68% PVDSA	Amos Energy (US) announced in Feb 2025 to take over Sinopec's stake in PetroParia; the transaction is pending license approval from US regulators. According to Woodmac, Sinopec group has no commercial reserves in Venezuela.
Dec 2010	Orinco Belt, Junin 4 Block	Petrourica (JV)	40% CNPC, 60% PVDSA	Recoverable reserves of 8.7 billion barrels with 2.9bn bbl targeted for extra-heavy crude production within 25 years contract term; currently facing equipment maintenance delay.
Feb 2008	Orinco Belt, MPE3 oilfield	Petrolera Sinovensa (JV)	49.9% CNPC, 50.1% PVDSA	CNPC invested \$1.58bn to increase its stake by 9.9%. Activity has been limited since the arrest of Sinovensa president Alberto Emilio Bockh in Oct 2019.
Jun 1977	Caracoles/ Intercampo Oilfield	JV	40% CNPC, 60% PVDSA	CNPC acquired 100% operating rights in 1997 but later migrated operations to a JV structure in 2006 under Venezuela's Hydrocarbon law.
Aug 2006	Zumano Oilfield	PetroZumano	40% CNPC, 60% PVDSA	Extra heavy crude oil production; 2025 volume at ~12kbd.

JPM BATTERY, ESS & LITHIUM TOUR (Jan 12-23): We are hosting 3 very exciting ESS, Lithium & Battery tours in January 2026

This is a unique opportunity to visit the lithium mines & carbonate factories in Yichun, Sungrow (China's #1 ESS installer), leading battery & battery materials players (EVE, CALB & anode/cathode material companies) & even meet the Auto makers (BYD/Nio/Geely) to get a full picture of how demand & supply is shaping across across the whole value chain from upstream to downstream. We've also got local lithium expert meetings in Yichun lined up. Please let me know if you are keen to join?

- **ESS & Battery pre-forum tour [Jan 12-16] Shanghai, Hefei, Hunan, Yichuan** - This is same week as UBS forum in Shanghai. Key companies include Sungrow, lithium mines in Yichun and several battery material companies.
- **JPM Shenzhen Opportunity Forum: (Jan 20-21 in Shenzhen)** - Seeing BYD, Nio, Gotion High Tech, Wuxi Lead & many more.
- **ESS & Battery post-forumtour [Jan 22-23] Guangzhou, Huizhou** This is the same week as JPM China Opportunities Forum (Jan 20-21 in Shenzhen). Key companies include EVE Energy and ESS project site visit.

COPPER (+8% in 5 sessions) & SILVER (+6%): Feedback from investors on the outperformance

COPPER: Multiple questions last 2 days on Copper prices breaking to \$13,236 (+8.2% in 5 sessions. 2 things to note – 1) Capstone announced a strike at their Mantoverde mine (110kt) on 1st Jan which means they only operate at 30% of capacity and thus you see another 77kt downgrade to supply which is meaningful. (particularly on top of a 400kmt 2026 deficit) 2) Comex is still trading at a \$26/t premium to LME prices, meaning there's no incentive to sell into the LME yet & metal will still flow to the US. I think the key stat to watch here is the decision on S232 tariffs on copper & – decision which is likely to only come in June 2026 & Manto coming back which is smaller relief (estimated 2-3 weeks). On the equities, prices remaining at these levels high are excellent for cash flows and margins with the stocks still at mid to high single digit valuations on EV/EBITDA. Like MMG, Zijin, BHP, CMOC, Hindustan Copper.

SILVER: Obviously took people by surprise that the rally continued despite the Solar substitution news from Longi & BOCM

rebalancing. Whilst we were focused on S232, the most interesting piece of investor feedback I received was China's ministry of commerce has [now reclassified silver](#) as 'strategic' mineral about a week ago, meaning now exports must be reviewed by for each company - giving it a 'rare earth' scarcity premium in a 5 year buliding deficit market. Other bull arguments point to India's largest refiner running out of silver, the Canadian Mint halting certain bars, Samsung's silver intensive battery designs that get to production next year (have their own mine supply) , ETF vs physical mismatches & just how silver has lagged gold in 'real' terms over the last 30 years.

GREENLAND: Quick thoughts on Mineral Content

Focus has swiftly moved to Greenland post Venezuela with reports at the end of session from [Reuters](#) that Trump is actively discussing options to acquire it. Options included buying it from Denmark, forming a compact of free association with the island, or military action; Trump is eager for a deal despite objections from NATO leaders. Per [WSJ](#), SecState Rubio later told lawmakers the goal is to buy it. Note earlier in the week Denmark PM [said](#) if Greenland is taken this would lead to the dissolution of NATO.

Quick context here: This continues to underscore the US administrations focus on mineral & resource dominance. Greenland has very sizeable proven rare earth (36.1B tonnes) & Uranium reserves which I think is the key long term play here & hosts 25 out of 34 of EU's critical minerals. Less than 10% of ice free land has been explored, so significant expoloration potential exists even beyond the Kvanefjeld deposit where ASX listed ETM AU (+35% operates)

AUS GOLDS: Plethora of gold pre-quarterly guides (Zane Guo)

- BGL (OW) pre-quarterly guide: + DecQ gold produced of 32koz is a 16% miss to JPMe 38koz driven by delayed access to higher grade zones .+ Continued early delivery into hedge book of ~18.3koz which is a positive.+ Cash of \$165m is lower than JPMe of \$232m
- RRL (N) Pre-quarterly guide: + DecQ production of 96.6koz is a 6% beat to JPMe of 91koz; + cash of \$930m is inline with JPMe
- CMM (OW) pre-quarterly guide:+ Production of ~30koz is inline with JPMe.+ On track to achieve the upper end of FY26 guidance of 115 -125koz.+ Cash of \$444m at Dec end is in line with JPMe 425. +KEP still on track for Q127 Comissioning.

Sector News

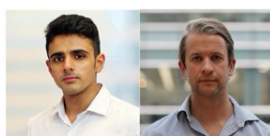
- **China Slaps Export Controls on Japan** Military for Taiwan Remarks ([Bloomberg](#)) ; Rare Earth Stocks Rise on China Export Controls, Venezuela ([Bloomberg](#))
- **Copper Surges to Fresh Record** as Inventories 'Locked in the US' ([Bloomberg](#))
- **Nickel Spikes More Than 10%** as Chinese Buying Fuels Metals Surge ([Bloomberg](#))
- **Iron Ore** Is Missing Metals' Party for Fundamental Reasons ([Bloomberg](#))
- **India Steel Cos-** India Antitrust Probe Finds Steel Cos Colluded on Price: [Reuters](#)
- **Venezuela's** Dwindling **OilStorage** Imperils Output, Kpler Says ([Bloomberg](#))
- **Russian Refined Fuel** Flows Hit Four-Month High on Diesel Surge ([Bloomberg](#))
- **India's January Russian oil imports** may fall sharply as Reliance expects no deliveries ([Reuters](#))
- **India's December Demand for Oil** Products Jumps Most in Three Months ([Bloomberg](#))
- **Venezuelan Oil** Shunned by China as Offers Get More Expensive ([Bloomberg](#))
- **CCI okays Nippon Steel's** proposal to acquire 53.4 pc stake in Krosaki Harima Corp ([PTI](#))
- **Russia's** War Chest Hit as Crude Flows and Prices Tumble ([Bloomberg](#))
- **BlueScope** Gets \$8.8 Billion Bid ([Wall Street Journal](#)); Shares Surge After \$8.8 Billion Takeover Bid

- **Chevron** Lines Up 11 Ships as Venezuela's Dark Fleet Vanishes ([Bloomberg](#))
- **Coal India** to gain over Rs 600cr from BCCL public offer at upper price band ([PTI](#))
- **CATL** turns to powering electric ships, tapping EV battery know-how ([Nikkei](#))
- **Advanced EV battery** recycling plant opens in Israel with Environmental Ministry approval ([Ynet News](#))
- **Japan Trading Houses** Call for Stable Yen to Protect Investments ([Bloomberg](#))
- **Japan's Weekly LNG Imports** Dive After December Surge: [BNEF](#)
- **Robust Central Bank Demand for Gold** Signals More Upside in 2026 ([Bloomberg](#))

Research Links

- **China Energy** -Addressing key investor questions on a post-Maduro Venezuela; Limited impact to China oil majors, tailwinds for Nan Ya Plastic/ chems?- Parsley Ong ([Link](#))
- **China Utilities & Renewables Blog** - Solar wafer/cell prices up in Dec-25; Goldwind share price rally due to LandSpace may be overdone; Sieyuan's MOU with CATL on ESS- Alan Hon ([Link](#))
- **ESS Battery** -Strong momentum and positive outlook; November shipment review- Rebecca Wen ([Link](#))
- **Hong Kong: Dec PMI remained expansionary** - - Tongfang Yuan ([Link](#))
- **European Natural Gas: Demand & Storage Tracker** - New year, cold start- Otar Dgebuadze ([Link](#))
- **JPM Mining Daily** -Iron Ore +0.3%, Copper +4.2%, NST FY26 Production d/g & More- Lyndon Fagan ([Link](#))
- **JPM OFS and Equipment** -Weekly Insights & Analytics: 2025 OFS Stock Performance Round Up- Arun Jayaram ([Link](#))
- **JPM E&P Basin Scorecard** - Appalachia & Haynesville - 2025 Order of Merit: JPM Jayaram Awards to CNX, AR, and NFG in Appalachia, and EXE, TG Natural Resources, and Aethon in the Haynesville- Arun Jayaram ([Link](#))
- **Natural Gas Flash Note** -Venezuela—another bearish factor for global LNG market?- Otar Dgebuadze ([Link](#))

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