

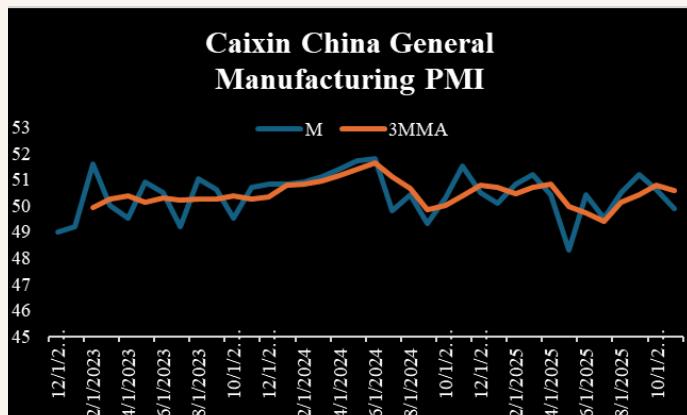
# Commodity Insights

## GMA'S HIGHLIGHT

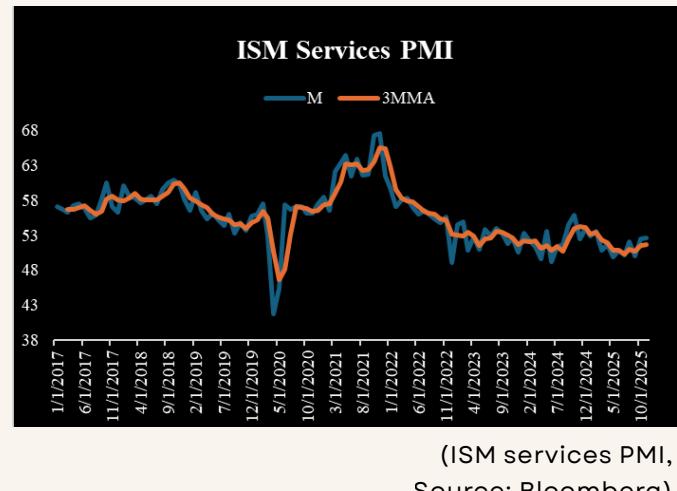
- The Trump administration plans more “historic deals” with the US mining sector to boost production of critical minerals for the national defense and high-tech sectors, a senior official said on Monday.
- China’s rare earth exports jumped in November, the first full month since President Xi Jinping and US President Donald Trump agreed to speed up shipment of the critical minerals from the world’s largest refiner.
- Copper is closing in on the \$12,000 a metric ton mark as expectations of soaring demand from data centres that power artificial intelligence and tight supplies collide with shortages outside the United States.
- Vietnam curbs exports of refined rare earths, reaffirms ban on ore trade
- Chile raises mining investment forecast through 2034 to \$105 billion

## Marcoeconimc

Key economic data of China:



Key economic data of U.S.:



China's Central Economic Work Conference emphasized the need for a more proactive fiscal policy, utilizing tools like reserve requirement cuts and interest rate reductions to stabilize investment. It aims to bolster domestic demand and increase central budget investment to stabilize the real estate market, encouraging the acquisition of existing homes for affordable housing while managing local government debt risks. The conference indicated that monetary policy in 2026 would remain moderately accommodative, with potential early cuts of 10-20 basis points.

Meanwhile, the Fed is expected to cut rates by 25 basis points, raising growth projections for the U.S. economy, which shows resilience. The CME Fed Watch suggests two rate cuts in 2026, and upcoming economic data will directly influence early rate cut trajectories.

**Gold**

### **Price Movement:**

2 weeks change: +3.36%

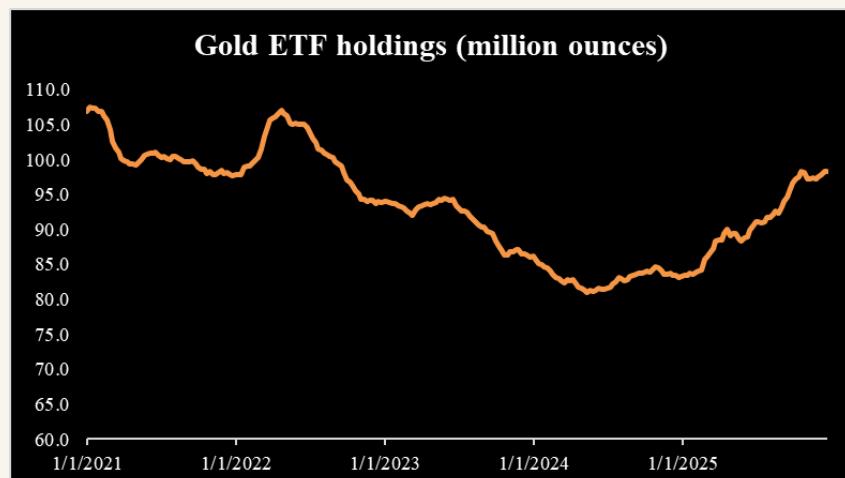


**Key Driver:** Gold prices increased due to rising expectations for rate cuts.

**Major Banks Projection:** With increased diversification among investors, there is significant upside potential for gold prices, predicting a rise to \$4,900 by the end of 2026, as current gold holdings remain low. Gold ETFs, a common investment tool in the U.S., represent only 0.17% of private financial portfolios, still below the peak in 2012.

#### GMA's view:

Factors such as rate cuts, central bank gold purchases, de-dollarization, ETF inflows, and the potential for further rate cuts continue to support a long-term bullish outlook for gold price.



(Physical gold purchase by ETFs, Source: Bloomberg)

## Copper

#### Price Movement:

2 weeks change: +2.25%

**Key Driver:** Mercuria's significant withdrawal from LME stock, Glencore's lowered copper guidance for next year, and the Federal Reserve's improved economic outlook, forecasting 2.3% U.S. growth next year (up from 1.8%), spurred copper price increases.

**Major Banks Projection:** Copper being favoured due to limited supply growth and increasing demand from power infrastructure. The average



(LME Cancellation of Warehouse Receipts, Source: Bloomberg)

LME copper price forecast for H1 2026 has been adjusted upwards, though substantial supply tightness is not anticipated before the decade's end.

**GMA's view:** High copper prices may start to affect downstream demand potentially, but the overall supply-demand remains tight, allowing prices to maintain higher levels.

## Lithium

#### Price Movement:

2 weeks change: +4.72%

**Key Driver:** The expected resumption of production at the Jiangxiowo mine on 5th December

did not occur, plus the Yichun City Natural Resources Bureau revoking 27 mining licenses expiring between 2009 and 2024. Although these licenses are currently unused, the move will not affect lithium production in the region. However, the move indicates the government's intention to strengthen control over mining licenses, raising market concerns about future supply disruptions.

**GMA's view:** The anticipated production restart at Jiangxi Wuzhou has not occurred, but there are expectations that even with a resumption, strong demand from energy storage and electric vehicles will keep lithium prices elevated. However, given the ongoing increase in overseas production, medium-term prices may fluctuate within a range.

## Uranium

### Price Movement:

2 weeks change: +6.49%

**Key Driver:** Sprott Uranium Physical Trust re-engaged the spot market in December, push spot price higher.

**GMA's view:** Remains bullish on long-term uranium price.

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