

Investor.Coffee

(9.25.2023): As September concludes, markets worldwide display volatility, reflecting the complexities of geopolitics

written by InvestorNews | September 25, 2023

Canada in Focus

Canadian markets are showing signs of weakness as metal prices take a dip. Alongside this, U.S. stock index futures are experiencing a slip, with the market anticipating key economic data and awaiting remarks from Federal Reserve policymakers throughout the week.

European shares too are not performing optimally, with the STOXX 600 index seeing a pullback due to China-exposed shares. In the East, Japan's Nikkei has displayed resilience, rebounding robustly as investors see potential in previously beaten-down stocks after the index's tumultuous week. The metals market sees gold prices trickling down, given the U.S. dollar's surge, which is attributed to predictions of sustained higher interest rates. Meanwhile, oil prices are climbing, reflecting concerns about a tightening supply, especially after Moscow's surprising temporary fuel export ban.

A notable partnership emerges between Japan's Sumitomo Metal Mining Co., Ltd. and Canada's [Nano One Materials Corp.](#) (TSX:

NANO). The former is [investing C\\$ 16.9 million](#) in Nano One, a company specializing in sustainable battery material production. The strategic partnership aims at enhancing global battery supply chains and developing cost-effective, environmentally-friendly battery cathode materials for EVs.

U.S. Market Updates

The U.S. market trajectory is heading downward as September wraps up. The Dow Jones, the S&P 500, and the Nasdaq Composite are all showing negative trends.

Labor tensions are evident in the automotive sector, with Ford Motor Company (NYSE: F) citing “significant gaps” in their ongoing negotiations with the United Auto Workers (UAW) union. Meanwhile, the UAW intensifies strikes against General Motors Co. (NYSE: GM) and Stellantis.

Rupert Murdoch, the stalwart media tycoon, stepped down from Fox Corporation (NASDAQ: FOX), marking an end to his illustrious seven-decade career. The compensation details for both Rupert and his successor, Lachlan Murdoch, have been disclosed, showing a significant hike for the senior Murdoch.

Other notable U.S. business news includes The Goodyear Tire & Rubber Company’s (NASDAQ: GT) [rationalization plans](#), a [lawsuit](#) against Meta Platforms, Inc. (NASDAQ: META) by Metabyte over trademark rights, and Oracle Corporation’s (NYSE: ORCL) substantial [investment](#) in Ampere Computing.

Global Glimpses – Europe, Asia, and India

The Chinese property giant, Evergrande, faces another setback as

it discloses its inability to issue new debt, sending its shares tumbling.

While Hollywood's writers union and major studios reach a tentative agreement, potentially ending industry strikes, Russian crude oil supplies surge despite G7 sanctions, and Germany stalls its building insulation standards, providing a breather to its building sector.

Sweden's SBB offloads a chunk of its education subsidiary, TotalEnergies preps to discuss its Namibian oil prospects, and India exhibits a mixed bag of financial news. India's foreign exchange reserves witness a dip, but optimism surrounds its bond yield following JPMorgan's decision. The tech industry breathes a sigh of relief as India decides to defer import license requirements that could have impacted giants like Apple and Samsung.

In summary, as September concludes, markets worldwide display volatility, reflecting the complexities of geopolitics, evolving economic partnerships, and sector-specific dynamics. Investors and market enthusiasts are advised to keep an eagle eye on these developments to make informed decisions.

Ecclestone: The BRICS, More Hype than Substance?

written by InvestorNews | September 25, 2023

In a recent InvestorNews interview, Tracy Weslosky spoke with Christopher Ecclestone, Principal and mining strategist of

Hallgarten & Company. The discussion revolved around the BRICS (Brazil, Russia, India, China, South Africa) summit in Cape Town and the growing perceptions around this alliance.

After Recent Lithium Discovery, Can India Work with Tesla to Develop a Vertical EV Ecosystem

written by Matt Bohlsen | September 25, 2023

With the discovery of a lithium deposit in India, there is a potential for India to achieve energy independence to create its own Electric Vehicle (“EV”) vertical ecosystem from lithium mining to lithium refining to EV battery manufacturing and finally EV production.

The writing is on the wall for the internal combustion engine (“ICE”) vehicle. Bloomberg [reported](#) yesterday that global ICE car sales peaked in 2017 and have been declining ever since. They state that in 2022, Global *“combustion vehicle sales were down almost 20% from the peak, to 69 million, and plug-in vehicles jumped to 10.4 million.”* The global EV sales boom is being led by China, Europe, and USA, but what about India?

All the stars are starting to line up for India to rapidly develop an EV ecosystem

India is the [fourth](#) largest and one of the fastest-growing car

markets globally. India has horrendous pollution in its capital cities and is a very large importer of oil. So clearly India has every reason to develop a homegrown EV ecosystem, including EV manufacturing, battery manufacturing, and lithium mining.

India plans to go electric this decade

What about EV sales in India, home to over 1.4 billion people and approximately [17.7%](#) of the world's population? The country is desperately in need of electric cars to help control crippling air pollution.

India [targets](#) 30% of private cars, 70% of commercial vehicles, and 80% of two and three-wheelers to be electric by 2030.

Bloomberg reported EV sales in India in 2022 were [almost 50,000](#), up from 21,000 in 2021, for a yearly 138% increase. 50,000 out of the total [3,780,870](#) car market is only 1.3% market share, or roughly where China was in 2015 when I wrote a prescient article titled "[Chinese Electric Vehicle Companies About To Boom](#)". This suggests that India is set for explosive growth in EV sales this decade, similar to what China experienced in the past 8 years. Car OEMs are all jostling to become the leading EV seller in India as they know that India is already [the world's fourth largest car market](#) where car sales [grew by 23%](#) in 2022.

Can India follow China and become a leading EV manufacturing nation?

Given India is a large and growing car market, it makes sense that the country will emerge this decade to become a leading country for EV manufacturing. Local car manufacturers such as Tata Motors will need to gain market share quickly or find they will be replaced by Chinese imports from BYD Co and SAIC/MG. BYD already publicly stated they plan to achieve a [40% market share](#) of EV sales in India by 2030.

Given that [India wants to become self-reliant in energy security](#) and EVs greatly accelerate the move away from oil reliance, it becomes obvious that India will now rapidly accelerate EV adoption. Prime Minister Modi's words give a clue to India's strategy when he [stated](#) in August 2022: *"It is a certainty that with the strengthening of supply, demand, and ecosystem, the EV sector is going to progress."* Notice Modi mentions supply and ecosystem. This is because Modi wants to build up India's homegrown electric vehicle supply chain and ecosystem.

Fortune India quotes Modi [stating](#):

"Electric vehicles are no longer 'extra vehicles'," Modi adds. He also dubs this rapid electrification – both on two and four-wheelers – as a 'silent revolution', stemming from the fact that electric vehicles do not generate any noise in their use."

India is blessed with an abundance of talented software engineers and as many people say EVs are just "software on wheels".

India discovers 5.9 million tonnes of Inferred lithium deposits which could potentially kick-start a new lithium industry in India

As [announced](#) in February 2023, India has found a lithium deposit in the country's north in Jammu and Kashmir ("J&K") and delineated a 5.9 million tonne Inferred resource. The report [states](#):

"Geological Survey of India for the first time established Lithium inferred resources (G3) of 5.9 million tonnes in the Salal-Haimana area of the Reasi district of Jammu and Kashmir,

over 650 km north of Indian national capital New Delhi.”

Assuming the discovery is 5.9 million tonnes of lithium carbonate equivalent, then it is not a large discovery but rather a good start. We will have to wait to hear more details regarding the resource size and also the grades.

The significance of the discovery for India is there is now a potential pathway for India to achieve energy independence. It would take several years but India could potentially one day mine and refine its own lithium, and make its own lithium-ion batteries and EVs, all inside India. That would align very nicely with PM Modi's "Made in India" strategy.

The next steps for India will be to build the lithium mines and then the lithium refining capability. The latter will most likely require expertise from outside of India. China would be the logical place but India may prefer to not go that route. Then there is [Tesla](#) (NASDAQ: TSLA) which is currently building a new lithium refinery in the US. Could Tesla JV with India to process the lithium and build batteries? It would make a lot of sense.

Another possibility would be a JV with a lithium chemicals company such as [Albemarle Corporation](#) (NYSE:ALB), assuming they have any interest.

Tesla and India could be a match made in heaven



Source: iStock [Tesla pic](#) & [India flag](#)

Closing remarks

Almost all the pieces of the puzzle are coming into place for India to become energy independent and the next great EV manufacturing hub after China. Lithium production and lithium-ion battery manufacturing would set India up to establish its own vertically integrated stationary energy storage (energy independence) and EV industries.

The Indian government has set EV adoption targets as high as 80% by 2030, demand for EVs exists in India today, the country has the talent to develop the EV ecosystem, and now has a potentially significant Indian lithium source. All that is needed now is the necessary expertise to build out an EV supply chain from mine to the car.

Allowing Tesla to open a gigafactory in India would be a natural next step. For that to happen India only needs [to allow Tesla to sell their cars in India without charging import tariffs](#). So far Tesla and India have [not been able to agree on terms](#) despite discussions for several years; however, during that time Tesla and China have pioneered the way in which it can work in China. Tesla has the expertise and India has the talent and now some lithium.

Sounds like it could be the right timing for a win-win deal for both Tesla and India.

Dr. Spencer of U308 Corp. on the vanadium redox battery market demand

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July 5, 2018 – “As China and India change their building codes so the buildings can withstand earthquakes, the amount of vanadium that goes into the rebar increases. The steel industry has been growing at about 3.8% over the last 10 years. Vanadium in that steel is growing at about 8% because they need more vanadium and it is being dictated that they have to use more vanadium in building steel. That is over 90%. There is also vanadium going into titanium alloys for the aerospace industry and that is huge. But, the most exciting component of the vanadium space is vanadium redox battery.” States Dr. Richard Spencer, CEO, President and Director of [U308 Corp.](#) (TSX: UWE | OTCQB: UWEFF), in an interview with InvestorIntel Corp. CEO Tracy Weslosky.

Tracy Weslosky: I do not think many of our investors out there in the InvestorIntel audience appreciate that U308 has vanadium. Why do we not start there?

Richard Spencer: We have a huge amount of vanadium. Vanadium would be the coproduct with uranium out of the project in Argentina and the project in Colombia. Both projects, the

process that we use to extract the uranium would also extract the vanadium and a couple of other byproducts as well.

Tracy Weslosky: Many of us know you as a world renowned expert on uranium. Let us talk about your expertise on vanadium. For those of you that may not appreciate what a significant critical material that vanadium is, let us start there. Tell us a little bit about vanadium, the vanadium market in general please.

Richard Spencer: Over 90% of it is used in the steel industry, in rebar particularly. As China and India change their building codes so the buildings can withstand earthquakes, so the amount of vanadium that goes into the rebar increases. The steel industry has been growing at about 3.8% over the last 10 years. Vanadium in that steel is growing at about 8% because they need more vanadium and it is being dictated that they have to use more vanadium in building steel. That is over 90%. There is also vanadium going into titanium alloys for the aerospace industry and that is huge. But, the most exciting component of the vanadium space is vanadium redox battery. These things are the ugly duckling of the battery industry. They are not miniaturizable. They will never be in cellphones. They will never be in computers and that kind of thing. These are great big honking industrial-scale batteries. They are easily scalable. Basically they are just two tanks. They have got vanadium +4 and +5 on the plus side of the battery, a tank, and in the liquid on the other side of the battery, on the negative side, is vanadium +3 and +2. These are just liquids. They can be charged instantaneously basically, I mean, in a lithium-ion battery because there is a crystal structure in there. Each little ion has to move out of there and that wears the battery out. If that same material is in a liquid, like it is in a vanadium redox battery, there is nothing to wear down. These batteries are guaranteed for 20 years. A lithium-ion battery, as we all know from our computers, degrades after 3, 4, 5 years or

however long it is...to access the complete interview, [click here](#)

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