Peter Clausi on the global cobalt market

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March 14, 2018 – “There is a limited supply of cobalt. The supply chain out of the Congo is weak. There are not many other places in the world that produce it and as a result demand has been going up.” states Peter Clausi in an interview with InvestorIntel’s Andy Gaudry.

Andy Gaudry: Peter, why has cobalt gone up over 400% over the past 2 years?

Peter Clausi: Basic economics of supply and demand. Demand is increasing. Supply is falling and at risk in the supply chain.

Sixty per cent of the world’s cobalt comes out of the Congo. I do not know if there is anybody who suffered more on the planet than the Congolese. Since King Leopold showed up in the late 1800’s, that poor area of the world has had just the life beat out of it.

It is having the life beat out of it because there is so many minerals in the ground that that the imperialists are fighting for it. Right now, it is copper and cobalt.

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Demand is also increasing because cobalt is used in the cathode of lithium-ion batteries. You think we are going to sell fewer or more electric cars next year? The answer is more. Electric toothbrushes, power tools, laptops, anything that has a lithium-ion battery in it for rapid charge / discharge needs cobalt.

There is more cobalt than lithium in your cell phone battery. The world needs cobalt. Basic laws of supply and demand have just pushed the price up.

Andy Gaudry: Where is it going to go and where is it going to end?

Peter Clausi: Cobalt is up almost 400%, as you say, since February of 2016. Our call is for roughly $50 by the end of the year. The wild card here is the supply chain. Amnesty International and The Enough Project are agitating for the imposition of an external ethical supply Chain. We have recently seen Apple indicate that they will only buy cobalt from ethical sources. If the formalization of an ethical supply chain takes place then there really is no cap on where cobalt will go. That ethical supply chain will knock so much of the cobalt out of the supply chain, prices will spike…to access the complete interview, click here