

LME Sustainability: Electric Vehicles



SETTING THE GLOBAL STANDARD

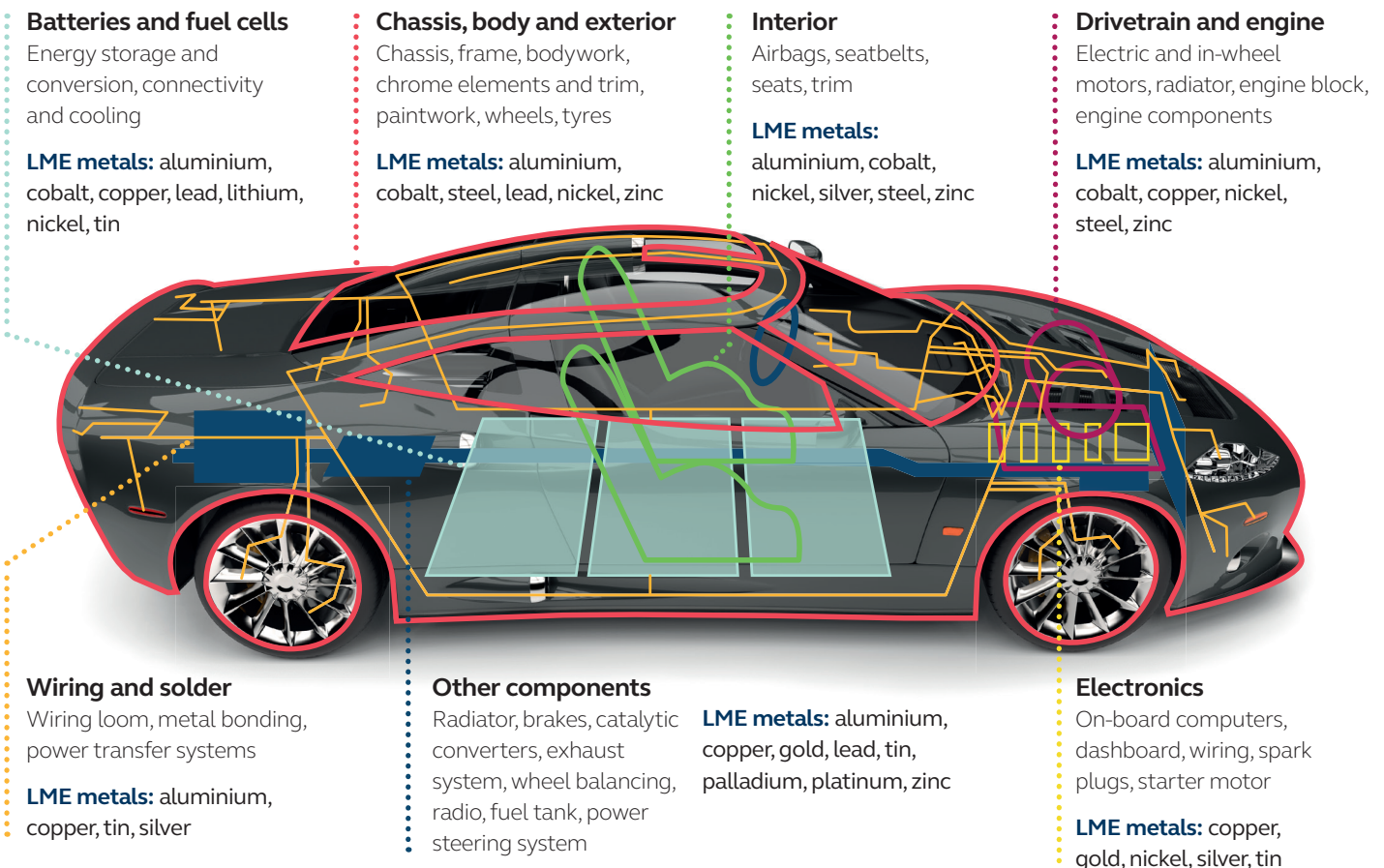
With over 140 years at the heart of global metals markets, the LME is uniquely placed to provide effective risk-management solutions for the whole electric vehicle (EV) value chain from miners through to end users. We work closely with global market participants to identify and serve their evolving risk management requirements.

Battery materials are essential to the evolution of the EV industry as it develops sustainable alternatives to internal combustion engine (ICE) vehicles. We are expanding our contract offering for this market, starting with lithium*, to provide further hedging and trading opportunities for this rapidly expanding industry.

EV metals at the LME

The LME offers contracts covering a wide range of metals which are fundamental elements of the automotive industry. Almost every LME metal is used in EVs in some way – for hybrids (HEVs), plug-in hybrids (PHEVs) and full electric vehicles – and will experience rising demand as the manufacture of these vehicles increases.

Some key materials used in EV batteries such as cobalt, copper, lead and nickel are already available on the LME. At the same time, aluminium is vital for “lightweighting” in EVs – that is, reducing the weight of the vehicle to increase its range and performance. Copper is essential in electric motors, batteries and wiring, with significantly more copper required to construct an EV than is found in conventional ICE vehicles. Both metals are also in demand for battery charging stations.



The LME Car. Some components found in HEVs and PHEVs are not used in full EVs

Lithium

Unprecedented lithium price volatility, driven particularly by rising EV battery demand, has significantly increased market need for effective, transparent pricing and price risk-management tools.

We have been working in partnership with Fastmarkets MB to develop a transparent and robust pricing solution in preparation to launch a lithium futures contract, tailored to meet the needs of the industry.

The contract will fulfil the demand for risk management opportunities for battery and car manufacturers, and offer market participants exposure to a fast-growing and environmentally sustainable industry.

Feedback

We recently launched a discussion paper on our LME Sustainability strategy, and welcome feedback from the market on our proposed way forward. Any comments should be emailed to sustainability@lme.com, no later than 24 September 2020.

Find out more

For more information on the LME's sustainability strategy and to read the discussion paper, please visit lme.com/sustainability

For more information on lithium at the LME, please visit lme.com/lithium

If you'd like to get in touch with us about sustainability please email sustainability@lme.com

***Any new contract launch is subject to regulatory approval.**



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