

China of Tomorrow Podcast: Digging Into Metals with Open Mineral

Published 9 August 2021

WisdomTree

Contributor

Liqian Ren, Director of Modern Alpha and Jeremy Schwartz, Global Head of Research are hosting the China of Tomorrow podcast together. Recently, they hosted Open Mineral.

The guests were Boris Eykher, Founder of Open Mineral and Winston Ma, Chairman of the Advisory Board of Open Mineral.

What is Open Mineral?

Open Mineral is the first online marketplace for trading mineral rock markets. This is how many metal commodities come into being prior to being refined into the more widely traded, refined products.

Open Mineral is active in the copper, zinc, lead, silver and gold markets. They tend to see the greatest activity in the copper and gold markets. They see the usage of their platform across miners, smelters and traders, with lots of activity focused amongst Chinese market participants.

In a word, Open Mineral has been referenced as the 'eBay of Mineral trading.'

Any market insights from the metals markets?

There was some focus on the topic of 'Dr. Copper.' The price movement and behaviour of copper is somewhat of a bellweather for future economic growth and activity. Historically, rising copper prices and trading activity pointed toward more building of things like housing and offices, but more recently it is thought that it signals more activity in electrical transmission and activity in building circuitry.

What is Open Mineral doing with Blockchain Technology?

Open Mineral believes that blockchain technology will bring a lot of benefits to their industry. There were three key benefits cited:

1. Blockchain could store the sourcing data for the metals, which could help ensure that the metal was sourced and refined with Environmental, Social and Governance (ESG) criteria in mind.
2. Blockchain could help with digitalising the storage of data about the metal.
3. Blockchain could make the different banking and insurance relationships inherent to buying and selling the metal more seamless.

Is China's Commitment to Carbon Neutrality by 2060 Serious?

On the podcast, there was a lot of discussion about metal smelting and processing. These activities, at least historically, have not been associated with lower degrees of carbon emissions. However, Open Mineral believes that, if anything, China's government might be too serious and too intense too quickly on its commitment to the environment.

For example, there are certain provinces that have historically depended on coal as the key source of value in their economies. Government policies and regulations in China can come into effect very quickly, so it's possible that coal-related activities can be curtailed without thought as to how that province will make up for this loss of economic value.

Besides their openness to blockchain technology, what else did open mineral see in the future?

It was interesting that both guests were fairly confident that China's government and the market system will focus in the near future on having the Digital Yuan become more and more of a focus in creating an internal ecosystem for trading of different metals. It will be notable to track how this develops since different countries have discussed moving away from the US dollar in certain exchange markets for some time, but historically it has not been simple to implement.

You can listen to our full conversation [here](#).

Related blogs

- + [China's intervention in metals markets can't derail the rally](#)
- + [Positioning for inflation: commodities and gold can be essential hedging instruments](#)
- + [A new high for copper within sights](#)

Important Risks Related to this Article

Important Information

Marketing communications issued in the European Economic Area (“EEA”): This document has been issued and approved by WisdomTree Ireland Limited, which is authorised and regulated by the Central Bank of Ireland.

Marketing communications issued in jurisdictions outside of the EEA: This document has been issued and approved by WisdomTree UK Limited, which is authorised and regulated by the United Kingdom Financial Conduct Authority.

WisdomTree Ireland Limited and WisdomTree UK Limited are each referred to as “WisdomTree” (as applicable). Our Conflicts of Interest Policy and Inventory are available on request.

For professional clients only. The information contained in this document is for your general information only and is neither an offer for sale nor a solicitation of an offer to buy securities or shares. This document should not be used as the basis for any investment decision. Investments may go up or down in value and you may lose some or all of the amount invested. Past performance is not necessarily a guide to future performance. Any decision to invest should be based on the information contained in the appropriate prospectus and after seeking independent investment, tax and legal advice.

The application of regulations and tax laws can often lead to a number of different interpretations. Any views or opinions expressed in this communication represent the views of WisdomTree and should not be construed as regulatory, tax or legal advice. WisdomTree makes no warranty or representation as to the accuracy of any of the views or opinions expressed in this communication. Any decision to invest should be based on the information contained in the appropriate prospectus and after seeking independent investment, tax and legal advice.

This document is not, and under no circumstances is to be construed as, an advertisement or any other step in furtherance of a public offering of shares or securities in the United States or any province or territory thereof. Neither this document nor any copy hereof should be taken, transmitted or distributed (directly or indirectly) into the United States.

Although WisdomTree endeavours to ensure the accuracy of the content in this document, WisdomTree does not warrant or guarantee its accuracy or correctness. Where WisdomTree has expressed its own opinions related to product or market activity, these views may change. Neither WisdomTree, nor any affiliate, nor any of their respective officers, directors, partners, or employees accepts any liability whatsoever for any direct or consequential loss arising from any use of this document or its contents.