

Energy transition commodities: Riding the wave of new demand drivers

Published 24 February 2022

Wood Mackenzie

Wood Mackenzie

Source: Wood Mackenzie, 2022. Forecasts are not an indicator of future performance and any investments are subject to risks and uncertainties.

The scale of the challenge is enormous. Equally broad are the means by which the global response to need for more energy and less emissions is being made. Electric vehicles (EVs), energy storage, charging, electricity transmission and distribution cables, solar and wind generation; hydrogen across the energy value chain we see regulatory, market and technology trends calling forth unprecedented levels of demand for certain mined commodities over the next 3 years (see Table1).

Table1: Energy Transition Commodities and Applications

	Electric vehicles	Transmission	Charging	Energy storage	Solar	Wind	Hydrogen
Aluminium	✓	✓	✓	✓	✓	✓	
Copper	✓	✓	✓	✓	✓	✓	
Gold							✓
Nickel	✓			✓			✓
Platinum							✓
Silver					✓		
Tin					✓		
Zinc	✓		✓	✓	✓	✓	

Source: Wood Mackenzie, 2022. Forecasts are not an indicator of future performance and any investments are subject to risks and uncertainties.

But the current projection for supply growth is not sufficient to meet technology needs. The resulting structural undersupply would typically lead to higher prices as manufacturers compete to secure raw materials. The question is what price level will be enough to incentivise the required metals capacity?

The views expressed in this blog are those of Wood Mackenzie, any reference to “we” should be considered the view of Wood Mackenzie and not necessarily those of WisdomTree Europe.

Wood Mackenzie, a Verisk Analytics business, is a trusted source of commercial intelligence for the world's natural resources sector. Wood Mackenzie empowers clients to make better strategic decisions, providing objective analysis and advice on assets, companies and markets.

+ [Batteries carbon emissions dilemma](#)

+ [COP26 will accelerate electrification - can the mining sector keep up?](#)

Related products

+ [VOLT - WisdomTree Battery Solutions UCITS ETF - USD Acc](#)

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.