

Antofagasta PLC

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Liberum ups blue chip miner Antofagasta to 'hold' from 'sell', says would not now be short of copper equities

Analysts at Liberum Capital have upgraded their rating for Chile-based miner Antofagasta PLC (LON:ANTO) to 'hold' from 'sell' as they say they would not now be short of copper equities.

In a sector note to clients, the Liberum analysts pointed out: "Copper prices have been weighed down by negative global growth sentiment, driven by the continuing trade war between the US and China and the weakness in global manufacturing purchasing managers indices (PMI).

"However the fundamentals in 2019 are more robust than other years with a slow year for mine supply and recycling."

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They added: "There is undoubtedly weakness in the global growth engine as evidenced by weakening yields, slowing trade and contracting manufacturing PMIs.

"The continuing trade war with the U.S. and China is part of the problem, but we are late in the business cycle and we do expect global growth to slow, increasing the likelihood of central bank action in the various regions."

However, the analysts concluded: "Catalysts including spreading supply disruption in Zambia, further stimulus from China and a Fed rate cut, could result in a decent snap back in copper prices as the currently extended net short futures positioning reverses."

The analysts also said that they do not believe the recent weakness in copper prices has harmed the chances of the juniors, such as Asiamet Resources PLC (LON:ARS) and SolGold plc (LON:SOLG), being acquired, given the strength of the majors balance sheets.

Price: 859p

Market Cap: £8468.59M

1 Year Share Price Graph



Share Information

Code: ANTO

Listing: LSE

52 week High Low
1,067.00p 713.20p

Sector: Mining

Website: www.antofagasta.co.uk

Company Synopsis:

Antofagasta is a Chilean-based copper mining group with interests in transport and water distribution. It is listed on the London Stock Exchange and has been a constituent of the FTSE-100 index since 2004. The Group creates value for its shareholders through the discovery, development and operation of copper mining operations.

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