
CHINA OF TOMORROW PODCAST: DIGGING INTO METALS WITH OPEN MINERAL

Wisdomtree EU
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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](#).

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