



# AI is walking a tight wire

Why the real AI opportunity lies beyond the model makers.

Update  
25 February 2026

It’s fair to say AI doesn’t lack superlatives. The fourth utility. A revolution potentially adding trillions to the global economy. Even the most important invention of all time. And, frankly, who doesn’t dream of a futuristic world gliding above the perpetually-gridlocked M25 in self-flying drones while our humanoid deals with the eternal laundry pile?

Yet behind the code and chatbots lies a far more physical reality: power-hungry data centres, sprawling infrastructure and vast quantities of raw materials. The Magnificent Seven may be jostling for pole position in the software race but a quieter, and arguably underappreciated, opportunity is sitting at the other end of the supply chain.

So, let’s go shopping for the AI revolution.

## The muscle behind the machine

Data centres are the engine room of the AI arms race, housing the processors that train and run large language models. They’re also ferociously energy-intensive, with a single ChatGPT query using around ten times the electricity of a Google search.

Global data centres already use more electricity than the whole of Japan, with the International Energy Agency forecasting demand will more than double by 2030. Meeting this demand will require vast investment in both power generation and grid infrastructure, with copper playing a starring role thanks to its conductivity and durability.

And copper is only the start. AI infrastructure is dependent on a lengthy list of mined inputs: silicon for chips, lithium and nickel for energy storage, silver for electronics, aluminium for servers and cooling systems, gallium for power converters and rare earth elements for a range of specialist components.

For all the talk of fancy algorithms, commodities may well prove the most binding constraint on the AI revolution.

## Bridging the gap

Copper prices have surged to record highs, rising by more than 40% in 2025 amid acute supply disruptions. Major mine suspensions, ongoing operational issues and declining ore grades continue to constrain output, not helped by increasingly challenging jurisdictions.

### Analysts:

Jo Groves  
jo@keplerpartners.com



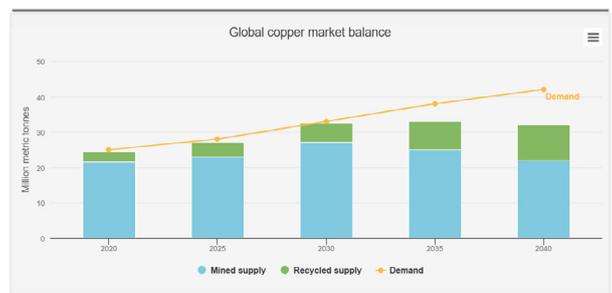
Kepler Partners is not authorised to make recommendations to Retail Clients. This report is based on factual information only.

The material contained on this site is factual and provided for general informational purposes only. It is not an invitation or inducement to buy, sell or subscribe to any product described, nor is it a statement as to the suitability or otherwise of any investments for any person. The material on this site does not constitute a financial promotion within the meaning of the FCA rules or the financial promotions order. Persons wishing to invest in any of the securities discussed in the website should take their own independent advice with regard to the suitability of such investments and the tax consequences of such investment.

The cost of new projects has also risen sharply, with M&A activity highlighting the appeal of acquiring existing assets in the listed market, which continue to trade well below replacement cost.

Looking over a longer-term horizon, demand is underpinned by powerful structural drivers beyond just AI, including economic growth, the energy transition and defence modernisation. Together, these are forecast to drive a near 50% increase in copper demand between 2025 and 2040, as shown below.

Fig.1: Copper Faces A Significant Shortfall In Supply



Source: S&P Global, 2026



Supply, however, looks unlikely to keep pace, with a forecast shortfall of more than 20% by 2040. Mining companies have prioritised capital discipline in recent years, favouring debt reduction and shareholder returns over new production. With a lack of shovel-ready projects and an average 17-year lag from discovery to production, there's no quick fix on the horizon.

Copper's strategic importance has also gained political recognition, recently earning 'critical mineral' status in the US. Governments are increasingly focused on securing access to key metals amid concerns over concentrated and geopolitically sensitive supply. Even so, markets may still be underestimating both the scale and persistence of the challenge.

## Unearthing the best opportunities

While the long-term demand for industrial metals remains intact, gaining diversified exposure to a wide range of commodities can be challenging for investors. Direct exposure to individual commodities comes with high volatility, while single-asset miners can carry significant operational and geopolitical risk.

**BlackRock World Mining (BRWM)** offers a global quasi-virtual mining company, combining public and unquoted mining assets across both precious and industrial metals. This allows investors to capture price movements from a broad basket of commodities, while also providing an income stream.

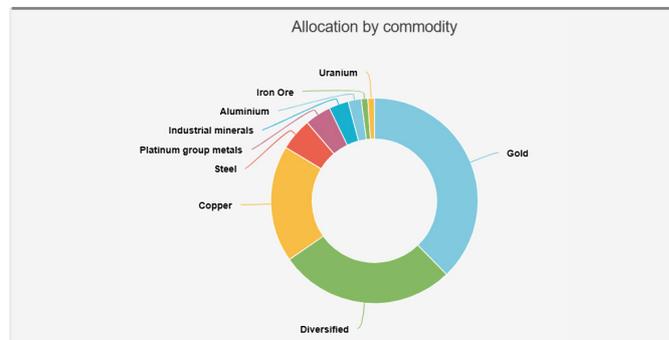
Managers Evy Hambro and Olivia Markham bring a combined five decades of experience in the commodity sector, supported by BlackRock's extensive on-the-ground resources. This expertise allows the team to conduct extensive due diligence on the quality of assets, operations and management, as well as the geopolitical backdrop, before investing.

By dynamically positioning the portfolio toward the most attractive commodities, the managers are able to capture upside while managing cyclical and non-cyclical volatility. This allows BRWM to respond quickly to changing market conditions, for example, if the gold rally were to stall or a global recession looms.

One example is China, where demand for traditional commodities such as steel and aluminium from the property sector has softened, while demand for copper, nickel and other metals tied to renewables and EVs has grown. This granular insight allows the managers to actively tilt commodity weightings toward the strongest structural growth drivers.

As shown below, the largest exposure is currently to gold but almost half of the portfolio is currently allocated to copper and diversified mining assets.

### Fig.2: BRWM Has A Significant Allocation To Copper And Gold



Source: BRWM factsheet (January 2026)

Key holdings include some of the world's leading copper producers, such as Glencore and Anglo American. Copper exposure is also supplemented through private holdings in Vale Debentures, MCC Mining and Jetty Resources, adding yield alongside potential equity growth.

BRWM has delivered a one-year share price return of almost 110%, with gold's strong run in 2025 a key contributor. Gold miners have also controlled costs more effectively over the last year, helping to close the gap between gold prices and equity performance.

On the copper side, mid-cap miner Develop Global's share price has risen by almost 80% in the last year as production has commenced at its new copper mine in Australia.

The trust also holds a small allocation to uranium, reflecting growing demand for low-emission energy sources. Big Tech is increasingly turning to nuclear power to support data centres, with Microsoft, Alphabet, Amazon and Meta all signing partnerships with nuclear facilities.

## The real foundation of AI

While AI is often framed as a software race, its true backbone is hard infrastructure, which relies on vast supplies of copper and industrial metals to power the AI supply chain. As commodities shift from peripheral beneficiaries to structural bottlenecks, they offer investors an alternative lens on the AI growth story.

All data as at 24/02/2026 unless specified otherwise.

[View the latest research note here](#)

[Click here to add BRWM to your watchlist](#)

[Click here to read related research](#)



## Disclaimer

---

This report has been issued by Kepler Partners LLP. **The analyst who has prepared this report is aware that Kepler Partners LLP has a relationship with the company covered in this report and/or a conflict of interest which may impair the objectivity of the research.**

**Past performance is not a reliable indicator of future results. The value of investments can fall as well as rise and you may get back less than you invested when you decide to sell your investments. It is strongly recommended that if you are a private investor independent financial advice should be taken before making any investment or financial decision.**

Kepler Partners is not authorised to make recommendations to retail clients. This report has been issued by Kepler Partners LLP, is based on factual information only, is solely for information purposes only and any views contained in it must not be construed as investment or tax advice or a recommendation to buy, sell or take any action in relation to any investment.

The information provided on this website is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation or which would subject Kepler Partners LLP to any registration requirement within such jurisdiction or country. In particular, this website is exclusively for non-US Persons. Persons who access this information are required to inform themselves and to comply with any such restrictions.

The information contained in this website is not intended to constitute, and should not be construed as, investment advice. No representation or warranty, express or implied, is given by any person as to the accuracy or completeness of the information and no responsibility or liability is accepted for the accuracy or sufficiency of any of the information, for any errors, omissions or misstatements, negligent or otherwise. Any views and opinions, whilst given in good faith, are subject to change without notice.

This is not an official confirmation of terms and is not a recommendation, offer or solicitation to buy or sell or take any action in relation to any investment mentioned herein. Any prices or quotations contained herein are indicative only.

Kepler Partners LLP (including its partners, employees and representatives) or a connected person may have positions in or options on the securities detailed in this report, and may buy, sell or offer to purchase or sell such securities from time to time, but will at all times be subject to restrictions imposed by the firm's internal rules. A copy of the firm's Conflict of Interest policy is available on request.

PLEASE SEE ALSO OUR TERMS AND CONDITIONS

Kepler Partners LLP is authorised and regulated by the Financial Conduct Authority (FRN 480590), registered in England and Wales at 70 Conduit Street, London W1S 2GF with registered number OC334771.

