



Basis Points – August 24, 2021

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Above the Fold

How Green Are Electric Vehicles?

Without much thought, it's easy to penalize the combustion engine and hold battery-powered cars up on a green pedestal. Yes, it's true that combustion engines emit gases that harm our environment, but the electric car's innards aren't as innocent as you might think. The elements that are used in batteries obviously must be mined, processed, treated and shipped to the end user, and that takes tons of energy, driven mainly by fossil fuels. China, Japan and Korea currently manufacture 85% of the world's electric vehicle (EV) batteries and rely heavily on importing raw materials. The mining process of some materials like nickel, cobalt and lithium also carries its own environmental and even [human rights](#) risks. And then obviously, EVs need to be recharged, which requires electrical generation. But those aren't even the biggest issue...

These massive battery systems, which are often close to the length of the entire car, have a finite life and will have to be replaced. According to Greenpeace, nearly 13 million tons of EV lithium-ion batteries will go offline by 2030, and that number is expected to rise exponentially as sales of EVs surge. All these batteries may not be useful in vehicles, but there are start-up companies looking to repurpose these “used” storage vessels for other energy storage or even to recycle them back into their native elements. The problem is that the recycling process is complex and expensive. It also requires that batteries reach a facility that could be far away. Legislation by the world’s biggest countries could help keep these toxic batteries out of landfills and water tables, but since the EV ecosystem is still fragmented and new, it may be hard to enact laws that effectively tackle these issues. EVs do come with a plethora of “green” advantages, but perhaps the biggest risks (and potential opportunities) are yet to come.

Three Things

1. *FDA Grants Pfizer/BioNTech Vaccine Full Approval* – Just four months after submitting approval submission for its emergency-use mRNA vaccine, the jointly developed inoculation was cleared for treatment of children and adults age 16 and older. Emergency use is still cleared for children age 12 and older, and the company plans to request full approval for that group once it has collected enough data.
2. *Richard Branson Taps the SPAC Spigot* – The billionaire entrepreneur will use a special purpose acquisition company (SPAC) to bring his satellite launching spinoff, Virgin Orbit, to market. Valued at \$3.2 billion, Virgin Orbit will merge with a shell company called NextGen Acquisition Corp. to raise an expected \$483 million in new capital for the company. SPACs offer companies a quicker path to offering shares to the marketplace versus a traditional IPO.
3. *Intel to Fill Critical Domestic Chip Void* – Through a Department of Defense contract, Intel will provide commercial chip foundry services to level-up domestic design and production of cutting-edge chips. Dubbed the RAMP-C project (Rapid Assured Microelectronics Prototypes – Commercial), Intel will join other tech peers such as Synopsis and IBM Inc. to secure our country’s long-term chip ecosystem.

Did You Know?

A Bad Day in Pompeii

Today in 79 AD, Southern Italy’s Mount Vesuvius violently erupted, eventually burying the once-bustling cities of Pompeii and Herculaneum in a layer of ash, mud and volcanic material. The area was home to an estimated 25,000 people, most of whom fled. Some 2,000 inhabitants remained in Pompeii, hoping to wait out the eruption. Contrary to what many believe, it was mostly toxic gas that took the lives of those who stayed behind. Mount Vesuvius remains the only active volcano on the European mainland.

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