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MONTHLY COPPER BULLETIN



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OFFICIAL MARKET DATA & PRICE INDICATORS

DATE	CASH (USD/t)	CASH (EUR/t)	CASH (GBP/t)	WEEKLY AVERAGE (USD/t)	WEEKLY CHANGE %	YEARLY CHANGE %	LME STOCKS (Tonnes)	DEL NOTIZ (€/100Kg)	DEL NOTIZ HIGH
01.02.2016	4534,00	4167,66	3170,85	4614,40	0,50%	-3,57%	239400	425,03	427,97
02.02.2016	4605,50	4220,58	3197,15	4614,40	2,08%	-2,05%	239025	430,21	433,14
03.02.2016	4578,50	4187,01	3155,63	4614,40	1,49%	-2,63%	235400	427,19	430,12
04.02.2016	4685,00	4185,28	3205,17	4614,40	3,85%	-0,36%	232700	426,29	429,15
05.02.2016	4669,00	4170,24	3208,93	4614,40	3,49%	-0,70%	228650	425,01	427,87
08.02.2016	4572,50	4113,07	3178,22	4514,50	-0,91%	-2,75%	227100	420,19	423,07
09.02.2016	4530,50	4034,64	3143,78	4514,50	-1,82%	-3,65%	228125	411,40	414,25
10.02.2016	4507,00	3999,11	3094,62	4514,50	-2,33%	-4,15%	227300	408,55	411,39
11.02.2016	4474,00	3943,94	3106,51	4514,50	-3,04%	-4,85%	224750	402,40	405,22
12.02.2016	4488,50	3983,40	3092,74	4514,50	-2,73%	-4,54%	220225	406,25	409,09
15.02.2016	4562,00	4080,50	3153,38	4574,90	1,05%	-2,98%	218300	416,28	419,14
16.02.2016	4583,50	4105,24	3180,34	4574,90	1,53%	-2,52%	214300	418,73	421,59
17.02.2016	4562,00	4092,58	3188,20	4574,90	1,05%	-2,98%	209875	417,92	420,80
18.02.2016	4577,00	4129,00	3186,66	4574,90	1,38%	-2,66%	209950	421,24	424,12
19.02.2016	4590,00	4134,39	3218,34	4574,90	1,67%	-2,38%	208525	421,95	424,84
22.02.2016	4696,00	4258,25	3333,81	4656,20	2,65%	-0,13%	205500	434,25	437,15
23.02.2016	4663,50	4235,31	3305,57	4656,20	1,94%	-0,82%	203700	432,24	435,15
24.02.2016	4585,50	4177,37	3298,92	4656,20	0,23%	-2,48%	202450	425,96	428,88
25.02.2016	4655,00	4217,63	3328,57	4656,20	1,75%	-1,00%	199250	430,49	433,39
26.02.2016	4681,00	4247,73	3349,79	4656,20	2,32%	-0,45%	197225	433,67	436,58
29.02.2016	4705,00	4320,48	3398,58	4791,80	1,05%	0,06%	195625	440,58	443,52
MONTHLY AVERAGES	4595,48	4143,02	3214,08	4599,61				422,66	425,54



MARKET COMMENTARY

Copper was steady last month, trading between \$4430-\$4771. However, prices really took off this past week, taking out the \$5000 mark mainly on account of severe landslides that have caused several mines in Peru to cancel or delay concentrate shipments. In addition, prices are rallying on expectations of a possible stimulus package being rolled out by the Chinese authorities and increase on oil prices is dragging all base metals. Outside of Peru, there are other signs of copper supply tightening. As an example, Chile said that its January output was off 14% vs last year-- the first noticeable decline in a long time. In addition there is talk that the nine large Chinese copper smelters that have previously agreed to 350,000 tons of cuts could expand the amount.

Reuters also cites CRU as saying that it is now looking for a loss of 610,000 tons of contained-copper this year and we suspect as well that the 4%-5% increase projected for global mine supply growth (by the likes of the ICSG) will be ratcheted down as well. Still, producers will have second thoughts about making cuts now that prices are racing higher.



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London copper dropped on Tuesday, falling away from recent four-month highs after weak Chinese trade data damaged the outlook for metals and revived fears that a downturn in China's economy could derail global growth.

China's February trade performance was much worse than economists had expected, with exports tumbling the most in over six years and imports also sliding, days after top leaders reassured investors that the outlook for the world's second-largest economy remains solid.

Three-month copper on the London Metal Exchange had slipped 1.0 percent to \$4,945 a tonne by 0732 GMT, adding to small losses from the previous session. Prices have dropped from four-month highs struck last week at \$5,059 a tonne.

China's imports of copper fell 4.5 percent from month ago to 420,000 tonnes in February, customs data showed. "Imports are a little bit down, but is it a cause for concern? I don't really think so, given February with Lunar new year and a short month," said analyst Daniel Morgan at UBS in Sydney.

Metals had earlier found support after global oil markets jumped more than 5 percent on Monday, as producers sought to shore up supply, fanning hopes commodities prices may have bottomed out.

Prospects of dollar strength are also looming over metals. After a long wait for inflation to accelerate, U.S. Federal Reserve officials face a complex and possibly divisive debate over whether recent evidence of rising prices is strong enough to move ahead with planned rate hikes.



MONTHLY REVIEW & INDUSTRY NEWS

- ✚ The global world refined copper market showed a 27,000 tonnes deficit in November, compared with a 14,000 tonnes deficit in October, the International Copper Study Group (ICSG) said in its latest monthly bulletin. For the first 11 months of the year, the market was in a 51,000 tonnes surplus compared with a 544,000 tonnes deficit in the same period a year earlier, the ICSG said.
- ✚ Indonesia granted Freeport-McMoRan Inc a new six-month export permit for shipments from one of the world's largest copper mines, ending a near two-week stoppage due to a dispute over payment for a new metal smelter.
- ✚ Peru reported record copper production in 2015, a total of 1.7 million tonnes of copper in 2015, up by 23.5% from 2014, forecast to jump to around 2.5 million tonnes in 2016.
- ✚ China imported 3.68 million tons of refined copper in 2015, representing an increase of 2.5 percent compared to 2014, according to data released by the General Administration of Customs of China.
- ✚ Glencore 2015 own sourced copper production of 1,502,200 tonnes was 43,800 tonnes (3%) lower than 2014, reflecting the impact of the announced production cuts in Africa.

Glencore anticipates that 2016 copper production will be 1,390 kt \pm 25, which translates to a 12.85% reduction from 2015 actual output.



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- ✚ World No. 1 copper producer Chile produced 453,638 tonnes of copper in January, down almost 14 percent from a year earlier, as the year-long rout in prices forced miners to scale back output, the government said
- ✚ First Quantum Minerals Ltd. expects to produce 400,000 tonnes of copper in 2016, compared to 2015 production of 428,229 tonnes.
- ✚ Southern Copper boosted its copper output to 221,900 tonnes in the fourth quarter of 2015, up 21 percent from 183,616 tonnes a year earlier.
- ✚ Freeport McMoRan's Cerro Verde mine in Peru increased copper production by 72 percent year on year in the fourth quarter of 2015 after bringing online a \$4.6 billion expansion. Copper production jumped to 209.5 million lb in Q4 from 122 million lb a year earlier.
- ✚ Teck Resources expects its 2016 copper production to be in the range of 305,000-320,000 tonnes, down from 358,000 tonnes in 2015, with lower production in the second half of the year as a result of lower grades at the Highland Valley mine in British Columbia.
- ✚ Grupo Mexico's copper production is forecast to reach a record 1.07 million tonnes this year, CFO Daniel Muniz said on the company's Q4 conference call.
- ✚ Copper production in the Democratic Republic of Congo dropped 3.3 percent to 995,805 tonnes from 1.03 million tonnes in 2014, the first time production fell since the global economic downturn in 2009.
- ✚ Copper production in Zambia inched higher to 711,515 tonnes in 2015 from 708,000 tonnes the previous year mainly due to a new mine owned by Canada's First Quantum Minerals.
- ✚ China's 2016 copper concentrate supply is forecast to rise 4.4 percent on the year to 5.2 million tonnes, according to state-owned metals consultancy Beijing Antaika.
- ✚ MMG Limited announced copper production of 208,000 tonnes for 2015, a rise of 8 percent from the prior year, and projected copper production to be in the range of 415,000 tonnes to 477,000 tonnes for 2016.
- ✚ Japan's rolled copper product output fell to 63,203 tonnes in January on a seasonally adjusted basis, down 6.4 percent from a year earlier.
- ✚ Copper wire rod production in Russia has been hit by a record decline in the past year, falling by 34 percent to 454,000 tonnes in 2015. Six large wire rod producers posted output reductions of varying levels, from 5 percent to 75percent, compared with 2014. The drop has been attributed to the government's decision to end a 10 percent duty on copper cathode exports in August 2014, incentivizing cathode production over wire rod.

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