



ER-BAKIR
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MONTHLY COPPER BULLETIN

February-2017

23th March 2017



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 |
|-------------------------|-----------------|-----------------|-----------------|------------------------|-----------------|-----------------|---------------------|---------------------|----------------|
| 01.02.2017 | 5931,00 | 5496,76 | 4698,19 | 5889,60 | 1,36% | 21,97% | 260850 | 557,54 | 560,00 |
| 02.02.2017 | 5903,00 | 5463,21 | 4696,10 | 5889,60 | 0,88% | 21,40% | 259500 | 557,54 | 560,00 |
| 03.02.2017 | 5836,00 | 5436,42 | 4671,79 | 5889,60 | -0,27% | 20,02% | 257150 | 551,57 | 554,00 |
| 06.02.2017 | 5786,00 | 5390,35 | 4635,48 | 5837,60 | -1,76% | 18,99% | 253725 | 547,06 | 549,00 |
| 07.02.2017 | 5802,00 | 5433,60 | 4689,62 | 5837,60 | -1,49% | 19,32% | 253450 | 551,33 | 554,00 |
| 08.02.2017 | 5865,00 | 5501,88 | 4695,76 | 5837,60 | -0,42% | 20,61% | 254725 | 558,35 | 561,00 |
| 09.02.2017 | 5863,00 | 5487,13 | 4667,62 | 5837,60 | -0,45% | 20,57% | 251525 | 558,35 | 561,00 |
| 10.02.2017 | 5872,00 | 5526,07 | 4712,68 | 5837,60 | -0,30% | 20,76% | 248200 | 560,40 | 563,00 |
| 13.02.2017 | 6111,00 | 5747,20 | 4882,16 | 6045,20 | 4,68% | 25,67% | 247825 | 582,78 | 585,00 |
| 14.02.2017 | 6145,00 | 5785,16 | 4923,09 | 6045,20 | 5,27% | 26,37% | 243350 | 582,78 | 585,00 |
| 15.02.2017 | 6016,00 | 5700,75 | 4845,36 | 6045,20 | 3,06% | 23,72% | 235825 | 586,53 | 589,00 |
| 16.02.2017 | 6015,00 | 5652,66 | 4811,62 | 6045,20 | 3,04% | 23,70% | 236725 | 578,11 | 581,00 |
| 17.02.2017 | 5939,00 | 5577,57 | 4779,11 | 6045,20 | 1,74% | 22,14% | 229075 | 573,45 | 576,00 |
| 20.02.2017 | 6002,00 | 5656,93 | 4817,79 | 5976,80 | -0,71% | 23,43% | 224025 | 565,85 | 568,00 |
| 21.02.2017 | 6034,00 | 5729,21 | 4861,82 | 5976,80 | -0,19% | 24,09% | 221425 | 580,94 | 583,00 |
| 22.02.2017 | 5976,00 | 5683,85 | 4800,00 | 5976,80 | -1,14% | 22,90% | 219425 | 580,94 | 583,00 |
| 23.02.2017 | 5991,00 | 5668,46 | 4794,72 | 5976,80 | -0,90% | 23,21% | 214025 | 576,59 | 579,00 |
| 24.02.2017 | 5881,00 | 5543,41 | 4684,56 | 5976,80 | -2,72% | 20,94% | 210800 | 574,98 | 577,00 |
| 27.02.2017 | 5927,00 | 5601,55 | 4776,37 | 5961,40 | -0,83% | 21,89% | 206875 | 568,20 | 571,00 |
| 28.02.2017 | 5936,00 | 5607,94 | 4781,70 | 5961,40 | -0,68% | 22,07% | 203100 | 568,75 | 571,00 |
| MONTHLY AVERAGES | 5.941,55 | 5.584,51 | 4.761,28 | | | | | 568,10 | 570,50 |



MARKET COMMENTARY

In supply news, Indonesia will not back down from new rules requiring Freeport-McMoran to divest a majority stake in its local unit, its mines minister said late last week in a dispute over rights to the world's second-biggest copper mine which has frozen exports. Meanwhile, Chile expects economic activity growth to be hit by around one percentage point in February because of a strike at world no.1 copper mine Escondida, as copper output slides 12 percent year-on-year. Workers at Cerro Verde mine, one of the largest copper producers in Peru, also plan to start a five-day strike to demand better labour conditions, a union representative.

Factory activity in China expanded faster than expected in February as domestic and export demand picked up, adding to signs that the economy is gaining momentum even as fears grow of a surge in trade protectionism. Copper imports to China -- accounting global for nearly half of global consumption estimated at around 23 million tonnes this year -- totalled 340,000 tonnes in February, down 10.5 percent from January and down 19 percent from a year ago.

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N° 30260



Fabrika : A. Nuri ERİKOĞLU
Cad. 20085 Gümüşler / DENİZLİ
Vergi Dairesi : Gökpınar
Vergi No : 336 006 27 21

Tel : +90 (258) 295 19 00 Pbx
Faks : +90 (258) 371 21 94
e-posta : erbakir@erbakir.com.tr
Web : www.erbakir.com.tr

The Federal Reserve raised its benchmark lending rate a quarter point and continued to project two more increases this year, signaling more vigilance as inflation approaches its target. “In view of realized and expected labor market conditions and inflation, the committee decided to raise the target range for the federal funds rate,” the Federal Open Market Committee said in its statement Wednesday. “Near-term risks to the economic outlook appear roughly balanced.” Investors had almost fully expected the increase to a range of 0.75 percent to 1 percent following unusually clear signals from policy makers including Chair Janet Yellen, who explained the committee’s thinking at a press conference in Washington. “Our decision to make another gradual reduction in the amount of policy accommodation reflects the economy’s continued progress,” she told reporters. For now, officials stuck with their “gradual” approach to tightening monetary policy, while removing the word “only when a previous statement called the approach “only gradual.” The dollar held around five-week lows against a basket of currencies after the upward path of U.S. interest rates looked less clear following a Federal Reserve meeting.

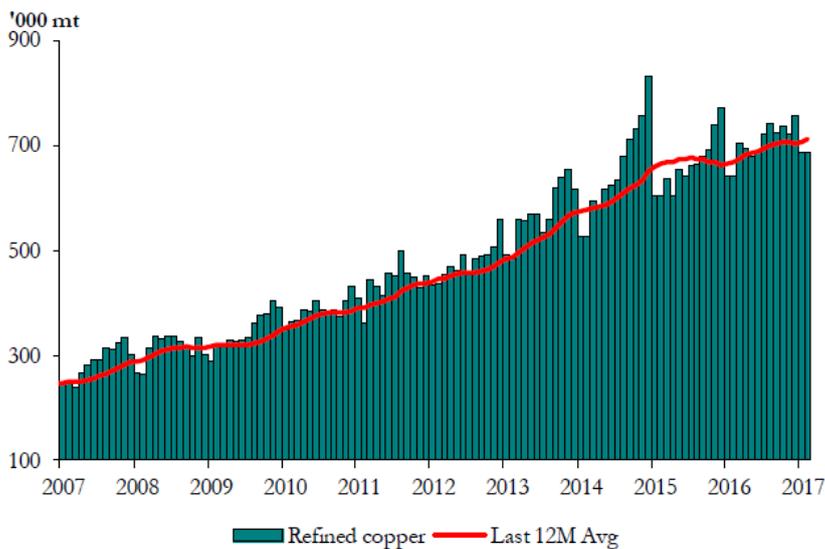
The Federal Reserve is on track to raise interest rates twice more this year after a policy tightening, and it could be more or less aggressive depending on inflation and fiscal policies from the Trump administration. The metal had earlier joined a sell-off in shares, oil and other commodities on concerns that U.S. President Trump had yet to implement mooted tax cuts and infrastructure spending.

The last news from the mines; The union for striking workers at BHP Billiton's Escondida copper mine in Chile said after meeting with the company this week that it was open to further conversations that could lead to reopening negotiations. A strike at Peru's top copper mine, Cerro Verde, is set to end by government order on Thursday, but workers said the stoppage would start right back up if no deal over their demands is reached with management. Freeport McMoRan Inc's Indonesian unit has resumed production of copper concentrate at its giant Grasberg mine, ending a more than one-month stoppage.



MONTHLY REVIEW & INDUSTRY NEWS

- January- February China refined copper average month output up 6 percent at 685.000 mt year on year.



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- ✚ Chile exported \$2.035 billion worth of copper in February, down 12.7 percent from a year earlier, as a prolonged strike at the world's largest copper mine, slowed shipments.
- ✚ World No. 1 copper producer Chile produced 452,035 tonnes of copper in January, a 2.6 percent decrease from the year before.
- ✚ According to the International Copper Study Group (ICSG), the global world refined copper market showed a 17,000 tonnes surplus in December, compared with a 3,000 tonnes deficit in November.
- ✚ Peru's copper production rose by 24.8 percent in January from the same month a year earlier while zinc output increased by 11.3 percent and gold slipped slightly.

The country, the world's second biggest copper supplier, produced a record 2.35 million tonnes of the metal in all of 2016, up 38.4 percent from 2015

- ✚ Kazakhstan's refined copper output fell 3.3 percent in the first two months of 2017 and refined zinc production edged down 1.0 percent.
- ✚ Poland's KGHM says sees its 2017 copper output at 425.300 mt .
- ✚ Goldman says "we maintain our second quarter 2017 WTI forecast of \$57.50/bbl and LME copper forecast of \$6200 a tonne"

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