



**ER-BAKIR**  
elektrolitik bakır mamulleri a.ş.

# MONTHLY COPPER BULLETIN

January-2017

23<sup>th</sup> February 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
03.01.2017	5574,00	5365,29	4542,79	5558,00	1,34%	14,63%	311825	530,65	533,68
04.01.2017	5500,50	5271,71	4477,78	5558,00	0,00%	13,12%	305875	535,35	538,50
05.01.2017	5611,00	5343,30	4562,53	5558,00	2,01%	15,39%	301775	542,33	545,45
06.01.2017	5546,50	5242,44	4485,28	5558,00	0,84%	14,06%	295125	542,33	545,45
09.01.2017	5551,50	5276,09	4568,01	5690,50	-0,12%	14,17%	294900	535,72	538,84
10.01.2017	5642,00	5338,25	4644,00	5690,50	1,51%	16,03%	293400	535,72	538,84
11.01.2017	5709,50	5436,58	4712,36	5690,50	2,73%	17,42%	288225	542,11	545,17
12.01.2017	5752,50	5389,26	4680,25	5690,50	3,50%	18,30%	285700	546,80	549,74
13.01.2017	5797,00	5446,26	4761,79	5690,50	1,87%	19,22%	281700	552,39	555,33
16.01.2017	5857,00	5530,17	4854,94	5753,10	2,93%	20,45%	279000	561,08	564,04
17.01.2017	5771,50	5402,00	4685,42	5753,10	1,42%	18,69%	277375	548,09	551,03
18.01.2017	5721,00	5364,78	4661,83	5753,10	0,54%	17,65%	276050	544,15	547,09
19.01.2017	5710,00	5351,95	4633,99	5753,10	0,34%	17,43%	274100	543,25	546,19
20.01.2017	5706,00	5368,84	4646,96	5753,10	-0,82%	17,34%	275400	544,84	547,79
23.01.2017	5775,00	5380,10	4638,55	5851,60	0,38%	18,76%	274650	545,84	548,76
24.01.2017	5879,00	5472,40	4732,73	5851,60	2,19%	20,90%	272150	555,16	558,08
25.01.2017	5867,00	5459,20	4662,27	5851,60	1,98%	20,66%	271025	553,84	556,76
26.01.2017	5890,00	5500,56	4685,39	5851,60	2,38%	21,13%	268975	557,56	560,49
27.01.2017	5847,00	5477,28	4663,80	5851,60	-0,08%	20,24%	263775	555,78	558,72
30.01.2017	5857,00	5509,88	4682,60	5889,60	0,09%	20,45%	262150	558,97	561,92
31.01.2017	5921,00	5508,42	4741,35	5889,60	1,19%	21,77%	261325	558,97	561,65
<b>MONTHLY AVERAGES</b>	<b>5.737,43</b>	<b>5.401,66</b>	<b>4.653,55</b>	<b>5.737,49</b>				<b>419,45</b>	<b>422,39</b>



## MARKET COMMENTARY

The potential for supply disruptions has become an increasing focus in copper markets in the past month with workers at the world's largest mine in Chile set to strike and with Freeport-McMoRan Inc's Grasberg mine in Indonesia yet to be granted a new export permit. Also adding to supply kinks in copper, protests over public work projects in a remote highland region of Peru have blocked roads used by MMG Ltd to transport copper concentrates from its Las Bambas mine.

A strike at BHP Billiton's huge Escondida mine in Chile and a lack of permits for exports from Freeport McMoRan's Grasberg mine in Indonesia are chipping away at mine supply that is expected to be in a small surplus this year. Escondida produced 1.15 million tonnes of copper in 2015, about 6 percent of the world's total. A potential 1 million tonnes of world output, or 5 percent of supply, may be at risk of disruption this year compared to 600,000 tonnes in 2016.

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As a strike at the world's top mine, Escondida in Chile, caused a second week of disruption. Escondida declared force majeure last week. A government-mediated meeting between BHP Billiton and striking workers at its Escondida copper mine in Chile has failed, and workers will head back to their encampment without any future dialogue planned. Furthermore, The chief executive of miner Freeport-McMoran Inc's Indonesian unit has resigned after the parent firm declared force majeure on copper concentrate shipments from its Grasberg mine in Papua. The price of copper rose 2.9 percent to \$6.204 on Feb.13 hit its highest level since May 2015, extending the previous session's near 5 percent surge after shipments from the world's two biggest copper mines were disrupted.

Industrial metals were broadly supported by news of steady manufacturing in top copper consumer China. The official Purchasing Managers' Index (PMI) stood at 51.3 in January, compared with the previous month's 51.4. Also supporting metals, U.S. interest rates can likely remain low through at least 2017, with no clear sense yet of whether the Trump administration's policies will spark higher inflation or growth.

Base metals were also broadly supported, with zinc touching a 2-1/2 month high, after U.S. President Trump calmed international tensions by affirming the "one-China" policy and promised big tax cuts. Trade data from China, the world's biggest metals consumer, also bolstered prices.

China's imports of copper fell 14 percent in January from a year ago as demand from the world's top consumer and producer slowed ahead of the Lunar New Year holiday. China's imports of copper were also down 22 percent from December to 380,000 tonnes in January. Trading was dampened by the week-long Lunar New Year holiday, with the Shanghai Futures Exchange due to reopen on Feb.02 The dollar was on course for its worst start to a year since 2008 as concerns over the broader shape of policy under U.S. President Donald Trump outweighed the expectations of higher U.S. inflation that dominated the end of last year. The U.S. dollar held broad gains against its major rivals, after ending down streak and rebounding overnight as Federal Reserve Chair Janet Yellen suggested U.S interest rates could be raised quickly this year.

The market is awaiting more detail from President-elect Donald Trump on his plans to increase infrastructure spending that could benefit industrial metals.

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## MONTHLY REVIEW & INDUSTRY NEWS

- ✚ China's imports of copper fell 22.4 percent from month ago to 380.000 mt in January.
- ✚ World top copper exporter Chile is seen producing 5.79 million tonnes in 2017, a 4.3 percent increase versus a year earlier, due to increased output at BHP Billiton's massive Escondida mine.
- ✚ Peru's copper production reached a record high in 2016. The country produced a total of 2.35 million tonnes of fine copper last year, up by 38.2% from 2015, when production reached 1.70 million tonnes,
- ✚ According to ICSG, the global world refined copper market showed a 9,000 tonnes deficit in November, compared with a 49,000 tonnes surplus in October.  
  
The International Copper Study Group also showed a 64.000 mt supply deficit in the global refined copper market in the first 10 months of 2016.
- ✚ Japan's December refined copper exports up 35.8 percent to 39.443 year on year.
- ✚ Kaz Minerals copper output up 73 percent at 140.000 mt year on year.
- ✚ According to Glencore 2016 copper production reports, own-sourced production of 1,426 mio mt was 73.700 mt (4.9 percent) less than 2015.
- ✚ The Democratic Republic of Congo produced 986.582 metric tons of copper in 2016 vs 1.039 million tons in 2015.
- ✚ According to Zambia's Chamber of Mines, copper output averaged about 64.216 mt a month during 2016 in Zambia. That compares with 711.515 mt in 2015, resulting in an increase of 8.3 percent year on year.
- ✚ Russian copper exports decreased 9.3 percent to 511.000 mt in 2016.
- ✚ London Metal Exchange volumes continued their downward trend in January, with average daily volumes (ADVs) dropping 6.2% year-on-year and copper's ADV declining by 12.1%.
- ✚ Kazakhstan's refined copper output rose 3.1 percent to 406.802 mt in 2016.

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