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MONTHLY COPPER BULLETIN

July-2016

11th August 2016



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
01.07.2016	4783,50	4301,71	3598,78	4772,00	2,78%	1,73%	189125	438,29	441,16
04.07.2016	4920,00	4418,10	3706,77	4780,30	3,10%	4,64%	188400	450,03	452,90
05.07.2016	4840,50	4343,98	3690,53	4780,30	1,44%	2,95%	198925	442,61	445,49
06.07.2016	4706,00	4257,67	3629,21	4780,30	-1,38%	0,09%	222550	434,01	436,91
07.07.2016	4725,00	4266,75	3631,82	4780,30	-0,98%	0,49%	220725	434,98	437,87
08.07.2016	4710,00	4257,43	3629,50	4780,30	-1,30%	0,17%	223225	434,10	436,99
11.07.2016	4746,00	4296,58	3654,71	4866,60	-0,72%	0,94%	222600	438,07	440,96
12.07.2016	4811,50	4337,42	3656,43	4866,60	0,65%	2,33%	234750	442,04	444,92
13.07.2016	4918,50	4441,08	3703,69	4866,60	2,89%	4,60%	233050	452,46	455,35
14.07.2016	4911,50	4404,14	3672,42	4866,60	2,74%	4,46%	234925	448,58	451,45
15.07.2016	4945,50	4446,19	3698,95	4866,60	3,46%	5,18%	231275	452,85	455,73
18.07.2016	4839,00	4376,02	3649,60	4917,40	-0,57%	2,91%	229425	445,96	448,86
19.07.2016	4938,00	4476,07	3759,71	4917,40	1,47%	5,02%	226300	456,03	458,93
20.07.2016	4900,50	4450,15	3720,39	4917,40	0,70%	4,22%	228000	453,41	456,32
21.07.2016	4953,50	4498,27	3760,06	4917,40	1,79%	5,35%	228400	458,14	461,05
22.07.2016	4956,00	4495,24	3778,88	4917,40	1,84%	5,40%	222725	457,91	460,81
25.07.2016	4920,00	4478,83	3750,00	4873,30	0,05%	4,64%	221350	456,22	459,13
26.07.2016	4862,00	4420,80	3703,25	4873,30	-1,13%	3,40%	213725	450,40	453,31
27.07.2016	4869,50	4430,04	3716,04	4873,30	-0,97%	3,56%	214425	451,41	454,33
28.07.2016	4862,00	4386,90	3694,81	4873,30	-1,13%	3,40%	208725	446,99	449,88
29.07.2016	4853,00	4366,56	3682,93	4873,30	-1,31%	3,21%	209450	444,97	447,85
MONTHLY AVERAGES	4855,79	4388,09	3689,93	4855,24				447,12	450,01



MARKET COMMENTARY

Several banks, including the ECB, the Bank of England, the Bank of Japan, the PBOC and the Federal Reserve, all decided to keep their powder dry for the time being, thus bringing a four-month run in commodities to a halt in July.

Copper prices finished largely unchanged over the course of July, fluctuating between \$4685-\$5032. For much of the month, the metal took a back seat to other highfliers like zinc and nickel, mainly because there was no compelling change in copper's fundamentals. In this regard, Chinese June copper imports continued to fall for a third month in a row, with overall intake at 305,000 tons, a 10-month low. However, the cumulative Jan-June total is just over 2.07 mln tons, a respectable 24% over last year. Still, Chinese demand is likely growing at low single digits at best, which suggests that these imports are likely being stockpiled, arbitrated (perhaps explaining the 200,000 tons of copper that has been exported so far this year), or financed.

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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

In other news, the ICGS reports that the refined market was in a 119,000-ton deficit in the first four months of this year, compared to a 13,000-ton surplus in the same period a year earlier. But with all major producers reporting sharp year-over-year production increases (led by Peru, up some 50% y-o-y, as the Cerro Verde and Las Bambas mines come on stream). Chinese deals were reported to be close to that level as well as China continue to ramp up its production, up 7.5% through June over year ago levels. The latest Reuters poll has an average forecast price of \$4751/ton for copper in 2016, rising to \$4980 next year. Analysts also see a surplus of 185,000 tons this year, rising to a 204,000 surplus in 2017.

On the first day of August London copper hit the highest since July 22 at \$4,965 a tonne. But copper gave all gains immediately with concerns of China's economic growth. London copper continue to edged down after a solid jobs report boosted prospects the U.S. Federal Reserve could still raise rates this year, and ahead of China trade data that could shed light on its appetite for metals. London copper drifted on 8th of August, when prices fell to their weakest since July 12 at \$4,761 a tonne, as inflation in China eased in July, highlighting worries about the health of the world's top copper consumer after imports fell last month. LME copper traded up 0.2 percent to \$4,830 a tonne by 1358 GMT, adding to gains of 0.9 percent made a day earlier. Prices on Tuesday fell to the lowest in four weeks at \$4,761 a tonne.



♀ MONTHLY REVIEW & INDUSTRY NEWS

- ✚ China's imports of copper fell 14.3 percent from month ago to 360,000 tonnes in July, data from the General Administration of Customs showed.
- ✚ Aurubis produced 135,000 tonnes of copper cathode from its primary copper operations in the three months to June 30, the third quarter of its 2015-16 fiscal year, down 13 percent on the year, the German producer said.
- ✚ Zambia's copper production rose by 8 percent to 368,371 tonnes in the first six months of this year from 340,510 tonnes in the same period last year, the country's chamber of mines said.

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- ✚ The global world refined copper market showed a 110,000 tonnes deficit in April, compared with a 59,000 tonnes deficit in March, the International Copper Study Group (ICSG) said in its latest monthly bulletin. World refined copper output in April was 1.93 million tonnes, while consumption was 2.04 million tonnes. Bonded stocks of copper in China showed a 92,000 tonnes deficit in April compared with a 14,000 tonnes deficit in March.
- ✚ Copper mine production capacity through 2019 is expected to grow at an average rate of about 4 percent/year to reach 26.5 million tonnes/year in 2019, an increase of about 3.9 million tonnes, or 17 percent, from 2015, analysts with the International Copper Study Group said.
- ✚ Rio Tinto mined copper output in the half of 2016 was 282,000 tonnes, up 1% year-on-year. In 2016.
- ✚ Freeport-McMoRan's second quarter copper output was 514,000 tonnes, up 16 percent year-on-year.
- ✚ BHP Billiton posted a 7.6 percent year-on-year fall in copper output to 1.58 million tonnes in fiscal 2015-2016 that ended June 30. But it forecast a higher output of about 1.7 million tonnes in fiscal 2016-2017 in its annual operational review.
- ✚ Lundin Mining Corp said it expects to produce 253,300-265,800 tonnes of contained copper in 2016, an increase from 249,300-261,800 tonnes forecast previously.
- ✚ Chile produced 2.778 million tonnes of copper during the first six months of the year, down 5.6 percent from the same period of last year.
- ✚ Grupo Mexico produced 266,071 tonnes of copper in second quarter, up 23 percent year-on-year, setting a new first half of year record of 528,096 tonnes, as new projects at Buenavista del Cobre mine boosted output.
- ✚ Southern Copper increased production of copper in the second quarter on gains at its Buenavista mine in Mexico. Southern boosted copper output by 23.3 percent to 227,504 tonnes in the quarter from 184,535 tonnes a year ago.
- ✚ Peru produced 1.12 million fine tonnes of copper in the first half of 2016. The figure represents a 51.5 percent increase from the corresponding period of last year, when the country's output totalled 740,883 tonnes.
- ✚ Anglo-American second quarter copper production from the retained operations decreased by 8 percent to 144,200 tonnes.
- ✚ Antofagasta's copper production for the second quarter was 166,200 tonnes, a 5.8 percent increase on the first quarter as production increased at Los Pelambres, Zaldivar and Antucoya.
- ✚ Norilsk Nickel copper production declined 3 percent year-on-year to 177.44 thousand tonnes in the first half of 2016.

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