



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

# MONTHLY COPPER BULLETIN

June-2017

18<sup>th</sup> July 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 |
|-------------------------|----------------|----------------|----------------|------------------------|-----------------|-----------------|---------------------|---------------------|----------------|
| 01.06.2017              | 5636,50        | 5024,07        | 4383,99        | 5604,88                | -0,54%          | 15,92%          | 308000              | 509,99              | 512,79         |
| 02.06.2017              | 5559,50        | 4961,18        | 4325,45        | 5604,88                | -1,90%          | 14,33%          | 305550              | 503,71              | 506,51         |
| 05.06.2017              | 5586,50        | 4967,10        | 4326,26        | 5617,80                | -0,33%          | 14,89%          | 302625              | 504,35              | 507,14         |
| 06.06.2017              | 5540,50        | 4924,89        | 4293,30        | 5617,80                | -1,15%          | 13,94%          | 299575              | 500,08              | 502,87         |
| 07.06.2017              | 5575,50        | 4971,02        | 4319,08        | 5617,80                | -0,52%          | 14,66%          | 294225              | 504,76              | 507,56         |
| 08.06.2017              | 5647,50        | 5031,18        | 4362,35        | 5617,80                | 0,76%           | 16,14%          | 286350              | 510,70              | 513,50         |
| 09.06.2017              | 5739,00        | 5133,73        | 4502,94        | 5617,80                | 2,39%           | 18,02%          | 276875              | 520,96              | 523,77         |
| 12.06.2017              | 5752,00        | 5126,56        | 4535,92        | 5677,60                | 2,39%           | 18,29%          | 279575              | 520,20              | 522,99         |
| 13.06.2017              | 5659,00        | 5044,57        | 4444,71        | 5677,60                | 0,73%           | 16,38%          | 275850              | 512,04              | 514,84         |
| 14.06.2017              | 5684,50        | 5074,99        | 4465,44        | 5677,60                | 1,19%           | 16,90%          | 272625              | 515,05              | 517,85         |
| 15.06.2017              | 5637,00        | 5049,72        | 4415,29        | 5677,60                | 0,34%           | 15,93%          | 268500              | 512,57              | 515,39         |
| 16.06.2017              | 5655,50        | 5067,65        | 4431,17        | 5677,60                | 0,67%           | 16,31%          | 268450              | 514,44              | 517,25         |
| 19.06.2017              | 5687,00        | 5081,76        | 4447,49        | 5704,10                | 0,17%           | 16,95%          | 265175              | 515,67              | 518,47         |
| 20.06.2017              | 5673,50        | 5089,25        | 4477,55        | 5704,10                | -0,07%          | 16,68%          | 262075              | 516,70              | 519,52         |
| 21.06.2017              | 5650,00        | 5070,90        | 4450,92        | 5704,10                | -0,49%          | 16,19%          | 259300              | 514,78              | 517,59         |
| 22.06.2017              | 5736,00        | 5137,02        | 4526,87        | 5704,10                | 1,03%           | 17,96%          | 256.700             | 521,51              | 524,32         |
| 23.06.2017              | 5774,00        | 5167,82        | 4537,17        | 5704,10                | 1,70%           | 18,74%          | 258700              | 524,42              | 527,23         |
| 26.06.2017              | 5771,00        | 5160,97        | 4534,10        | 5839,00                | 1,17%           | 18,68%          | 254675              | 523,71              | 526,52         |
| 27.06.2017              | 5789,00        | 5137,10        | 4538,97        | 5839,00                | 1,49%           | 19,05%          | 250550              | 521,26              | 524,05         |
| 28.06.2017              | 5822,00        | 5118,24        | 4537,80        | 5839,00                | 2,07%           | 19,73%          | 248675              | 519,44              | 522,20         |
| 29.06.2017              | 5905,50        | 5177,08        | 4552,50        | 5839,00                | 3,53%           | 21,45%          | 243300              | 525,31              | 528,06         |
| 30.06.2017              | 5907,50        | 5180,20        | 4551,58        | 5839,00                | 3,57%           | 21,49%          | 249700              | 525,48              | 528,24         |
| <b>MONTHLY AVERAGES</b> | <b>5699,48</b> | <b>5077,14</b> | <b>4452,77</b> |                        |                 |                 |                     | <b>515,32</b>       | <b>518,12</b>  |



## MARKET COMMENTARY

Industrial metals markets will be watching manufacturing, investment, property market and loans data for clues on the strength of its copper demand over coming months. China accounts for nearly half of global copper demand, estimated at around 23 million tonnes this year. Activity in China's manufacturing sector in June quickened from the previous month, in a reassuring sign the world's second-biggest economy kept up a reasonable pace of growth after a solid first quarter.

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Federal Reserve policymakers were increasingly split on the outlook for inflation and how it might affect the future pace of interest rate rises, according to the minutes of the Fed's last policy meeting on June 13-14 released. The U.S. economy continues to churn out jobs and grow at a steady pace, with investment and consumer confidence both healthy and only moderate signs of risk in financial markets, the U.S. Federal Reserve said. London copper inched up on Monday after a solid U.S. jobs report buoyed hopes that an economic recovery is taking root in the world's top economy, spurring appetite for riskier assets. The data followed expansion in China's manufacturing sector in June, which also underpinned investor demand for metals. U.S. stocks and bonds rallied July 14, with the S&P 500 Index reaching a new intraday high, as U.S. inflation data came in short of Federal Reserve expectations, spotlighting concerns of some central bankers about additional interest rate hikes.

The dollar fell to a more than one-week low against a basket of major currencies, after U.S. President Donald Trump's eldest son released an email chain citing Russian support for his father before last year's U.S. election. A weaker dollar typically draws interest for U.S. dollar-denominated commodities such as copper from investors outside the United States using other currencies. The U.S. dollar hit a 10-month low against a basket of currencies, making dollar-denominated commodities cheaper for holders of other currencies and potentially boosting demand.

Workers at the Zaldivar copper mine in Chile, owned by Antofagasta and Barrick Gold Corp, voted to approve a strike on Monday after talks with the company failed. The nearby Centinela mine is also in negotiations over strike action. Together the two mines produced 340,000 tonnes of copper in 2016.

China's economy grew 6.9 percent in the second quarter from a year earlier, faster than expected and in line with the first quarter's growth. Analysts polled by Reuters had expected the economy to expand 6.8 percent in the April-June quarter.

While oil advanced last week, prices in New York are still below \$50 a barrel on concerns expanded global supplies will offset output curbs by the Organization of Petroleum Exporting Countries and its allies. The group's output climbed last month to the highest this year as members exempt from the deal -- Nigeria and Libya -- pumped more and others slipped in delivering their pledged curbs.

Workers voted to approve a strike at a mine in Chile, following industrial disputes in Indonesia and at the world's biggest copper mine, also in Chile, earlier in the year, that whittled into copper supply. Copper prices hit 4-1/2-month highs on July 17 as better-than-expected economic data from top consumer China and a weak dollar helped reinforce expectations of strong demand. Benchmark copper on the London Metal Exchange ended up 1.2 percent at \$6.003 a tonne from an earlier \$6,022.5, its highest since March 2.



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## MONTHLY REVIEW & INDUSTRY NEWS

- ✦ The report of the International Copper Study Group (ICSG) shows there was a surplus of 164,000 mt of the metal in the first quarter of 2017, which it attributes mainly to a decline in Chinese demand. The year-ago quarter had seen a small deficit.
- ✦ China's imports of copper and copper products for June were unchanged with May at 390,000 mt.  
  
China imported 2.23 mio mt of copper in the first half of this year, down 18.4 % compared to same period last year.
- ✦ Bank of America Merrill Lynch cuts 2017 copper price forecast by 4.2% to \$5,434/t, 2018 forecast by 8.8% to \$5,510/t
- ✦ Peru's export volumes of copper climbed up 2% year on year in May to 212,500 mt.
- ✦ The strike earlier this year at Chile's Escondida copper mine led to a 63% year-on-year drop in overall copper output to 97,103 mt in the first quarter.
- ✦ World No. 1 copper producer Chile produced 469,196 tonnes of copper in May a 9.3% increase from the previous month.
- ✦ Russia's Jan-May copper exports 227,800 mt, up 6% year on year.
- ✦ Copper production in Zambia, Africa's No.2 producer of the metal, is expected to rise to 850,000 mt in 2017 from 770,597 mt last year.
- ✦ Democratic Republic of Congo's chamber of mines said on Friday it expects the country to produce a record 1.05 mio mt of copper in 2017, up 2.4% over last year, as prices recover and large projects raise production.
- ✦ The Australian Department of Industry, Innovation and Industry has estimated that the country's mined copper production reached 944,800 mt in the year ended June 30, marginally higher than the 937,000 mt forecast it made in April.
- ✦ Australia cuts 2017 copper price forecasts to \$5,667t (\$5,879/t prev.)
- ✦ Mexican copper output dipped to 39,732 mt slightly in April compared with the same month a year ago.

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