



ER-BAKIR
elektrolitik bakır mamulleri a.ş.

MONTHLY COPPER BULLETIN

March-2015

08th April 2015



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
02.03.2015	5896,00	5255,37	3832,55	5863,10	1,68%	-7,28%	297200	536,61	539,45
03.03.2015	5855,00	5244,07	3814,08	5863,10	0,97%	-7,93%	297400	536,21	539,06
04.03.2015	5882,00	5288,14	3835,67	5863,10	1,44%	-7,50%	308125	539,99	542,86
05.03.2015	5856,00	5293,80	3840,25	5863,10	0,99%	-7,91%	318375	541,45	544,34
06.03.2015	5826,50	5310,34	3836,50	5863,10	0,48%	-8,37%	323050	544,16	547,07
09.03.2015	5800,00	5341,19	3839,53	5819,00	-1,08%	-8,79%	326050	545,78	548,69
10.03.2015	5783,50	5384,51	3839,80	5819,00	-1,36%	-9,05%	328450	550,71	553,66
11.03.2015	5786,00	5459,52	3845,28	5819,00	-1,32%	-9,01%	330425	557,93	560,91
12.03.2015	5865,50	5512,17	3917,91	5819,00	0,04%	-7,76%	330750	563,37	566,35
13.03.2015	5860,00	5536,66	3960,53	5819,00	-0,05%	-7,85%	333575	566,65	569,64
16.03.2015	5853,00	5549,97	3955,80	5813,10	0,58%	-7,96%	337575	568,09	571,09
17.03.2015	5765,00	5429,97	3905,30	5813,10	-0,93%	-9,34%	342200	555,26	558,24
18.03.2015	5692,50	5373,83	3888,59	5813,10	-2,17%	-10,48%	340650	548,93	551,91
19.03.2015	5835,00	5472,19	3929,03	5813,10	0,27%	-8,24%	342600	557,55	560,51
20.03.2015	5920,00	5506,46	3994,06	5813,10	1,74%	-6,90%	341750	564,47	567,42
23.03.2015	6093,50	5590,37	4089,60	6146,40	4,82%	-4,18%	340925	571,19	574,09
24.03.2015	6128,00	5581,56	4103,94	6146,40	5,42%	-3,63%	342275	569,49	572,37
25.03.2015	6134,50	5578,34	4110,22	6146,40	5,53%	-3,53%	342625	569,82	572,70
26.03.2015	6230,00	5671,89	4180,93	6146,40	7,17%	-2,03%	339600	578,33	581,20
27.03.2015	6146,00	5650,46	4125,66	6146,40	5,73%	-3,35%	337175	577,72	580,64
30.03.2015	6110,00	5637,57	4132,85	6045,38	-0,59%	-3,92%	334600	575,89	578,81
31.03.2015	6050,50	5634,66	4093,98	6045,38	-1,56%	-4,85%	332300	575,12	578,06
MONTHLY AVERAGES	5925,84	5468,32	3957,82					558,85	561,78



MARKET COMMENTARY

Copper did not do much for the first two weeks in March, but prices took off around the time of the Fed meeting when the dollar was finally knocked off its perch. The rally trapped a number of shorts, sending prices to a high of \$6300/ton at one point. Reports of torrential rains in Chile did not help matters either.

Over the last several days, however, we have seen a slight retrenchment and suspect that we likely will remain range-bound over the course of April. Some investors think that the roughly \$1000 ascent from a low of \$5300 back in late February to \$6300 is somewhat overdone given that the fundamentals of the market have not changed all that much.

In this regard, we are still not seeing any noticeable cut-back in Chilean production, which is up by 6.1% over the Jan-Feb 2014 period. Elsewhere, China's refined production continues to rise – up 15.8% year-to-date through February and does not bode well for higher refined Chilean imports going forward. On the demand side, Chinese copper imports have fallen by 24% year-to-date in February and conc imports are also off. CRU expects overall 2015 Chinese copper



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demand growth to come in at a very modest 4%, down from 5.5% in 2014. Meanwhile, copper stockpiles held in Shanghai have doubled since the start of the year and LME stocks are up by a similar amount. All this does not make the case for a tight market, which is why investors see prices trading somewhere between \$5700-\$6300 in April, with most of the upside move being currency-induced.

Benchmark LME copper fell 0.6 percent to \$6,030 a tonne in official rings today after a 1.4 percent gain in the previous session.

Physical prices for spot copper on China's domestic market have also flipped to a premium against front-month ShFE prices this past week, another sign of brightening demand.

German industrial orders unexpectedly dropped in February, partly because companies got fewer major contracts, after bookings already plunged in January, suggesting manufacturers had a subdued start to 2015 in Europe's largest economy.



MONTHLY REVIEW & INDUSTRY NEWS

- ✚ The copper price is seen averaging \$2.85 a pound (\$6280 per tonne) this year and \$2.85 a pound for 2016 Cochilco said.
- ✚ Chile Central Bank forecasts 2015 average copper price of \$2,75 a pound (\$6060 per tonne).
- ✚ Deutsche Bank cuts 2015 copper price forecast to \$6,125 per tonne.
- ✚ Seasonal demand for copper in China is likely to be moderate in the second quarter compared with previous years, with end users holding limited cash as the economy slows, industry sources in the country said.
- ✚ The global refined copper market saw a 104,000-tonne surplus in December 2014 compared with a deficit of 46,000 tonnes in November, on weak demand in major consuming regions during the year-end holiday season, according to the International Copper Study Group (ICSG). 2014, world apparent refined copper usage increased by 8% year-on-year to 23 million tonnes.
- ✚ Heavy rains in Chile's northern desert regions have forced some of the world's top copper miners to suspend operations, in the biggest disruption to the country's copper industry since a major earthquake struck last April. According to Reuters calculations, more than 1.6 million tonnes of annual capacity was shuttered at least temporarily. That is about 8 percent of global output.
- ✚ Chilean state metals giant Codelco has lost around 6,500 mt of copper production as the result of torrential rain and flooding which hit northern Chile last week of March.
- ✚ Barclays says "as a result of robust demand and continuing issues on the supply side, we expect the copper market to be in a very modest surplus for 2015, causing prices to rebound from their current position." Barclays forecasts 2015 copper price at \$6,313 per tonne and sees 2015 copper consumption growth of 3.3 percent and supply growth of 3.5 percent.
- ✚ Copper prices are expected to keep weak around the current level in the next two to three years due to China's economic slowdown, industrial reorganization, and strong US dollar, said Li

Baomin, chairman of Jiangxi Copper Corp.

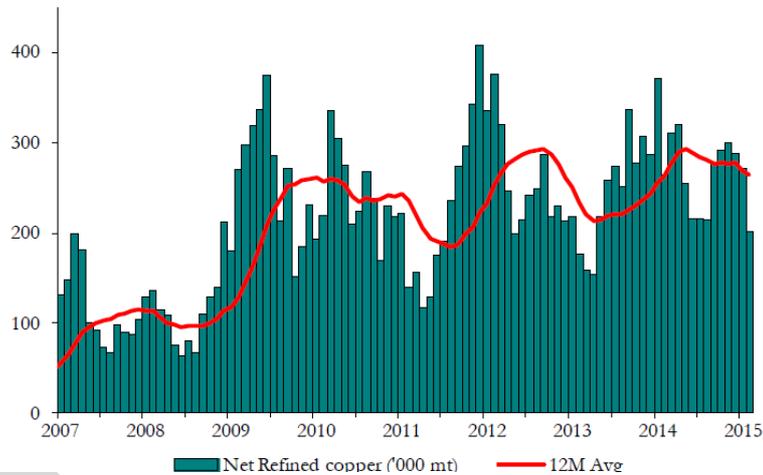
- Following is a table of the world's 10 biggest copper-producing countries in 2014, according to the International Copper Study Group. Figures, in thousands of metric tons, are ranked by both mined and refined output.

Mined Copper	
Rank	Country Production '000 tonnes
1.	Chile 5746
2.	China 1617
3.	U.S. 1382
4.	Peru 1380
5.	Australia 970
6.	D.R. Congo 907
7.	Russia 750
8.	Zambia 704
9.	Canada 696
10.	Mexico 514

Refined Copper	
Rank	Country Production '000 tonnes
1.	China 7640
2.	Chile 2744
3.	Japan 1554
4.	U.S. 1094
5.	Russia 882
6.	D.R. Congo 772
7.	India 766
8.	Germany 680
9.	South Korea 617
10.	Poland 577

- World No. 1 copper producer Chile produced 447,810 tonnes of copper in February, a 1.1 percent decrease from the year before, due to plant maintenance at a key project, the government said.

- China February copper imports down 24.4 percent year to date to 307,000 tonnes.



- Peruvian copper production was stable year-on-year in January 2015. The world's fourth largest copper producer reported a total output of 111,888 tonnes in January 2015, according to Peru's energy and mines ministry,
- Mongolia exported 205,800 mt of copper concentrate over January-February, up 67.9% year on year, data released Wednesday by the National Statistical Office of Mongolia showed.
- Japan's copper output is expected to fall 0.6 percent in the first half of fiscal 2015/16 from April to September compared with a year earlier. Lower output from the world's No.3 copper refiner may support copper prices.
- Japanese Electric Wire & Cable Makers' Association forecast a 0.4 percent rise in wire supply from Japanese factories in fiscal 2015/16 to 725,000 tonnes, helped by stable construction

demand.

- ✚ Jiangxi Copper Co Ltd mined 210,000 tonnes of copper in ores in 2014 and plans to produce 209,500 tonnes in 2015. Its refined copper production was 1.2 million tonnes in 2014.
- ✚ Sumitomo Metal Mining Co Ltd, Japan's No.2 copper producer, said it planned to produce 419,500 tonnes of electrolytic copper in the fiscal year 2015 that started, down 3.8 percent from a year earlier.
- ✚ China Jinlong Copper's refined copper output hit a record high of 460,500 mt in 2014, up 2.3% from 450,000 mt in 2013, its parent company Tongling Nonferrous Metals Group said on its website.
- ✚ Following is a table of the world copper supply/demand balance, according to the BNP Paribas March 12th report, in million metric tonnes.

BNP Paribas world copper supply/demand balance – last updated 12 March 2015

Million tonnes	2011	2012	2013	2014	2015f	2016f
Mine production	16.16	16.79	18.14	18.55	19.25	20.20
of which copper-in-concentrate production	12.71	13.17	14.40	14.71	15.43	16.35
Change in concentrate stocks	-0.19	0.17	0.67	-0.08	-0.10	-0.10
Refined production	19.74	20.15	20.81	21.90	22.70	23.60
of which mine/leach/SX-EW	3.45	3.62	3.75	3.84	3.83	3.85
Consumption	19.61	19.58	20.63	21.65	22.50	23.30
% change	2.2%	-0.1%	5.4%	4.9%	3.9%	3.6%
Implied balance	0.13	0.57	0.18	0.25	0.20	0.30
Year-end reported stocks	1.21	1.38	1.32	1.26		
Change	0.01	0.17	-0.05	-0.06		
Weeks' consumption	3.2	3.7	3.3	3.0		
Implied change in unreported stocks	0.13	0.40	0.24	0.31		

Source: ICSG, Wood Mackenzie, CRU, BNP Paribas estimates and forecasts

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