



ER-BAKIR
elektrolitik bakır mamulleri a.ş.

MONTHLY COPPER BULLETIN

May-2015

04th June 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
01.05.2015	6362,00	5649,09	4166,07	6172,30	3,07%	0,05%	339625	577,15	579,96
04.05.2015	-	-	-	-	-	-	-	-	-
05.05.2015	6410,00	5763,87	4240,26	6411,00	-0,02%	0,80%	341325	586,56	589,39
06.05.2015	6400,50	5703,53	4206,70	6411,00	-0,16%	0,65%	341000	579,81	582,62
07.05.2015	6437,00	5697,97	4232,64	6411,00	0,41%	1,23%	339725	579,19	581,98
08.05.2015	6396,50	5705,56	4151,15	6411,00	-0,23%	0,59%	339075	579,92	582,73
11.05.2015	6363,00	5711,34	4110,20	6396,40	-0,52%	0,06%	339475	581,02	583,85
12.05.2015	6448,00	5738,19	4110,93	6396,40	0,81%	1,40%	338525	583,57	586,38
13.05.2015	6416,00	5711,23	4098,89	6396,40	0,31%	0,90%	337850	581,66	584,47
14.05.2015	6399,00	5600,39	4047,69	6396,40	0,04%	0,63%	338800	570,08	572,84
15.05.2015	6356,00	5607,91	4046,60	6396,40	-0,63%	-0,05%	338000	570,87	573,65
18.05.2015	6383,00	5596,18	4071,57	6259,70	1,97%	0,38%	337775	570,18	572,95
19.05.2015	6270,00	5604,22	4045,94	6259,70	0,16%	-1,40%	337000	570,73	573,55
20.05.2015	6208,00	5587,26	3998,71	6259,70	-0,83%	-2,37%	334875	-	-
21.05.2015	6240,00	5602,44	3979,08	6259,70	-0,31%	-1,87%	332225	570,44	573,28
22.05.2015	6197,50	5551,33	3964,12	6259,70	-0,99%	-2,54%	330825	565,05	567,88
25.05.2015	-	-	-	-	-	-	-	-	-
26.05.2015	6134,50	5610,48	3980,08	6106,25	0,46%	-3,53%	327800	571,60	574,48
27.05.2015	6085,00	5601,58	3959,01	6106,25	-0,35%	-4,31%	327500	570,35	573,26
28.05.2015	6117,00	5619,14	4004,06	6106,25	0,18%	-3,81%	325075	571,56	574,46
29.05.2015	6088,50	5544,07	3989,84	6106,25	-0,29%	-4,25%	322150	565,11	567,98
MONTHLY AVERAGES	6300,61	5642,41	4073,87					574,71	577,54



MARKET COMMENTARY

Copper built on the late-April gains to move higher during May, but then topped out at high levels, trading between \$6300-\$6500 during the first half of the month. Prices then started to sell off during the second half, getting to a low of \$6075 at one point last week. Some experts frankly think that the \$1200/ton run up from the mid-January low of \$5300 to the May high of \$6500 was "too much, too fast" for copper and that a retrenchment towards the mean was overdue. Certainly, the fundamentals have not warranted such a spirited advance. For one thing, Chinese demand remains weak and although the latest trade numbers show April imports up over March, they are still down some 15% cumulatively vs. the year before. Moreover, much of this step-up in imports may have come about on expectations of stronger demand that may or may not materialize going forward, which explains why analysts are now penciling in a drop for May imports. The supply side is also an issue; latest numbers out of Chile show March exports fell a sizable 34.3% year-on-year, but mine production is down by only 1.7% y-on-y, as lower output from Collahuasi has been offset by increased output from BHP's Escondida facility.

ISO/TS 16949
BUREAU VERITAS
Certification
N° 11859



ISO 14001
BUREAU VERITAS
Certification
N° 30259



OHSAS 18001
BUREAU VERITAS
Certification
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

London copper fell below \$6,000 a tonne to a six-week low on last Thursday, hurt by bleak prospects for near-term growth in demand and ample supply.

The seasonally strongest quarter for copper demand in top consumer China is passing its peak with factories eyeing a summer production slowdown, leading to expectations for lower metal consumption in the months ahead. "For copper, like iron ore, expectations are that demand will slow through summer. We don't see a major uplift from current levels," said analyst of UBS.

Still, evidence emerged this week that China's easing measures are providing some support to its economy, with recovery in housing sales and the service sector, which should underpin a demand revival for copper later in the year. China's property market is a key consumer of copper.

London Metal Exchange copper fell 1 percent to \$5,954 a tonne, near the day's low of \$5,951 - its weakest since April 24. Support was seen around the \$5,930 mark, the 100-day moving average. In Shanghai, copper prices fell 0.8 percent to 43,400 yuan (\$6,999.44) a tonne.

China looks likely to target annual growth of about 7 percent in its next five-year plan so it can hit ambitious 2020 goals, raising concerns that politics could trump a commitment to disruptive reforms entailing slower but more sustainable growth.

For now, one of the hurdles facing industrial companies in China is a dearth of credit, with banks, burnt by last year's commodity financing scandal, reconsidering their businesses. U.S. bank Citigroup Inc C.N said it currently has no metals financing clients in China and was reviewing the future of the business.

Elsewhere, Europe has lost some growth momentum and bond market volatility is here to stay, the European Central Bank said, pledging to see through its money printing scheme until its job of lifting the economy is done.

Traders are also eyeing the dollar. A stronger dollar makes commodities priced in the greenback more expensive for buyers holding other currencies. Exchange strategists polled by Reuters suggest the dollar rally will regain momentum from next month, although its strength will depend on economic data and the timing of a Federal Reserve interest rate hike.



MONTHLY REVIEW & INDUSTRY NEWS

- The copper market reported a surplus of 179,000 tonnes at the end of the first quarter. Global consumption increased to 5.39 million tonnes (up from 5.37 million tonnes a year earlier), while refined production rose to 5.57 million tonnes (up 4.7 percent) WBMS said.
- Global copper production rose 3 percent in the first quarter despite disruptions at mines, GFMS analysts said . GFMS, a division of Thomson Reuters, is sticking to its forecast that global copper output will grow 3 percent in 2015 and that the global market will have a supply-demand surplus of close to 400,000 tonnes.
- The International Wrought Copper Council (IWCC) has forecast a refined copper surplus of 225,000 tonnes in 2015 and a 300,000-tonne surplus in 2016. It forecast 2015 global copper mine production to rise 3.8% year-on-year to 19.001 million tonnes, and rise 6.0% in 2016 to 20.139 million tonnes.

ISO/TS 16949
BUREAU VERITAS
Certification
N° 11859



ISO 14001
BUREAU VERITAS
Certification
N° 30259



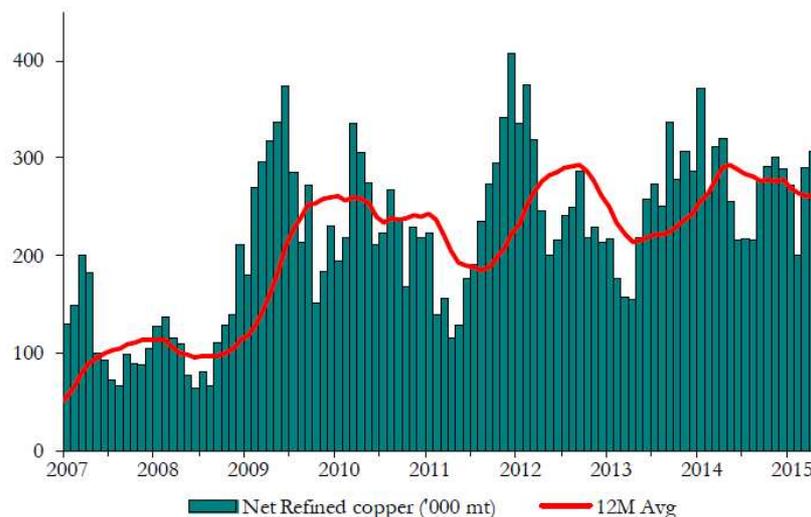
OHSAS 18001
BUREAU VERITAS
Certification
N° 30260



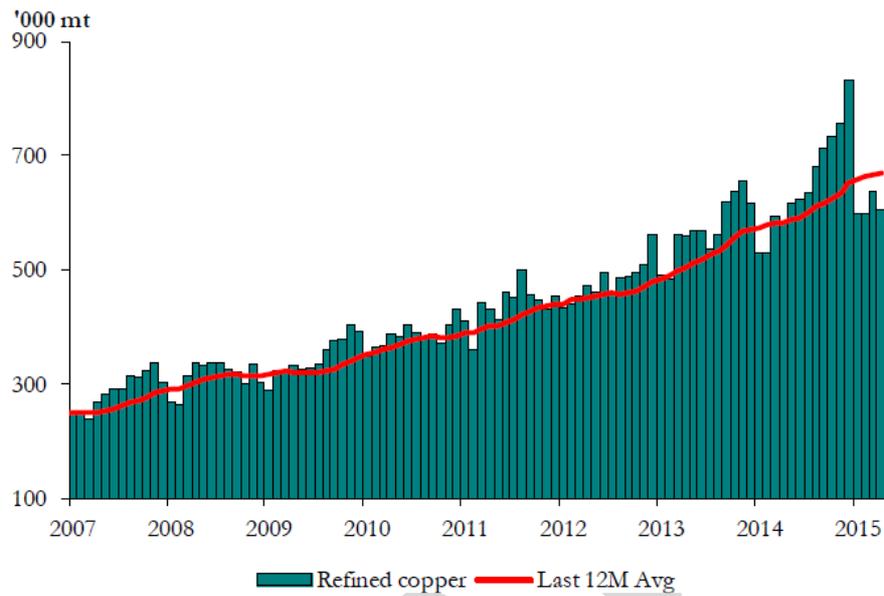
Fabrika : A. Nuri ERİKOĞLU
Cad. 20085 Gümüşler / DENİZLİ
Vergi Dairesi : Gökpınar
Vergi No : 336 006 27 21

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

- Absence of major supply disruptions in May, Barclays sees a surplus of 48,000 tonnes for 2015. "We maintain our current view on copper and expect the market to deliver a modest surplus this year, with prices averaging \$6,313 a tonne for the year, and \$6,300 for Q2 15."
- Mongolia and Rio Tinto have reached an agreement paving the way for work to resume on the delayed \$5 billion Oyu Tolgoi underground copper mine. But analysts estimate the mine will only reach commercial production in 2019 or 2020 at the earliest.
- Codelco, the world's No. 1 copper producer, produced 394,000 tonnes of copper from its fully owned projects in the first quarter, up 3 percent from 2014, boosted by new projects like Ministro Hales, it said.
- Copper output by the world No. 1 producer Chile was hurt in April for a second straight month as heavy rains and flooding in late March wiped out roads, cut electricity and stalled mines. Copper output down 0.1 percent in April from a year earlier to 471,361 tonnes, the government's INE statistics agency said
- Japan's output of rolled copper products fell to 64,340 tonnes in April on a seasonally adjusted basis, down 4.9 percent from a year earlier, preliminary data released showed.
- Zambia's copper production dropped by 10% on year during the first quarter of 2015, as miners scaled down operations amid a tax dispute with the government, the country's central bank said Monday, according to The Wall Street Journal.
- Chinese copper consumption may rise more than 5 percent from a year ago in the second half, compared to up to 4 percent expected for the first half, said Yang Changhua, senior analyst at state-backed research firm Antaika and industry executives.
- In 2016, China's demand for refined copper is expected to rise 5.2 percent to 10.681 million tonnes. "However, there continues to be some downside risks to refined copper demand growth in China, particularly related to the real estate sector," IWCC said.
- China's imports of refined copper were 329,600 tonnes in April.



- Production of refined copper in China fell 5.2 percent (603,498 tonnes) from the previous month in April after producers limited output due to low prices.

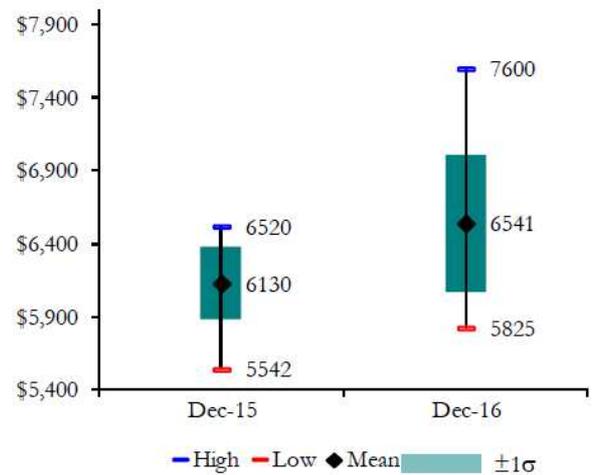


- Reuters analysts' April copper price forecast for year-end 2015, 2016.

Copper Price Forecast Poll - Year-end 2015, 2016

	2015 Forecast	2016 Forecast
STD	244	474
Highest	6520	7600
Lowest	5542	5825
Mean	6130	6541
Median	6125	6568
Count	31	30

Forecast For:	High	Low	Mean
Dec-15	6520	5542	6130
Dec-16	7600	5825	6541



DISCLAIMER: This material has been prepared by ER-BAKIR for information purposes only and has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient. The material is based on information obtained from sources believed to be reliable. However, ER-BAKIR makes no guarantee of its accuracy and completeness of factual or analytical data and is not responsible for errors of transmission or reception, nor shall ER-BAKIR be liable for damages arising out of any person's reliance upon this information.