



ER-BAKIR
elektrolitik bakır mamulleri a.ş.

MONTHLY COPPER BULLETIN

May-2016

08th June 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
02.05.2016	-	-	-	-	-	-	-	-	-
03.05.2016	4960,00	4288,43	3390,29	4872,00	-0,10%	5,49%	154675	436,68	439,45
04.05.2016	4892,00	4252,06	3371,24	4872,00	-1,47%	4,04%	156500	436,68	439,45
05.05.2016	4826,00	4221,11	3330,80	4872,00	-2,80%	2,64%	156725	429,93	432,73
06.05.2016	4810,00	4209,70	3321,36	4872,00	-3,12%	2,30%	159025	428,98	431,78
09.05.2016	4739,50	4209,70	3288,12	4720,30	-2,72%	0,80%	159600	424,00	426,81
10.05.2016	4710,00	4143,57	3264,26	4720,30	-3,33%	0,17%	160900	422,15	424,97
11.05.2016	4748,00	4165,28	3287,41	4720,30	-2,55%	0,98%	161625	424,23	427,03
12.05.2016	4744,00	4168,72	3283,95	4720,30	-2,63%	0,89%	160000	424,62	427,43
13.05.2016	4660,00	4105,37	3234,76	4720,30	-1,28%	-0,89%	156675	418,75	421,57
16.05.2016	4640,50	4099,02	3229,75	4620,30	-1,69%	-1,31%	159025	417,92	420,74
17.05.2016	4634,00	4093,64	3200,28	4620,30	-1,83%	-1,45%	156750	417,56	420,39
18.05.2016	4600,50	4077,01	3162,07	4620,30	-2,54%	-2,16%	156850	416,04	418,88
19.05.2016	4596,00	4106,50	3145,79	4620,30	-2,63%	-2,25%	158600	418,68	421,54
20.05.2016	4630,50	4126,64	3177,89	4620,30	0,22%	-1,52%	155725	420,94	423,79
23.05.2016	4572,00	4077,77	3156,80	4655,20	-1,05%	-2,76%	155000	415,87	418,72
24.05.2016	4637,00	4150,93	3175,81	4655,20	0,36%	-1,38%	157250	423,44	426,31
25.05.2016	4636,00	4157,85	3155,24	4655,20	0,34%	-1,40%	155250	424,19	427,06
26.05.2016	4705,50	4212,25	3200,15	4655,20	1,84%	0,07%	155975	429,58	432,44
27.05.2016	4725,50	4232,04	3225,82	4655,20	1,51%	0,50%	153750	431,37	434,23
30.05.2016	-	-	-	-	-	-	-	-	-
31.05.2016	4700,00	4210,34	3209,51	4647,25	0,96%	-0,04%	151725	429,62	432,49
MONTHLY AVERAGES	4708,35	4165,40	3240,57	4705,71				424,56	427,39



MARKET COMMENTARY

After poking above \$5000 early in May, prices headed lower during the balance of the month, getting to a three-month low of \$4540 at one point. A stronger dolar and concern about Chinese end-user demand continue to weigh on valuations. In the latter regard, despite the strong run of refined copper imports into China. The numbers show that China imported 1.88 mln tons of copper during Jan-April, up 23.1% from a year ago. It is inconceivable that domestic demand has grown anywhere near that amount and neither is it likely that imports are making up for lower domestic output since the latter is actually up 11% year-on-year.

On the supply side, Chilean copper output fell in April (off some 8.2% y-o-y), but this was more on account of the heavy rains, so it is possible that production could recover going into the next few months. At the height of the heaviest rains, both Anglo and Codelco temporarily suspended a combined 880,000 tons of output, but both have since resumed production. Other than that, there isn't any major cut backs and the refined market remains relatively comfortable, borne out by restrained premiums and the latest ICSG report showing the copper market in a 76,000 ton surplus.

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 climbed away from near its lowest level in a fortnight on Wednesday, as the dollar stayed weak and after China reported strong copper imports in May.

China's copper imports jumped 19.4 percent from the same month a year ago to 430,000 tonnes last month, customs data showed on Wednesday. "The normal seasonal slowdown in Chinese commodity imports didn't materialise in May, with most commodities recording strong growth," said analyst Daniel Hynes of ANZ in Sydney.

Overall, trade data was mixed, as China's exports fell more than expected given stubbornly weak global demand, but imports beat forecasts, pointing to improving domestic demand and adding to hopes that the world's second-largest economy may be slowly stabilising. China's central bank also slashed its forecast for exports on Wednesday, predicting a second straight annual fall in shipments, but said the economy will still grow 6.8 percent this year.

Three-month copper on the London Metal Exchange had climbed 0.9 percent to \$4,605 a tonne by 1317 GMT, paring 2.6-percent losses from the previous session, when prices plumed their weakest in a fortnight at \$4,552 and teetered near the lowest since February.

Chinese imports of copper concentrate jumped by 13 percent on the previous month and were up 45 percent from a year ago. "Overall, we expect China's copper imports to ease further in June as rising treatment and refining charges (TC/RCs) and domestic smelting production will increase domestic supply and reduce import demand," Argonaut Securities said in a note. A surge of copper into Asian warehouses has revived concerns that China is shipping out its surplus metal, ramping downward pressure on international prices.

At the same time, however, a softer dollar was limiting losses on hopes that the U.S. Federal Reserve will not raise interest rates in the coming months after last week's disappointingly weak U.S. jobs report. The U.S. dollar hit its cheapest in more than four weeks against a basket of currencies on Wednesday, boosting the buying power of commodities users paying with other currencies.



MONTHLY REVIEW & INDUSTRY NEWS

- ✚ The global world refined copper market showed a 24,000 tonnes surplus in February, compared with a 51,000 tonnes surplus in January, the International Copper Study Group (ICSG) said.
- ✚ For the first 2 months of the year, the market was in a 76,000 tonnes surplus compared with a 134,000 tonnes surplus in the same period a year earlier, the ICSG said.
- ✚ World refined copper output in February was 1.80 million tonnes, while consumption was 1.78 million tonnes. Bonded stocks of copper in China showed a 89,000 tonnes surplus in February compared with a 64,000 tonnes surplus in January.
- ✚ Traders are buying and selling more metal than they have in years on Chinese and American exchanges. While the LME remains the industry's primary hub, its share of the global market slipped to 76 percent last year from 83 percent in 2012.
- ✚ Glencore's own-sourced copper production was 335,000 tonnes, a 15,700 tonne (4%) reduction on the comparable period, reflecting the suspensions / reductions in Africa, partly offset by increased production from South America.



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

- ✚ Codelco posted a \$151 million loss in the first three months of the year, despite a jump in production, and it warned the worse is yet to come.
- ✚ Codelco produced 437,000 mt of copper from its own operations during the first three months of the year, up 11% from the same period of 2015.
- ✚ Southern Copper expects to produce 910,000 mt this year, up from earlier guidance of 903,000 mt, due to strong performance from a \$3.5 billion expansion of its Buenavista mine in Mexico.
- ✚ Rio finally approved underground expansion of the Oyu Tolgoi mine.. After the expansion, the mine will produce more than 500,000 tonnes a year, up from 175,000 -200,000 tonnes currently, making it one of the world's biggest copper mines.
- ✚ Norilsk Nickel plans to produce 342,000-352,000 tonnes of copper from Russian raw materials in 2016, 370,000-380,000 tonnes in 2017 and 420,000-440,000 tonnes in 2018.
- ✚ Copper mines in Chile produced 432,277 tonnes of copper in April, an 8.2 percent decrease from the previous year, as some mines in the central part of the country were hit by heavy rains and ore grades continued to decline.
- ✚ China produced 694,000 tonnes of copper in April, up 14.9 percent on the year.
- ✚ China's refined copper output in 2016 will probably remain around last year's levels, as output cuts pledged in December are offset by new capacity, according to the nation's biggest smelter.
- ✚ China's copper imports jumped by 19.4 percent from the same month a year ago to 430,000 tonnes in May, customs data showed, as term shipments remained strong despite higher prices in overseas markets.
- ✚ Copper concentrate exports from Mongolia rose to 557,500 tonnes in first 4 months from year ago 414,700 tons.
- ✚ Peru's copper production jumped 53.5% to 187,983 mt in April from 122,506 mt the year before
- ✚ National Iranian Copper Industries Company (NICICO) is close to securing international financing to invest in new mining and smelting capacity after the removal of sanctions, a senior official at the company told Reuters. NICICO is looking to finance an expansion plan aimed at boosting its refined copper production to 400,000 tonnes a year by 2018 from 200,000 tonnes now.
- ✚ NICICO aims to produce 1.5 million tonnes of copper concentrate by 2018, up from 1.2 million, and 1.5 million tonnes of sulphuric acid versus just 60,000 tonnes a year currently.

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.



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