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MONTHLY COPPER BULLETIN

May-2017

19th June 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
01.05.2017	-	-	-	-	-	-	-	-	-
02.05.2017	5746,50	5269,12	4450,86	5614,13	1,47%	18,18%	253675	534,69	537,57
03.05.2017	5636,50	5163,99	4360,93	5614,13	-0,47%	15,92%	284925	524,29	527,17
04.05.2017	5543,00	5073,68	4301,90	5614,13	-2,13%	13,99%	317850	515,18	518,06
05.05.2017	5530,50	5047,00	4274,29	5614,13	-2,35%	13,74%	354650	512,47	515,33
08.05.2017	5466,00	4997,26	4222,15	5514,90	-2,64%	12,41%	351550	507,44	510,31
09.05.2017	5496,00	5048,22	4255,19	5514,90	-2,10%	13,03%	342825	512,78	515,67
10.05.2017	5512,00	5067,57	4254,40	5514,90	-1,82%	13,36%	339200	514,72	517,61
11.05.2017	5580,50	5140,00	4340,10	5514,90	-0,60%	14,76%	336725	521,77	524,66
12.05.2017	5520,00	5078,20	4294,05	5514,90	-1,68%	13,52%	329375	515,63	518,51
15.05.2017	5586,00	5093,93	4325,20	5566,20	1,29%	14,88%	325150	517,20	520,06
16.05.2017	5584,00	5052,02	4336,75	5566,20	1,25%	14,84%	322500	512,95	515,79
17.05.2017	5575,00	5017,10	4300,37	5566,20	1,09%	14,65%	339600	509,42	512,24
18.05.2017	5490,00	4936,61	4215,29	5566,20	-0,45%	12,90%	340350	501,36	504,18
19.05.2017	5596,00	5005,81	4300,98	5566,20	1,47%	15,08%	336650	508,31	511,12
22.05.2017	5677,00	5052,96	4363,90	5667,20	1,99%	16,75%	332300	512,85	515,64
23.05.2017	5660,50	5045,46	4363,97	5667,20	1,69%	16,41%	329875	511,95	514,75
24.05.2017	5662,50	5061,23	4367,19	5667,20	1,73%	16,45%	325675	513,73	516,54
25.05.2017	5665,00	5051,72	4370,13	5667,20	1,77%	16,50%	321575	513,73	515,61
26.05.2017	5671,00	5067,46	4417,35	5667,20	1,88%	16,63%	318650	514,26	517,06
29.05.2017	-	-	-	-	-	-	-	-	-
30.05.2017	5608,00	5018,34	4358,78	5604,88	-1,04%	15,33%	315200	509,47	512,28
31.05.2017	5615,50	5004,01	4372,76	5604,88	-0,91%	15,48%	311150	508,10	510,90
MONTHLY AVERAGES	5591,50	5061,51	4326,03					513,92	516,72



MARKET COMMENTARY

Moody's downgraded China's credit rating for the first time in nearly 30 years, saying it expects the financial strength of the economy to erode in coming years as growth slows and debt continues to rise. Much of the price weakness in copper is because of the tighter credit situation in China, when this reverses the Chinese speculative community will look at copper in a more positive light.



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Miners at Grasberg, the world's second-largest copper mine by production, opted to strike for a month at the beginning of May, but this has been extended. Freeport is currently operating under a temporary export permit to ship copper concentrates out of Grasberg, which is in the Indonesian territory of West Papua, after the government lifted an export ban in April. BHP declared force majeure at the mine in early February at the start of a labour strike that lasted 43 days and cost the world's biggest mining house an estimated \$1 billion. It has lifted a declaration of force majeure at its Escondida copper mine in Chile, more than a month after a costly strike came to an end.

China's economy is likely to have remained on a stable footing in May, buoyed by solid gains in trade and investment as economic ties with the United States take a positive turn and infrastructure spending cushions domestic growth. U.S. services sector activity slowed in May as new orders tumbled, but a jump in employment to a near two-year high pointed to sustained labor market strength despite a deceleration in job growth last month. The British pound dropped as the U.K.'s ruling Conservative Party lost its parliamentary majority, plunging the country into uncertainty just days before Brexit negotiations were due to start. Sterling dropped the most in eight months as the election intended to strengthen Prime Minister Theresa May's hand in negotiations with the European Union instead left her battling to survive.

Copper stocks in LME warehouses fell 7,875 tonnes on June 7 to 286,350 tonnes, continuing their retreat from early May's seven-month high. They have declined almost 20 percent from that peak. China reported stronger-than-anticipated exports and imports for May despite falling commodity prices, suggesting the economy is holding up better than expected despite rising lending rates and a cooling property market. Three-month copper on the London Metal Exchange had risen 0.2 percent to \$5,832 a tonne on June 9. Copper, used in power and construction, made its biggest weekly gains since mid-March last week, ending about 2.5 percent higher.

The Federal Reserve raised interest rates on June 14 for the second time in three months and said it would begin cutting its holdings of bonds and other securities this year, signaling its confidence in a growing U.S. economy and strengthening job market. U.S. stocks fell for the fourth time in five days as selling in technology shares worsened, sending the Nasdaq indexes lower by more than 0.6 percent. The dollar advanced with Treasury yields as traders digested the more hawkish tone struck by the Federal Reserve.

London copper dipped to its lowest in last week on Thursday after the U.S. Federal Reserve raised rates for the second time this year, boosting financing costs for industry. But solid Chinese economic data limited losses and resulted in higher steel prices that pushed up zinc and lifted nickel from a one-year low. Crude prices fell sharply after a large build in U.S. gasoline inventories and a projected rise in non-OPEC production. Lower energy prices tend to pressure metals because they deter investors from buying into commodity basket funds and allow smelters to produce at lower prices.



MONTHLY REVIEW & INDUSTRY NEWS

- ✚ The copper market recorded a surplus of 148,000 tonnes in January to March of this year, following a 199,000 tonnes surplus in the whole of 2016.

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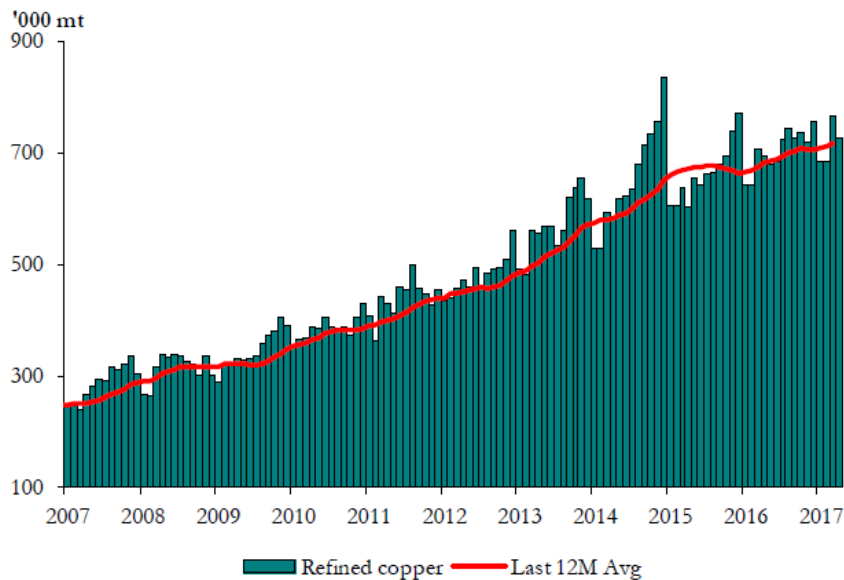
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- ✚ China's May refined copper output up 6.6% at 727,000 mt year to date.



- ✚ Chile's state-run Codelco produced 390,000 tonnes of copper from its wholly owned mines in the first quarter, down 11 percent from a year ago.
- ✚ Chile produced 429,241 mt of copper in April, down 1.8% from a year earlier but up 13.5% on the month as output began to recover from a prolonged strike at the giant Escondida copper mine that halted production for most of February and March.
- ✚ Peru's April copper production 1.6% to 190,903 mt in April from 187,983 mt a year earlier, despite a 14-day strike in April at all three of Southern Copper's units,
- ✚ Russia's Jan-April copper exports 185,900 mt, up 1.6% year on year.
- ✚ Commerzbank sees average 2017 copper price forecast at \$5.650/t.
- ✚ KGHM's CEO says expects copper prices to continue rising, sees 2017 average above \$5.000 m/t
- ✚ Kazakhstan's January-April refined copper output rose 5.6% at 138,177 m/t.
- ✚ The growing number of electric vehicles hitting roads is set to fuel a nine-fold increase in copper demand from the sector over the coming decade. Electric or hybrid cars and buses are expected to reach 27 million by 2027, up from 3 million this year.

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