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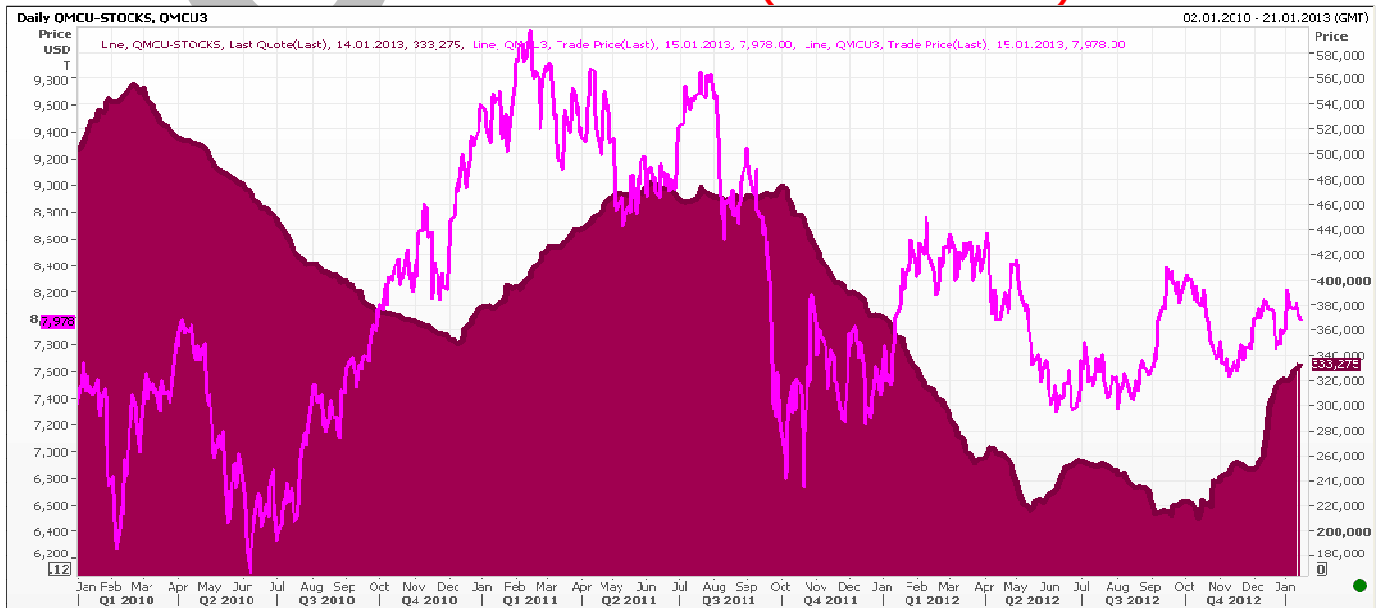
MONTHLY COPPER BULLETIN

Dec-2012
16th January 2013

LME COPPER PRICE (Jan 2012- Jan 2013)



LME COPPER STOCKS & PRICES (Jan 2011-Jan 2013)



ISO/TS 16949

BUREAU VERITAS
Certification

N° 11859



ISO 14001

BUREAU VERITAS
Certification

N° 30259



OHSAS 18001

BUREAU VERITAS
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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
03.12.2012	7975,50	6107,75	4959,89	7994,90	-0,24%	-18,11%	251050	-	-
04.12.2012	7991,00	6102,80	4955,35	7994,90	-0,05%	-17,95%	249375	619,19	621,41
05.12.2012	8022,00	6135,37	4980,75	7994,90	0,34%	-17,63%	249025	621,75	623,97
06.12.2012	8020,50	6133,76	4976,73	7994,90	0,32%	-17,65%	253575	622,26	624,48
07.12.2012	7965,50	6171,94	4975,33	7994,90	-0,37%	-18,21%	255200	624,51	626,75
10.12.2012	8111,50	6281,17	5052,01	8066,30	0,56%	-16,72%	259050	636,81	639,06
11.12.2012	8070,00	6215,34	5013,98	8066,30	0,05%	-17,14%	261725	629,53	631,77
12.12.2012	8102,00	6210,33	5017,96	8066,30	0,44%	-16,81%	269200	630,30	632,53
13.12.2012	8000,50	6121,27	4955,71	8066,30	-0,82%	-17,86%	269875	620,87	623,09
14.12.2012	8047,50	6152,05	4994,10	8066,30	-0,23%	-17,37%	272800	623,18	625,40
17.12.2012	8001,00	6077,02	4936,15	7909,30	1,16%	-17,85%	298625	616,65	618,86
18.12.2012	8005,50	6073,05	4939,53	7909,30	1,22%	-17,80%	300500	615,63	617,83
19.12.2012	7946,00	5976,68	4876,04	7909,30	0,46%	-18,41%	304900	606,81	609,00
20.12.2012	7825,50	5906,93	4813,62	7909,30	-1,06%	-19,65%	311925	598,39	600,58
21.12.2012	7768,50	5883,89	4786,51	7909,30	-1,78%	-20,24%	312400	596,65	598,85
24.12.2012	7780,00	5885,91	4811,38	7840,50	-0,77%	-20,12%	317350	596,65	598,85
25.12.2012	-	-	-	-	-	-	-	-	-
26.12.2012	-	-	-	-	-	-	-	-	-
27.12.2012	7871,50	5.926,44	4.867,97	7840,50	0,40%	-19,18%	318000	601,69	603,88
28.12.2012	7870,00	5.966,64	4.877,90	7840,50	0,38%	-19,20%	318050	605,32	607,53
31.12.2012	7915,00	6.001,67	4.896,68	8041,63	-1,57%	-18,73%	320050	608,51	610,72
MONTHLY AVERAGES	7962,58	6.070,00	4.930,93					607,54	609,80



MARKET COMMENTARY

The global economy has faced significant headwinds over the past year, including the European debt crisis slowing Chinese growth and concerns over the fiscal health of the United States. Unsurprisingly, had an adverse impact on the price performance of the industrial metal complex, at least if we look on an average annual basis, with all six LME metals registering declines.

Faring the best was copper, although even here average prices still fell almost % 10 year-on-year. Next up were the “ugly sisters” of zinc (-11%) and lead (-14%), with the former suprisingly outperforming the latter, despite lead’s superior fundamentals. Meanwhile, the heavily over supplied markets of aluminium (-16%) and nickel (-23.2%) were ranked fourth and sixth, respectively. Finally, and somewhat suprisingly, despite its positive fundamental backdrop, tin prices came in towards the bottom of the rankings, falling 19% on an average annual basis.

Interestingly, if we look at price performance on an intra-year basis, the conclusions change appreciably, with five of the six base metals registering increases. The largest gains were seen in tin and lead, rising by 22% and 15%, respectively. In the former, supply issues in key producers China and Indonesia intensified as the year progressed, helping the buoy prices over the final quarter in particular.

Lagging somewhat behind was copper, despite the ongoing underperformance of global mine supply. The red metal gained just 4% by end-December 2012 from the level seen at the corresponding period of 2011. The upside for copper was arguably hampered by its enhanced



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macro credentials relative to some of its other smaller, less liquid, counterparts, as well as its outperformance over previous years. Although a broader improvement in the global economy is forecast for next year, some analysts expect that a shift to over supply will serve the limit the upside potential of the red metal's price.

BASE METALS PRICE PERFORMANCE RANKINGS

Rank	Annual Average 2012*	Intra-Year 2012**	Thomson Reuters GFMS 2013 Projections*
1	Copper	Tin	Tin
2	Zinc	Lead	Lead
3	Lead	Zinc	Zinc
4	Aluminium	Copper	Copper
5	Tin	Aluminium	Nickel
6	Nickel	Nickel	Aluminium

* Cash official annual average basis

** Change between cash closing price on 31st Dec 2012 and 30th Dec 2011

Source: LME, Thomson Reuters GFMS

This month we look at some of the key factors that will shape the base metal markets in 2013. On the macro front, analysts expect to see some relative stability emerge in the Eurozone as the muddle through continues. Instead, the key questions this year will relate to China's growth trajectory, and the extent to which the fiscal cliff and debt ceiling issues have harmed the prospects of a US recovery. Answers will start to emerge over the next few months, as it will take time for policy uncertainty to be resolved and for the Chinese market to get going given the Lunar New Year holiday in mid-February.

Price-wise therefore, it might be a somewhat unconvincing start to 2013. However, slowly the focus is expected to shift back to the underlying market fundamentals. While there is scope for the post-New Year demand pick-up in China to disappoint again, the fundamentals overall are not as bad as they could have been given the fiscal/political/macro dramas of the past year and investors should expect a gradual improvement during the course of the year.

London copper held steady on Wednesday, slightly above two-week lows hit in the previous session, propped up by a pick-up in U.S. consumer spending which bolstered risk appetite and prospects of further economic growth in top metals buyer China. U.S. retail sales gained solidly in December as Americans shrugged off the threat of higher taxes and bought automobiles and a range of other goods, suggesting momentum in consumer spending as the year ended. But an ensuing pick up in risk appetite early in Asian hours tempered as investors awaited more clues on global growth, with U.S. industrial production figures out later and China's gross domestic product data due on Friday. "It looks as though there has been some stronger data from China and we're flagging upside risk to our forecasts. It might be that people are just holding out for confirmation," said Alexandra Knight, an economist with National Australia Bank in Melbourne. "We might see prices a bit elevated in Q1 this year. But for now it sounds reasonable that things remain quiet until after February when the U.S. will resolve the debt ceiling and after the Lunar New Year," she added.

Three-month copper on the London Metal Exchange was trading at \$8,000.75 a tonne by 0704 GMT, little changed from the previous day when it hit two-week lows for a second session running at \$7,940 a tonne. Upward momentum has fizzled out since copper rose to about \$8,250 a tonne, its highest in more than two months, early this year, with buyers from China reluctant to chase prices until after the Lunar New Year holiday in early February, traders said.

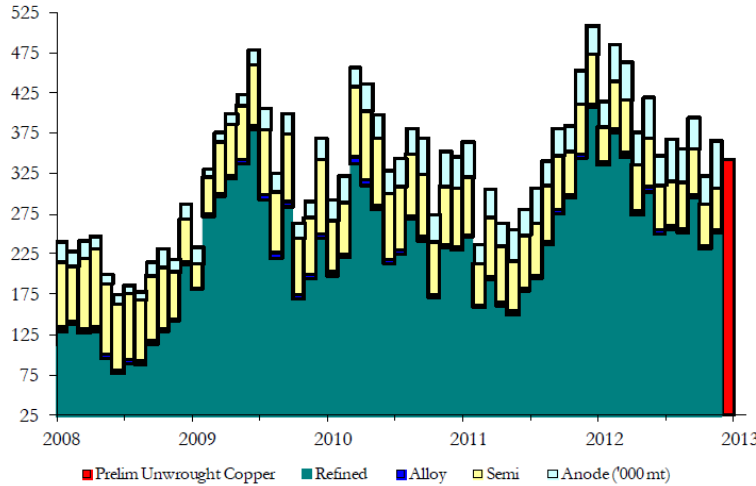
China's annual economic growth may have quickened to 7.8 percent in the fourth quarter a Reuters poll showed, snapping seven straight quarters of weaker expansion, but the recovery is likely to be tepid and the economy may need continued policy support. From the United States, two dovish Federal Reserve officials pushed back against some of their more hawkish peers on Tuesday, arguing that the U.S. central bank's accommodative policies are appropriate and may even need to be eased further. "We expect copper to be amongst the better performers in the base metals space in 2013," said ANZ in a research note. "Our expectations for a recovery in China and improving sentiment in the U.S. will underpin stronger demand and push prices to \$9,000/t by year end."



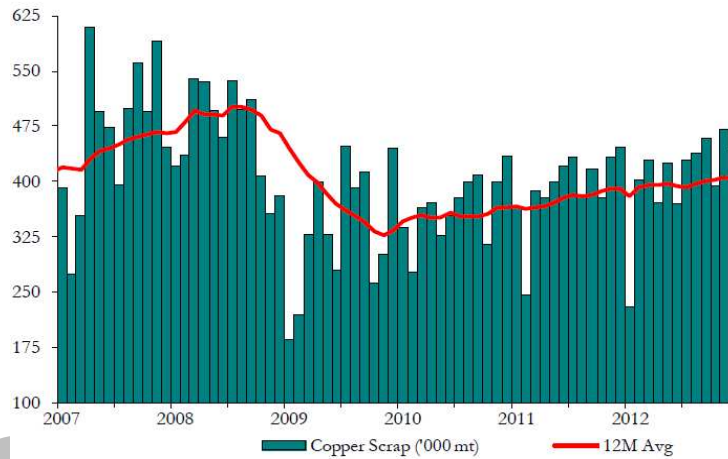
MONTHLY REVIEW & INDUSTRY NEWS

- ✚ Mirae Asset Management said copper prices could find strong resistance in the first half at \$8,500 a tonne.
- ✚ Despite the gain, weaker Chinese demand and an expected increase in global copper supply this year will keep prices trading in a tight range, said Sijin Cheng, commodities analyst at Barclays Capital.
- ✚ Barclays expects global copper supply to outpace demand by 151,000 tonnes this year, compared with a 49,000-tonne surplus in 2012.
- ✚ Credit Suisse revised its copper outlook for 2013 to \$8,113 a tonne from \$8,000, citing improving real demand, increased risk appetite from investors and restocking in the United States and Europe. But it cautioned that the copper market will remain in surplus in 2013 to 2015.
- ✚ Workers at the main units of Southern Copper in Peru will hold talks soon with the global copper producer but say they could strike after Jan. 15 if negotiations break down, union leader Ricardo Juarez said.
- ✚ Codelco produced 133,000 m/t of copper at its Gabriela Mistral mine in northern Chile in 2012 and will reach output of 151,000 m/t this year, Chief Executive Officer Thomas Keller said in a statement published on the company's website.
- ✚ Anglo American Plc and Xstrata Plc plan to produce 535,000 m/t of copper this year at their Collahuasi copper mine in Chile after output slumped to about 400,000 m/t in 2012, newspaper El Mercurio said, citing a company official it didn't name.
- ✚ China's Jinchuan Group is on target to produce 600,000 mt of copper cathode in 2012, up 20% from 500,000 in 2011, a company official said.
- ✚ Freeport-McMoRan Copper & Gold Inc., the world's largest publicly traded copper producer, agreed to buy Plains Exploration & Production Co. and McMoRan Exploration Co. for about \$9 billion as the company returns to its roots in energy.
- ✚ China's refined copper consumption is forecast to rise 5.5% to 8.1 million m/t in 2013 from realized consumption of 7.68 million m/t in 2012, state-run nonferrous metals information provider Beijing Antaika said.

- ✚ Preliminary data shows that China's December copper imports down %33 year-on-year at 341.000 m/t.

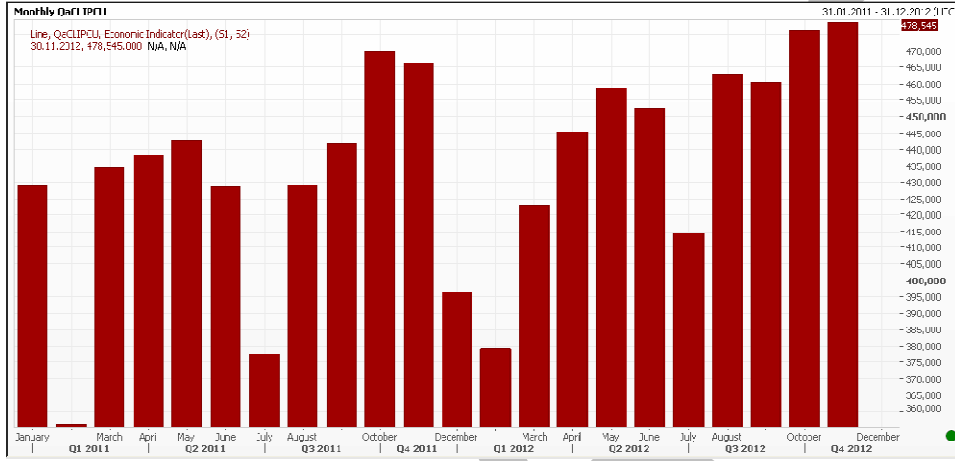


- ✚ China's December scrap copper imports down %1,5 year-on year at 440.000 m/t (year to date up %3,6).



- ✚ Vehicle sales in China in November rose 8.2 percent from a year earlier, the China Association of Automobile Manufacturers said.
- ✚ Japan's copper cable shipments in November rose 3.1 percent from a year earlier to 62,300 m/t, the Japan Electric Wire and Cable Makers' Association said.
- ✚ Japan's output of copper and copper- alloy fabricated products may increase about 4 percent in 2013, rising for the first time in three years on the nation's effort to revive its economy and to weaken the yen.
- ✚ Kazakhstan's refined copper production rose by 7.9 percent year-on-year to 332,620 m/t in the January-November period, while refined gold output rose by 27.6 percent. The central bank is purchasing all of the gold refined in Kazakhstan.
- ✚ Kazakhmys Plc, the world's 10th largest copper miner, plans to boost copper cathode output to 500,000 m/t in 2017 when two new large-scale projects come onstream, Chief Executive Oleg Novachuk said.

- ✚ Mexican copper output suffered its biggest single-month fall in two years in October and was down 4.7 percent from the same month a year ago, as slowing global demand affected production, the national statistics institute said.
- ✚ Peru will nearly double its copper output in the next two years and will not give up on a \$5 billion project by Newmont Mining that has stalled due to community opposition, its mines and energy minister said.
- ✚ Chile produced 478,545 m/t of copper in November, up 2.6 percent from a year earlier, the government said.



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