



**ER-BAKIR**  
elektrolitik bakır mamulleri a.ş.

# MONTHLY COPPER BULLETIN

Dec-2013

07<sup>th</sup> Jan 2014



## 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
02.12.2013	7008,50	5175,38	4277,39	7034,38	-0,37%	-11,45%	418750	525,30	527,77
03.12.2013	6945,00	5116,02	4231,92	7034,38	-1,27%	-12,26%	415425	519,13	521,60
04.12.2013	6975,00	5129,05	4261,62	7034,38	-0,84%	-11,88%	411400	520,73	523,19
05.12.2013	7081,00	5212,37	4334,60	7034,38	0,66%	-10,54%	408100	528,67	531,13
06.12.2013	7113,00	5206,41	4349,13	7034,38	1,12%	-10,13%	405275	527,72	530,17
09.12.2013	7141,00	5204,05	4359,05	7024,50	1,66%	-9,78%	402050	527,99	530,43
10.12.2013	7165,50	5209,76	4356,99	7024,50	2,01%	-9,47%	399875	528,70	531,13
11.12.2013	7169,50	5207,74	4377,79	7024,50	2,06%	-9,42%	396075	528,18	530,61
12.12.2013	7230,00	5245,59	4406,92	7024,50	2,93%	-8,65%	393000	531,77	534,20
13.12.2013	7218,50	5257,47	4437,24	7024,50	2,76%	-8,80%	389175	533,38	535,82
16.12.2013	7325,50	5312,95	4484,54	7184,90	1,96%	-7,45%	386550	538,83	541,26
17.12.2013	7286,00	5299,29	4479,28	7184,90	1,41%	-7,95%	384950	537,13	539,57
18.12.2013	7230,00	5260,09	4420,67	7184,90	0,63%	-8,65%	383925	533,21	535,64
19.12.2013	7218,50	5283,25	4409,86	7184,90	0,47%	-8,80%	382550	534,86	537,31
20.12.2013	7264,50	5323,54	4442,30	7184,90	1,11%	-8,22%	379100	539,58	542,03
23.12.2013	7251,00	5293,86	4432,15	7264,90	-0,19%	-8,39%	371975	539,58	542,03
24.12.2013	7280,00	5320,86	4447,16	7264,90	0,21%	-8,02%	371975	539,64	542,09
25.12.2014	-	-	-	-	-	-	-	-	-
26.12.2014	-	-	-	-	-	-	-	-	-
27.12.2013	7375,00	5326,83	4459,16	7264,90	1,52%	-6,82%	367450	539,37	541,79
30.12.2013	7387,00	5364,17	4483,76	7302,00	1,16%	-6,67%	366425	544,14	546,57
31.12.2013	7394,50	5368,84	4473,11	7302,00	1,27%	-6,58%	365700	544,14	546,57
<b>MONTHLY AVERAGES</b>	<b>7202,95</b>	<b>5255,88</b>	<b>4396,23</b>					<b>533,10</b>	<b>535,55</b>



## MARKET COMMENTARY

2013 was another down year for the commodity markets. In the metal markets, gold was off some 28%, breaking a twelve-year winning streak. Silver prices also got hammered, down some 36%, but platinum and palladium fared better on account of improving automobile demand. Among the base metals, zinc was the year's best performer ending down some 1.6% basis three months, while nickel and aluminum were the group's laggards, down 18.5% and 13% respectively. Copper finished some 7% lower, with lead and tin off by 4.7% and 4.4%, respectively.

In the financial markets, US equity markets were on fire; the S&P-500 was up some 29% in 2013 for its best gain since 1997. Many other equity markets also ended the year at or near records-- Japan's Nikkei 225 rose a whopping 52%, reaching its highest level since 2007 and there were hefty gains in European markets, with 30%-plus gains seen in both the Greek and Irish equities. The gains in US equities came partly at the expense of the US bond market, where yields ended the year around 3%, a 2 1/2 year high, capping a horrific year for most bond funds.



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Last month we had an upbeat market in copper, with prices gaining 4% over the course of the December and hitting a four-month high in the process. However, for 2013 as a whole, copper finished 7.2% lower, roughly in the middle of the LME pack. The December rally was driven in part by the weaker dollar, as well as continued declines in both LME and Shanghai stock holdings. LME inventories shrank by about 60,000 tons in December to end the month at about 366,000, while Shanghai stocks fell by 16,000 tons.

In terms of supply/demand balances, the ICSG sees the market in a 387,000 ton surplus in 2014, rising to a whopping 632,000 next year. However, the Reuters consensus numbers are far less, at 182,000 tons and 328,000 tons, respectively.

Copper steadied on Tuesday above the two-week lows it hit on Monday, helped by a weaker dollar versus the euro although the market was quiet as traders focused on U.S. data due later this week. Three-month copper on the London Metal Exchange was \$7,335 a tonne in official prices from \$7,325 at the close on Monday when it hit its lowest since Dec. 24 at \$7,278.75 a tonne.

But the market was still sluggish early in the first full week of trade after the Christmas and New Year holidays, and market focus was on U.S. non-farm payrolls data and minutes of the Federal Reserve's December policy meeting, Naem Aslam, chief market analyst at Ava Trade in Dublin, said. "We are going to look at the FOMC minutes very closely, and we think that will bring a lot of volatility to the market for the dollar," Aslam said.

In December, outgoing Fed Chairman Ben Bernanke started the process of navigating the U.S. central bank's way out of its extraordinary stimulus, beginning with shaving its bond-buying programme. A stronger U.S. currency makes it more expensive for foreign investors to purchase dollar-priced commodities, thus pressuring prices lower. The euro rose versus the dollar on Tuesday after data showed euro zone inflation fell last month.

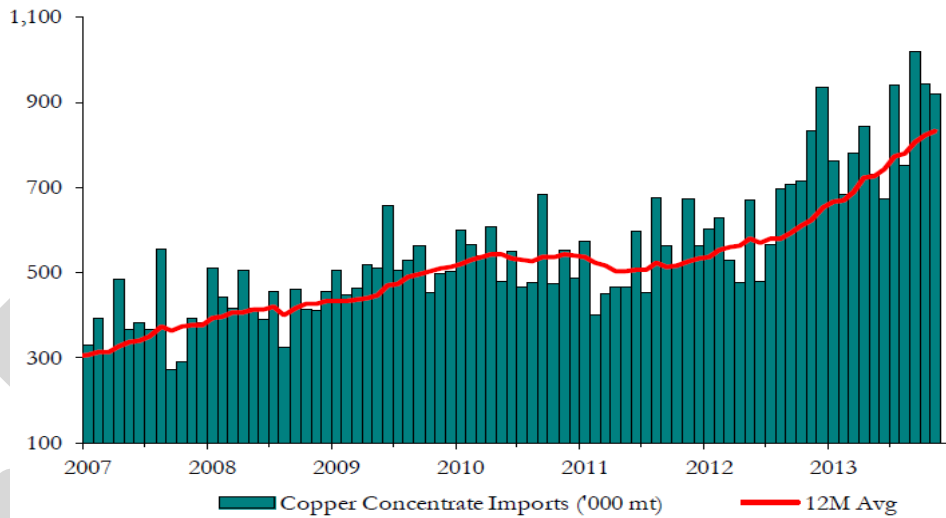
The Federal Open Market Committee's (FOMC) minutes will be released on Wednesday and the non-farm payrolls numbers on Friday.

Speculative investors increased their net copper longs for a third consecutive week in the week to Dec. 31, data from the Commodity Futures Trading Commission showed, climbing by 6,147 contracts to 35,635, the highest in nearly two years.



## MONTHLY REVIEW & INDUSTRY NEWS

- San Antonio port operator STI issued an e-mailed statement on strike that started Jan. 3. All 3 port terminals at San Antonio shut. San Antonio handles some copper shipments from Codelco mines. Workers at Angamos port in northern Chile have been on strike for 2 weeks over pay.
- Japan's demand for copper and copper- alloy fabricated products to rise to 800,000 tonnes in 2014, Masao Yoshida, chairman of Japan Copper and Brass Association (and chairman of Furukawa Electric Co, said at an industry gathering.
- Production of copper in Zambia rose to 807,909 tonnes between January and October 2013, from 680,721 tonnes in the same period of 2012, Bank of Zambia statistics show.
- Chile produced 514,889 tonnes of copper in November, a 7.6 percent increase from the year before, due to a recovery in a major deposit that had a troubled 2012, the government said.
- Mexican copper output sank 6.8 % to 33.423 tonnes in October compared with the same month last year, data from the National Statistics Institute showed.
- Peru's copper, output rose 6.48% to 122.305 tonnes in October compared with the same month a year ago.
- China's November net refined copper imports at 306.000 tonnes, down 9.9% year to date.



- China's refined copper production rose 2.6 percent month-on-month in November 2013 and output was up 23.5 % from a year ago, according to figures from the National Bureau of Statistics.
- Japan's copper cable shipments including sales and exports in November rose 2.5 % from a year earlier to 63,700 tonnes, the Japan Electric Wire and Cable Makers' Association said.
- The global refined copper market fell into a 162,000 tonnes deficit in September after recording a small surplus in August, as record-high Chinese apparent demand ate into supply, data from the International Copper Study Group showed.

- ✚ The global market for refined copper is seen in a widening market surplus of 632,000 tonnes in 2014, The International Copper Study Group said as new mine supply outstrips growing demand. The surplus has widened from a 387,000-tonne surplus this year, the group said in a media release.
- ✚ China's commodity stockpiler is working on plans to buy about 300,000 tonnes of copper and 100,000-150,000 tonnes of nickel in 2014 to take advantage of weak international prices, said three sources with knowledge of the matter. The potential purchases by the State Reserves Bureau would be equivalent to two-thirds of copper stocks and half of nickel stocks in the London Metal Exchange's registered warehouses, which would push up prices.

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