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MONTHLY COPPER BULLETIN

July-2011

19th August 2011

LME CASH SELLER AND SETTLEMENT, JULY 2011



LME CASH SELLER AND SETTLEMENT, 2011



ISO/TS 16949

BUREAU VERITAS
Certification

N° 11859



ISO 14001

BUREAU VERITAS
Certification

N° 30259



OHSAS 18001

BUREAU VERITAS
Certification

N° 30260



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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 |
|-------------------------|-----------------|-----------------|-----------------|------------------------|-----------------|-----------------|---------------------|---------------------|----------------|
| 01.07.2011 | 9.405,00 | 6.492,03 | 5.875,92 | 9.005,10 | 4,44% | -3,43% | 463450 | 657,28 | 659,63 |
| 04.07.2011 | 9.411,00 | 6.496,17 | 5.879,67 | 9.175,60 | 2,57% | -3,37% | 462725 | 656,34 | 658,68 |
| 05.07.2011 | 9.405,50 | 6.500,90 | 5.836,13 | 9.175,60 | 2,51% | -3,43% | 462500 | 657,91 | 660,26 |
| 06.07.2011 | 9.432,00 | 6.584,29 | 5.894,26 | 9.175,60 | 2,79% | -3,16% | 461275 | 657,91 | 660,26 |
| 07.07.2011 | 9.537,00 | 6.689,35 | 5.969,58 | 9.175,60 | 3,94% | -2,08% | 461950 | 675,81 | 678,19 |
| 08.07.2011 | 9.713,00 | 6.817,10 | 6.088,51 | 9.175,60 | 5,86% | -0,27% | 461850 | 688,93 | 691,31 |
| 11.07.2011 | 9.556,00 | 6.796,10 | 5.988,97 | 9.499,70 | 0,59% | -1,88% | 461625 | 685,80 | 688,21 |
| 12.07.2011 | 9.500,50 | 6.793,84 | 5.997,79 | 9.499,70 | 0,01% | -2,45% | 461625 | 690,74 | 693,19 |
| 13.07.2011 | 9.658,50 | 6.861,19 | 6.050,55 | 9.499,70 | 1,67% | - | 461975 | - | - |
| 14.07.2011 | 9.655,00 | 6.858,71 | 6.048,36 | 9.499,70 | 1,63% | -0,87% | 462025 | 688,92 | 691,32 |
| 15.07.2011 | 9.606,00 | 6.785,82 | 5.956,84 | 9.499,70 | 1,12% | -1,37% | 462025 | 687,45 | 689,86 |
| 18.07.2011 | 9.690,00 | 6.891,40 | 6.026,49 | 9.595,20 | 0,99% | -0,51% | 462950 | 699,14 | 701,57 |
| 19.07.2011 | 9.755,00 | 6.879,89 | 6.050,74 | 9.595,20 | 1,67% | 0,16% | 467400 | 696,67 | 699,07 |
| 20.07.2011 | 9.765,50 | 6.872,27 | 6.052,00 | 9.595,20 | 1,77% | - | 467700 | - | - |
| 21.07.2011 | 9.607,00 | 6.766,45 | 5.939,41 | 9.595,20 | 0,12% | - | 474050 | - | - |
| 22.07.2011 | 9.698,00 | 6.743,15 | 5.967,34 | 9.595,20 | 1,07% | - | 472325 | - | - |
| 25.07.2011 | 9.620,00 | 6.692,17 | 5.903,29 | 9.703,10 | -0,86% | -1,23% | 471200 | 677,78 | 680,15 |
| 26.07.2011 | 9.778,00 | 6.754,63 | 5.963,29 | 9.703,10 | 0,77% | 0,40% | 469100 | 683,65 | 686,00 |
| 27.07.2011 | 9.736,00 | 6.737,25 | 5.951,46 | 9.703,10 | 0,34% | -0,04% | 469800 | 681,40 | 683,76 |
| 28.07.2011 | 9.744,00 | 6.823,05 | 5.968,76 | 9.703,10 | 0,42% | 0,05% | 468350 | 689,99 | 692,37 |
| 29.07.2011 | 9.731,00 | 6.820,16 | 5.970,30 | 9.703,10 | 0,29% | -0,09% | 466550 | 691,60 | 693,99 |
| MONTHLY AVERAGES | 9.619,24 | 6.745,52 | 5.970,46 | | | | | | |



MARKET COMMENTARY

In July, the copper price traded in the wide range between \$9,350-\$9,900 a metric ton and monthly average went up 6.5 percent to \$9,619. After the declaration of US debit limit increasing, all metals started to go down except precious metals. Copper decreased from \$9,700 to \$8,446 deep level of the year.

LME copper steadied today, after dropping more than 2 percent in the previous session as lingering worries about euro zone debts and lacklustre U.S. data continued to weigh on sentiment. Three-month copper on the London Metal Exchange CMCU3 edged up 0.4 percent to \$8,805 a tonne, after falling as low as \$8,700, the lowest since Aug. 11.

"The LME copper market seems to be taking a pause to digest yesterday's global rout," said Jinrui Futures analyst Zhao Kai. "I think if ShFE copper doesn't fall below 65,500 yuan in the near term, there may be some upside soon," he added.

European stocks are slated for another fall on Friday after Asian stocks slumped on growing fears the U.S. economy was sliding into recession and as some European lenders faced short-term funding strains, raising fears of a systemic banking crisis on the continent. "Copper is still range-bound today, with support seen at \$8,500 on the LME. Copper did not fall by that much overnight despite a rout in stocks, which shows that there is a bit of disconnect between base metals and equities now," CIFCO Futures analyst Zhou Jie. "But when the macroeconomic environment is bearish, copper will move towards its support, and when things calm down, it'll move towards its resistance level of \$9,000 again."



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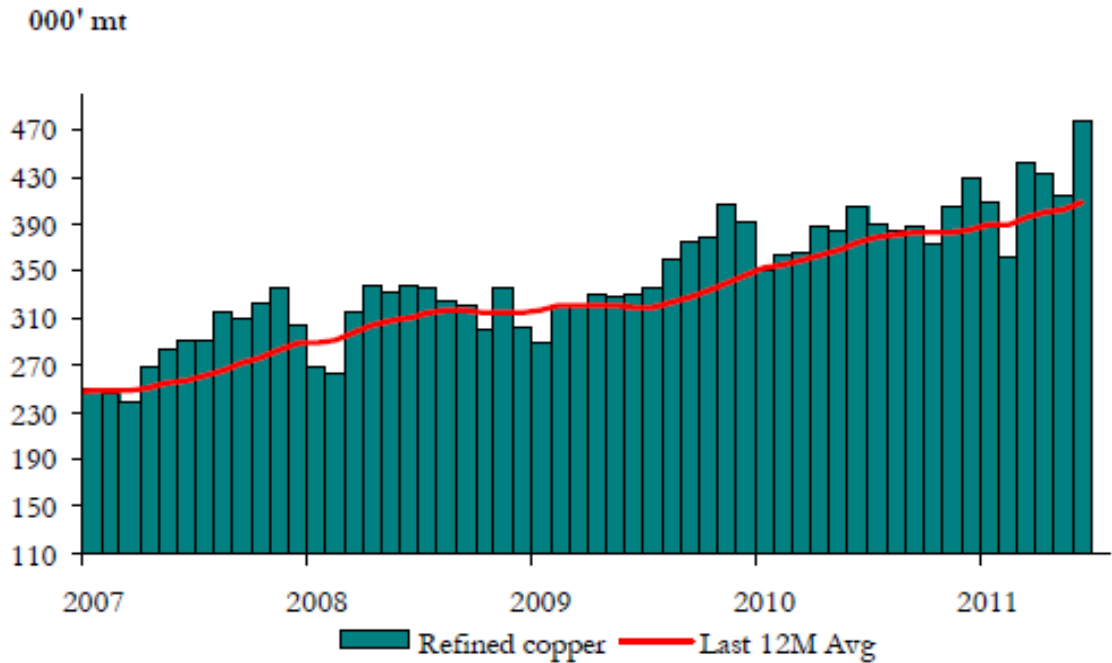
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Gold jumped to a record high and oil fell on Friday on mounting worries the U.S. economy may slip into recession and as Europe's debt crisis pressured short-term funding markets, pushing investors out of riskier assets. Data on Thursday showing factory activity in the U.S. Mid-Atlantic region fell to the lowest level since March 2009 when the world's top economy was in recession fanned fears the U.S. economy could shrink again, pummeling global equities and boosting the appeal of safe-haven assets like gold. Adding to the global uncertainty, some European banks have started paying higher rates for U.S. dollar loans, raising fears the euro zone debt crisis could infect the financial system.

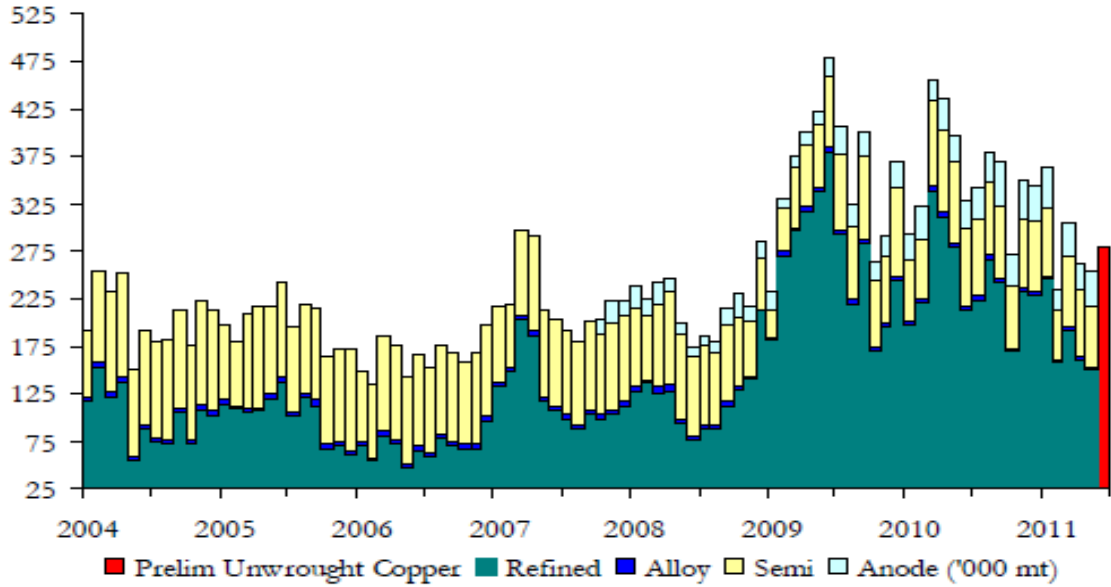


MONTHLY REVIEW & INDUSTRY NEWS

- + BHP Billiton Ltd. resources more than doubled to about 110 million metric tons of copper in ore at its Escondida complex in northern Chile after a four-year \$381 million exploration program, ensuring it will be the world's largest copper mine "for decades to come."
- + Chile produced 426,477 metric tons of copper in June, a decrease of 8.5% from the same month last year. The decline was the result of mine strikes, severe weather and a power blackout.
- + Swiss-based international commodities company Glencore has agreed to acquire a 70 per cent stake in Peruvian copper miner Marcobre.
- + Peru's copper output has gone down so far this year as miners have been recording production falls on the back of declining ore content. In the first five months of the year, output of copper decreased by 2.37% to 488,092 tonnes.
- + China Prelim June Copper Output At a Record 477K mt, Up 15.2% MoM



✚ Prelim China's June Cu Imports at 280,009 mt, Down 15% YoY

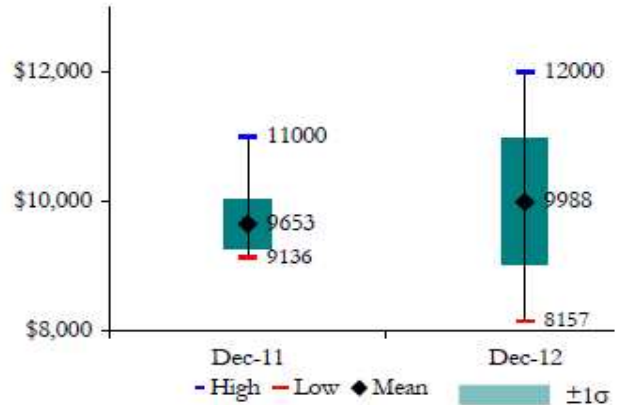


✚ Copper industry price and balance forecast for year-end 2011 and 2012

Copper Price Forecast Poll - Year-end 2011, 2012

| | 2011 Forecast | 2012 Forecast |
|---------|---------------|---------------|
| STD | 386 | 968 |
| Highest | 11000 | 12000 |
| Lowest | 9136 | 8157 |
| Mean | 9653 | 9988 |
| Median | 9570 | 9995 |
| Count | 40 | 38 |

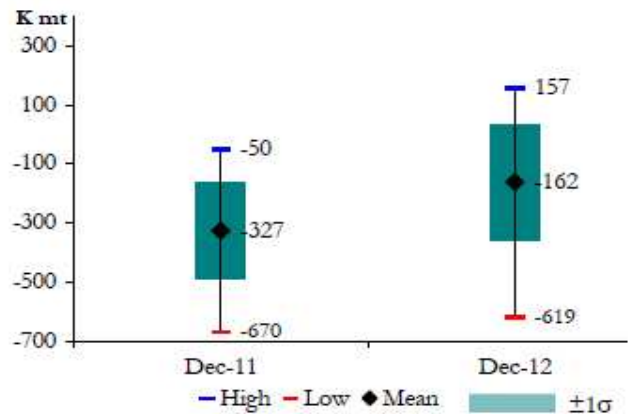
| Forecast For: | High | Low | Mean |
|---------------|-------|------|------|
| Dec-11 | 11000 | 9136 | 9653 |
| Dec-12 | 12000 | 8157 | 9988 |



Copper Balance Forecast Poll - Year-end 2011,2012

| | 2011 Forecast | 2012 Forecast |
|---------|---------------|---------------|
| STD | 161168 | 194593 |
| Highest | -50000 | 156500 |
| Lowest | -670000 | -619000 |
| Mean | -326721 | -161848 |
| Median | -343150 | -150000 |
| Count | 24 | 23 |

| Forecast For: | High | Low | Mean |
|---------------|--------|---------|---------|
| Dec-11 | -50000 | -670000 | -326721 |
| Dec-12 | 156500 | -619000 | -161848 |



- Supplies in the U.S. copper scrap market remained tight at the start of the third quarter, as a lingering slump in industrial demolition rates made material, especially higher-grade material, harder to come by.
- Kazakhmys Plc, the biggest copper producer in Kazakhstan, said first-half output of the finished metal from its own ore fell 6.9 percent (to 153,000 metric tons from 164,300 tons a year earlier), because of lower grades, while the company remains on schedule to meet annual targets.
- Japan's refined copper exports fell 39 percent in June from a year earlier to 27,486 tonnes, for a ninth straight month of year-on-year declines, although the pace slowed from May's 52 percent drop.
- US imports and exports of brass mill products rose in May compared with the corresponding period in 2010. Imports of brass mill products in May totaled nearly 43.9 million lb, up 11.6% from May 2010, while exports totaled nearly 21 million lb, up 6.1% from May 2010.
- Japan's output of copper and copper- alloy fabricated products, including sheets and tubes, slumped 4.2 percent in June as car production remained subdued after the March earthquake.
- Japanese copper wire and cable shipments rose 2.4 percent from a year earlier in June. Shipments totalled an estimated 58,000 tonnes.

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