



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
02.07.2012	7647,5	6.065,11	4.877,54	7.696,30	-1,2%	1,2%	256300	614,53	616,83
03.07.2012	7777	6.180,56	4.961,09	7.696,30	0,5%	2,9%	255175	626,8	629,11
04.07.2012	7695,5	6.125,04	4.921,03	7.696,30	-0,5%	1,8%	253525	621,45	623,76
05.07.2012	7761,5	6.241,15	4.982,35	7.696,30	0,3%	2,7%	252725	629,13	631,45
06.07.2012	7600	6.139,93	4.892,18	7.696,30	-1,8%	0,6%	254450	622,92	625,27
09.07.2012	7520,5	6.115,22	4.855,69	7.560,30	-0,1%	-0,5%	253350	620,1	622,46
10.07.2012	7556	6.140,59	4.865,74	7.560,30	0,4%	0,0%	253275	622,74	625,1
11.07.2012	7525,5	6.134,75	4.834,58	7.560,30	0,0%	-0,4%	252350	621,32	623,68
12.07.2012	7510	6.165,34	4.862,10	7.560,30	-0,2%	-0,6%	251375	625,26	627,64
13.07.2012	7689,5	6.307,00	4.967,38	7.560,30	2,2%	1,7%	251675	638,97	641,36
16.07.2012	7636	6.262,61	4.912,82	7.658,60	-1,0%	1,0%	251625	635,68	638,06
17.07.2012	7671	6.244,71	4.906,61	7.658,60	-0,6%	1,5%	252900	633,6	635,97
18.07.2012	7596	6.206,90	4.868,29	7.658,60	-1,5%	0,5%	253575	629,79	632,17
19.07.2012	7765	6.318,66	4.950,91	7.658,60	0,6%	2,7%	252550	640,07	642,44
20.07.2012	7625	6.254,10	4.866,61	7.658,60	-1,2%	0,9%	253225	632,27	634,65
23.07.2012	7387	6.100,42	4.758,13	7.457,90	-2,4%	-2,3%	252550	617,93	620,33
24.07.2012	7396	6.113,41	4.762,70	7.457,90	-2,3%	-2,1%	251450	620,63	623,03
25.07.2012	7441	6.130,33	4.800,95	7.457,90	-1,7%	-1,5%	251425	621,63	624,02
26.07.2012	7510,5	6.126,02	4.799,04	7.457,90	-0,8%	-0,6%	249900	623,35	625,73
27.07.2012	7555	6.141,78	4.809,34	7.457,90	-0,2%	0,0%	250300	622,66	625,02
30.07.2012	7520	6.137,27	4.788,28	7.462,90	-0,6%	-0,5%	249075	622,14	624,51
31.07.2012	7581	6.173,45	4.837,91	7.462,90	-11,7%	0,3%	248825	626,2	628,57
MONTHLY AVERAGES	7589,39	6.173,83	4.867,33					625,87	628,23



MARKET COMMENTARY

Base metals had yet another dull performance during July, with most of the metals down on YTD'12 basis. LME Nickel continues to remain as a laggard amongst the non-ferrous metals complex, losing about 17% on YTD basis. LME Lead and LME Aluminium are down by 7% & 8% respectively. LME Copper is down by 2%, while LME Zinc prices are largely unchanged on YTD'12 basis. On demand front, Chinese economic activity is struggling and monetary easing policies is not been able abate the slowdown in the world's largest metal consuming nation. In this regard, China's second quarter GDP has been reported at 7.6%, while June industrial production growth has slowed down to 9.5%.

During the midst of July, base metals somehow garnered some support from the wide speculation that Chinese government is poised to initiate further monetary stimulus. However, we remained skeptical regarding the knee-jerk reaction in base metal prices to the growing expectations of further monetary easing by China. It reminded us of the cliché, wherein one puts the cart ahead of the horses rather than putting horses ahead of the cart. Monetary easing on a standalone basis cannot stimulate economic growth in China, as the country's biggest export partner (Europe) is mired in a recession. Exports constitute a major component of Chinese economic growth.

In addition, receding economic activity on the both sides of the Atlantic corroborates concerns regarding the demand prospects for the industrial metals. In this regard, Spanish economy has officially entered in to recession, with the nation's GDP contracting for consecutive two quarters. U.K second-quarter gross domestic product has contracted by 0.7%, the most since 2009. In U.S,



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economic growth slowed in the second quarter as consumers spent at their slowest pace in a year. The nation's GDP growth for the second quarter slowed to 1.5%, as compared with the growth number of 2% during the prior month. In addition, U.S Federal Reserve Chairman Bernanke offered a gloomy view of the economy's prospects, but provided few clues on the fresh round of monetary easing measures. Bernanke stated that the pace of the US economic recovery has been unstable, adding that growth is slowing, largely impacted by the European crisis and the prospect of fiscal tightening in the US.

After the explanations of Bernanke and Draghi, copper price began to trade steadier this week. Copper climbed on Thursday and Shanghai prices hit a one-week high, as a mild inflation number from top metals consumer China raised hopes for further policy easing to boost growth in the world's second largest economy. China's annual consumer inflation fell to a 30-month low of 1.8 percent in July, suggesting the central bank has scope to ease monetary policy further to keep the economy on track to meet an official 2012 growth target of 7.5 percent.

"I thought the China inflation numbers were terrible, but many people were hopeful these will lead to more stimulus measures and therefore covered their short positions," said a Shanghai-based trader with an international firm.

Although three-month copper on the London Metal Exchange inched up 0.3 percent to \$7,574.75 per tonne by 0720 GMT, the trader said overall sentiment remained cautious, citing the thinner-than-usual trading volumes as evidence. Investors are expected to take trading cues from U.S. trade and jobs data later in the evening. In Europe, a second fall in German imports in three months gave investors more cause for caution as it fuelled fears that the domestic mood in the euro zone's strongest economy may be weakening under the pressure of the bloc's debt crisis.

In technical side copper reversed. The two-day pattern might be the end of the rally. There should be sell stops at \$7485, but so far the market has found willing buyers below \$7360. The prospects of a major move down seem remote. If the price rallies above \$7615 it will have completed and inverted head and shoulders pattern. The upside projection would be \$7840. The price is currently in the middle of a range where it has been since 16 May. It might go either way from a technical perspective.



MONTHLY REVIEW & INDUSTRY NEWS

- ✚ The board of LME Holdings Limited, the parent company of The London Metal Exchange announced that the ordinary shareholders of LME Holdings have approved all the resolutions required to implement the acquisition of LME Holdings by Hong Kong Exchanges & Clearing Limited.
- ✚ Global demand for refined copper outpaced supply by 104,000 metric tons in April, the International Copper Study Group said in a report today. For the first four months of the year, the deficit was 384,000 tons, compared with a shortage of 26,000 tons in the same period of 2011, the ICSG said.
- ✚ Freeport-McMoRan Copper & Gold Inc. reported second-quarter 2012 copper production of 402.3K mt vs. 438.6K mt for second-quarter 2011.
- ✚ Codelco produced 634,000 metric tons of copper in the first five months of 2012, down 7.5

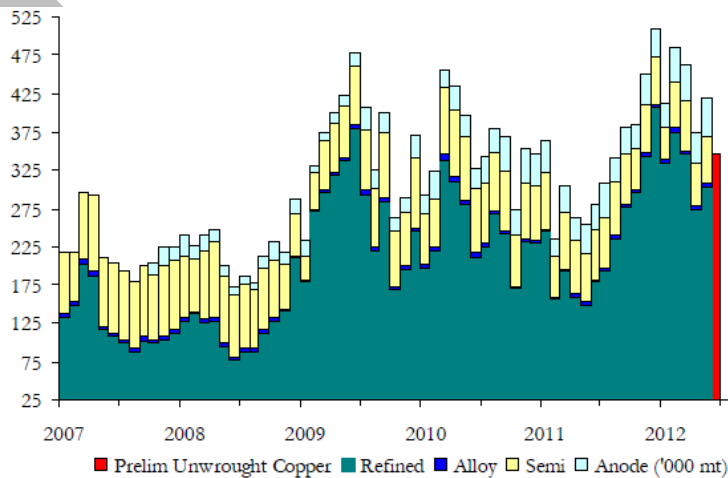


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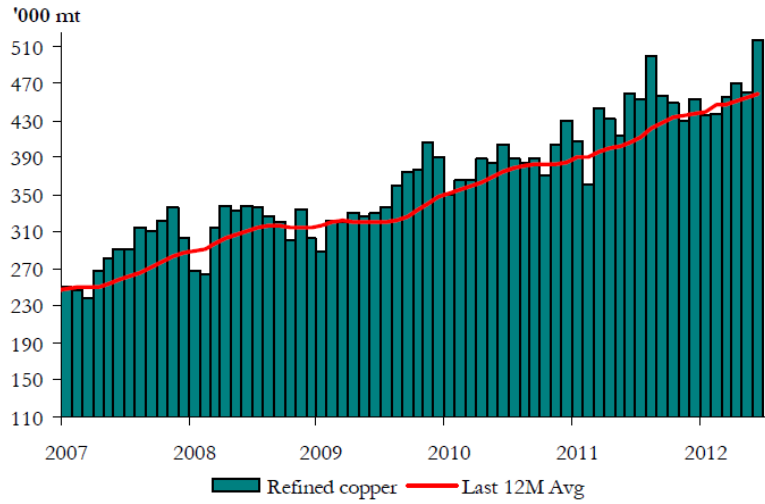
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percent from the same period last year.

- Anglo American increased copper production at its Chilean operations to 329,500 mt during the first six months of the year, an increase of 14% YoY, as the company ramped up output at its flagship Los Bronces mine.
- BHP Billiton reported an 11 per cent increase in copper production in the June 2012 quarter.
- Peru's copper output was up by 8.4% in May to 106,953 tonnes.
- The Democratic Republic of Congo plans to increase copper production threefold to 1.5 million tons a year and expand cobalt output more than 65 percent to 180,000 tons by 2016.
- Kazakhmys' first-half copper output dropped by 11 percent, to 136,100 metric tons, as maintenance halted its Balkhash smelter and the grades of metal it delivered declined.
- China's domestic scrap copper supply may improve in the second half of this year thanks to government policies to promote recycling, according to an official at one of the country's biggest recyclers.
- Beijing Antaika has trimmed its 2012 Chinese refined copper capacity growth forecast to 15% from 18% earlier.
- New passenger car sales in major global markets were in June nearly 14% stronger year-on-year at 4.90 million units due to buoyancy in the US and China and the recovery of the Japanese market.
- Japan's copper cable and wire output in June rose 1 percent from a year ago to an estimated 57,300 tonnes from a year ago, the second straight monthly gain on demand for reconstruction materials after last year's massive earthquake and to feed a jump in domestic car sales. June output.
- China's refined copper consumption is forecast to rise by about 5 percent in the second half of 2012 from a year ago, led by higher demand from power cable makers as the government takes steps to boost the economy.
- China's preliminary data showed June copper imports at 346,223 mt, lowest level in 10 months.



- China's preliminary data shows that June copper production at 518.000 metric tonnes, up 12.9 percent from a year earlier.



- LME copper prices estimates are given in the below table.

Firm	LME COPPER PRICES FORECAST \$/ton					
	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013
Prestige Economics LL	7716	8157	-	-	-	-
BNP Paribas SA	7775	8450	8500	8200	7850	7450
Barclays PLC	7700	8600	-	-	-	-
Citigroup Inc	7550	7900	8100	8260	8240	8200
Standard Chartered Bank	7800	8500	9000	9000	9000	9000
Commerzbank AG	7650	8300	8550	8700	8850	8950
Deutsche Bank AG	7300	8000	8200	8000	7800	8000
Credit Suisse Group AG	7300	7500	7800	8300	8000	7700
ANZ Banking Group Ltd	8399	8377	8774	9038	9105	8708
Societe Generale SA	7500	7975	8000	8200		
Toronto-Dominion Ban	7605	8157	8267	8377	7936	7605

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