

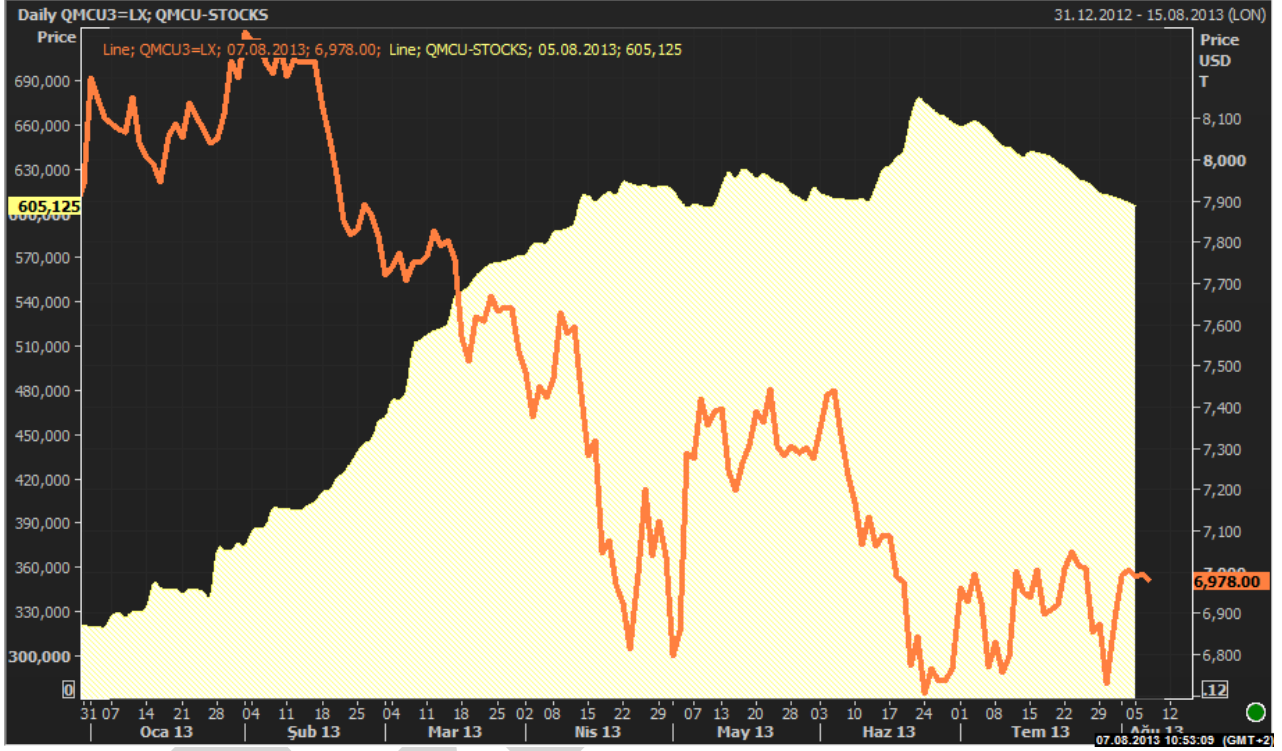


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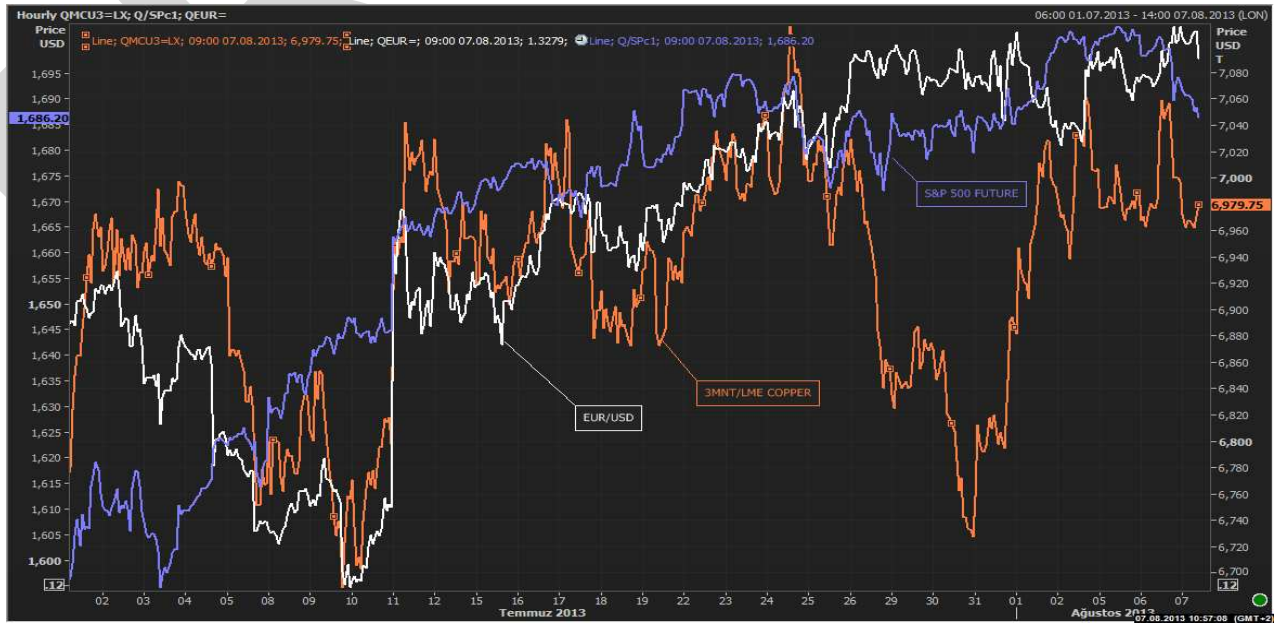
MONTHLY COPPER BULLETIN

July-2013
07th Aug 2013

LME COPPER PRICE & STOCKS (Jan-Aug 2013/daily)



LME COPPER PRICE & S&P 500 INDEX & EUR/USD PARITY (July-Aug 2013/hourly)



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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
01.07.2013	6917,00	5304,85	4544,08	6701,10	3,22%	-12,61%	662275	538,12	540,69
02.07.2013	6980,00	5357,28	4598,46	6701,10	4,16%	-11,81%	659200	543,59	546,16
03.07.2013	6922,00	5341,05	4534,85	6701,10	3,30%	-12,55%	660725	542,05	544,63
04.07.2013	6920,50	5329,20	4582,51	6701,10	3,27%	-12,56%	663175	540,05	542,63
05.07.2013	6821,00	5293,75	4552,19	6701,10	1,79%	-13,82%	660000	537,35	539,95
08.07.2013	6765,00	5267,05	4540,27	6912,10	-2,13%	-14,53%	656600	534,29	536,89
09.07.2013	6719,00	5222,70	4519,10	6912,10	-2,79%	-15,11%	650125	530,28	532,89
10.07.2013	6780,00	5286,14	4545,76	6912,10	-1,91%	-14,34%	646000	536,88	539,49
11.07.2013	6995,50	5356,43	4623,29	6912,10	1,21%	-11,62%	645175	543,70	546,26
12.07.2013	6923,00	5314,76	4587,50	6912,10	0,16%	-12,53%	640775	538,59	541,15
15.07.2013	6891,50	5299,12	4582,42	6836,50	0,80%	-12,93%	637850	536,99	539,56
16.07.2013	6936,50	5288,98	4597,36	6836,50	1,46%	-12,36%	641825	536,82	539,37
17.07.2013	6924,00	5272,62	4549,88	6836,50	1,28%	-12,52%	641225	534,43	536,98
18.07.2013	6855,50	5231,61	4504,57	6836,50	0,28%	-13,39%	640600	531,07	533,63
19.07.2013	6920,00	5272,78	4533,84	6836,50	1,22%	-12,57%	638325	535,56	538,11
22.07.2013	6980,00	5300,33	4552,57	6905,50	1,08%	-11,81%	634650	537,23	539,77
23.07.2013	6961,00	5281,09	4539,59	6905,50	0,80%	-12,05%	632050	536,23	538,77
24.07.2013	7076,50	5340,75	4608,30	6905,50	2,48%	-10,59%	627675	542,38	544,91
25.07.2013	6927,50	5242,15	4528,37	6905,50	0,32%	-12,48%	622950	532,71	535,24
26.07.2013	6905,50	5205,41	4482,05	6905,50	0,00%	-12,75%	621175	528,07	530,59
29.07.2013	6860,50	5167,98	4462,11	6970,10	-1,57%	-13,32%	618775	523,96	526,48
30.07.2013	6752,00	5080,13	4408,17	6970,10	-3,13%	-14,69%	613550	516,55	519,08
31.07.2013	6805,00	5126,56	4473,44	6970,10	-2,37%	-14,02%	612800	521,11	523,63
MONTHLY AVERAGES	6892,98	5268,81	4541,33					534,70	537,25



MARKET COMMENTARY

We were not surprised to see a relative degree of stability set in over the commodity markets over the course of July, especially considering the sell-off that set in over the last two weeks in June. The big movers in terms of individual commodities were the precious metals, with gold, silver and palladium being particularly strong. Energy markets also finished sharply higher, as did product prices, and combined with the strength seen in the precious group, the two account for the bulk of the increase in the CRB index this month.

Base metals trended mostly higher over the course of the month, but the ferrous group put on a more spirited run, with good gains seen in both iron ore prices as well as in the steel HRC contract.

In the currency markets, the dollar lost ground pretty much across the board, while the S&P 500 recovered almost of June's losses to hit new highs. The 10-year bond market saw rates spike to a fresh high of 2.76% in early July, but the market has been slightly on the mend ever since.

Although Chinese copper demand imports turned higher in June following an equally strong performance in May, questions remain about whether this metal is going to end-users or if it is instead being used as lendable collateral in what remains a tight credit market. Certainly, recent Chinese macro numbers do not lend support for stronger intake, as they have been running on the weaker side of late, making the financing argument all the more plausible. Some investors do not expect to see much of a change in prices over the course of August and expect the low end of the trading range at around \$6600 to hold, while resistance will be at \$7200.



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Declining stock levels on both the LME and in Shanghai, coupled with talk of easy money/stimulus coming from the Fed should keep the low end of the range intact, particularly since such talk will weaken the dollar further. Moreover, the ICSG sees the copper market to be in a 266,000 ton surplus y-t-d through April and sees projected global demand falling 4% over this time.

London copper edged down on Wednesday as traders cautiously looked to key economic data from China later this week for indications on the outlook for demand from the world's top metals consumer. The world's No.2 economy has slowed in nine out of the past ten quarters, stoking worries about its demand for commodities and dragging down copper prices by 12 percent so far this year.

"We still have a bearish view given the Chinese growth slowdown. Markets are looking towards the data tomorrow. Copper has remained quite resilient to poor U.S. economic data, but if we see negative data out of China that could weigh on prices," said analyst Tim Radford of Sydney-based adviser Rivkin.

China's trade data is due on Thursday, with inflation, industrial output and retail sales on Friday. Exports, factory output and retail sales may have all edged up in July, according to a Reuters poll, showing initial signs of stabilisation in the Chinese economy as the government takes targeted steps to head off a sharper slowdown.

Three-month copper on the London Metal Exchange had slipped 0.24 percent to \$6,988.25 a tonne by 0908 GMT, after finishing up 0.4 percent in the previous session. Copper has been stuck between \$6,600 and \$7,100 since mid-June, with little prospect of prices breaking out before seasonal pre-Christmas demand ramps up in the fourth quarter.

Market players are also keeping an eye on the U.S. Federal Reserve to see when the central bank will start winding down its stimulus, a key driver of investment in global commodities. The Fed will probably reduce its massive bond-buying programme later this year, and depending on the economic data could do so as early as next month, a top Fed official who is typically among the most dovish policymakers said on Tuesday. A delayed start to scaling back bond purchases would support metals as cheap capital will then be available to investors for longer and because it undermines the dollar. A weaker dollar makes commodities priced in the greenback cheaper for holders of other currencies.



MONTHLY REVIEW & INDUSTRY NEWS

- Freeport-McMoRan Copper & Gold Inc.'s production at Grasberg in Indonesia, the world's second-largest copper mine, may be 20 percent below this year's target after a deadly tunnel accident in May suspended work
- Anglo American reports second quarter copper production increased by 14% to 182,900 tonnes in line with expectations, due to higher production across all businesses except Mantoverde.
- Antofagasta Plc produced 364,100 mt of copper in the first half of this year, up 8.4% from 336,000 mt in H1 2012, mainly due to higher plant throughput at its Esperanza operation, the UK-listed Chilean miner said.
- OZ Minerals Ltd., Australia's third-biggest copper producer, said second-quarter production fell 32 percent from a year ago, missing analysts' estimates, as it retained its full-year target. Output was 17,379 metric tons in the three months to June 30, from 25,521 metric tons a year earlier.

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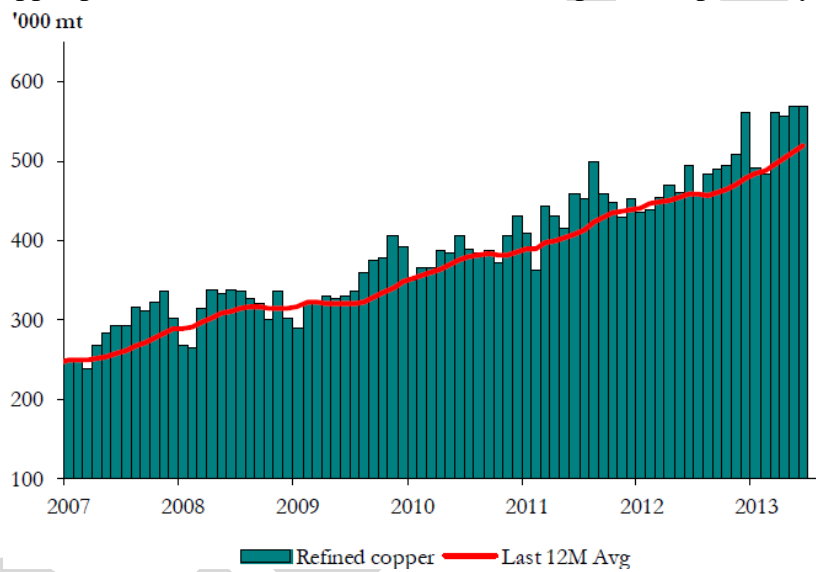
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- ✚ Kazakhmys said it produced 71,900 tonnes of copper cathode in the three months, up from 71,000 during the same period last year and in line with expectations.
- ✚ Southern Copper Corp., one of the world's biggest producers of the base metal, said that it was reducing its forecast for copper output this year to 640,000 tons . Late last year, Southern Copper said it planned to produce 670,000 tons of copper in 2013 .
- ✚ Japan's output of rolled copper product totalled 63,579 tonnes in June on a seasonally adjusted basis, down 3.6 percent from a year earlier, preliminary data showed.
- ✚ World No. 1 copper producer Chile produced 482,252 tonnes of the red metal in June, a 6.5 percent increase from the year before, on higher ore grades and as copper was extracted more efficiently than in the prior year at an "important" deposit, the government said.
- ✚ China June copper production at 568,000 metric tonnes, up to 16.7 percent year-to-date.



- ✚ Chinese demand for refined copper is expected to rise this year due to the country's stricter recycling rules, a copper scrap shortage and higher demand by the downstream copper processing sector, Chinese industry sources said.
- ✚ The global copper market showed a 50,000 tonne surplus in April, and a surplus of 266,000 tonnes in the first four months of the year, compared with a 429,00 tonnes deficit in the same months last year, reflecting weak demand in major consuming countries.
- ✚ Supply will exceed demand by 643,000 metric tons next year, the highest since 2009, compared with 143,000 tons this year, according to Japan's top producer Pan Pacific Copper Co.

✚ Reuters prices poll and market balances forecasts;

Latest Reuters Prices Poll and Market Balance Forecasts						
2013						
	Aluminium \$/MT	Copper \$/MT	Lead \$/MT	Nickel \$/MT	Tin \$/MT	Zinc \$/MT
Mean	1,917	7,323	2,149	15,521	22,035	1,932
Median	1,908	7,316	2,150	15,500	21,909	1,930
Highest	2,050	7,707	2,264	16,600	24,521	2,019
Lowest	1,850	6,930	2,050	14,350	20,308	1,864
No of Forecasts	24	26	21	22	17	22
2014						
	Aluminium \$/MT	Copper \$/MT	Lead \$/MT	Nickel \$/MT	Tin \$/MT	Zinc \$/MT
Mean	2,034	7,142	2,228	16,195	23,139	2,040
Median	2,023	7,140	2,250	16,525	22,500	2,060
Highest	2,315	8,225	2,525	18,000	28,000	2,250
Lowest	1,838	5,950	1,850	14,000	19,250	1,763
No of Forecasts	22	25	19	20	15	20
Market Balance						
	--- Aluminium ---		---- Copper ----		----- Lead -----	
	2013	2014	2013	2014	2013	2014
Mean	859,564	1,032,673	172,171	366,023	56,950	25,383
Median	825,385	1,000,000	153,000	368,500	42,000	0
Highest	1,550,000	2,050,000	294,000	620,000	160,000	194,450
Lowest	-178,000	500,000	53,000	-64,000	-36,000	-50,000
No of Forecasts	12	11	13	12	10	9

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