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MONTHLY COPPER BULLETIN

June-2013
15th July 2013

LME COPPER PRICE & VOLUME (June-July 2013/hourly)



LME COPPER PRICE & S&P 500 INDEX & GOLD (Jan-July 2013/daily)



ISO/TS 16949
BUREAU VERITAS
Certification
N° 11859



ISO 14001
BUREAU VERITAS
Certification
N° 30259



OHSAS 18001
BUREAU VERITAS
Certification
N° 30280



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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
03.06.2013	7330,50	5639,28	4805,31	7236,25	1,30%	-7,38%	614075	571,17	573,74
04.06.2013	7337,50	5607,99	4794,81	7236,25	1,40%	-7,30%	612300	568,56	571,12
05.06.2013	7421,50	5679,14	4832,02	7236,25	2,56%	-6,23%	609875	576,01	578,57
06.06.2013	7282,00	5492,53	4676,94	7236,25	0,63%	-8,00%	609875	557,35	559,88
07.06.2013	7311,00	5571,98	4732,35	7236,25	1,03%	-7,63%	609000	557,35	559,88
10.06.2013	7120,00	5387,41	4581,72	7336,50	-2,95%	-10,04%	609250	546,33	548,87
11.06.2013	7036,00	5298,19	4526,21	7336,50	-4,10%	-11,11%	609550	537,93	540,45
12.06.2013	7086,00	5339,46	4529,24	7336,50	-3,41%	-10,47%	608300	541,25	543,77
13.06.2013	7057,50	5300,81	4505,55	7336,50	-3,80%	-10,83%	618075	537,16	539,67
14.06.2013	7045,00	5293,41	4508,51	7336,50	-3,97%	-10,99%	629475	536,62	539,13
17.06.2013	7020,50	5262,74	4465,11	7068,90	-0,68%	-11,30%	632150	533,93	536,44
18.06.2013	6970,50	5211,59	4459,41	7068,90	-1,39%	-11,93%	638325	528,55	531,05
19.06.2013	6972,50	5203,36	4455,27	7068,90	-1,36%	-11,91%	643125	528,30	530,80
20.06.2013	6808,00	5152,89	4403,62	7068,90	-3,69%	-13,99%	664850	523,67	526,21
21.06.2013	6777,00	5132,54	4386,12	7068,90	-4,13%	-14,38%	678225	520,53	523,06
24.06.2013	6637,50	5067,95	4319,32	6909,70	-3,94%	-16,14%	674850	514,16	516,71
25.06.2013	6726,50	5117,93	4349,22	6909,70	-2,65%	-15,02%	671100	520,05	522,60
26.06.2013	6685,50	5133,22	4352,54	6909,70	-3,24%	-15,53%	667425	521,22	523,79
27.06.2013	6705,50	5142,65	4384,69	6909,70	-2,96%	-15,28%	665775	522,71	525,28
28.06.2013	6750,50	5164,88	4429,17	6909,70	-2,30%	-14,71%	662275	524,36	526,92
MONTHLY AVERAGES	7004,05	5310,00	4524,86					538,36	540,90



MARKET COMMENTARY

Copper collapsed over the course of June, dropping by as much as \$900 a ton from peak to trough. Much of the decline was attributable to growing concerns about slowing Chinese growth and the surprisingly sharp tightening in local credit markets. In addition, there were worries about Fed policy, as investors did not get a clear sense from Ben Bernanke whether the central bank would start its stimulus program in September or merely watch things as they evolved. In either case, the dollar strengthened in the wake of the Fed announcement, pressuring commodities lower in the process. LME stocks have resumed their climb and are now at 10-year highs and although Shanghai holdings are decreasing, this does not seem to be indicative of stronger spot demand, but likely a reaction to the difficulty in finding scrap or just an exercise in securing metal for financing purposes. On the demand side, Chinese cathode imports ticked higher in May, but are still 15% lower from year ago levels, while May scrap imports are down as well on a month-over-month basis. In supply news, the Grasberg mine is up and running, removing a moderately bullish prop, while Chilean production remains strong as well (up 3.7% y-o-y through May). However, premiums remain at record highs.

Following a mixed few days, copper, previously under pressure, led a strong rally on Thursday as the market tapered its taper talk after the latest Bernanke speech and FOMC minutes. Some momentum has been lost as the focus has shifted to China, but LME is ending the week with a 3-4% gain. Inverse correlation with the USD has returned towards historical norms.

After open interest had leapt to its highest since 2008, copper led the Fed-driven rally on Thursday. Exchange stocks have fallen 39kt mtd, although cancelled warrants have eased to 'only' 53% of the LME total. Grasberg is restarting underground mining and Oyu Tolgoi has made its first shipment. Chinese



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unwrought imports rose 6% m/m and 10% y/y in June to 380kt, but since then SHFE's premium over the LME has narrowed.

Copper fell on Monday as the dollar rose and after data from China showed a slowdown in the world's top consumer of the metal. China's economic growth slowed to 7.5 percent in the second quarter, from 7.7 percent in the first quarter, though the figures were in line with expectations, helping to limit copper's losses. Three-month copper on the London Metal Exchange was \$6,920 a tonne in official rings from Friday's \$6,954 close. Its gains of 2.4 percent last week represented the biggest weekly rise since early May.

Many commodities are especially sensitive to growth in China. The country accounts for about 40 percent of global consumption of copper, which is used extensively in construction and power cables. Commodities priced in dollars are also vulnerable to moves in the currency. Its strength on Monday made copper more expensive for holders of other currencies. However, currency markets were cautious ahead of U.S. Federal Reserve Chairman Ben Bernanke's congressional testimony on July 17-18, which will be closely watched for more clarity on the central bank's intentions.



MONTHLY REVIEW & INDUSTRY NEWS

- ✚ Credit Suisse cuts 2013 avg copper price forecast to \$7,240/t from \$7,482/t; cuts 2014 avg price forecast to \$6,225/t from \$6,675.
- ✚ Citi lowers 2013 copper price forecast to \$7,205/t from \$7,515/t.
- ✚ Chile's central bank has lowered its copper price forecast for 2013 to \$7,164/t from \$7,715/t estimated in March, according to a report by the central bank.
- ✚ Copper will play an "integral role" in the push for cleaner energy after President Barack Obama announced a plan to limit carbon emissions, a policy group in Washington said.

The metal is a key component in renewable energy because of its efficiency in conducting power and use in solar panels, wind turbines and electric automobiles, the American Resources Policy Network said in a statement.

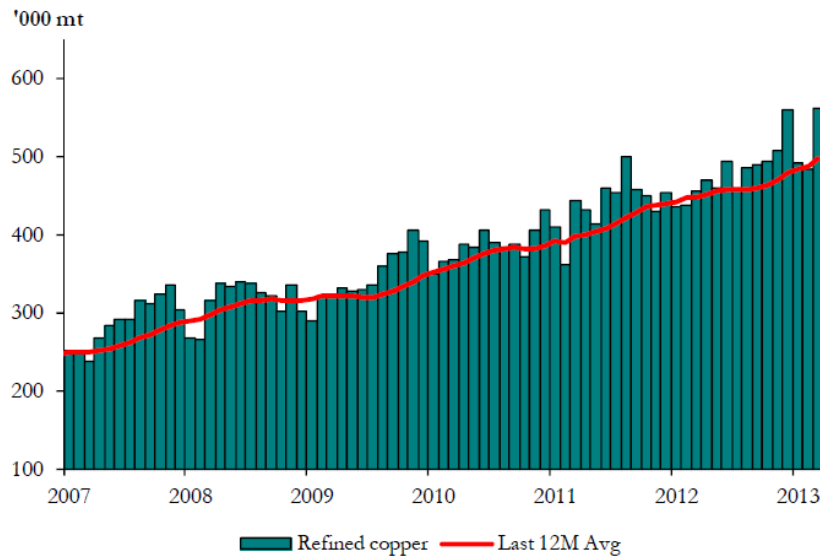
- ✚ India's top copper smelter Sterlite re-opened on Sunday after complaints from residents forced a two-month shutdown, a company source directly involved with the court-mandated process and a source at a local pollution board told Reuters.
- ✚ China's imports of copper rose 5.9 percent to 379,951 tonnes in June from 358,672 tonnes in the previous month, data from the General Administration of Customs showed.
- ✚ China's copper demand is expected to expand 5 percent from this year to 8.5 million mt in 2014, after climbing 5.5 percent from 2012 to 8.1 million in 2013, Chinese metals consultancy Beijing Antaika said at the China Metals Seminar in Hong Kong.
- ✚ German new car registrations plunge 8 percent to 1.503 million during the first six months, when compared with the same period last year, the Federal Motor Vehicle Office said.



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- World No. 1 copper producer Chile produced 475,140 tonnes of the red metal in May, a 3.7 percent rise from a year earlier, on a low base of comparison and better ore grades in some deposits, the government said
- Russian refined copper production fell 2.8 percent year-on-year in the 5M and 4.8% in May.
- Chinese miner Chinalco has raised by 20 percent the annual production forecast for its Peruvian copper mine Toromocho a company official and Peru's government said. The mine would produce 300,000 tonnes of copper a year after it opens in December.
- Zambia's Mopani Copper Mines owned by Glencore Xstrata Plc plans to raise annual copper output to 170,000 tonnes from 120,000 tonnes within five years after investing in new projects and upgrades, its chief executive said.
- Japan's May output of rolled copper product fell 2.5 percent from a year earlier to 63,363 tonnes on a seasonally adjusted basis, preliminary data showed.
- The global refined copper market balance for March showed a production surplus of about 100,000 mt as apparent refined demand was weak in major consuming regions, according to preliminary data released Friday by the Lisbon-based International Copper Study Group.
- China's refined copper production up 17.9 percent to 568,000 tonnes in May from year to date, according to figures from China Nonferrous Metals Industry Association.



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