

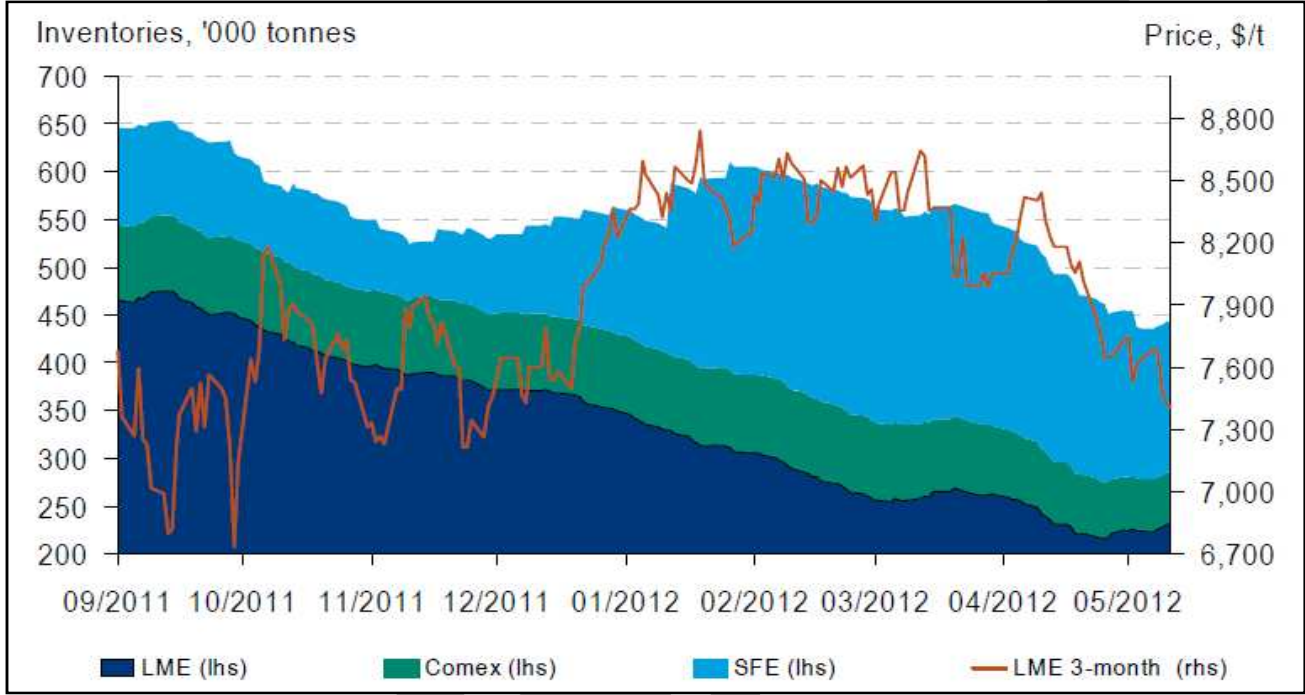


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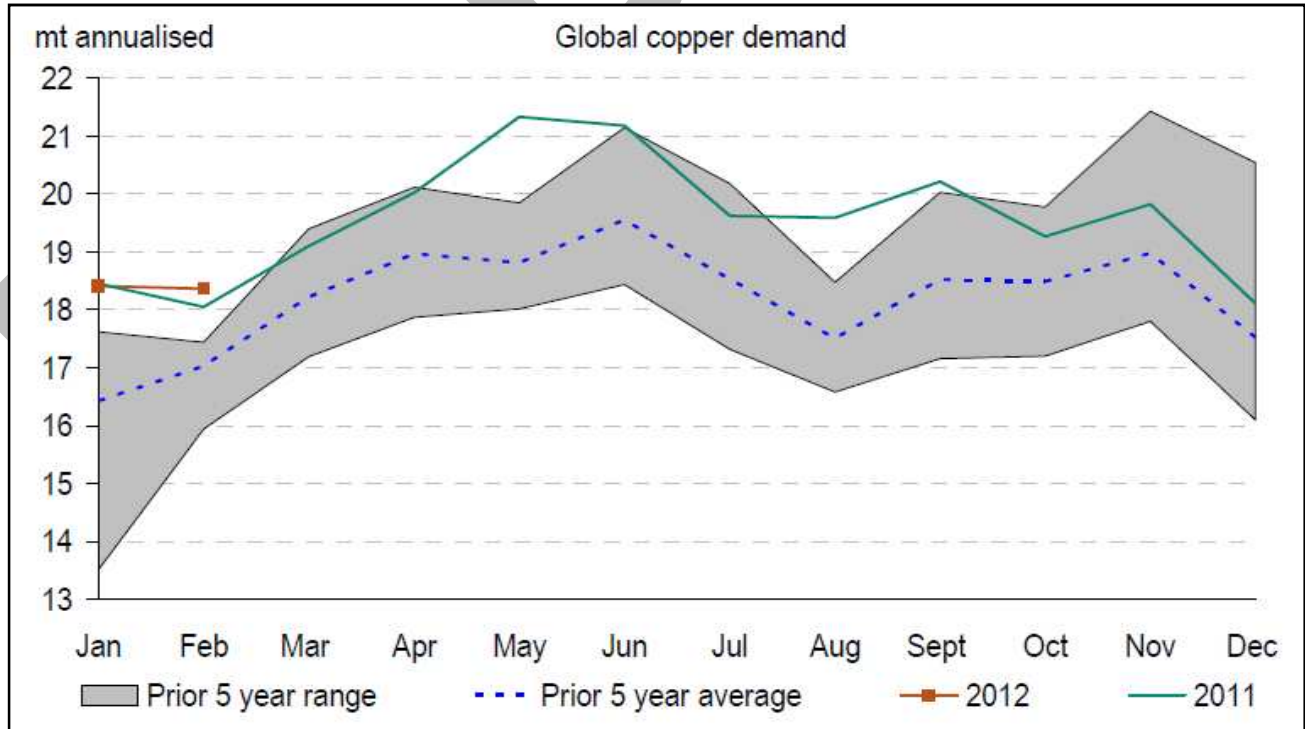
MONTHLY COPPER BULLETIN

May-2012
13th June 2012

LME COPPER PRICE & STOCKS



GLOBAL COPPER DEMAND



ISO/TS 16949
BUREAU VERITAS
Certification
N° 11859



ISO 14001
BUREAU VERITAS
Certification
N° 30259



OHSAS 18001
BUREAU VERITAS
Certification
N° 30280



Fabrika : A. Nuri ERİKOĞLU
Cad. 20085 Gümüşler / DENİZLİ
Vergi Dairesi : Gökpınar
Vergi No : 336 006 27 21

Tel : +90 (258) 295 19 00 Pbx
Faks : +90 (258) 371 21 94
e-posta : erbakir@erbakir.com.tr
Web : www.erbakir.com.tr



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
01.05.2012	8528,00	6.427,01	5.255,11	8.280,80	2,90%	11,42%	241550	653,47	655,67
02.05.2012	8401,00	6.395,40	5.195,10	8.280,80	1,43%	10,08%	238950	647,97	650,18
03.05.2012	8318,00	6.335,59	5.142,19	8.280,80	0,45%	9,18%	235200	641,73	643,95
04.05.2012	8296,00	6.319,32	5.130,17	8.280,80	0,18%	8,94%	230625	640,15	642,37
07.05.2012	-	-	-	-	-	-	-	-	-
08.05.2012	8234,00	6.316,84	5.095,61	8.414,50	-2,19%	8,26%	228450	640,75	642,98
09.05.2012	8089,00	6.236,70	5.018,61	8.414,50	-4,02%	6,61%	220925	631,83	634,07
10.05.2012	8195,50	6.325,15	5.069,59	8.414,50	-2,67%	7,83%	219850	641,79	644,04
11.05.2012	8080,00	6.241,31	5.015,52	8.414,50	-4,14%	6,51%	221275	633,24	635,48
14.05.2012	7980,00	6.201,91	4.963,92	8.149,63	-2,13%	5,34%	218300	628,55	630,81
15.05.2012	7854,00	6.113,49	4.893,46	8.149,63	-3,76%	3,82%	216350	619,61	621,87
16.05.2012	7710,00	6.057,99	4.837,19	8.149,63	-5,70%	2,02%	215350	615,19	617,48
17.05.2012	7708,00	6.080,30	4.864,63	8.149,63	-5,73%	2,00%	217450	615,81	618,10
18.05.2012	7795,50	6.135,29	4.930,74	8.149,63	-4,54%	3,10%	221175	622,92	625,21
21.05.2012	7800,50	6.115,64	4.935,78	7.809,50	-0,12%	3,16%	224375	619,45	621,72
22.05.2012	7775,00	6.090,40	4.929,31	7.809,50	-0,44%	2,84%	223975	618,12	620,40
23.05.2012	7630,50	6.022,97	4.849,07	7.809,50	-2,35%	1,00%	225700	611,33	613,63
24.05.2012	7660,50	6.098,15	4.885,83	7.809,50	-1,95%	1,39%	224075	617,77	620,08
25.05.2012	7695,50	6.125,04	4.908,47	7.809,50	-1,48%	1,84%	223500	620,75	623,07
28.05.2012	7740,00	6.157,52	4.930,56	7.712,40	0,36%	2,40%	223050	623,61	625,92
29.05.2012	7685,50	6.134,66	4.903,97	7.712,40	-0,35%	1,71%	225800	621,79	624,11
30.05.2012	7545,00	6.058,78	4.835,30	7.712,40	-2,22%	-0,12%	227100	-	-
31.05.2012	7517,00	6.059,16	4.847,49	7.712,40	-2,60%	-0,49%	230675	614,86	617,20
MONTHLY AVERAGES	7919,93	6.184,03	4.974,44					635,70	637,91



MARKET COMMENTARY

The crisis in the Eurozone is causing tremendous uncertainty. Events are not novelty and have largely followed textbook examples of financial crises. A lack of policy response has been a significant part of the problem. Even though Europe has a large share in global metals demand which has been contributing to a slowdown in global industrial production in recent months, is the primary transmission channel of the crisis to commodities. Spain's banking system and the Greek elections are the most immediate problems hanging over the metals market and policy responses to these issues have different implications for metals. Markets are also waiting for a more comprehensive and strategic solution to the crisis.

Although Europe has not been the main driver of metal markets in the past decade, it has kept a steady share in global metals demand, so the current crisis is relevant for fundamentals. Nevertheless, as metals demand in the periphery has declined visibly, offtake especially in the North has by and large held up. This is one reason copper premia remain supported. Hence, we believe the primary transmission channel of the crisis in the Eurozone on the metals was through global sentiment and not actual European demand. The lack of sentiment has various implications. Global business cycle stages have for instance shortened markedly, which is a reason metal prices have been very choppy in recent quarters.

In May about \$4.5 trillion was wiped from the value of global equities and the dollar climbed to the highest level in almost two years versus the euro as the turmoil in Europe spread. The dollar posted its biggest monthly gain since 2011 in May, beating bonds, stocks and commodities for the



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first time this year as investors sought refuge in U.S. assets while Europe's sovereign crisis worsened. Global stocks had their biggest monthly losses since September, when Chinese manufacturing and German retail sales bolstered speculation that growth is slowing. Commodities fell the most in two years (copper fell 12 percent in May on the Comex in New York).

Copper started to June more stronger than May prices with the contribution of short covering and edged higher on Wednesday as the euro steadied against the dolar. But concern about contagion from the euro zone debt crisis and upcoming elections in highly indebted Greece kept investors cautious and prevented further gains for metals. Three-month copper on the London Metal Exchange rose to \$7,470 a tonne, up 0.5 percent from Tuesday's close.

Base metals were supported by a slightly firmer euro against the U.S. dollar. A weak dollar makes commodities priced in the U.S. unit cheaper for holders of other currencies. A 100 billion euro bank rescue plan for Spain earlier this week failed to calm nerves about debt contagion, and uncertainty remained about whether Greece will remain in the euro zone after its June 17 elections. Spanish 10-year yields, which hit euro-era highs of 6.86 percent on Tuesday, were seen rising further and testing the 7 percent level which is viewed by many as the point at which borrowing from capital markets becomes unaffordable in the long term. "The positive sentiment surrounding Spain's rescue seems to have faded. There is just too much uncertainty ahead of the Greek elections and the euro summit and investors are cautious," said Robin Bhar, analyst at Societe Generale. "Until we get some of these uncertainties resolved it is difficult to see why anybody would want to put risk on. Copper prices are likely to be volatile."

We believe the following events and announcement on the back of them are key during the month of June:

- 17 June: Greek elections,
- 18/19 June: G-20 meeting;
- 28/29 June: EU Leaders Summit



MONTHLY REVIEW & INDUSTRY NEWS

- ✚ U.S. investment bank Goldman Sachs lowered its 3-month price targets for base metals, citing weaker than expected consumption and a stronger U.S. dollar against the euro.

Goldman cut its 3-month price targets on copper to \$8,000 per tonne and in the second half of 2012. Goldman expects the copper market to remain roughly balanced.

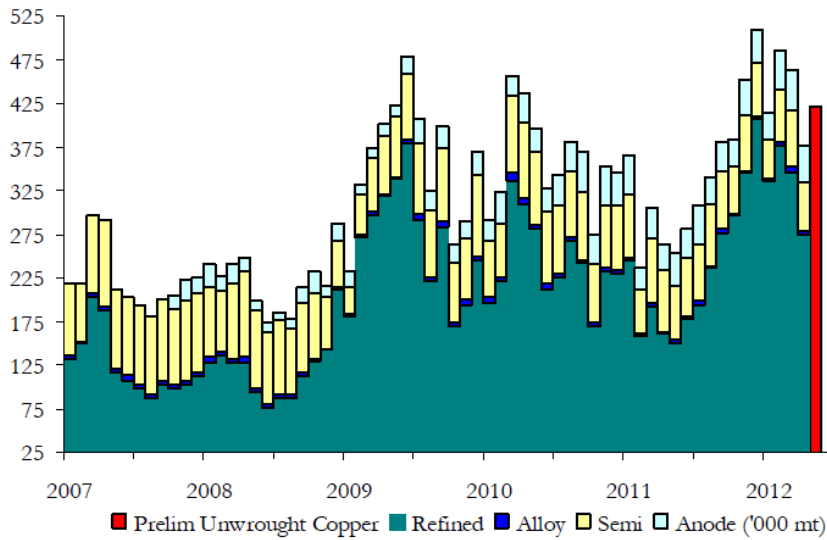
- ✚ Jiangxi Copper Co., China's biggest producer, is considering halting shipments to London Metal Exchange warehouses after prices declined 9 percent in the past month.
- ✚ The head of Australia's third-largest copper producer, Oz Minerals, has predicted that prices for the commodity will return to record highs as a lack of new discoveries leads to a supply shortage this year.
- ✚ Sales in the United States and Europe have not been affected by global economic turmoil and copper prices should rise in the second half of the year due to low inventories of the red metal, The Souther Copper Chief Executive Oscar Gonzales said.



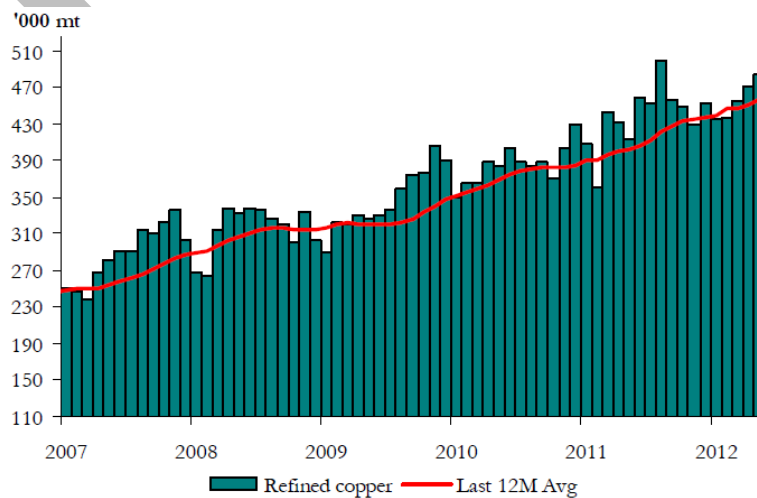
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- Chinese smelters and merchants have suspended a plan to export 200.000 tonnes of refined copper cathode to LME warehouses in Asia, after just over half that amount was shipped out in recent weeks, sources at smelters said, in a move likely to ease pressure on copper prices.
- China's May copper imports up 64,8 % on year 419.741 tonnes China's National Bureau of Statistics show.



- Some U.S. copper fabricators have resorted to buying primary metal rather than scrap due to a tightness in supply, helping to support cathode premiums and providing a much-needed bright spot in an otherwise lackluster spot market, traders said.
- The copper market recorded a deficit of 157 kt in January to March 2012 which follows with a surplus of 320 kt in the whole of 2011. Reported stocks fell by 36 kt during March and ended the month 3,2 kt lower than at the end of 2011.
- Consumption growth of copper in China, which accounts for 40 percent of global demand, is expected to slow to 4,8-4,9 percent from 6,0 percent last year said Janet Kong, managing director of research at China International Capital Corp.
- China May refined copper output up 5,0 % on year 484.000 tonnes China's National Bureau of Statistics show.



✚ Chilean copper output rose by 0,9% in the first quarter of 2012, according to Cochilco, the state copper commission. National production of the red metal rose to 1,27 million tonnes in January-March 2012, from 1,26 million tonnes in the same period of 2011.

Chile produced 445,378 mt of copper in April, up 1,6% from 438.341 mt in the same month of last year, the country's statistics institute INE said.

✚ Zambia's copper production fell to 169.188 tonnes in the first quarter of this year from 236.009 tonnes in the corresponding quarter of 2011, latest statistics from the country's central bank show.

✚ Japanese copper wire and cable shipments rose 0,4 percent from a year earlier to an estimated 56.400 tonnes in April, an industry body said on Monday.

✚ Japan's production of rolled copper product fell 8,1 percent in April from a year earlier as weak demand from electronics parts makers outweighed strong orders from carmakers, an industry body said.

✚ As expected, copper output at Chilean state copper company Codelco's wholly owned mines fell 10% in the first quarter to 373.000 metric tons from 414.000 tons in the same quarter last year.

✚ Global miner Xstrata is betting sluggish copper demand in China will pick up in the second half as it makes plans to boost production of the metal by 60 percent, shrugging off more cautious approaches by rivals.

✚ Russian Copper Co., the country's third-largest producer of the metal, said it started building a \$787 million processing plant .The plant with annual capacity to process 18 million metric tons of ore is scheduled to start production in the second half of 2013.

✚ Workers at Freeport McMoRan Copper & Gold Inc's Grasberg mine in Indonesia are planning to protest this month against the dismissal of three employees and security problems, a union official told Reuters.

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