



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
01.11.2013	7255,50	5369,67	4543,78	7194,40	0,85%	-8,33%	476400	544,51	546,99
04.11.2013	7180,00	5314,19	4494,52	7228,30	-0,67%	-9,29%	474675	539,11	541,59
05.11.2013	7138,50	5290,13	4444,62	7228,30	-1,24%	-9,81%	469975	536,63	539,11
06.11.2013	7200,00	5325,05	4474,27	7228,30	-0,39%	-9,03%	468925	540,60	543,07
07.11.2013	7119,00	5323,81	4437,45	7228,30	-1,51%	-10,06%	467025	534,63	537,10
08.11.2013	7125,50	5311,59	4434,59	7228,30	-1,42%	-9,97%	465650	538,54	541,04
11.11.2013	7135,00	5325,82	4463,84	7152,60	-0,25%	-9,85%	462875	540,18	542,68
12.11.2013	7124,00	5312,45	4482,19	7152,60	-0,40%	-9,99%	459425	539,84	542,34
13.11.2013	7021,50	5232,51	4395,58	7152,60	-1,83%	-11,29%	457475	530,90	533,39
14.11.2013	6939,00	5163,71	4325,25	7152,60	-2,99%	-12,33%	457250	524,15	526,64
15.11.2013	6967,50	5178,37	4334,37	7152,60	-2,59%	-11,97%	451650	525,65	528,13
18.11.2013	6999,50	5180,98	4346,44	7037,40	-0,54%	-11,57%	448950	525,68	528,16
19.11.2013	6947,00	5145,54	4315,71	7037,40	-1,28%	-12,23%	447650	522,40	524,88
20.11.2013	6980,00	5162,72	4324,12	7037,40	-0,82%	-11,81%	445700	526,76	529,25
21.11.2013	6992,00	5192,72	4332,63	7037,40	-0,65%	-11,66%	442125	526,76	529,25
22.11.2013	7065,50	5222,87	4360,88	7037,40	0,40%	-10,73%	439100	530,34	532,82
25.11.2013	7067,50	5224,74	4363,73	6996,80	1,01%	-10,71%	437500	530,06	532,53
26.11.2013	7071,00	5219,22	4374,81	6996,80	1,06%	-10,66%	434850	529,49	531,96
27.11.2013	7051,50	5187,98	4328,20	6996,80	0,78%	-10,91%	431900	526,06	528,53
28.11.2013	6988,00	5140,88	4277,93	6996,80	-0,13%	-11,71%	429200	521,58	524,04
29.11.2013	7027,00	5161,60	4301,81	6996,80	0,43%	-11,22%	423825	523,76	526,22
MONTHLY AVERAGES	7066,40	5237,45	4388,42					531,32	533,80



MARKET COMMENTARY

Copper prices on the LME fell 2.5% last month as momentum traders (mainly money managers and hedge funds) increased their bearish positions. However, fundamentals have been supportive throughout the last month because of which prices did not continue below \$7,000.

Appetite for refined copper was strong as inventories at LME warehouses fell throughout November. At Shanghai, inventories fell last month by more than 16%. This is astonishing since November is usually a time of re-stocking, implying mounting inventories. At Shanghai-bonded warehouses, inventories are at the lowest since June 2012. From August to October, overall copper imports to China, the world's largest consumer of the red metal, have been very strong, coming above 1.2 million tons. The November figure is expected to come above 470,000 tons.

On mainland China, demand for copper has been strong as borrowers use copper inventories as collateral for short-term financing. The liquidity squeeze in the interbank money markets in October and June prompted investors to use copper for financing. Demand for copper should also get a boost in December because of seasonal re-stocking.

Cash-3 month forwards, a gauge of physical tightness, has been high, implying a shortage of refined metal in the spot market. It is currently at -\$0.75 compared to -\$30 at the start of October. Chinese importers of refined copper are confident about demand in the first quarter of 2014; hence, it makes sense for them to have agreed to pay a premium of \$131 a ton to Codelco (the world's largest copper miner) in order to secure term shipments. The Premium has risen 41% y-o-y.



Copper has whipsawed in the past month but was able to stay above \$7,000 due to a shortage of refined metal in the physical market. Data from the U.S. were quite encouraging, reinforcing expectations that the U.S. central bank might reduce the size of its bond-buying program especially since it mentioned in its last minutes that it would be looking to “taper” in the next few meets.

Copper rose on Friday, underpinned by tightening near-term supply but gains were capped ahead of U.S. jobs data that could signal an imminent scaling back in U.S. stimulus. This week markets have been nervous about an increased risk of tapering, after a string of U.S. data came in above forecasts, including numbers for U.S. private employers, factory output and GDP.

Three-month copper on the London Metal Exchange was \$7,112 in official rings from a last bid of \$7,068 on Thursday, leaving the metal little changed on the week, and still set to post losses of more than 10 percent this year.

"The market is concerned that (the Fed) might taper in December. On the other hand if you look at copper inventories (they) already provide indications that the market has been oversold," said Quantitative Commodity Research consultant Peter Fertig.



MONTHLY REVIEW & INDUSTRY NEWS

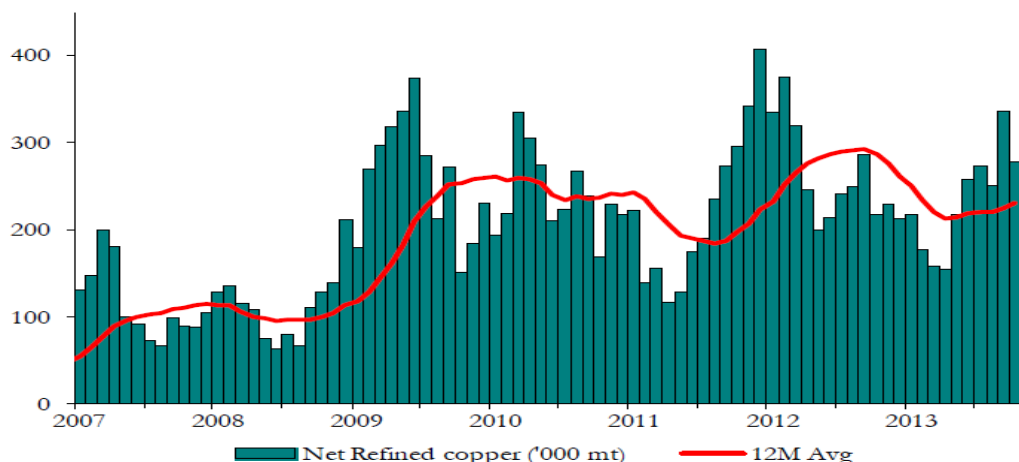
- ✚ **Chile**, the world's No. 1 copper producer, produced 507,694 tonnes of copper in October, a 6.5 percent increase from the year before, due to a recovery in a key deposit and production improvements at other mines, the government said.
- ✚ **Mexican** copper production rose 7.2 percent in September compared with the same month last year, data from the country's national statistics institute INEGI showed on.



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- ✚ **Kazakhstan** produced 300,995 tonnes of refined copper in January-October 2013, 1.5% more than in the same period of last year, the State Statistics Agency said.
- ✚ **Japan's** output of rolled copper products rose to 68,243 tonnes in October on a seasonally adjusted basis, up 5.6 percent from a year earlier, preliminary data showed.
- ✚ **Peru's** output of copper for October 2013 was up by 6.2% year-on-year, to 120,714 tonnes, the ministry said.
- ✚ **China's** imports of refined copper reached 293,000 tonnes in October, down 12% year to date.



- ✚ China's refined copper **smelting capacity** is forecast to hit 10 million mt/year by end-2015, up from an estimated 9.06 million mt/year in end-2013, metals consultancy Beijing Antaike said
- ✚ China's importers of refined copper face a shortfall of about 30,000 tonnes November and the next as a **typhoon-hit Philippine** smelter has delayed metal deliveries, supporting spot premiums near 4-year highs.
- ✚ Around 40 percent of global refined copper output is produced from scrap metal and a **shortage of scrap** has limited output at refined metal producers in China this year. Scrap supply is not expected to rise much in 2014.
- ✚ Treatment and **refining charges** for copper concentrate are likely to rise significantly over the coming years after China's Communist Party set out a new road map for the development of the world's most populous nation, **Codelco** CEO Thomas Keller said.
- ✚ **Codelco**, the world's largest copper miner, said it produced roughly 1.18 million tonnes of the red metal in the January to September period, a 0.3 percent decrease year-on-year due to lower ore grades, harder rock and trickier production in deeper deposits.
- ✚ A worker was killed after an incident in an underground section of **Freeport McMoRan** Copper and Gold Inc's giant **Grasberg** copper mine in Indonesia, the company said. Production started at 03 Dec, after one day later the incident.
- ✚ The **Escondida copper mine** in northern Chile, the world's largest, produced 901,084 mt of copper in the first nine months of 2013, up 14.3% from 787,743 mt in the same period last year.
- ✚ **Vale** plans to produce 405,000 mt of copper in 2014, the Brazilian miner said.

- ✚ Worries about an increase in supply in China arriving in the second half of next year are hanging over the market, said analyst Chunlan Li at consultancy CRU in Beijing. Li sees copper supported at \$6,800 in the first half of 2014.
- ✚ Barclays sees a **supply shortfall** supporting copper prices in the fourth quarter with an average price of \$7,100 a tonne.
- ✚ Reuters reports that the **Chilean Copper Commission** expects copper prices to end the year at an average of \$3.31 per lb. (\$7,297 per ton). The Commission expects the 2014 average price to \$3.14 per lb. (\$6,922 per ton).
- ✚ Goldman forecast a 400,000 tonne refined copper overhang in 2014. The firm anticipates that prices will average about \$3.00 per pound (\$6,615 per tonne) next year with a low near \$2.80 (\$6,175 per tonne).
- ✚ **World copper demand** is expected to grow 4.5 percent on the year in 2014, mostly due to demand for refined copper from China, the world's leading consumer of the metal, the International Copper Study Group (ICSG) said. That's down from expected copper demand growth of around 7 percent this year.
- ✚ The global market for refined copper swung into a 21,000 tonne **surplus** in August, rising after three straight months of a shortfall mostly due to higher production, data from the International Copper Study Group showed.

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