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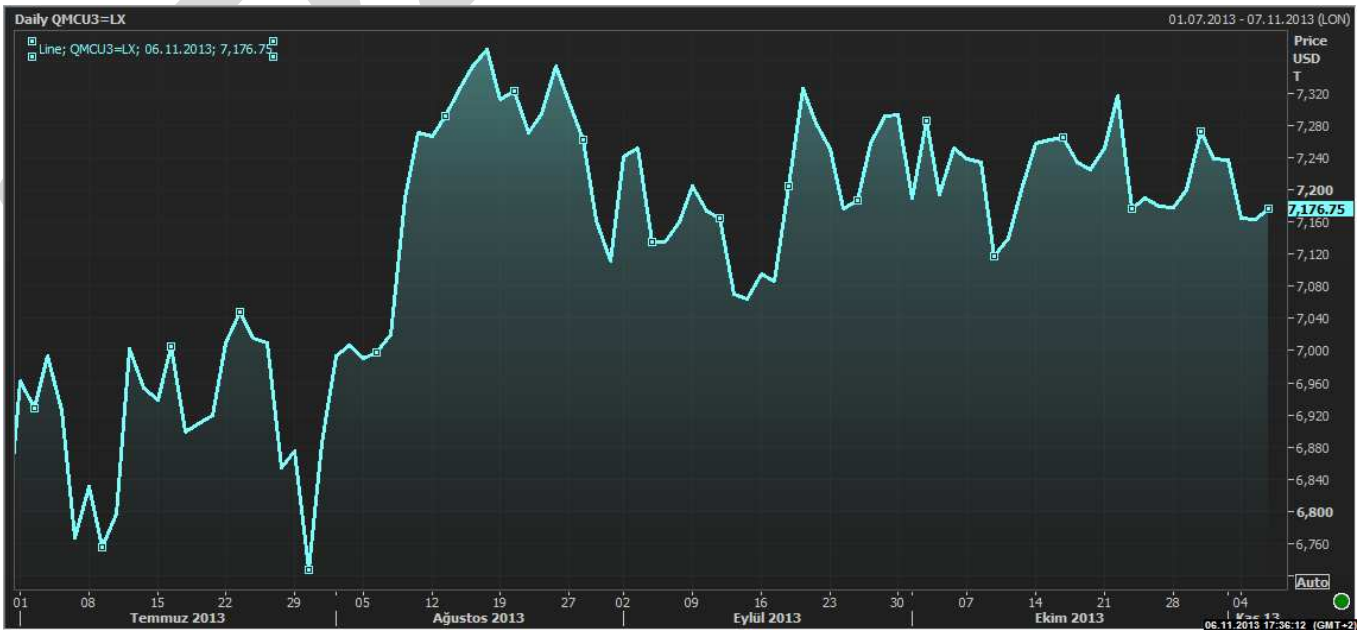
MONTHLY COPPER BULLETIN

Oct-2013
06th Nov 2013

LME COPPER PRICES (October 2013/hourly)



LME COPPER PRICES (July-Nov 2013/daily)



ISO/TS 16949
BUREAU VERITAS
Certification
N° 11859



ISO 14001
BUREAU VERITAS
Certification
N° 30259



OHSAS 18001
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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
01.10.2013	7219,00	5330,04	4447,66	7189,90	0,40%	-8,79%	533.325	540,48	542,95
02.10.2013	7156,00	5292,90	4418,65	7189,90	-0,47%	-9,59%	531.875	536,85	539,33
03.10.2013	7215,50	5304,34	4454,56	7189,90	0,36%	-8,84%	529.950	538,03	540,49
04.10.2013	7148,00	5261,69	4455,80	7189,90	-0,58%	-9,69%	525.925	533,26	535,72
07.10.2013	7171,00	5285,23	4462,07	7205,80	-0,48%	-9,40%	523.425	535,70	538,17
08.10.2013	7231,50	5327,86	4489,38	7205,80	0,36%	-8,64%	517.100	540,37	542,83
09.10.2013	7141,00	5285,71	4475,43	7205,80	-0,90%	-9,78%	515.575	535,78	538,26
10.10.2013	7112,50	5254,51	4457,01	7205,80	-1,29%	-10,14%	512.450	533,31	535,79
11.10.2013	7125,00	5250,55	4461,21	7205,80	-1,12%	-9,98%	509.325	532,62	535,09
14.10.2013	7205,50	5314,18	4507,95	7156,20	0,69%	-8,96%	508.575	538,92	541,39
15.10.2013	7186,00	5324,54	4509,00	7156,20	0,42%	-9,21%	503.425	540,32	542,80
16.10.2013	7158,50	5280,30	4463,74	7156,20	0,03%	-9,56%	502.750	536,01	538,48
17.10.2013	7172,00	5257,29	4457,70	7156,20	0,22%	-9,39%	500.325	533,88	536,34
18.10.2013	7241,50	5293,11	4473,10	7156,20	1,19%	-8,51%	497.500	536,12	538,56
21.10.2013	7225,50	5284,12	4473,16	7192,70	0,46%	-8,71%	494.850	535,77	538,22
22.10.2013	7260,00	5309,35	4498,98	7192,70	0,94%	-8,28%	492.350	538,42	540,86
23.10.2013	7200,50	5234,82	4458,51	7192,70	0,11%	-9,03%	489.400	531,29	533,72
24.10.2013	7160,00	5185,78	4428,77	7192,70	-0,45%	-9,54%	485.050	526,04	528,46
25.10.2013	7126,00	5170,89	4405,02	7192,70	-0,93%	-9,97%	480.875	523,76	526,18
28.10.2013	7161,00	5193,65	4432,13	7194,40	-0,46%	-9,53%	478.200	526,34	528,76
29.10.2013	7215,50	5243,06	4490,60	7194,40	0,29%	-8,84%	476.675	531,80	534,23
30.10.2013	7275,50	5290,89	4531,89	7194,40	1,13%	-8,08%	476.025	536,13	538,57
31.10.2013	7234,00	5302,35	4508,29	7194,40	0,55%	-8,60%	476.150	537,89	540,34
MONTHLY AVERAGES	7188,74	5272,92	4467,85					534,74	537,20



MARKET COMMENTARY

Investors had a relatively boring copper market in October, with prices trading roughly between \$7090–\$7350. Copper's upside was held in check by the unease generated by the US government shutdown and the debt ceiling standoff; both these issues sapped US confidence readings and cast a pall over short-term growth prospects. On the downside, prices enjoyed support from improving macro data coming out of China, along with the significant surge in September cathode imports, which clocked in at an 18-month high. In addition, there are signs of reasonable demand in the US, Japan and even Europe. However, this pick-up is being more than offset by a backdrop of steadily increasing supply; China itself is expected to produce a record amount of copper in 2013, as high treatment fees encourage smelters to run at full capacity. Elsewhere, there are new mines and expansions evident from Mongolia to Indonesia to Chile, leading to the highest rate of mine supply growth in 10 years. The Reuters consensus pegs the 2013 copper surplus at 201,000 tons and the 2014 surplus at 329,000 tons. Despite the comfortable supply picture, some experts expect more of the same from copper going into November and see a \$7080-\$7400 trading range in place. Their thought is that the weaker dollar and an accommodative Fed should give the market support, at least until copper's fundamentals assert themselves more forcefully sometime in Q1 of next year.

Copper ticked higher today for a second session as the dollar weakened and investors kept up hopes of extended U.S. monetary stimulus. Cash copper moved to a premium to forward contracts, putting pressure on a large short-position holder, traders said. Three-month copper on the London Metal Exchange rose 0.6 percent to a session high of \$7,204 a tonne after a small gain on Tuesday.



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Copper has held to a range of \$7,000 to \$7,420 a tonne since early August, supported by steady demand from top consumer China and cheap liquidity in the United States after the Federal Reserve delayed tapering its bond-buying programme. Copper's range has been narrower and narrower, prompting many who following signals generated by charts to forecast that prices are due to break away. "My guess is that when we break out, if we break out, it will be to the downside," said Stephen Briggs, metals strategist at BNP Paribas in London. The 30 percent decline in LME copper stocks since June does not necessarily represent strong demand but more likely that material is moving off-warrant, sometimes within the same warehouses, he added.

In the short term, traders said copper prices could find nearby support if a large short position in November is forced to cover. Cash copper climbed to a \$5 premium against the November contract from a \$12 discount in mid-October. Reuters' calculations based on LME data show that November's short position could be to hedge as much as 145,000-220,000 tonnes of metal that is not in the LME warehousing system. This figure tallies with a drop in LME copper stocks and may suggest that metal leaving warehouses is going into storage rather than for consumption. LME stocks have dropped by around one-third from mid-June to around 470,000 tonnes, data shows.

The euro rose to a session high versus the dollar after data showed a much bigger-than-expected rise in German industry orders. Orders jumped by 3.3 percent on the month during September, against forecasts for a rise of 0.5 percent. A weaker dollar makes commodities priced in the U.S. currency cheaper for buyers outside the United States.

LME volumes were low, with traders reluctant to take positions ahead of a labour report from the United States and a major policy meeting in China. The United States will release its October labour market report at the end of the week. A sustained recovery in the job market is a precondition for the Fed to begin hauling back its commodity-friendly stimulus.



MONTHLY REVIEW & INDUSTRY NEWS

- State-owned Chinalco Mining Corp. International will start production at Toromocho copper project in Peru in December. The project, one of the largest in the world, will produce 250,000 metric tons of refined copper annually.
- Glencore Xstrata reported that total own sourced copper production was 1,070,900 tonnes in Q3 2013, a 23% increase over the comparable prior year period.
- Chilean miner Antofagasta said it produced 174,200 tonnes of copper in the three months, below 179,800 tonnes reported in the same period last year and 180,300 tonnes produced in the second quarter of 2013, due to lower ore grades across its operations.
- BHP Billiton posted a 6% rise in its production of copper cathode in the July-September quarter to 403,300 mt, compared with 379,400 mt in the same period a year earlier.
- First Quantum said third-quarter copper output rose 36.1 percent year-on-year to 114,500 tonnes.
- In 2013, Rio Tinto's share of mined and refined copper production is expected to be approximately 590,000 tonnes and 270,000 tonnes, respectively.

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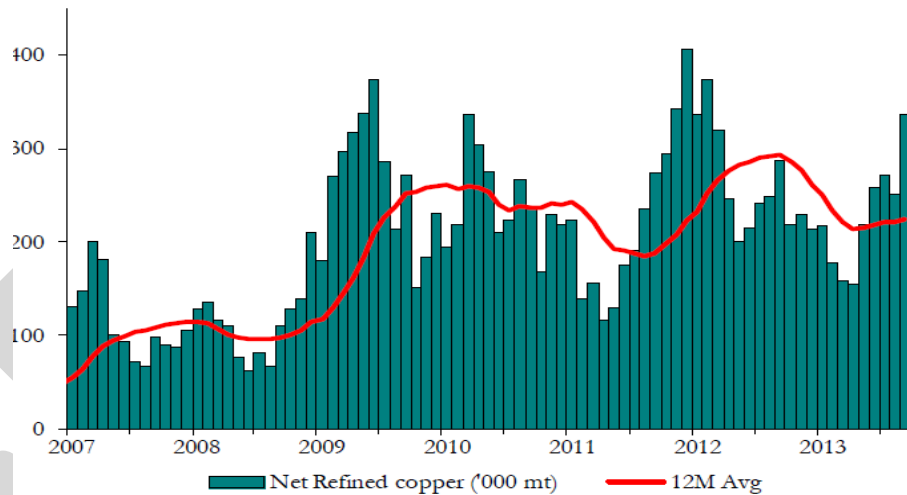
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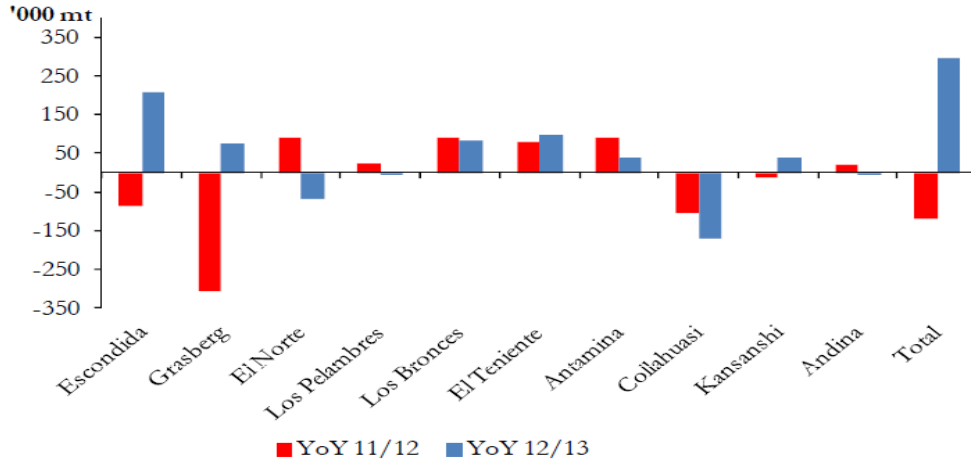
- Chile, the world's largest copper producer, mined 489,170 tonnes of the metal in September, a 5.4 percent jump from the year before, boosted by smoother operations at some deposits, the government said.
- Peru's copper output for August 2013 was up 16.7% year-on-year, to 132,098 tonnes, according to Peru's energy and mining ministry.
- Japan's output of rolled copper product rose to 68,037 tonnes in September on a seasonally adjusted basis, up 4.5 percent from a year earlier, preliminary data showed.
- Kazakhstan produced 275,536 tonnes of refined copper in January-September, 4.5% more than in the same period of last year, the State Statistics Agency said.
- China is expected to produce 6.8 million tonnes of refined copper in 2014, up 7.4 percent from this year, the chief copper analyst at state-backed research firm Antaika said.
- Data from the National Bureau of Statistics showed that China's production of refined copper hit 620,086 tonnes in September, compared to the previous record 580,000 tonnes in December 2012.
- Consumption of refined copper is forecast to grow 6.5 percent to 8.7 million tonnes next year as China continues to invest heavily in the power sector, analyst Yang Changhua told Reuters.
- China's September net refined copper imports up 17.9 percent year-on year at 337,000 tonnes.



- According to the ICSG October report, global supply/demand balance of refined copper was estimated as below.

(million tonnes)	2009	2010	2011	2013	2013(f)	2014(f)
Production	18,25	18,98	19,60	20,11	20,90	22,20
Consumption	18,07	19,35	19,83	20,51	20,73	21,60
Balance	0,18	-0,37	-0,23	-0,4	0,17	0,6

- The copper market recorded a surplus of 195 kt in January to August 2013 which follows a surplus of 236 kt in the whole of 2012.
- Annualized change in output at the 10 largest copper mines 476,000 tonnes more copper in 2013.



- The average forecast for 2013 cash copper prices from 26 market participants surveyed dipped to \$7,334.90 a tonne, from a forecast of \$7,315.70 in a July poll, and down 8 percent from the 2012 average price of \$7,958.33.

For 2014, analysts cut forecasts for the metal used in power and construction to \$7,050 per tonne, from a previous forecast of \$7,140.

- You can see some of copper price forecasts for 2013%2014 in below table.

\$/ton	2013(f)	2014(f)
ICSG	7.250	6.900
Mitsui Bussan Comm.	-	6.900
Sucden Financial	7.250	6.800
BNP Paribas	7.300	6.675
Reuters poll	7.335	7.050
Barclays	-	6.750

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