



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
01.10.2014	6755,00	5363,24	4172,33	6717,00	-0,27%	-8,65%	152275	546,30	548,62
02.10.2014	6693,50	5298,01	4148,44	6717,00	-1,18%	-9,48%	151375	539,65	541,96
03.10.2014	6665,00	5283,39	4145,93	6717,00	-1,60%	-9,87%	150550	538,16	540,47
06.10.2014	6712,50	5322,31	4175,22	6729,30	-0,07%	-9,22%	150050	544,79	547,11
07.10.2014	6715,00	5324,29	4176,77	6729,30	-0,03%	-9,19%	150050	543,25	545,57
08.10.2014	6755,00	5340,34	4203,48	6729,30	0,57%	-8,65%	149625	543,45	545,76
09.10.2014	6767,00	5299,14	4174,58	6729,30	0,74%	-8,49%	149900	540,17	542,46
10.10.2014	6697,00	5294,07	4173,63	6729,30	-0,30%	-9,43%	149650	538,60	540,91
13.10.2014	6802,00	5360,55	4225,89	6724,50	1,08%	-8,01%	151225	546,09	548,39
14.10.2014	6780,50	5359,66	4259,91	6724,50	0,76%	-8,30%	151725	545,90	548,21
15.10.2014	6781,00	5351,59	4258,08	6724,50	0,77%	-8,30%	154650	546,33	548,64
16.10.2014	6630,00	5203,67	4146,60	6724,50	-1,48%	-10,34%	157675	530,07	532,36
17.10.2014	6629,00	5164,78	4114,32	6724,50	-1,49%	-10,35%	157825	527,09	529,37
20.10.2014	6615,00	5180,52	4101,82	6696,70	-1,63%	-10,54%	157725	527,77	530,06
21.10.2014	6660,00	5210,86	4122,31	6696,70	-0,96%	-9,93%	157625	531,97	534,26
22.10.2014	6730,50	5298,77	4193,20	6696,70	0,09%	-8,98%	157525	540,27	542,57
23.10.2014	6718,50	5302,27	4191,99	6696,70	-0,09%	-9,14%	157500	540,39	542,70
24.10.2014	6759,50	5338,84	4210,48	6696,70	0,52%	-8,59%	159550	544,24	546,55
27.10.2014	6800,50	5361,48	4219,72	6827,10	1,55%	-8,03%	159550	546,49	548,80
28.10.2014	6859,50	5381,27	4242,90	6827,10	2,43%	-7,24%	161050	550,07	552,37
29.10.2014	6855,00	5381,11	4253,80	6827,10	2,36%	-7,30%	162675	548,37	550,67
30.10.2014	6785,00	5384,07	4240,09	6827,10	1,32%	-8,24%	162625	549,13	551,45
31.10.2014	6835,50	5458,36	4281,02	6827,10	2,07%	-7,56%	162600	553,33	555,65
MONTHLY AVERAGES	6739,20	5315,76	4192,72					541,82	544,13



MARKET COMMENTARY

Unlike many other commodities that got hit in the aftermath of a stronger dolar and surging US equity markets, base metals held up fairly well in October. Copper was a case in point, finishing slightly higher on the month after rebounding from a five-month low of \$6530. We suspect the firmer tone was due to a number of things, one being the significant revision by the ICSG on its supply/demand balances. The Group now says that the market will be in a deficit of 270,000 tons this year before switching to a surplus of about 390,000 tons in 2015. In addition, both LME as well as Shanghai inventories have been trending lower for much of the year, not indicative of a well-supplied market. Meanwhile, Chinese trade numbers for September show refined copper imports bouncing to a five-month high (despite local production soaring to a new record), but the report did not have much of an impact, as the talk was that the copper could be getting reexported in product form.

Copper came under heavy pressure this morning. Interestingly, the copper spreads eased with the weakening price suggesting a degree of panic in the move. The latest LME data still show the presence of a dominant position holder of cash and tom warrants.

Copper fell to a two-week low in this afternoon on worries over slowing growth in Europe and China, a surging dollar and weakening oil prices, though losses were kept in check by supply delays in Peru. Three-month copper on the London Metal Exchange fell to \$6,543.50 a tonne, before recovering slightly to trade at \$6,584 in official rings, down 1 percent.

The dollar rose to a seven-year high against the Japanese yen after a victory by Republicans in the U.S. mid-term elections, while Brent oil dropped to a new four-year low below \$82 a barrel. A strong dollar makes dollar-priced metals costlier for non-U.S. investors.

On the demand side, China's state power grid, its biggest buyer of copper, is set to roll out more power lines. China has begun construction of a large-scale, ultra-high voltage power project, which will help alleviate air pollution problems, the State Grid Corporation of China said on Tuesday.



MONTHLY REVIEW & INDUSTRY NEWS

- ✚ Cochilco is still forecasting an average price of \$ 6878 per tonne (3.12\$/lb) in 2014 and \$6614 per tonne (3.00\$/lb) in 2015, the deputy mining secretary, Ignacio Moreno, said in presenting the commission's quarterly market report.
- ✚ Copper prices face pressure next year due to a growing global surplus, as tepid demand from top consumer China fails to soak up surging supply from new and existing mines, a Reuters poll showed. Cash copper seen at \$6,887.60 per tonne in 2014; \$6,724.03 per tonne in 2015. Copper surplus seen at 94,316 tonnes in 2014; 350,000 tonnes in 2015.
- ✚ The International Wrought Copper Council believes the world refined copper market will be "broadly in a statistical balance" in 2014 and 2015, the IWCC said Monday. It put global mine production at 18.20 million tonnes for 2014, up 1.2 percent compared with 2013, and expects a further 7.1 percent increase in 2015, taking production to 19.5 million tonnes, the IWCC said in a statement.
- ✚ The world copper market will be balanced next year and might move into a deficit in the event of unexpected disruptions, according to Freeport-McMoRan Inc., the world's second-largest producer from mines.
- ✚ Japan's output of rolled copper product rose to 71,401 tonnes in September on a seasonally adjusted basis, up 4.7 percent from a year earlier, preliminary data showed.
- ✚ China's copper smelters may be paid between 9 percent and 20 percent more in fees for processing raw material concentrate next year by global miners, reflecting higher world mine production, executives at smelters and traders said.
- ✚ World No. 1 copper producer Chile produced 464,572 tonnes of copper in September, a 5.0 percent decrease from the year before, dragged down by mine maintenance stoppages and lower ore grades, the government said.

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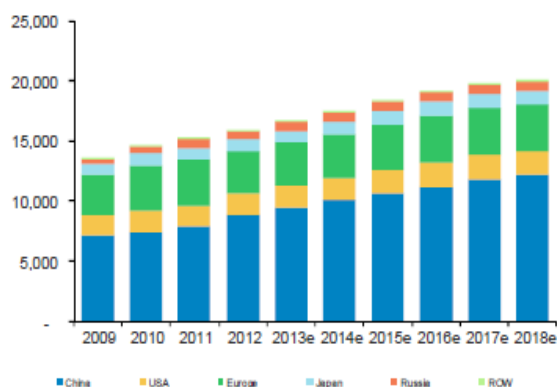
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- ✚ London-based hedge fund Red Kite Group currently holds more than half of London Metal Exchange copper inventories, the Wall Street journal reported, citing LME traders and brokers.
- ✚ China's Sept refined copper imports down 14.6 percent in September from a year ago to 288,661 tonnes.
- ✚ Peru posted a 12.78 percent year-on-year decrease in copper production in September 2014, following the negative trend seen in previous months. The country produced a total of 105,289 tonnes of copper, compared with 120,716 tonnes in September 2013, according to figures from the country's energy and mining ministry.
- ✚ Glencore Q3 copper production was up 8 percent to 1,149,000 tonnes year to date.
- ✚ In 3Q14 Vale produced, 104,800 tonnes copper, 29.3percent and 10.8 percent higher than in 2Q14 and in 3Q13, respectively, reaching a historical production record.
- ✚ The Kazakh miner Kazakhmys produced 59,000 tonnes of copper cathode equivalent in the first nine months of the year from the assets it will retain, up 10 percent from the same period a year earlier.
- ✚ BHP Billiton's total copper production decreased by one per cent in the September 2014 quarter to 389,000 tonnes.
- ✚ According to Morgan Stanley report, you can see the global copper supply /demand as below.

Copper Demand by Region

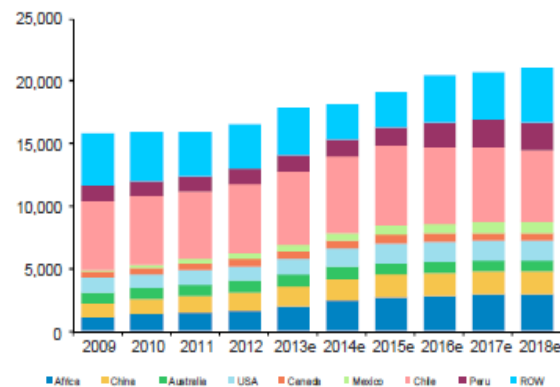
(Global refined demand, MT/year)



Source: WMBH, Morgan Stanley Commodity Research estimates

Copper Production by Region

(Global concentrate production, '000 MT/year)



Source: WMBH, Morgan Stanley Commodity Research estimates

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