



ER-BAKIR

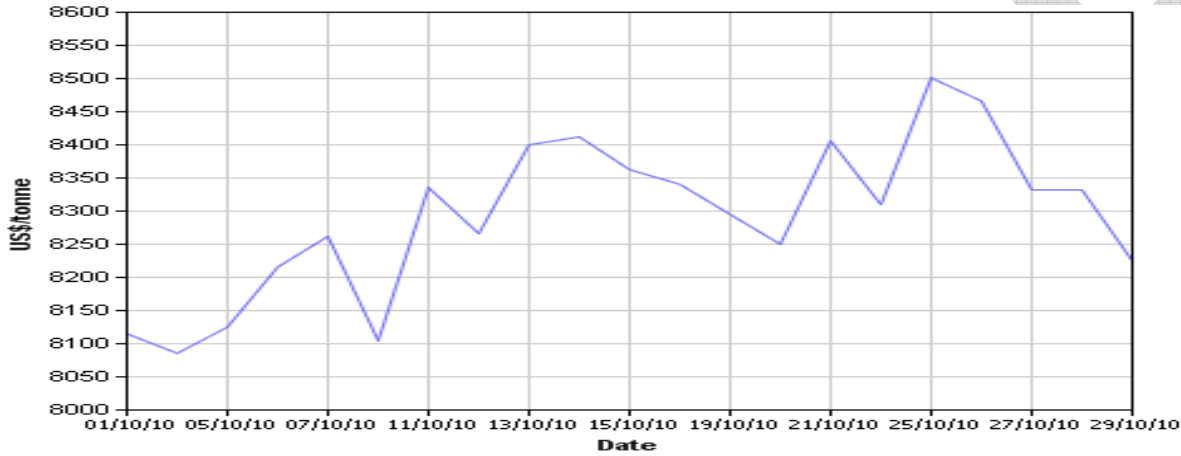
elektrolitik bakır mamulleri a.ş.

MONTHLY COPPER BULLETIN

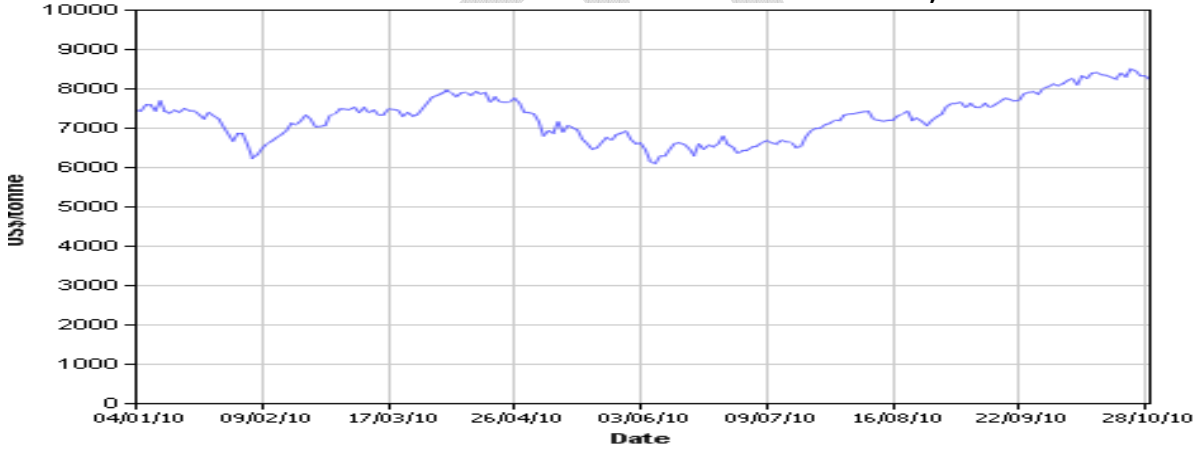
October-2010

10th November 2010

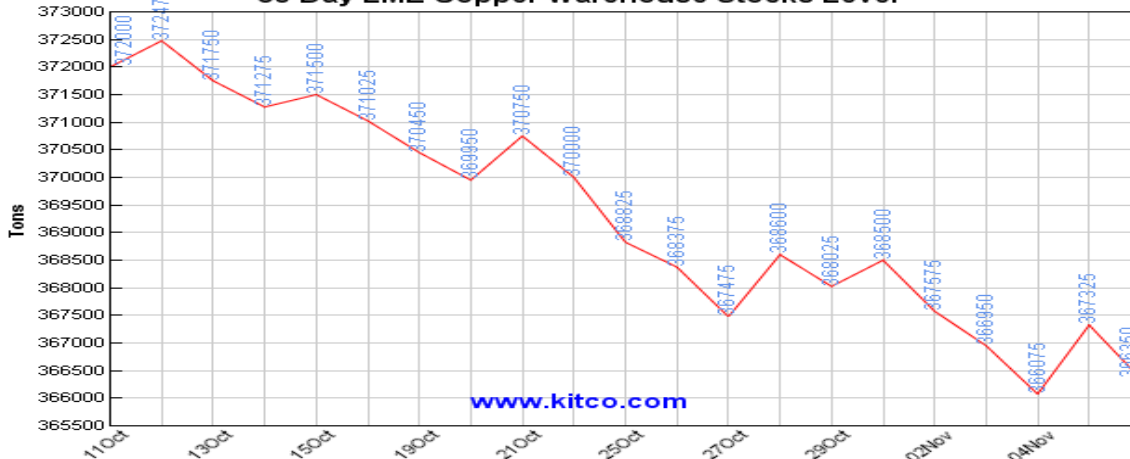
LME CASH SETTLEMENT – CASH SELLER AND SETTLEMENT, OCTOBER 2010



LME CASH SETTLEMENT – CASH SELLER AND SETTLEMENT, 2010



30 Day LME Copper Warehouse Stocks Level



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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 NOTICE (€/100Kg)	DEL NOTICE HIGH
01.10.2010	8.115,00	5.909,12	5.125,69	7.784,70	16,81%	10,47%	373800	598,48	606,37
04.10.2010	8.085,50	5.899,24	5.105,45	7.994,60	15,68%	10,07%	374450	598,48	606,37
05.10.2010	8.125,00	5.900,94	5.119,08	7.994,60	16,25%	10,60%	374100	597,25	605,11
06.10.2010	8.215,50	5.926,63	5.172,19	7.994,60	17,54%	11,84%	374125	600,95	608,77
07.10.2010	8.262,00	5.906,07	5.162,78	7.994,60	18,21%	12,47%	373450	598,46	606,21
08.10.2010	8.104,50	5.837,72	5.105,20	7.994,60	15,95%	10,33%	372000	591,02	598,82
11.10.2010	8.335,50	5.977,84	5.227,99	8.158,50	15,30%	13,47%	372475	605,43	613,2
12.10.2010	8.266,00	5.979,46	5.216,79	8.158,50	14,34%	12,52%	371750	605,7	613,54
13.10.2010	8.400,00	6.016,33	5.303,37	8.158,50	16,20%	14,35%	371275	608,1	615,85
14.10.2010	8.412,00	5.972,31	5.249,30	8.158,50	16,36%	14,51%	371500	605,15	612,84
15.10.2010	8.362,50	5.932,53	5.211,90	8.158,50	15,68%	13,84%	371025	601,02	608,71
18.10.2010	8.340,50	6.005,11	5.254,19	8.355,20	14,69%	13,54%	369950	606,75	614,53
19.10.2010	8.295,00	5.980,10	5.265,33	8.355,20	14,06%	12,92%	369950	602,82	610,6
20.10.2010	8.250,00	5.955,39	5.244,42	8.355,20	13,44%	12,31%	370750	603,14	610,96
21.10.2010	8.406,00	5.995,29	5.337,48	8.355,20	15,59%	14,43%	370000	606,45	614,16
22.10.2010	8.309,50	5.957,06	5.285,94	8.355,20	14,26%	13,12%	368825	604,39	612,17
25.10.2010	8.501,00	6.056,57	5.405,01	8.320,20	15,10%	15,72%	368375	612,62	620,33
26.10.2010	8.466,00	6.077,53	5.336,95	8.320,20	14,63%	15,25%	367475	614,03	621,78
27.10.2010	8.332,00	6.032,87	5.262,76	8.320,20	12,81%	13,42%	368600	609,74	617,57
28.10.2010	8.332,00	6.018,49	5.249,50	8.320,20	12,81%	13,42%	368025	608,73	616,54
29.10.2010	8.225,00	5.933,49	5.164,19	8.320,20	11,36%	11,97%	368500	603,74	611,53
MONTHLY AVERAGES	8.292,40	5.965,24	5.228,83					603,93	611,71



MARKET COMMENTARY

Copper hit 27-month highs at the beginning of this week, coming within striking distance of a record set in London futures, although the dollar's rebound weighed on New York prices of the metal. Benchmark copper for three-month delivery on the London Metal Exchange closed up \$198 at \$8,858 a tonne. During the LME session, it hit a high of \$8,875 a tonne, not far from the record high of \$8,940 touched in July 2008. On the COMEX division of the New York Mercantile Exchange, copper for December delivery settled up 2.2 percent at \$4.0290 a lb after running up to \$4.0475. But in after-hours trade, it fell to as low as \$3.9275 per lb as the dollar climbed sharply, buoyed by higher U.S. bond yields.

Gold and crude oil also lost early gains on the dollar's rebound. "The selloff started because the market had gone too far, too fast," said Frank McGhee, head precious metals trader at Chicago's Integrated Brokerage Services LLC. He was echoing some analysts who said the rally in commodities had been overdone since the Federal Reserve said last week it hoped to bolster U.S. economic growth through a new round of monetary easing worth \$600 billion.

"We don't see any chance that the United States, euro zone nations, or Japan would pull out of easy monetary policies any time soon, so inflation worries will continue to be a reason for speculative trades." Edward Meir, base metals analyst for MF Global in New York, concurred with that. "We suspect that lingering misgivings about the Fed's QE2 move (second bout of quantitative easing) is also fuelling the general aversion away from paper currencies and into hard assets," Meir said.

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Copper fell 1 percent in London on 10th of Nov as the market retreated from near record highs under the weight of a firm dollar, weak Chinese import data and concerns recent commodity price gains were too steep. Three-month copper on the London Metal Exchange fell \$88 to \$8,770, off the previous session's 27-month high of \$8,884, and the record price of \$8,940 struck in July 2008. Benchmark third-month Shanghai copper dipped 0.6 percent to 67,290 yuan. China trade numbers came in on the soft side with October's imports of copper and copper scrap both down by about 25 percent from September.

Some of the support for copper prices came from a strike by union workers at Chile's Collahuasi, the world's No. 3 copper mine. The strike headed into its fifth day, with no sign of resolution. The mine's owners said deliveries had not been affected. But industry sources indicated they expected some impact soon on supply from the work stoppage. Worries about copper supplies in the near term pushed the metal into a \$5 a tonne backwardation -- a premium for cash material over the three-month contract compared with a discount of \$20 a tonne in late October.

London copper increased almost 7.6 percent in October 2010 at \$8,292.40 when compared to LME average of September 2010. It has also risen \$3,000 approx or 45 percent from June 08 to Nov 09. Standard Bank has raised its 2011 copper price forecast by \$300 per tonne to \$8,200 and maintained its predictions for higher levels for other metals next year.

The current level of resistance is \$8884 and support is \$8600.



MONTHLY REVIEW & INDUSTRY NEWS

- According to the World Bureau of Metal Statistics (WBMS), the global copper market moved into a deficit of 161,000 tonnes in January to August versus a surplus of 16,000 tonnes for the same period last year. In the first eight months of 2010, refined production rose to 12.74 million tonnes, up 4.2 percent compared with the same months last year. Chinese output rose by 390,000 tonnes. Chilean metal production fell by 37,400 tonnes to 2.142 million tonnes.

"Global consumption for the first eight months of 2010 was 12.90 million tonnes and the 2009 calendar year total was 18.24 million tonnes," WBMS said in a statement. "Chinese apparent consumption rose by 196,000 tonnes due largely to an increase in domestic production." World mine production in January to August was 10.43 million tonnes, which was fractionally higher than in the same months of 2009, the organization said.

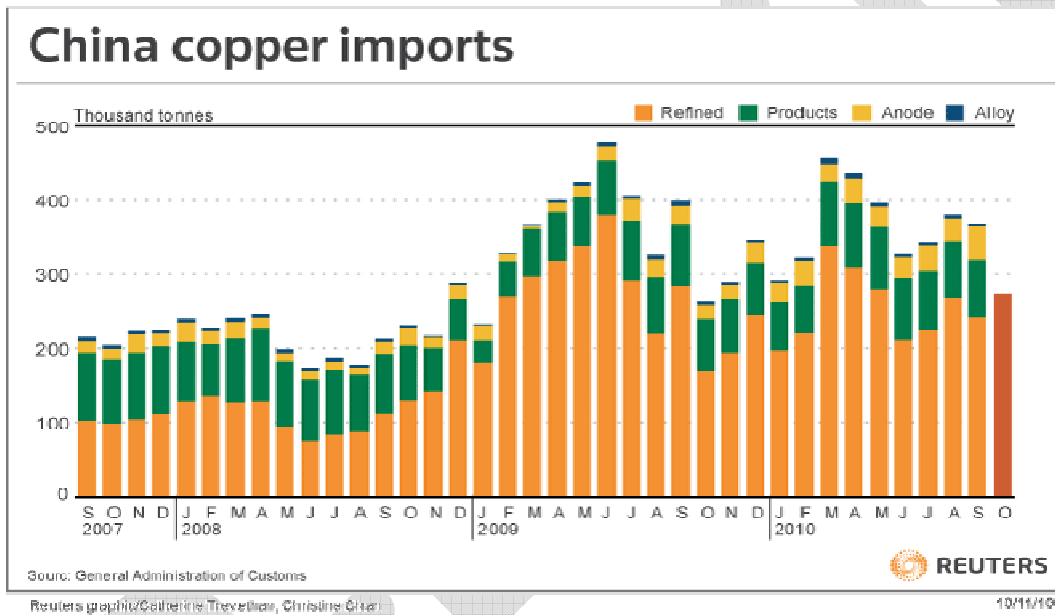
- According to KME Group's executive, Europe's copper products demand is expected to rise 18-20 percent in 2010 and return to pre-crisis levels in 2012.
- U.S. imports of copper fell to a one-year low in August, snapping a string of four consecutive monthly increases, while inbound shipments of aluminum slumped to their lowest in two years, both reflective of a decelerating economy. That deceleration should prompt the U.S. Federal Reserve to move faster in its efforts to stimulate the economy, which in turn, should boost consumption levels of these industrial metals in the months ahead, analysts said. Data from the U.S. International Trade Commission showed August copper imports fell sharply to 37,694 tonnes, down over 40 percent from 66,008 tonnes registered in July. August copper imports stood at their lowest level since August 2009, when 36,426 tonnes were shipped into the country.



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- During the LME Week, Chile's Codelco, the world's largest copper producer, has offered European clients \$ 98 a tonne copper surcharge for next year.
- According to the Central Bank Of Chile, country's copper exports totaled \$3.919 billion in September, up 47 percent from \$2.657 billion in the same month the previous year.
- China's imports of unwrought copper and semi-finished copper products fell nearly 26 percent month-on-month in October to the lowest level in a year as high prices bit into demand. The world's top copper consumer, China imported 273,511 tonnes of unwrought copper and semi-finished copper products in October, data from the General Administration of Customs showed. It was the second straight monthly decline as imports fell nearly 3 percent to 368,410 tonnes in September from August. The October imports include anode and refined metal - the most popular type in the international and Chinese markets and which accounted for 66 percent of last month's total imports, and semis were the lowest inflows since October last year.



- According to the latest monthly bulletin of the International Copper Study Group, world refined copper consumption exceeded production by 356,000 tonnes between January and July this year, compared with a deficit of 164,000 tonnes in the same year-ago period. Also, World refined copper output in January to July reached 11.034 million tonnes, while consumption amounted to 11.390 million tonnes, the Lisbon-based ICSG said.
- Total copper futures volumes on the London Metal Exchange (LME) fell 4, 4 percent in the third quarter from the second quarter to 173 million tones, and in Shanghai they fell 17 percent to 65 million tonnes.
- China, the world's top copper consumer, is likely to have a deficit of 2.44 million tonnes of refined metal next year, larger than the 2.25 million tonne shortfall expected this year, a senior analyst at state-backed research firm Antaika predicted. China's real consumption of refined copper would rise 8 percent in 2011 or by about 540,000 tonnes to 7.34 million tonnes, Yang Changhua said, while domestic refined production may increase 7.7 percent or about 350,000 tonnes to 4.9 million tonnes next year.

- ✚ According to Antofagasta Plc's CEO Marcelo Awad, recovering copper demand in Europe and the U.S. will widen a global shortfall of the metal. Copper demand will surpass supply by about 300,000 metric tons in 2010 and between 400,000 and 450,000 tons in 2011 and copper prices have surged more than 30 percent in the past 12 months as China, the world's largest consumer of the metal used in electrical wire and power cables, boosted purchases. The first recovery in demand from Europe and the U.S. since 2008 will deepen an inventory shortage at London Metal Exchange warehouses, Awad told.
- ✚ South Korea Public Procurement Service (PPS) announced the country's metal demand will increase in 2011, but copper demand will shrink if prices head much higher.
- ✚ Kazakhstan State statistics data showed that the country produced 252,195 tonnes of refined copper in the first nine months of 2010, up 4.0 percent year-on-year, Also, the country produced 22,245 tonnes in September alone, 21.5 percent less than in the previous month.
- ✚ Japanese copper wire and cable shipments rose 5.2 percent from a year earlier to an estimated 61,000 tonnes in September, supported by solid demand from the automobile and electronics sectors, industry data showed. That marked the ninth straight month of year-to-year gains, and up 15 percent from 53,004 tonnes in August, the data from the Japanese Electric Wire and Cable Makers' Association showed.
- ✚ Japan's output of rolled copper product rose 13.6 percent from a year earlier to 75,082 tonnes in September on a seasonally adjusted basis, preliminary data showed. From August, output increased 0.6 percent, the Japan Copper and Brass Association said.
- ✚ Kazakh miner Kazakhmys posted a 9.3 percent fall in third quarter copper production and reiterated its full-year target as demand remained buoyant. Kazakhmys, the world's 10th biggest copper miner, said it produced 74,600 tonnes of copper cathode from its own concentrate, down from 82,200 tonnes in the third quarter last year, mainly due to lower grades of ore mined. It also said it was on track to meet its target to produce at least 300,000 tonnes of copper this year. In August, the London-listed miner posted a 130 percent jump in underlying first-half earnings per share on higher prices and warned about rising costs
- ✚ Japan's refined copper exports edged up 0.5 percent in September from a year earlier to 37,788 tonnes, with 41 percent of that going to China, Ministry of Finance data showed.

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