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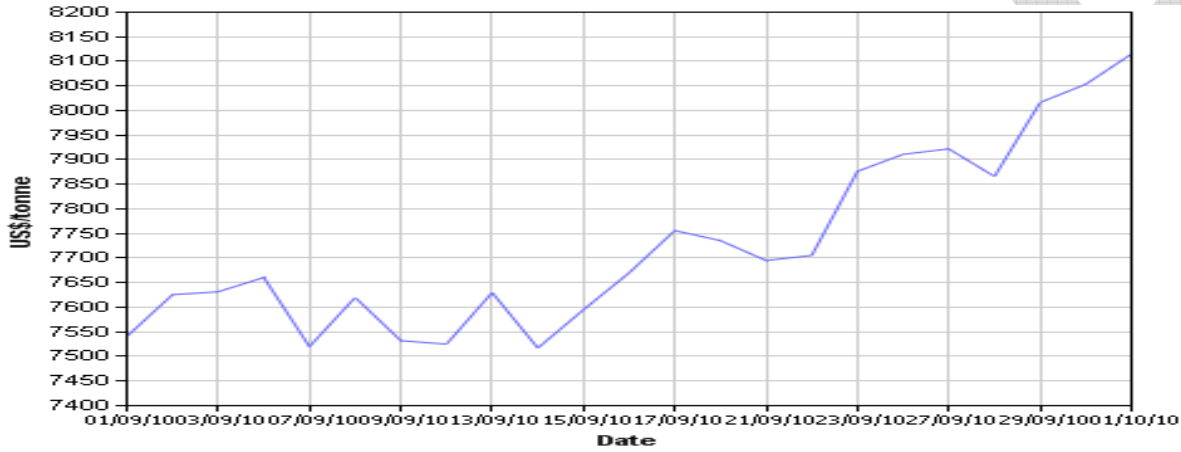
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MONTHLY COPPER BULLETIN

September-2010

07th October 2010

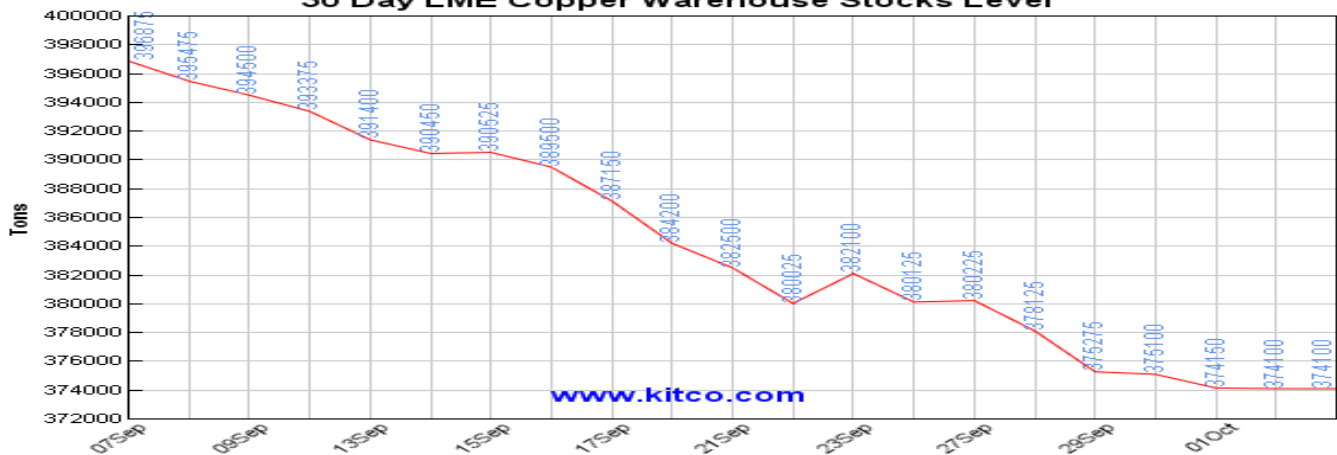
LME CASH SETTLEMENT – CASH SELLER AND SETTLEMENT, SEPTEMBER 2010



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
01.09.2010	7.540,50	5.888,26	4.894,84	7.194,10	4,82%	2,65%	398775	596,84	605,30
02.09.2010	7.625,50	5.945,35	4.956,13	7.194,10	6,00%	3,80%	399475	602,46	610,91
03.09.2010	7.631,50	5.943,07	4.951,98	7.194,10	6,08%	3,89%	397675	601,99	610,42
06.09.2010	7.660,50	5.950,37	4.985,03	7.538,25	1,62%	4,28%	396875	602,65	611,06
07.09.2010	7.520,00	5.896,19	4.905,41	7.538,25	-0,24%	2,37%	395475	597,44	605,93
08.09.2010	7.620,00	6.000,95	4.930,76	7.538,25	1,08%	3,73%	394500	607,50	616,02
09.09.2010	7.532,00	5.925,58	4.892,82	7.538,25	-0,08%	2,53%	393375	599,70	608,21
10.09.2010	7.525,00	5.912,63	4.872,76	7.538,25	-0,18%	2,44%	391400	598,87	607,37
13.09.2010	7.630,00	5.957,68	4.955,83	7.571,50	0,77%	3,87%	390450	603,33	611,78
14.09.2010	7.517,00	5.851,17	4.882,12	7.571,50	-0,72%	2,33%	390525	593,28	601,72
15.09.2010	7.595,00	5.847,71	4.881,11	7.571,50	0,31%	3,39%	389500	593,53	601,89
16.09.2010	7.670,00	5.862,57	4.913,20	7.571,50	1,30%	4,41%	387150	593,14	601,41
17.09.2010	7.756,00	5.937,38	4.955,59	7.571,50	2,44%	5,58%	384200	599,95	608,22
20.09.2010	7.735,50	5.913,54	4.956,75	7.633,60	1,33%	5,30%	382500	598,06	606,33
21.09.2010	7.695,00	5.862,41	4.958,12	7.633,60	0,80%	4,75%	380025	593,51	601,76
22.09.2010	7.705,50	5.762,41	4.922,07	7.633,60	0,94%	4,89%	382100	583,31	591,41
23.09.2010	7.876,50	5.911,07	5.028,09	7.633,60	3,18%	7,22%	380125	598,05	606,17
24.09.2010	7.911,00	5.897,13	5.035,33	7.633,60	3,63%	7,69%	380225	597,23	605,31
27.09.2010	7.922,00	5.879,91	5.002,53	7.784,70	1,76%	7,84%	378125	595,70	603,74
28.09.2010	7.866,00	5.845,28	4.964,97	7.784,70	1,04%	7,08%	375275	591,88	599,93
29.09.2010	8.016,50	5.890,15	5.077,91	7.784,70	2,98%	9,13%	375100	596,52	604,47
30.09.2010	8.053,50	5.909,96	5.068,92	7.784,70	3,45%	9,63%	374150	597,17	605,10
MONTHLY AVERAGES	7.709,30	5.899,58	4.954,19					597,37	605,66



MARKET COMMENTARY

London copper hits new 26-mth peak, while tin hit a record high and other metals jumped, on expectations of further U.S. Federal Reserve monetary easing.

Three-month copper on the London Metal Exchange rose \$108 to \$8,283 a tonne and earlier touched \$8,300, its highest since July 2008 (Copper hit a record \$8,940 in July 2008).

"Copper is looking good, we have broken through some pretty tough areas ... and once again we are getting into areas that we haven't seen for a while," said Jonathan Barratt, managing director of Commodity Broking Services. He added that supply worries in copper and tin support sentiment, and commodities are attracting the attention of funds keen to put cheap cash to work.

Equities extended gains and the dollar held near lows after the Bank of Japan unexpectedly cut interest rates on 05th of Oct, fueling speculation that other central banks may take additional action to boost economies with cheap money.

Gold, silver and platinum prices also rallied to new highs -- a record peak for gold, three-decade high for silver and platinum's strongest in around five months. LME aluminium rose to \$2,400.50, while zinc touched \$2,336, the highest for both metals since April. Nickel rose to \$24,995, its highest since May.

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Chinese markets have been shut since Friday for week-long National Day celebrations and will open on Oct. 8. "The Chinese would be natural sellers into this kind of strength. But looking ahead to their return there is a risk they will try to chase prices, even though it goes against common sense," the Singapore trade said. When Shanghai closed last Thursday, LME copper stood at a little over \$8,000 and since then it has rallied by around 3 percent.

London copper increased almost 5.8 percent in September 2010 at \$7,709.30 when compared to LME average of August 2010. It has risen \$1,000 or 14 percent from Aug 26 to Sept 30. In the same period, Shanghai Futures Exchange copper went from 57,100 yuan to 60,600 yuan, a rise of 6 percent. Goldman Sachs expects the price of copper to rise 40 percent by the end of 2011, with a 12-month forecast of \$11,000 per tonne.

The current level of resistance is \$8399 and support is \$8190.



MONTHLY REVIEW & INDUSTRY NEWS

- ✚ The copper market recorded a deficit of 70kmt in January to July 2010 which compares with a surplus of 350kmt in the whole of 2009 and a deficit of 143kmt in the first seven months of 2009 according to the World Bureau of Metal Statistics. World mine production in January to July was 9.07mmt which was fractionally higher than in the same months of 2009.

In the first seven months of 2010, refined production rose to 11.17mmt up 5.3% compared to the same months last year. Global consumption for the first seven months of 2010 was 11.24mmt and the 2009 calendar year total was 18.26mmt. In July 2010, refined copper production was 1616.5kmt and consumption was 1664.6kmt.

- ✚ According to ICSG data, the refined copper market balance for June 2010 indicated a production deficit of 84kmt. When making seasonal adjustments for world refined production and usage, June showed a deficit of about 28kmt. The apparent refined copper balance for the 1H10, including revisions to data previously presented, indicates a production deficit of 281kmt (a seasonally adjusted surplus of 9kmt). This compares with a production deficit of around 125kmt (a seasonally adjusted surplus of 143kmt) in the 1H09.
- ✚ Copper ore mined from Chile to Indonesia will be in short supply for at least five years, forcing Sumitomo Metal Mining Co to keep producing at a record rate. It's a sellers market for concentrate and I don't think this will change before 2014 or 2015 when supplies from new projects increase, Nobumasa Kemori, president of the company said.

Production from Escondida in Chile will drop as much as 10% next year, BHP Billiton Ltd said. Freeport-McMoRan Copper & Gold Inc. plans to defer some output at its Grasberg mine in Indonesia for safety reasons. Sumitomo Metal plans to produce 404kmt of copper cathode in the year started 1 April 2010, 10% less than the 450kmt capacity at its Toyo smelter, and is likely to keep output at that reduced rate until at least 2014, Kemori said.

- ✚ Anglo-Swiss mining group Xstrata has signed an option with the Peruvian government allowing it to build a US\$4.2 billion copper mine at the Las Bambas copper project. The project is expected to yield 400kmt of copper in concentrate annually. Construction is expected to start next year.

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- ✚ Chile produced 467.68kmt of copper in August, up 1.3% from 461.86kmt a year earlier, the country's statistics institute, INE said. Production during the first eight months of the year totaled 3.542mmt, up 1.7% from 3.483mmt a year earlier. INE said the slight rise was the result of a 4.9% increase in production of copper contained in concentrates to 207kmt, while cathode output dropped 1.7%.
- ✚ Chilean state miner Codelco is likely to produce 1.7 to 1.8mmt of copper this year. About 80% of the total production will be refined copper. The world's top copper miner will ship more than half of its copper production in 2010 to China.
- ✚ Codelco said it produced 799kmt of copper in the 2Q10. A year earlier, output was 783kmt.
- ✚ Peru's copper production fell 4.5% to 102,872mt in August on declines at mines run by Xstrata Plc and Cia.Minera Antamina SA, the government said.
- ✚ Copper production in Zambia rose 11% in the first seven months of the year, the Central Bank of Zambia said. Output of the metal climbed to 439,112mt from 397,121mt a year earlier. Copper exports rose to 444,470mt from 369,065mt.
- ✚ Zambia's 2010 copper output is expected to hit 740kmt up from 696.9kmt last year due to increased production at several copper mines, the finance ministry said. Copper output is expected to keep rising due to the resumption of operations at Luanshya Copper Mines as well as increasing production at copper mines on the Copperbelt and North Western provinces.
- ✚ KGHM Polska Miedz has raised its 2010 output forecasts to 541kmt of electrolytic copper, from a forecast of 512kmt issued on the 1 February 2010.
- ✚ China's August 2010 copper output was 397kmt, up 16.4% year to date. August 2010 copper imports were up 11% month on month to 370kmt. August 2010 copper scrap imports were up 6% month on month to 400kmt.
- ✚ Japan's copper wire and cable shipments gained 5.5% in August from a year earlier, advancing for an eighth month, an industry group said. Shipments, including exports and domestic business, increased to 53.3kmt last month from 50.53mt a year earlier, the Japanese Electric Wire and Cable makers' Association said. Shipments totaled 59.58kmt in July, the data showed. Copper, used in pipes and wires, has risen 24% in the past year.
- ✚ Japan's output of rolled copper product rose to 74.7kmt in August on a seasonally adjusted basis, up 18.2% from a year earlier. The figure represents a 0.4% decrease from 75kmt in July, the Japan Copper and Brass Association said.

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