



**ER-BAKIR**  
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# MONTHLY COPPER BULLETIN

April-2015

08<sup>th</sup> May 2015



## 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
01.04.2015	6019,50	5600,06	4076,04	6045,38	-2,06%	-5,34%	332125	575,12	578,06
02.04.2015	6001,50	5541,55	4048,78	6045,38	-2,36%	-5,62%	333550	564,38	567,29
03.04.2015	-	-	-	-	-	-	-	-	-
06.04.2015	-	-	-	-	-	-	-	-	-
07.04.2015	6041,00	5563,64	4056,54	6050,25	-0,07%	-5,00%	333425	564,38	567,29
08.04.2015	6055,00	5580,65	4054,51	6050,25	0,16%	-4,78%	331000	567,65	570,55
09.04.2015	6050,00	5618,50	4077,09	6050,25	0,08%	-4,86%	330125	571,82	574,74
10.04.2015	6055,00	5719,82	4144,42	6050,25	0,16%	-4,78%	330050	583,33	586,31
13.04.2015	6011,50	5701,89	4114,37	5996,70	-0,64%	-5,46%	333800	580,20	583,19
14.04.2015	5916,50	5597,45	4034,71	5996,70	-2,21%	-6,96%	337500	570,55	573,53
15.04.2015	5920,50	5593,82	4014,71	5996,70	-2,14%	-6,90%	337250	570,12	573,10
16.04.2015	6054,00	5641,60	4059,55	5996,70	0,06%	-4,80%	337225	575,55	578,50
17.04.2015	6081,00	5620,67	4043,76	5996,70	0,51%	-4,37%	336600	572,57	575,48
20.04.2015	6002,00	5591,06	4021,98	5972,90	0,09%	-5,61%	341275	570,06	573,00
21.04.2015	5975,00	5583,07	4012,49	5972,90	-0,36%	-6,04%	338300	568,76	571,71
22.04.2015	5927,00	5511,95	3935,07	5972,90	-1,16%	-6,79%	337275	562,02	564,95
23.04.2015	5935,00	5511,19	3949,03	5972,90	-1,03%	-6,67%	336725	561,25	564,17
24.04.2015	6025,50	5562,17	3984,86	5972,90	0,48%	-5,24%	337675	566,91	569,83
27.04.2015	6061,00	5592,36	4008,60	6172,30	1,47%	-4,69%	338425	570,30	573,21
28.04.2015	6090,50	5565,15	3983,58	6172,30	1,97%	-4,22%	338250	567,52	570,40
29.04.2015	6103,00	5551,21	3975,12	6172,30	2,18%	-4,03%	338125	564,78	567,65
30.04.2015	6245,00	5578,88	4049,67	6172,30	4,56%	-1,79%	337925	566,72	569,53
<b>MONTHLY AVERAGES</b>	<b>6028,48</b>	<b>5591,33</b>	<b>4032,24</b>					<b>569,70</b>	<b>572,62</b>



## MARKET COMMENTARY

Copper did not do much in April, fluctuating within a \$200 band for most of the month, but then exploded over the last few days to close at over \$6400, a five-month high. The move was devoid of any news, but largely driven by fund buying, a weaker dollar and growing expectations of more Chinese stimulus.

At the CESCO conference, miners discussed how much of an impact low prices would have on production, as well as on the expected surplus (estimated to be at a rather hefty 365,000 tons by the ICSG). Antofagasta's CEO said he saw the surplus disappearing, as production retrenches, but other miners are keeping up, benefitting from new capex spending and extension projects designed to boost output. In fact, Cochilco has not lowered its 2015 Chilean production forecast much at all, with its latest number at 5.94 million, only a shade lower than its previous 6.0 mln ton estimate. And although Chilean March output fell steeply on account of rains, output in Q1 is still 3.4% ahead of last year.

On the demand side, China's Antaika cut copper demand growth to 5.7% from 6.4% for this year, although it said stimulus measures could help boost offtake in the 2nd half of 2015. Meanwhile,



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Chinese imports of refined metal jumped to 306,000 tons, but Q1 imports are still down 18% y-o-y, perhaps because we are seeing surging local Chinese production, up almost 10% y-o-y. The latest Reuters consensus has copper trading at \$6125 in 2015 and at \$6528 in 2016, with respective surpluses at 105,000 and 164,000 respectively.

London copper slipped on Friday on a stronger dollar and worries over demand in top metals consumer China after weaker than expected trade data, with an upcoming U.S. jobs report also in focus.

China's exports fell 6.4 percent in April from a year earlier in dollar-denominated terms, missing market expectations, while imports tumbled 16.2 percent, burnishing the case for stronger stimulus in the world's largest metals user. "We're keeping an eye on China data, and expecting more stimulus announcements ... such as RRR (Reserve Ratio Requirement) cuts. It's quite possible that they will help support commodity prices in the near term," said analyst James Glenn of National Australia Bank in Melbourne.

The U.S. dollar recovered against the euro after German Bund yields retreated from their 2015 highs and optimism grew that the April U.S. labour report would show strength after upbeat data on weekly jobless claims. A stronger dollar erodes purchasing power for buyers of commodities who pay with other currencies.

Three-month copper on the London Metal Exchange was steady at \$6,394 a tonne by 0634 GMT, closing flat in the previous session and eyeing an unchanged end to the week. But prices on Tuesday struck their highest for the year at \$6,481 a tonne as markets returned from a long weekend and as a weaker dollar stimulated buying.

China's imports of copper rose 4.9 percent from a month ago to 430,000 tonnes in April, while exports of aluminium and semi-manufactured aluminium products jumped by a quarter to 430,000 tonnes.



## MONTHLY REVIEW & INDUSTRY NEWS

- Chilean copper giant Codelco sees supply and demand for the red metal tightly balanced this year as floods, strikes and other hitches slow production around the world, marketing manager Victor Perez said. "After a balanced 2014, we are expecting a small surplus of around 50,000 tonnes in 2015," the executive told.
- Codelco sees prices holding around current levels of \$2.80/lb over the next two years, but in the longer term moving back above \$3/lb on average.
- China's surplus of refined copper edged up to 160,000 mt in February from 152,000 mt in January, the China Nonferrous Metals Industry Association said on its website.
- Chilean Copper Commission Cochilco estimated that output would be around 6.0 million tonnes, up from 5.78 million last year. The copper price is seen averaging \$2.85 a pound this year, Cochilco said, maintaining its previous forecast. It sees the price dropping to \$2.80 next year.
- The global world refined copper market showed a 59,000 tonnes surplus in January, compared with a 138,000 tonnes surplus in December, the International Copper Study Group (ICSG) said in its latest monthly bulletin. For the first month of the year, the market was in a 59,000 tonnes surplus compared with a 142,000 tonnes deficit in the same period a year earlier, the ICSG said.

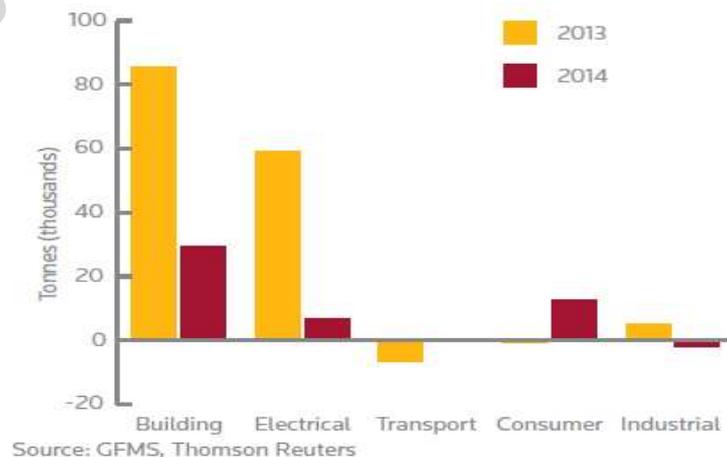


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World refined copper output in January was 1.91 million tonnes, while consumption was 1.85 million tonnes.

- Bank of America Merrill Lynch lowers average 2015 copper price forecast by 10 percent to \$5,784 per tonne, cuts 2016 view by 15.3 percent to \$4,969 per tonne
- Citibank cuts 2015 average copper price forecast by 4.6 percent to \$6,423 per tonne.
- Mexican copper rose 1.4 percent to 37.500 (YoY) in February, data from the National Statistics Institute showed.
- Peruvian copper production is expected to rise 10% this year as new mines ramp up operations, a senior government official said. Peru produced 1.38 million mt of copper in 2014, little changed from the previous year.
- Japan's output of rolled copper product fell to 65,343 tonnes in March on a seasonally adjusted basis, down 0.6 percent from a year earlier, the Japan Copper and Brass Association said.
- Mongolia exported 309,400 tonnes of copper concentrate in January-March, rising 44.5 percent year on year, according to latest data released by the National Statistical Office of Mongolia.
- Glencore reported first-quarter production results. Total own sourced copper production was 350,700 tonnes, 9 percent lower than the same period of 2014.
- Kazakh copper producer Kaz Minerals said copper output remained on track to achieve the company's guidance of between 80,000 and 85,000 tonnes of cathode for 2015. In 2014, copper cathode output from continuing operations was 84,000 tonnes, down from total production of 294,000 tonnes in 2013, before the restructuring.
- Chilean miner Antofagasta, which like others in the copper sector faces falling ore grades and weak copper prices, produced 146,400 tonnes of copper in the quarter, down 13.6 percent from a year earlier.
- BHP Billiton has lowered its copper production for financial year ending June 30, 2015 to 1.7 million mt, or 6% below its prior guidance.
- Codelco and the Korean Institute of Geoscience and Mineral Resources (Kigam) have signed a three-year technology partnership to advance methods for copper production from low grade ores.
- Copper consumption by end-use (year on year change in volume, 2013 and 2014) can be found in the chart below.



- Chinese copper major Tongling Nonferrous Metals produced 1.31 million mt of refined copper in 2014, up 9% year on year due to lower production cost and an improvement in production efficiency, the Shenzhen-listed company said.
- Southern copper sees new projects in Peru, and Mexico almost doubling output to 1.15 million tonnes of copper in 2017 from 2014.

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