



ER-BAKIR
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MONTHLY COPPER BULLETIN

March-2018

18th April 2018



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 |
|-------------------------|----------------|-----------------|-----------------|------------------------|-----------------|-----------------|---------------------|---------------------|----------------|
| 01.03.2018 | 6852,00 | 5.630,70 | 4.986,17 | 6.965,40 | -1,63% | -4,26% | 328000 | 570,15 | 572,00 |
| 02.03.2018 | 6883,00 | 5.592,30 | 4.992,38 | 6.965,40 | -1,18% | -3,83% | 324900 | 566,20 | 568,00 |
| 05.03.2018 | 6850,00 | 5.570,01 | 4.959,10 | 6.865,90 | -0,23% | -4,29% | 322175 | 563,98 | 566,00 |
| 06.03.2018 | 6968,50 | 5.615,68 | 5.008,63 | 6.865,90 | 1,49% | -2,63% | 319650 | 568,55 | 571,00 |
| 07.03.2018 | 6873,00 | 5.534,71 | 4.953,51 | 6.865,90 | 0,10% | -3,97% | 316375 | 560,61 | 563,00 |
| 08.03.2018 | 6830,00 | 5.503,63 | 4.922,17 | 6.865,90 | -0,52% | -4,57% | 314875 | 557,28 | 559,00 |
| 09.03.2018 | 6808,00 | 5.536,76 | 4.921,92 | 6.865,90 | -0,84% | -4,88% | 311125 | 560,77 | 563,00 |
| 12.03.2018 | 6857,00 | 5.574,34 | 4.935,22 | 6.912,70 | -0,81% | -4,19% | 321125 | 564,48 | 567,00 |
| 13.03.2018 | 6883,00 | 5.565,62 | 4.933,70 | 6.912,70 | -0,43% | -3,83% | 321475 | 563,53 | 566,00 |
| 14.03.2018 | 7015,00 | 5.674,19 | 5.025,07 | 6.912,70 | 1,48% | -1,98% | 319825 | 563,53 | 566,00 |
| 15.03.2018 | 6885,50 | 5.579,37 | 4.940,45 | 6.912,70 | -0,39% | -3,79% | 319325 | 565,05 | 567,00 |
| 16.03.2018 | 6923,00 | 5.623,88 | 4.959,88 | 6.912,70 | 0,15% | -3,27% | 321450 | 565,05 | 567,00 |
| 19.03.2018 | 6791,50 | 5.520,20 | 4.828,31 | 6.731,00 | 0,90% | -5,11% | 319275 | 559,11 | 561,00 |
| 20.03.2018 | 6784,00 | 5.522,18 | 4.849,18 | 6.731,00 | 0,79% | -5,21% | 322475 | 559,32 | 561,00 |
| 21.03.2018 | 6675,00 | 5.433,46 | 4.749,54 | 6.731,00 | -0,83% | -6,73% | 321900 | 550,56 | 553,00 |
| 22.03.2018 | 6746,50 | 5.478,72 | 4.775,27 | 6.731,00 | 0,23% | -5,74% | 319500 | 554,89 | 557,00 |
| 23.03.2018 | 6658,00 | 5.395,90 | 4.710,63 | 6.731,00 | -1,08% | -6,97% | 317750 | 546,68 | 549,00 |
| 26.03.2018 | 6500,00 | 5.239,40 | 4.568,46 | 6.607,00 | -1,62% | -9,18% | 352750 | 530,80 | 533,00 |
| 27.03.2018 | 6641,50 | 5.359,51 | 4.712,96 | 6.607,00 | 0,52% | -7,20% | 383975 | 542,90 | 545,00 |
| 28.03.2018 | 6601,50 | 5.322,07 | 4.664,71 | 6.607,00 | -0,08% | -7,76% | 388175 | 539,26 | 541,00 |
| 29.03.2018 | 6685,00 | 5.427,02 | 4.749,56 | 6.607,00 | 1,18% | -6,59% | 383075 | 549,67 | 552,00 |
| 30.03.2018 | - | - | - | - | - | - | - | - | - |
| MONTHLY AVERAGES | 6795,76 | 5.509,51 | 4.864,13 | | | | | 557,26 | 559,38 |



MARKET COMMENTARY

Copper ended lower in March for a third month in a row. Copper was trading between \$6532-\$7064 before ending at \$6740.5. For the first quartet of 2018, LME copper edged down 7 percent, not exactly a good start to the year. Several reasons are behind the decline, the most prominent being trade war anxious between US and China. Both actions sent a chill through ferrous and nonferrous complexes, as investors became rightly concerned that the world's two most powerful economies could get embroiled in an escalating trade war. A steady increase in copper exchange stocks also weighed on prices; combined stocks at both LME and SHFE were up roughly 18% this past month and have almost doubled vs. this time last year.

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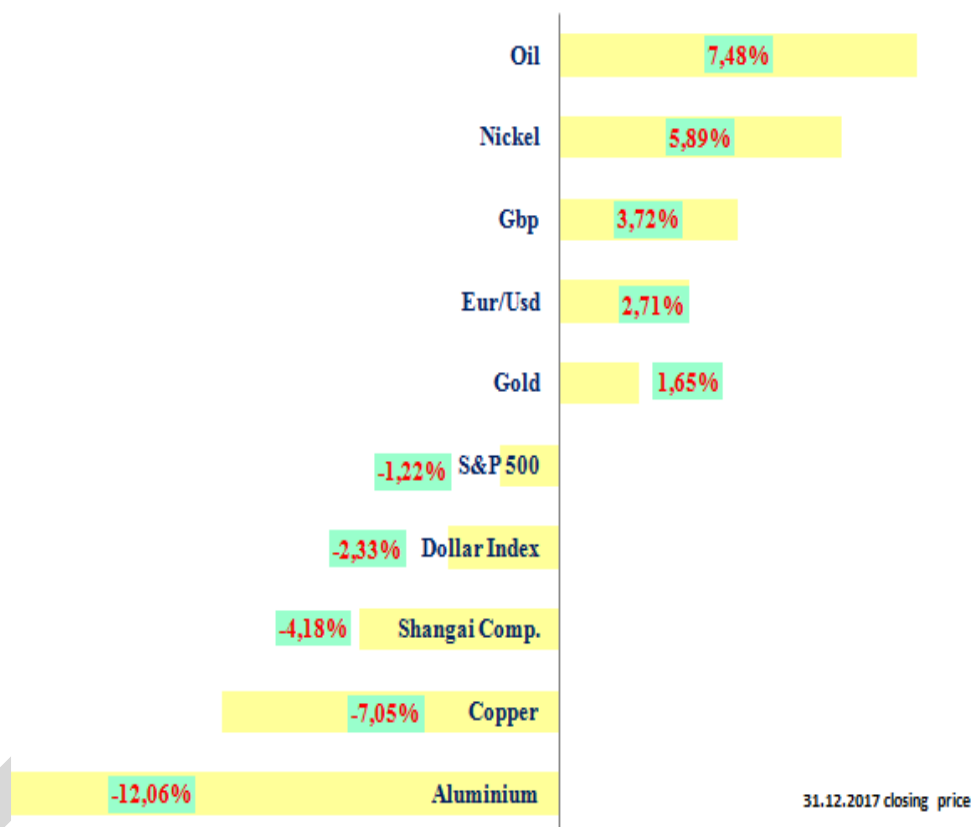
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The refined copper market ended 2017 with a deficit of about 163,000 tons, this according to the latest ICSG report, up from the group's original projection of 150,000 tons. The ICSG expects the 2018 deficit to shrink to 105.000 tons, not a particularly high number and one that could easily flip into a surplus if Chinese demand starts to flag. So far in 2018, there is not much evidence of that. On the trade side, China imported a little over 544.000 tons of refined copper in the first two months of 2018 — up 6.3 percent year-on-year.

For the year as a whole, Antaika sees Chinese refined consumption rising by 3.3 percent to 11.1 million tons, while domestic refined output is expected to hit 8.35 million tons, a 4.3percent y-o-y increase. This would mean that China would still need to import roughly 3 mln tons of copper, down 7.5 percent from 2017 levels (this according to Antaika), but a sizable number nonetheless.

Q1 2018 percentage changes



MONTHLY REVIEW & INDUSTRY NEWS

- For the first 12 months of the year, the market was in a 163,000 tonnes deficit compared with a 150,000 tonnes deficit in the same period a year earlier, the ICSG said.
- The copper market will slip into a deficit in the 2020s after being in balance for the rest of this decade, as major technological change drives demand for the metal and its by products, Rio Tinto's copper chief said.

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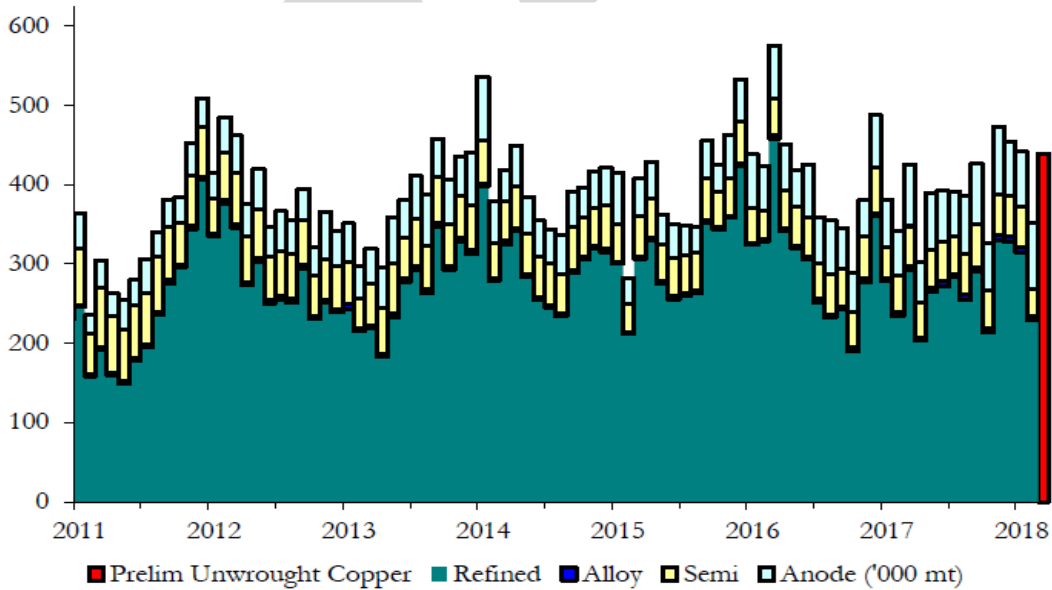
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- ✚ The copper market is expected to slip into a deficit this year that could rise to more than 900,000 tonnes in 2021 and 2022, according to BMO Capital Markets, as supply growth slows due to deteriorating ore grades in countries such as Chile and lack of investment in new projects.
- ✚ Codelco CEO Pizarro said he expected copper prices to be slightly under \$3 per pound for 2018, though he added that a looming global supply deficit could see prices increase in 2019.
- ✚ China will lower the value-added tax rate on the manufacturing, transportation, construction, telecommunication and agricultural sectors from May 1, state media reported, citing a meeting of the State Council.
- ✚ Antofagasta Plc sees rising copper demand from clean energy and transport will add to an already tight market in the next decade to benefit producers of the metal, according to one of the industry's top companies.
- ✚ Peru's copper output rose 0.1 percent year on year to 178,510 tonnes in February from 178,283 tonnes a year ago, the Energy and Mines Ministry said in a statement.
- ✚ China's refined copper demand this year will rise 3.34% to 11.1 million, state-run metals consultancy Beijing Antaika forecast in a report issued.
- ✚ China's imports of copper rose 25.4 percent from month ago to 439,000 tonnes in March, data from the General Administration of Customs showed.



- ✚ China imported 847,635 tonnes of copper concentrate from Peru over January-February, up 7.8 tonnes year on year, according to data released by General Administration of Customs.
- ✚ LME- monitored stockpiles jumped 17 percent in the quarter, rising at the fastest pace since a collapse in demand in 2009 during the depths of the financial crisis.
- ✚ Copper wire, cable demand seen rising to 706,000 tons for year starting April, Japan Electric Wire & Cable Makers' Assoc. says in statement.

- ✚ Zambia expects to produce more than one million tonnes of copper this year after revising its 2017 copper production upwards to 800,000 tonnes from 786,731 tonnes announced by the central bank ,a senior ministry of mines official said.
- ✚ Russian copper exports rose in January-February up 29.6 percent from a year ago to 125.500 tonnes.
- ✚ Vale's copper output in the first quarter of 2018 was 13.2 percent lower on an annual comparison. Production came to 93,300 tonnes in the first three months of the year.
- ✚ World's largest copper producer Codelco said it produced 1.734 million tonnes of copper in 2017, its second highest output ever, despite persistently low ore grades at its aging mines.
- ✚ Pan Pacific Copper, Japan's biggest copper smelter, said it plans to produce 300,000 tonnes of refined copper between April and September, up 15 percent from a year ago.
- ✚ Mitsubishi Materials Corp. plans to increase refined-copper output to 31,229 tonnes/month in first half of year started April 1, from 29,189 tonnes/month in same period year earlier, according to statement.
- ✚ Major Chinese base and precious metals producer Zijin Mining Group reported a year-on-year increase of 13.3 percent in its 2017 copper production to 636,008 tonnes.

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