



**ER-BAKIR**  
elektrolitik bakır mamulleri a.ş.

# MONTHLY COPPER BULLETIN

October-2019

06<sup>th</sup> November 2019



## 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
01.10.2019	5.610,00	5.147,26	4.573,25	5.638,40	-2,08%	-5,95%	254.075	523,53	526,45
02.10.2019	5.629,00	5.150,52	4.581,26	5.638,40	-1,75%	-5,63%	290.250	523,88	526,79
03.10.2019	5.626,00	5.134,62	4.566,19	5.638,40	-1,80%	-5,68%	288.425	522,17	525,08
04.10.2019	5.599,00	5.098,81	4.536,54	5.638,40	-2,27%	-6,14%	285.600	518,53	521,42
07.10.2019	5.626,00	5.120,60	4.566,19	5.679,60	-0,22%	-5,68%	274.975	520,8	523,69
08.10.2019	5.650,50	5.142,43	4.623,98	5.679,60	0,21%	-5,27%	275.575	523,05	525,95
09.10.2019	5.660,00	5.155,30	4.630,24	5.679,60	0,38%	-5,11%	275.100	524,37	527,27
10.10.2019	5.698,50	5.169,18	4.658,30	5.679,60	1,07%	-4,47%	268.400	525,67	528,56
11.10.2019	5.763,00	5.213,03	4.559,34	5.679,60	2,21%	-3,39%	268.200	530,08	532,96
14.10.2019	5.718,50	5.185,44	4.558,75	5.725,00	0,68%	-4,13%	274.975	527,3	532,96
15.10.2019	5.745,00	5.219,88	4.547,97	5.725,00	1,15%	-3,69%	275.575	530,76	530,18
16.10.2019	5.684,00	5.154,62	4.459,79	5.725,00	0,08%	-4,71%	275.100	524,21	533,65
17.10.2019	5.726,50	5.151,58	4.456,77	5.725,00	0,83%	-4,00%	268.400	523,75	527,1
18.10.2019	5.751,00	5.161,09	4.461,94	5.725,00	1,26%	-3,59%	268.200	524,68	526,61
21.10.2019	5.820,00	5.210,85	4.475,89	5.824,70	1,66%	-2,43%	270.350	529,58	532,43
22.10.2019	5.794,00	5.201,54	4.480,01	5.824,70	1,21%	-2,87%	269.525	528,82	531,67
23.10.2019	5.773,00	5.191,55	4.484,93	5.824,70	0,84%	-3,22%	265.250	527,83	530,69
24.10.2019	5.869,00	5.277,40	4.551,02	5.824,70	2,52%	-1,61%	261.025	536,37	539,23
25.10.2019	5.867,50	5.282,70	4.575,41	5.824,70	2,49%	-1,63%	255.650	536,91	539,78
28.10.2019	5.888,50	5.311,18	4.588,56	5.854,60	1,10%	-1,28%	250.750	539,65	542,52
29.10.2019	5.879,50	5.298,76	4.572,64	5.854,60	0,94%	-1,43%	270.325	538,62	541,49
30.10.2019	5.883,00	5.293,32	4.565,77	5.854,60	1,00%	-1,37%	263.400	538,16	541,03
31.10.2019	5.825,00	5.222,81	4.495,29	5.854,60	0,01%	-2,35%	255.025	530,89	533,74
<b>MONTHLY</b>	<b>5.742,89</b>	<b>5.195,41</b>	<b>4.546,52</b>					<b>528,24</b>	<b>531,36</b>



## MARKET COMMENTARY

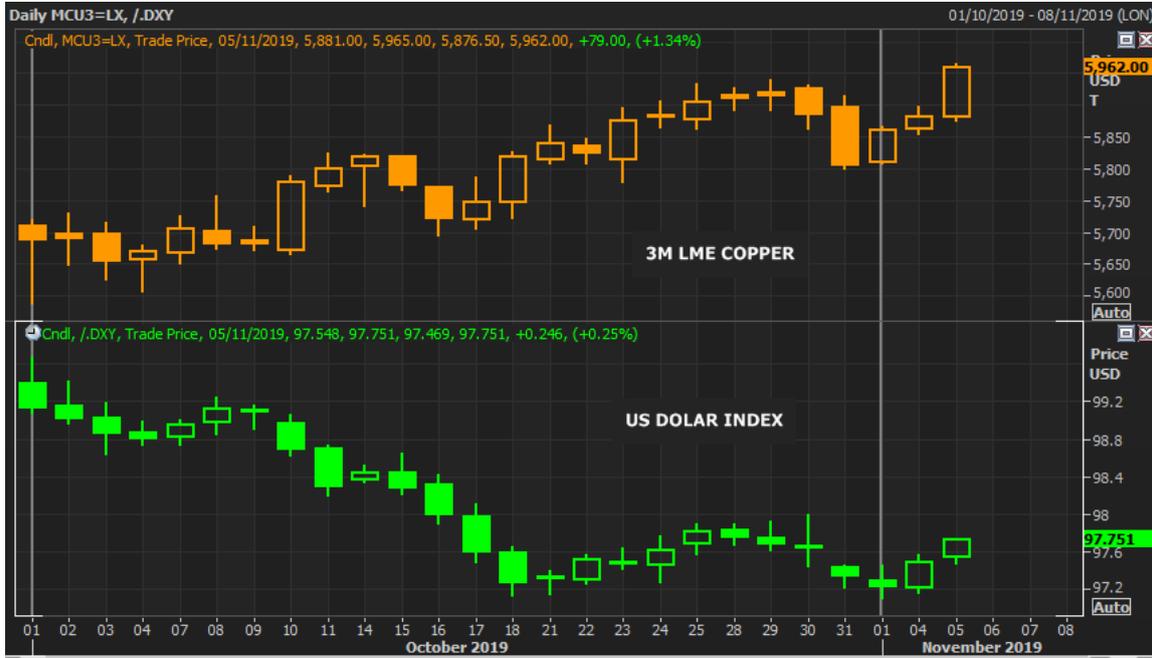
Copper prices are widely used as a gauge of economic health, which has been hurt by the prolonged trade war between the United States and China has hurt global growth outlook and demand for the red metal, as well as volatilities caused by the lengthy Brexit negotiations.

In early October, the U.S. dollar index was at its highest (99.667) since May 2017, making metals priced in the U.S. dollar including those on the LME more expensive for users of other currencies. The LME copper fell to \$5588, its lowest since May 2017, on first day of October due to a stronger dollar, but trading was thin as traders in top consumer China went on a long holiday. The United States on 2nd October said it would slap 10% tariffs on European-made Airbus planes and 25% duties on French wine, Scotch and Irish whiskies, and cheese from across the continent as punishment for illegal EU aircraft subsidies. The dollar start to eased on Thursday, sliding to fresh one-week lows against the euro and yen as investor anxiety deepened over fresh signs of slowing U.S. economic growth and a broadening of global trade friction. The discount for cash copper versus three-month metal on the LME rose to \$35 first week of October, the most since August last year, pointing to plentiful availability.



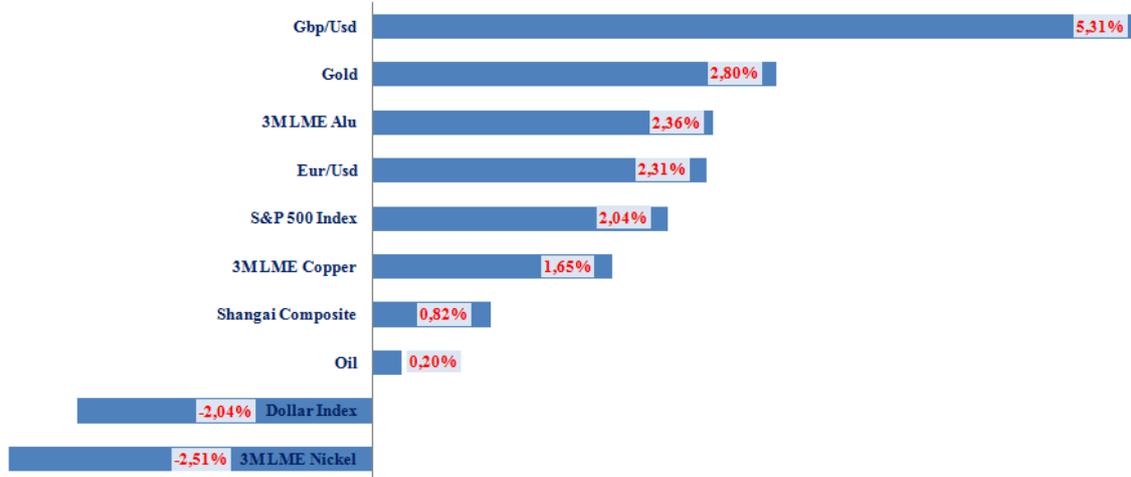
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London copper advanced after 9th October following U.S. President Donald Trump described trade talks with China as "very good", raising hopes of breakthrough in the tariff war between the world's two biggest economies. But gains were limited as the markets remained cautious about prospects of a deal between the two biggest global economies until the second half of October. London copper rose on \$5941.5 (the highest since 16th Sept.) 29th October because of worries of a supply disruption in Chile, the world's biggest producer, lent some support. But LME copper gave back some gains because of weak China data and anxious about China-US trade deal. London copper has been closed October with gains % 1.65.

#### Monthly Percentage Changes





## MONTHLY REVIEW & INDUSTRY NEWS

- ✚ For the first 7 months of the year, the market was in a 324,000 tonnes deficit compared with a 237,000 tonnes deficit in the same period a year earlier, the ICSG said.
- ✚ The copper market should see a deficit of 320,000 tonnes this year and a surplus of 281,000 tonnes in 2020, the International Copper Study Group (ICSG) said on Oct. 23.
- ✚ In a Reuters survey with the participation of 29 investment banks, in 2020, Goldman Sachs estimated the copper price \$6625 and JP Morgan \$5050, while the median was \$6050.
- ✚ According to the data of 2020 balance forecast survey conducted by Reuters with 10 investment banks, JP Morgan expects surplus of 430,000 tons, while Morgan Stanley expects shortage of 350,000 tons for the global copper market.
- ✚ Peru's government has given the green light for Southern Copper Corp's Tia Maria copper project which it had been interested in for 10 years, an official told Reuters. The mine is expected to produce 120,000 tonnes of copper a year.
- ✚ Chile's overall copper production declined 0.4% year on year in August to 3.76 million tonnes.
- ✚ The Federal Customs Service provided the following data for Russian copper exports for the first eight months of 2019 rose %0.02 to 441.000 tonnes compared to the year-ago period.
- ✚ Copper inventory at China's bonded warehouses dropped to a record low at 243,500 tonnes in November, according to monthly data by Shanghai Metals Market.
- ✚ China's top copper smelters announced on Oct. 17 that raised their fourth-quarter floor treatment and refining charges (TC/RCs) by 20% from the previous quarter to \$66.
- ✚ China's unwrought copper imports rose 10.15% to 445.000 tonnes in September from a month earlier, to their highest in eight months according the data from the customs showed on Oct. 14.
- ✚ China's September refined copper output rose by 11.6% year-on-year to 838,000 tonnes while the output for the first nine months of 2019 rose by %6.4 to 6.990.000 tonnes, according to data released by the National Bureau of Statistics.
- ✚ Production copper miner Codelco for the total for the first eight months of 2019 dropped 8.4% to 1.06 million tonnes compared to the year-ago period, state copper commission Cochilco said on Oct. 7.
- ✚ August production by copper miner Codelco output fell 8.5% year-on-year to 770,800 tonnes at BHP's Escondida mine. Output rose 0.5% year-on-year to 352,500 tonnes at Anglo American's and Glencore's Collahuasi in the same month.
- ✚ Codelco, has agreed its 2020 physical copper premium to European buyers at \$98 a tonne, the same level as for 2019, copper industry sources said on Oct. 4.
- ✚ Aurubis announced its own annual European copper premium offer for 2020 from the \$96-per-tonne level set for 2019.



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- ✚ Pan Pacific Copper, Japan's biggest copper smelter, said plans to produce 302,000 tonnes of refined copper between October and March, up 1.9% from a year earlier.
- ✚ Antofagasta said on Oct. 15 it had reached a labor agreement with newly inked 36-month contract with a union of supervisors at its flagship Los Pelambres mine in Chile. In 2018, Los Pelambres production totaled 370,500 tons.
- ✚ The union of workers at BHP's Escondida copper mine hold a day-long strike on Oct. 26 in a show of solidarity with protests in Chile. BHP general manager Andrew Mackenzie said mass civil unrest in Chile and strikes in the Escondida mine did not affect production volume much.
- ✚ BHP said it had signed four renewable energy contracts to supply all of its Chilean copper operations beginning in 2021, cutting energy costs by 20%.
- ✚ Antofagasta doubled its production cut from Chile to about 10,000 tonnes, pointing to a bigger hit from the workers' protests. Additionally it now expects annual copper production of 750,000 to 770,000 tonnes compared with a prior forecast of 750,000 to 790,000 tonnes.
- ✚ Antofagasta announced copper production in Q3 2019 was 197,000 tonnes, 0.8% lower than the previous quarter while copper production for the first nine months of the year was 584,200 tonnes, 15.6% higher than in the same period last year.
- ✚ Kaz Minerals announced that 3th quarter copper production rose 7.4% to 82,900 tonnes.
- ✚ Glencore announced that 3th quarter total copper production fell 4.45% year on year to 1,015,800 tons.

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