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MONTHLY COPPER BULLETIN

October
2016

24th November
2016



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
03.10.2016	4.807,00	4.278,21	3.735,04	4.771,80	0,04%	2,23%	371775	436,05	438,90
04.10.2016	4.790,50	4.291,02	3.758,14	4.771,80	-0,30%	1,88%	368525	437,30	440,17
05.10.2016	4.777,50	4.259,16	3.755,31	4.771,80	-0,57%	1,61%	365050	434,12	436,97
06.10.2016	4.742,00	4.239,99	3.745,36	4.771,80	-1,31%	0,85%	359725	432,22	435,09
07.10.2016	4.742,00	4.255,97	3.833,78	4.771,80	-1,31%	0,85%	355300	433,85	436,73
10.10.2016	4.786,00	4.288,15	3.862,48	4.763,90	0,30%	1,79%	350675	437,02	439,89
11.10.2016	4.801,50	4.334,27	3.912,57	4.763,90	0,62%	2,12%	349350	441,65	444,54
12.10.2016	4.805,00	4.358,28	3.921,17	4.763,90	0,70%	2,19%	347850	444,21	447,12
13.10.2016	4.754,50	4.307,39	3.892,98	4.763,90	-0,36%	1,12%	346150	439,15	442,05
14.10.2016	4.672,50	4.245,41	3.813,97	4.763,90	-2,08%	-0,63%	349075	432,90	435,81
17.10.2016	4.671,50	4.249,14	3.844,86	4.650,00	-1,94%	-0,65%	345800	433,24	436,15
18.10.2016	4.665,50	4.242,52	3.806,40	4.650,00	-2,07%	-0,78%	348000	432,62	435,53
19.10.2016	4.642,50	4.230,07	3.778,69	4.650,00	-2,55%	-1,27%	350625	431,39	434,31
20.10.2016	4.633,50	4.221,48	3.779,06	4.650,00	-2,74%	-1,46%	348575	430,41	433,33
21.10.2016	4.637,00	4.258,43	3.799,26	4.650,00	-2,66%	-1,38%	346775	434,25	437,19
24.10.2016	4.620,50	4.242,88	3.776,77	4.723,80	-0,63%	-1,73%	339950	432,70	435,63
25.10.2016	4.720,00	4.339,83	3.860,94	4.723,80	1,51%	0,38%	338800	442,44	445,38
26.10.2016	4.717,50	4.319,26	3.862,05	4.723,80	1,45%	0,33%	336225	440,43	443,36
27.10.2016	4.774,00	4.368,59	3.898,10	4.723,80	2,67%	1,53%	331450	445,32	448,25
28.10.2016	4.787,00	4.382,90	3.940,89	4.723,80	2,95%	1,81%	326400	446,75	449,68
31.10.2016	4.827,50	4.411,09	3.970,64	4.884,40	2,20%	2,67%	320825	449,39	452,32
MONTHLY AVERAGES	4732,14	4291,62	3835,64	4734,85				437,50	440,40



MARKET COMMENTARY

Markets are off to a fairly quiet start so far October, with action being muted by week-long holidays in China. We got news out of China that the official manufacturing PMI index came in at 50.4, unchanged from last month. In addition, new export orders increased, while activity in services expanded as well, coming in at 53.7 from 53.5 in August. However, none of these reports had much of an impact on copper prices.



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With regard to 13th October market action, zinc and copper are leading the declines, with the latter hitting a four-week low. Copper is likely weaker on account of the latest Chinese September trade data showing another sharp decline in refined imports, down 26% versus last year and off by some 10,000 tons from August. LME copper was being under the most pressure until 24th of October with no real news behind the climb other than what China-related stories kept the complex steady amid rumors of an imminent government stimulus plan being rolled out. Metals are firmer again at the end of the October, ahead of the US Q3 GDP report (expected at 2.5%). London copper finished October on flat.



Base metals rallied sharply on November with the US election. London copper jumped 4 percent to its highest in nearly 16 months on 10th November expectations that policies under U.S. President-elect Donald Trump could spur infrastructure spending. The market climbed to its highest since June 2015 at \$6,025.50 a tonne on 11th November. London copper futures dropped last week as the dollar soared to a 13-1/2-year high against a basket of currencies after Federal Reserve Chair Janet Yellen signalled U.S. interest rates could rise "relatively soon." London copper jumped to \$5,939 for a fourth day in a row on Thursday as investors poured funds into metals in expectation of inflation in China and the United States, and on signs of growing strength in the U.S. manufacturing sector today. Bets that the U.S. will raise rates in December and again next year pushed up the dollar, adding to the allure of commodities for investors seeking a hedge against inflation. Meanwhile, China fixed its yuan midpoint at the weakest since June 2008, which also encouraged mainland investors to chase commodities as a hedge against further dollar strength amid lower yields in other asset classes and a steadily improving fundamental picture.

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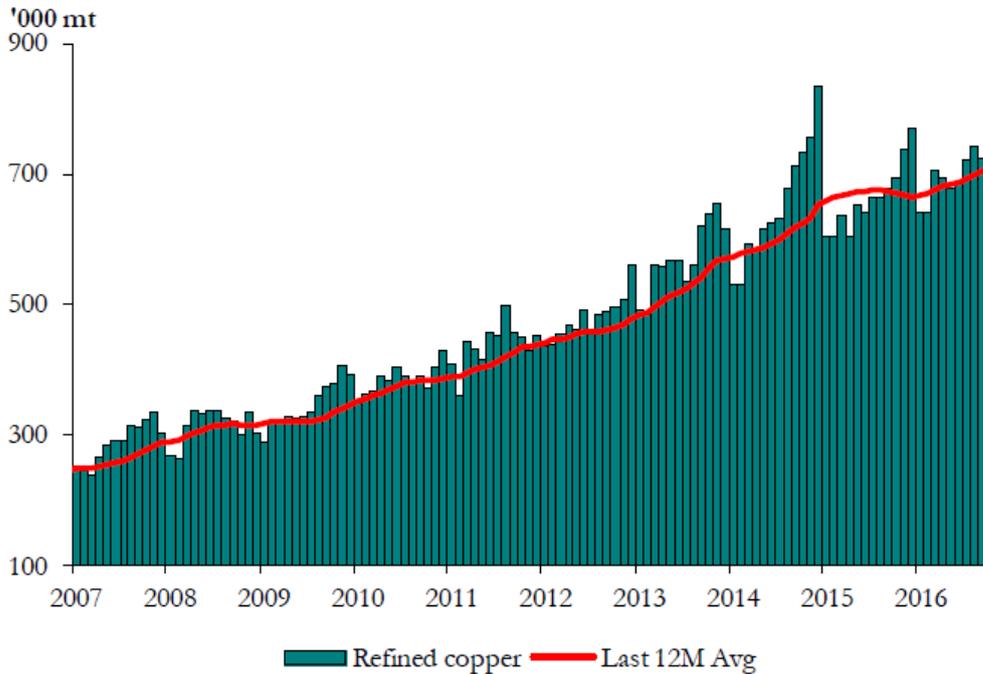
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MONTHLY REVIEW & INDUSTRY NEWS

- ✚ The global world refined copper market showed a 154,000 tonnes surplus in August, compared with a 144,000 tonnes surplus in July, the International Copper Study Group (ICSG) said in its latest monthly bulletin. For the first 8 months of the year, the market was in a 91,000 tonnes deficit compared with a 10,000 tonnes surplus in the same period a year earlier the ICSG said. World refined copper output in August was 2.00 million tonnes, while consumption was 1.84 million tonnes.
- ✚ Codelco has slashed its 2017 physical copper premium to European buyers to the \$80 to \$85 per tonne range and is offering Chinese buyers a premium of around \$70.
- ✚ Aurubis will offer 2017 copper cathode premiums to its customers at \$86 a tonne, down 6.5 percent from \$92 in 2016.
- ✚ China's national blister copper and refined copper capacity is forecast to hit 6.91 million mt/year and 11.37 million mt/year, respectively, by end-2017, according to state-owned metals consultancy Beijing Antaika.
- ✚ According to the China Nonferrous Metals Industry Association, or CNIA, report The Chinese electric car sector's refined copper demand is forecast to hit 280,000 tonnes by 2025, surging from an estimated 38,400 tonnes in 2016.
- ✚ China's refined copper output in October up 8.2 percent year on year to 668,000 tones.



- ✚ The Chilean Copper Commission (Cochilco) expects Chilean copper production to rise to 6.354 million tonnes in 2021, up 10 percent from last year's levels. Chile is the world's largest copper producing country, with an output of 5.774 million tonnes in 2015.

- ✚ Chile's copper production fell 1.7 percent year on year to 459,700 tonnes in September, according to data from national copper commission Cochilco. Meanwhile, Cochilco expects Chile's full-year 2016 copper production to reach 5.4 million tonnes.
- ✚ Peru's copper shipments in August was 215,000 tonnes, up 23.8 percent compared with the same month in 2015.
- ✚ Japan's copper output is seen rising 5.7 percent in the second half of the 2016 financial year to March 31 from a year earlier.
- ✚ Glencore reported 9-month 2016 production. Own-sourced copper production of 1.061,200 tonnes was 66,300 tonnes (6 percent) less than the comparable 2015 period.
- ✚ Copper output in Peru rose 35 percent in September compared with the same month in 2015. Output totaled 1.73 million tonnes from January to September, up 44.1 percent from the corresponding period last year and already higher than the 1.7 million tonnes produced in all of 2015.
- ✚ Russia exported 389,500 tonnes copper from January-September, down 4.4 percent year on year.
- ✚ Mexican copper output in August was 44.500 tonnes, up nearly 7% compared to the same month a year ago.
- ✚ Kazakhstan's refined copper output rose 4.1 percent in the first 10 months of 2016 while zinc production edged up 0.4 percent, Statistics Committee data showed.
- ✚ Zambia's copper production increased to 575,780 tonnes during the first nine months of the year, up from 531,163 tonnes in the same period of 2015, according to figures released by the Ministry of Finance. Also Zambia's copper production is expected to increase by 4 percent to 740,000 tonnes this year by the Chamber of Mines.

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