



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

# MONTHLY COPPER BULLETIN

September-2020

12<sup>th</sup> October 2020



## 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
01.09.2020	6.788,50	5.662,75	5.038,97	6.699,63	1,33%	10,04%	84.975	574,35	577,01
02.09.2020	6.719,00	5.667,17	5.035,98	6.699,63	0,29%	8,92%	84.650	574,94	577,62
03.09.2020	6.613,00	5.597,60	4.988,31	6.699,63	-1,29%	7,20%	82.450	567,98	570,67
04.09.2020	6.678,00	5.638,30	5.035,82	6.699,63	-0,32%	8,25%	77.550	571,79	574,48
07.09.2020	6.790,50	5.744,44	5.158,39	6.747,00	0,64%	10,07%	76.550	582,61	585,31
08.09.2020	6.767,50	5.737,60	5.190,99	6.747,00	0,30%	9,70%	73.425	581,83	584,52
09.09.2020	6.709,00	5.701,05	5.202,79	6.747,00	-0,56%	8,75%	75.975	578,39	581,09
10.09.2020	6.710,50	5.664,30	5.175,86	6.747,00	-0,54%	8,78%	75.550	574,46	577,15
11.09.2020	6.757,50	5.702,05	5.268,60	6.747,00	0,16%	9,54%	74.875	578,38	581,06
14.09.2020	6.788,00	5.720,06	5.271,82	6.794,40	-0,09%	10,03%	78.550	580,17	582,85
15.09.2020	6.813,50	5.729,48	5.276,87	6.794,40	0,28%	10,45%	78.900	581,05	583,72
16.09.2020	6.776,00	5.709,47	5.220,34	6.794,40	-0,27%	9,84%	78.750	579,11	581,79
17.09.2020	6.761,00	5.726,75	5.239,46	6.794,40	-0,49%	9,60%	78.900	580,83	583,59
18.09.2020	6.833,50	5.770,56	5.268,29	6.794,40	0,58%	10,77%	78.425	585,29	587,97
21.09.2020	6.837,00	5.796,03	5.313,18	6.688,00	2,23%	10,83%	78.300	587,84	590,54
22.09.2020	6.810,00	5.794,27	5.316,57	6.688,00	1,82%	10,39%	77.275	587,72	590,43
23.09.2020	6.725,50	5.753,21	5.285,27	6.688,00	0,56%	9,02%	76.325	583,41	586,13
24.09.2020	6.538,50	5.617,27	5.130,65	6.688,00	-2,24%	5,99%	73.625	570	572,73
25.09.2020	6.529,00	5.613,45	5.124,40	6.688,00	-2,38%	5,84%	103.125	569,6	572,33
28.09.2020	6.571,50	5.628,69	5.091,42	6.550,20	0,33%	6,52%	136.325	571,12	573,84
29.09.2020	6.546,00	5.591,05	5.089,02	6.550,20	-0,06%	6,11%	165.600	567,38	570,09
30.09.2020	6.610,00	5.645,71	5.153,19	6.550,20	0,91%	7,15%	163.125	572,77	575,49
<b>MONTHLY</b>	<b>6.712,41</b>	<b>5.691,42</b>	<b>5.176,19</b>					<b>577,32</b>	<b>580,02</b>



## MARKET COMMENTARY

London copper prices hit their highest in more than two years on the first day of September after data showed top consumer China saw a strong expansion in manufacturing activity in August.

Three-month copper on the London Metal Exchange jumped to \$6,830 a tonne. But copper eased on the second day of September from a 26-month high hit in the previous session, as the U.S. dollar firmed and comments by a Peruvian government official eased concerns over supply from world's No. 2 producer. Making greenback-traded metals more expensive to buyers using other currencies, the dollar bounced off two-year lows on solid U.S. manufacturing data. Copper fell to \$6,547 a tonne after the dollar strengthened on 3d oh September. Copper is often used as a gauge of global economic health.

Datas of first week showed solid growth in China's manufacturing and services sectors, boosting hopes that the world's second biggest economy is recovering from the COVID-19 pandemic. Copper prices gained on 4th September as low inventories in exchange warehouses, disrupted ore supplies and solid economic recovery in top consumer China lent support.



Fabrika : A. Nuri ERİKOĞLU  
Cad. 20085 Gümüşler / DENİZLİ  
Vergi Dairesi : Gökpınar  
Vergi No : 336 006 27 21

Tel : +90 (258) 295 19 00 Pbx  
Faks : +90 (258) 371 21 94  
e-posta :  
erbakir@erbakir.com.tr  
Web : [www.erbakir.com.tr](http://www.erbakir.com.tr)

LME copper fluctuated in the band \$6609-\$6830 between September 07-17. Notwithstanding headwinds arising from the intensifying rift between Washington and Beijing, economic stimulus measures across the world continue to support prices of copper, seen as a gauge of global economic health. The metal has gained more than 40% since March and is the best performing base metal this year so far.



"Copper looks well supported by both demand and supply," said commodity strategists at ANZ in a note. "Ample stimulus is paving the way for strong consumption, while mining disruptions are keeping supply tight." Analysts at CRU estimate Chinese demand dropped 15% in the first quarter due to COVID-19. "But there has been a strong recovery in the second quarter. We expect Chinese refined copper demand will grow 1-2% this year." "Copper should remain supported in the mid \$6,000s. Much of the risk in the short term comes from non-copper specific factors, namely the dollar, further fund inflows, government stimulus measures or the progression of Covid-19."

London copper fell by the most in seven sessions on 17th September to \$6,676 as the dollar climbed after the U.S. Federal Reserve said it expected the post-coronavirus recovery to gain steam in the world's largest economy. London copper hit a more than two-year high on 18th September, buoyed by a weaker dollar and strong fund buying on hopes that Chinese stimulus would spur demand in the world's biggest metals consumer. London copper gained more ground on 21st September, climbing to its highest in more than two years (\$6878), as a recovery in China's industrial production underpinned prices.

The global economy appears to be recovering from the coronavirus slump faster than thought only a few months ago, thanks to improving outlooks for China and the United States, the OECD said.

Physical copper premiums in China continued to fall, losing \$4.50 to \$59 a tonne, data showed, extending a decline from highs of \$100 six weeks ago. That was the lowest level since the start of April.

LME copper stocks available for purchase dropped by 25% on 21st September. Total LME stocks remain at levels not seen since 2005. Despite that, official prices closed lower in the last session,



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Web : [www.erbakir.com.tr](http://www.erbakir.com.tr)

thanks to markets reducing risk as global coronavirus cases rise. But copper prices declined on 21th September after tested \$6,878 as a strengthening U.S. dollar made greenback-priced commodities more expensive for holders of other currencies. The three-month copper on the London Metal Exchange fell to \$6449 a tonne on 24th Sept. "It's the strong U.S. dollar (behind copper's price fall).

London copper edged up the last days of September as solid manufacturing and services data from top consumer China boosted optimism, but a stronger U.S. dollar capped gains. Three-month copper on the London Metal Exchange closed to September on \$6,686.



## MONTHLY REVIEW & INDUSTRY NEWS

- ✚ Peru's copper production, however, fell 2.2% in July, compared with the same period a year earlier, to 198,796 tonnes, under the weight of the pandemic, which restricted mining, the vice minister of energy and mines, Jaime Galvez, said in a virtual conference.
- ✚ Refined copper output stood at 894,000 tonnes in August, the National Bureau of Statistics said, up from 814,000 tonnes in July and was 9.7% higher than same period year ago.
- ✚ The national copper commission Cochilco said that output at Codelco, the world's largest copper miner, inched up 0.1% year-on-year to 154,800 tonnes while Escondida - the largest copper deposit in the world controlled by BHP - fell 11% year-on-year to 92,200 tonnes, Collahuasi - a partnership between Glencore and Anglo American with Japanese firms - posted a 19% year-on-year increase in production to 60,000 tonnes in August. The country's total production fell around 6.2% year-on-year in August to 481,700 tonnes, a little deeper than the national statistics agency had given previously.
- ✚ According to the data of the General Administration of Customs, the cathode copper imports of China in August were 470,141 tonnes with an increase of 63.02% compared to the same period of the previous year; Concentrated copper imports decreased by 12.58% to 1,586,727 tonnes.
- ✚ According to the data released by the Ministry of Finance, Japan's refined copper export in August was 80,781 tons with an increase of 64.8% compared to the same period of the previous year, and cathode exports increased by 67.7% to 77,529 tons.
- ✚ Production of wrought copper and copper alloy products is expected to fall to 622,600 tonnes this financial year until March 31, down from 737,396 tonnes last year, the Japan Copper and Brass Association said.
- ✚ An SMM survey showed that China produced 810,500 tonnes of copper cathode in August, up 8.14% from July and 5.58% from a year earlier. For the first eight months of 2020, China's copper cathode output totalled 5.99 million tonnes, up 3.39% from the same period last year.
- ✚ According to the data published by the Statistics Committee, refined copper production in Kazakhstan's January-August period increased by 4.6% annually to 327,342 tonnes.
- ✚ Japan's copper cable sales, domestic and exports, fell 15.9% in August from a year earlier to 44,600 tonnes, the Japan Electric Wire and Cable Makers' Association said.



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- ✚ The members of the China Smelters Purchase Team (CSPT) set the fourth-quarter floor at \$58 per tonne and 5.8 cents per pound. The floor was \$53 per tonne and 5.3 cents per pound for the third quarter.
- ✚ Antaïke, the China Nonferrous Metals Industry Association's research arm, pegged refined copper imports this year at 3.8 million tonnes. The prediction is up previous 2020 forecast of 3.5 million tonnes, and 2019 imports of 3.55 million tonnes.
- ✚ China's copper scrap imports reached 557,472 tonnes in the first seven months of 2020, down 89.7% compared to the same period of the previous year. While China stated that it will announce changes in its scrap classification criteria in July, no details have been disclosed so far. Some major suppliers stopped shipments of scrap to China for fear of rejection by customs.
- ✚ The global world refined copper market showed a 192,000 tonnes deficit in June, compared with a 36,000 tonnes deficit in May, the International Copper Study Group (ICSG) said in its latest monthly bulletin. ICSG stated that the market was in 235,000 tonnes of deficit in the first six months of the year, and the deficit amount was 309,000 tonnes in the same period of the previous year.

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