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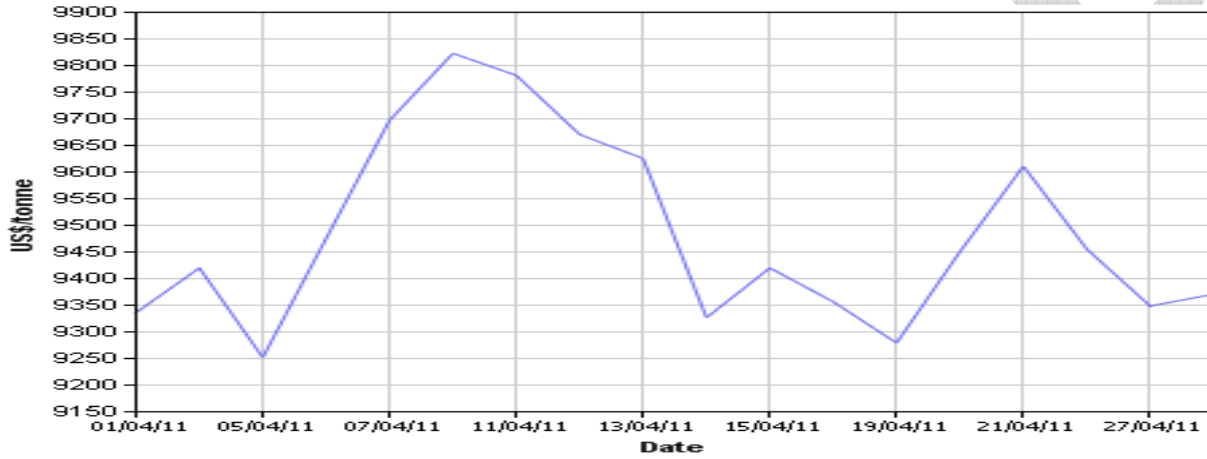
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MONTHLY COPPER BULLETIN

April-2011

9th May 2011

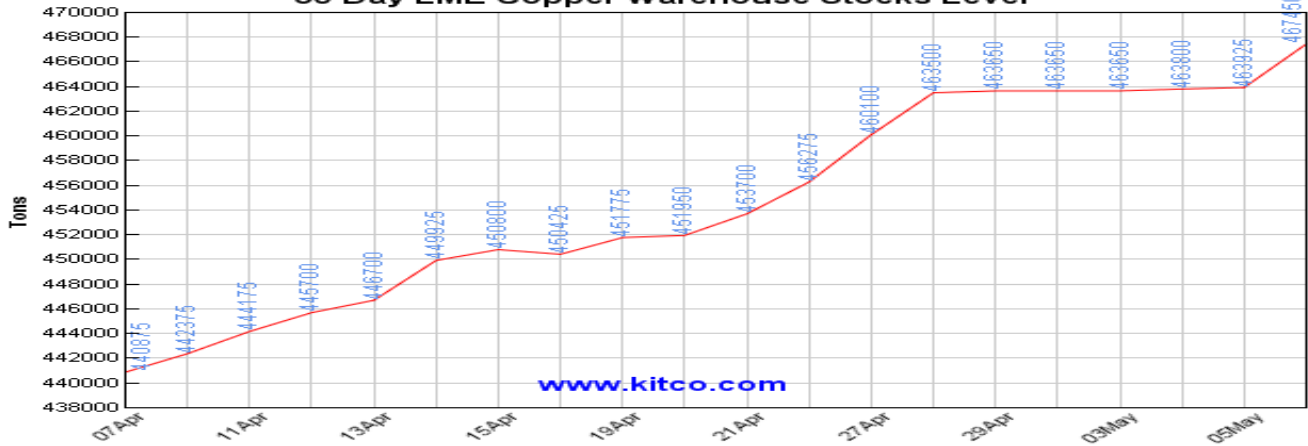
LME CASH SETTLEMENT – CASH SELLER AND SETTLEMENT, APRIL 2011



LME CASH SETTLEMENT – CASH SELLER AND SETTLEMENT, LAST 3 MONTHS



30 Day LME Copper Warehouse Stocks Level



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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 NOTICE (€/100Kg)	DEL NOTICE HIGH
01.04.2011	9.336	6.594,6	5.817,6	9.616,7	-2,92%	-4,14%	438.850	668,27	670,68
04.04.2011	9.420	6.622,1	5.831,7	9.450	-0,32%	-3,28%	437.900	670,90	673,29
05.04.2011	9.251,5	6.527,1	5.696,7	9.450	-2,10%	-5,01%	442.325	661,40	663,80
06.04.2011	9.475,5	6.628,5	5.815,3	9.450	0,27%	-2,71%	440.875	670,69	673,08
07.04.2011	9.697	6.791,6	5.947,6	9.450	2,61%	-0,44%	442.375	687,90	690,29
08.04.2011	9.823	6.816,8	6.004,7	9.450	3,95%	0,86%	444.175	690,06	692,43
11.04.2011	9.781,5	6.774,8	5.982,2	9.533,4	2,60%	0,43%	445.700	684,65	687,01
12.04.2011	9.670,5	6.683,6	5.936,1	9.533,4	1,44%	-0,71%	444.175	690,06	692,43
13.04.2011	9.625,5	6.636,5	5.909,2	9.533,4	0,97%	-1,17%	449.925	671,70	674,05
14.04.2011	9.326,5	6.481,7	5.714,4	9.533,4	-2,17%	-4,24%	450.800	656,21	658,58
15.04.2011	9.420	6.515,9	5.758,3	9.533,4	-1,19%	-3,28%	450.425	660,06	662,41
18.04.2011	9.356,5	6.554	5.750,4	9.564,8	-2,18%	-3,93%	451.775	662,82	665,21
19.04.2011	9.279	6.484,7	5.692,3	9.564,8	-2,99%	-4,73%	451.950	658,22	660,61
20.04.2011	9.450,5	6.514,4	5.775,2	9.564,8	-1,20%	-2,97%	453.700	658,93	661,27
21.04.2011	9.611	6.577,9	5.800,9	9.564,8	0,48%	-1,32%	456.275	665,78	668,11
26.04.2011	9.455,5	6.474,6	5.738,3	9.424,3	0,33%	-2,92%	460.100	654,98	657,31
27.04.2011	9.348,5	6.370,8	5.650	9.424,3	-0,80%	-4,01%	463.500	645,16	647,49
28.04.2011	9.370,5	6.335,3	5.629,3	9.424,3	-0,57%	-3,79%	463.650	640,37	642,67
MONTHLY AVERAGES	9.483,3	6.576,9	5.802,8					666,56	668,93



MARKET COMMENTARY

Copper dropped almost 3 percent in April after losing 4.2 percent in March. “China is slowing down,” said Phil Streible, a senior strategist at broker Lind-Waldock in Chicago. “There’s very little demand at the moment. Copper will be drifting lower slowly.”

At the beginning of April, copper was focused on inflation news from China. Copper fell in the market, capping the second straight monthly drop in April, on mounting concern that demand will slow in China, the world’s largest metals user. China’s central bank has raised lenders’ reserve requirements 10 times since the start of 2010 and boosted interest rates four times since October to rein in accelerating consumer prices and slow growth. Also, Chinese imports and exports data released on 10th April. “Chinese data looks much stronger than expected,” said Bart Melek, an analyst at TD Securities in Toronto. “There is now a concern that good economic data is actually bad, as it will embolden China’s government to raise interest rates much higher.” While China’s overseas trade increased overall, imports of copper and copper products by the world’s biggest metals user fell 33 percent from a year earlier, customs data showed.

At the end of April, the commodities rout that knocked off \$99 billion of market value last week is driving out speculators and leading Goldman Sachs Group Inc., which forecast the plunge, to predict a possible recovery. Commodities advanced, rebounding from the worst weekly plunge since December 2008, on signs that an improving U.S. economy may boost raw-material demand and on speculation that last week’s selloff was excessive.

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Copper prices rebounded on 09th May, helped by a weaker dollar and as investors said last week's commodity selloff was overdone, especially in light of positive U.S. jobs data. Copper for delivery in three months on the London Metal Exchange rose 1.1 percent to \$8,920 per tonne by, after touching \$8,657.50 in the previous session, it's lowest since Dec. 3.

The metal "seems to have reacted very positively to the payrolls data," said Gayle Berry, an analyst at Barclays Capital in London. "When you tend to see these big sentiment- driven moves, they can reverse just as quickly as they happen." Prices have slumped amid concern that higher interest rates will slow growth and cool metals demand in India and China, the world's biggest consumer. "Much of the play in metals is a bet on China," Edward Meir, a senior analyst at MF Global Holdings Ltd. in Darien, Connecticut, said today in a report. "With the government there tightening the screws in order to get control of inflation, there are legitimate concerns as to whether the authorities will press too hard."

Now, looking ahead into May, Chinese economic data due out over the next two days will also be vital, particularly in terms of trying to gauge the effectiveness of the Chinese tightening measures. The Chinese Import-Export figures and Trade Balance for April, while the morning of the 11th April, sees the release of the CPI, PPI, Retail Sales, IP and FIA numbers. As far as market response is concerned, a combination of high inflation and lower than expected growth looks like being the worst option and would likely trigger further weakness as the government is forced to tighten further at the expense of economic output.



MONTHLY REVIEW & INDUSTRY NEWS

- ✚ The copper market recorded a surplus of 118,000 tonnes in January and February, up from 32,000 tonnes for the whole of last year, the World Bureau of Metal Statistics (WBMS) said. Refined copper production was 1.52 million tonnes in February 2011, and consumption was 1.43 million tonnes. WBMS said refined copper production in the first two months of this year rose by 1.1 percent to 3.11 million tonnes from the same period last year. World mine production in January and February was 2.58 million tonnes, up 4.6 percent from the same months last year. Global copper consumption for January and February 2011 was 2.996 million tonnes. Last year consumption was 19.13 million tonnes, WBMS said.
- ✚ The global copper market was in a 20,000-tonne production deficit in January, versus a surplus of 86,000 tonnes in the same month a year ago, the International Copper Study Group (ICSG) said. World refined copper usage in January reached 1.641 million tonnes, while output hit 1.621 million tonnes, the Lisbon-based ICSG said in its latest monthly bulletin.
- ✚ The International Copper Study Group (ICSG) trimmed its 2011 global copper market deficit forecast to 377,000 tonnes, about 20,000 tonnes narrower than its previous forecast in October 2010.
- ✚ Rio Tinto Group expects copper demand in China and emerging countries to grow faster than mine output, as more people in developing nations buy cars and homes. A global shortage of the metal used in pipes and wires may widen this year to between 400,000 and 500,000 metric tons, Andrew Harding, head of Rio Tinto's copper business, said in an interview in Santiago.

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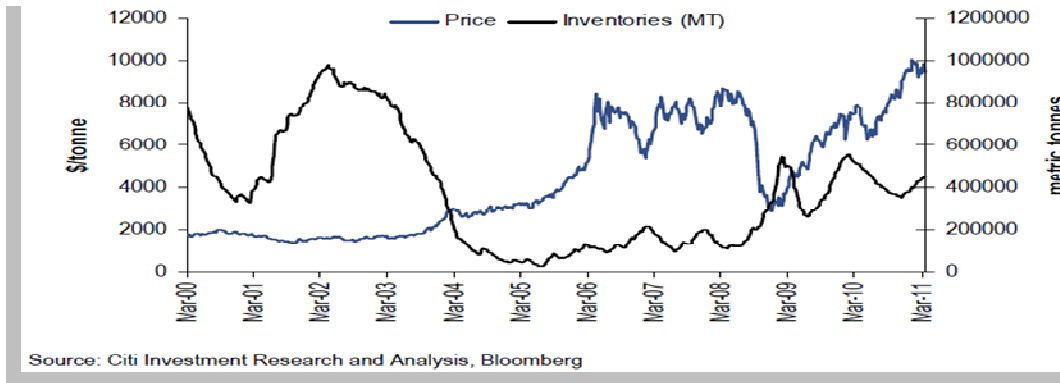
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- Following is a table of the world's 10 biggest copper-producing countries ranked by 2010 output from mines, compiled by London-based metals-consulting company CRU. Figures are in thousands of metric tons.

	Country	Production
1	Chile	5.427.000
2	China	1.247.000
3	Peru	1.246.000
4	U.S.A.	1.136.000
5	Australia	873.000
6	Indonesia	872.000
7	Zambia	808.000
8	Russia	622.000
9	Canada	478.000
10	Kazakhstan	434.000
Total		13.143.000

- Minmetals Resources Ltd. , a unit of China's biggest metals trader, wants to add copper assets in Africa and South America in the next three to five years, Executive General Manager Michael Nossel said.
- High copper prices could prompt industries to look to alternatives to the metal, but the metal's conductive and anti-bacterial properties make it hard to substitute, the head of Anglo- American's copper business, John MacKenzie, said at the CRU copper conference in April.
- Pan Pacific Copper, Japan's biggest copper smelter and part of JX Holdings Inc said it plan to produce 257,494 tonnes of copper in the April-September first-half of this financial year.
- Zambia, Africa's largest copper producer, may earn more than \$7 billion from exports of the metal this year, Finance Minister Situmbeko Musokotwane said.
- According to the General Administration of Customs, copper imports by China, the largest consumer, climbed 29 percent in March from a two-year low as fabricators stepped up production. Shipments fell 33 percent from the same month last year. Inbound movements of copper and products were 304,299 metric tons compared with 235,469 tons in February and 456,240 tons in March 2010.
- Japan's refined copper exports fell 16 percent in March from a year earlier to 50,258 tonnes for a sixth straight month of year-on-year declines, although the pace was slowing, Ministry of Finance data showed. Demand for copper, used in utensils, construction materials and computer chips, is often seen as a gauge of economic activity. Of total copper exports, 48, 5 percent went to China, the world's top consumer of the metal, up from about 45 percent in February.
- Chile's copper output fell 0.1 percent in March compared with a year earlier to 450,507 tonnes, the National Statistics Institute (INE) said. Chile, which holds by far the world's top copper reserves and is the globe's No.1 producer, is expected to steadily increase output in the next two years with new mine projects and upgrades. Last month, INE reported that Chile's copper output fell 6.6 percent in February compared with a year earlier to 368,243 tonnes.

- ✚ Copper output in Zambia, Africa's top producer of the metal, will rise to 2 million tonnes by 2015 from around 900,000 tonnes this year as new mines reopened and others expanded, the country's finance minister said.
- ✚ Europe's biggest copper maker, Aurubis, expects overall demand for copper to remain strong this year with prices picking up at times again to \$10,000 a tonne, a senior manager of the company said.
- ✚ World top copper producer Chile sees copper prices staying above the 2010 average during the next three years, Deputy Mining Minister Pablo Wagner said. Copper averaged \$3.42 per pound (7,540 \$/ton) in 2010, according to data compiled by the Chilean government. Wagner said average copper prices could spike to around \$4.50 (9,920 \$/ton) per pound in 2011 and \$4.70 per pound (10,360 \$/ton) in 2012 before starting to decline.
- ✚ Japanese copper wire and cable shipments tumbled 8.1 percent in March, marking their biggest fall in 18 months, as last month's devastating earthquake and tsunami disrupted global parts supply chains for automakers and other manufacturers, depressing domestic demand. March shipments totalled an estimated 55,300 tonnes, down from revised February shipments of 57,926 tonnes, an industry body said.



Brook Hunt estimates the copper market was in a deficit of 136,000 tonnes in 2010, compared with a surplus of 940,000 tonnes in 2009. Citi Investment believes the supply side is likely to sustain its underperformance, with the deficit likely to swell to about 400,000 tonnes in 2011. The supply side should remain in focus, as Brook Hunt forecasting production to increase only by about 2% this year, while consumption is expected to increase by 4% y-o-y.

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