



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

# MONTHLY COPPER BULLETIN

December-2011

16<sup>th</sup> January 2012

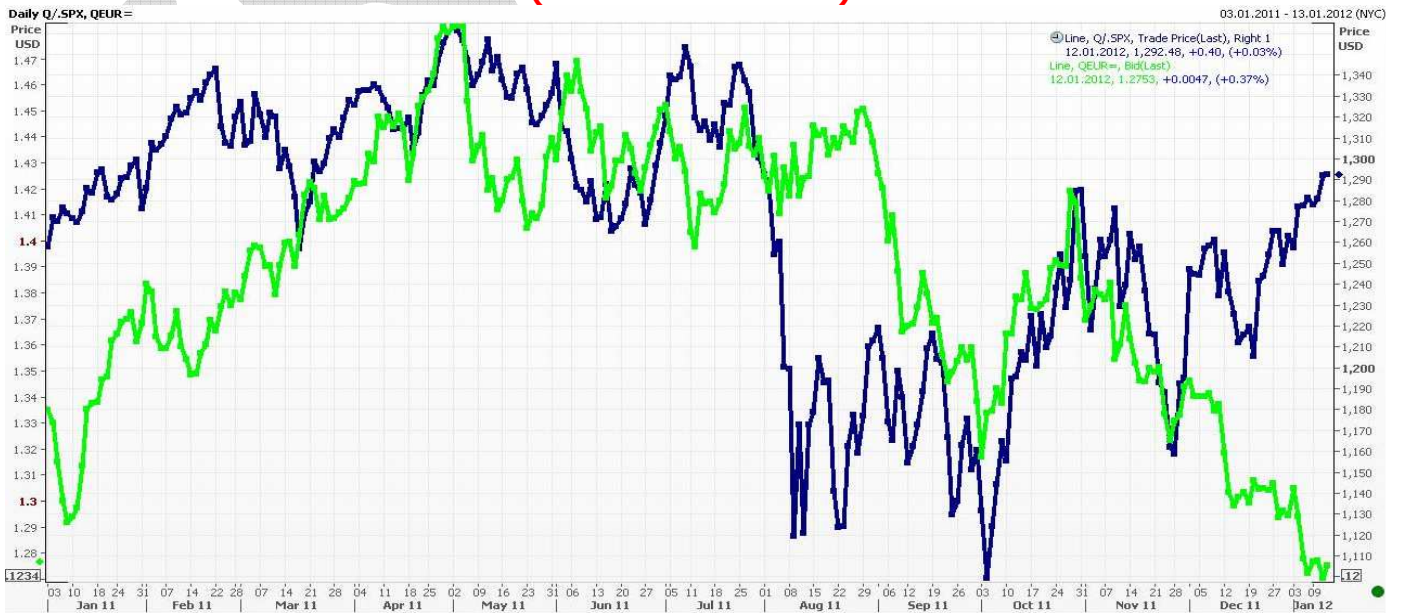


Stand No: 10C61

## LME COPPER PRICES & LME COPPER STOCKS (JAN 2011-JAN 2012)



## S&P 500 INDEX & EUR/USD PARITY (JAN 2011-JAN 2012)



ISO/TS 16949  
BUREAU VERITAS  
Certification  
N° 11859



ISO 14001  
BUREAU VERITAS  
Certification  
N° 30259



OHSAS 18001  
BUREAU VERITAS  
Certification  
N° 30260



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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 NOTIZ (€/100Kg)	DEL NOTIZ HIGH
01.12.2011	7801,00	5782,80	4962,78	7268,60	7,32%	-19,90%	386700	587,16	589,68
02.12.2011	7890,00	5835,37	5022,60	7268,60	8,55%	-18,99%	388150	587,16	589,68
05.12.2011	7845,00	5835,32	5012,14	7585,10	3,43%	-19,45%	389500	592,63	595,17
06.12.2011	7766,00	5797,25	4967,06	7585,10	2,38%	-20,26%	390100	588,23	590,77
07.12.2011	7809,00	5841,56	5001,60	7585,10	2,95%	-19,82%	389450	592,64	595,19
08.12.2011	7800,50	5813,46	4958,05	7585,10	2,84%	-19,91%	387400	591,29	593,84
09.12.2011	7800,50	5828,23	4970,69	7585,10	2,84%	-19,91%	386075	590,59	593,13
12.12.2011	7611,50	5734,57	4864,20	7804,20	-2,47%	-21,85%	385575	582,99	585,56
13.12.2011	7586,00	5746,10	4863,44	7804,20	-2,80%	-22,11%	383025	583,00	585,58
14.12.2011	7350,00	5660,81	4746,22	7804,20	-5,82%	-24,53%	382150	574,65	577,27
15.12.2011	7264,00	5578,25	4681,32	7804,20	-6,92%	-25,42%	382075	568,14	570,77
16.12.2011	7340,00	5615,48	4719,95	7804,20	-5,95%	-24,64%	381250	572,11	574,73
19.12.2011	7286,50	5595,96	4700,66	7430,30	-1,94%	-25,19%	373950	568,69	571,31
20.12.2011	7275,00	5561,50	4653,62	7430,30	-2,09%	-25,30%	370850	565,33	567,93
21.12.2011	7415,50	5673,25	4725,05	7430,30	-0,20%	-23,86%	371300	575,39	578,00
22.12.2011	7492,50	5738,30	4778,38	7430,30	0,84%	-23,07%	371950	582,90	585,51
23.12.2011	7590,00	5805,42	4840,25	7430,30	2,15%	-22,07%	372300	589,80	592,41
28.12.2011	7502,00	5740,30	4786,88	7411,90	1,22%	-22,97%	371625	582,87	585,47
29.12.2011	7372,00	5721,38	4785,15	7411,90	-0,54%	-24,31%	370400	581,96	584,61
30.12.2011	7554,00	5839,97	4878,90	7411,90	1,92%	-22,44%	370900	592,90	595,54
<b>MONTHLY AVERAGES</b>	<b>7567,55</b>	<b>5737,26</b>	<b>4845,95</b>						



## MARKET COMMENTARY

The manufacturing PMIs for December showed ongoing strength in the US and rebounds in China and India. However, weakness persists elsewhere in Asia, and of course in Europe which is where the main focus of concern for the coming year still lies. However, with January and February PMI figures clouded by the timing of the New Year holiday, it is a bit of a waiting game as far as Chinese economic data is concerned, with early April, and the release of the March PMI, the point at which better clarity may start to return in terms of the state of the Chinese PMI and underlying economy.

The base metals continue to react to wider macroeconomic factors, with firmer European equity markets. The flow of money, from the ECB lending facility to the banks and finally back into European sovereign bonds appears to have started, on the basis of auctions, easing some of the immediate fears over the Eurozone debt crisis. It is still a case of symptoms being addressed, however, rather than the underlying condition being cured, with the spectres of sovereign debt and capital adequacy at European banks still overhanging the market.

Copper, which sagged 22 percent in 2011 and was traded between \$7,131-\$7,995 a metric ton in Dec, steadied this morning, following small losses in Asia, as European markets found firmer footing on the basis that the credit rating cut for nine euro zone nations by agency Standard & Poor's was already priced in. Three-month copper traded at \$8,055 a tonne by 0944 GMT, from a last bid of \$8,000 on the London Metal Exchange kerb close on Friday. Prices are up 6 percent so far this year.



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"The downgrade hasn't come as a surprise. It was mooted on Dec 5," said Daniel Briesemann, an analyst at Commerzbank. "But because of new year holidays in China, the market will cool down and with the low liquidity we should also see lower interest and probably lower prices," he added. Prices had declined in Asian trading because of a lack of purchases by Chinese consumers before the start of a week-long holiday in the world's largest user of the metal, and investor concern that European markets may tumble in reaction to last week's ratings downgrade.

Speculators in copper remained bearish, a bet they have held on to for almost 20 weeks, as demand prospects continued to be clouded by Europe's debt crisis and signs of slowing growth in top consumer China, U.S. Commodity Futures Trading Commission (CFTC) figures showed on Friday. They increased those shorts by 454 contracts to 2,465 lots.

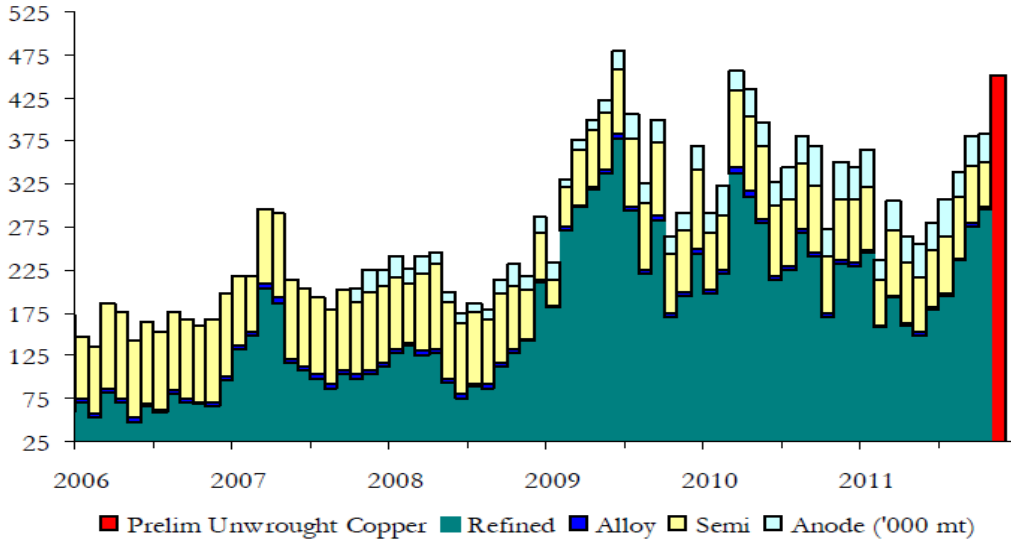
Goldman Sachs said on Friday it expected upside for copper prices, citing greater supply risks and stronger fundamentals. But Standard Bank said it expected prices to fall, citing the sovereign debt crisis in Europe and the potential it will produce fallout around the world.



## MONTHLY REVIEW & INDUSTRY NEWS

- Goldman Sachs lowered its 2012 copper price forecast to \$9,200 a metric ton from \$10,790, while Bank of America Merrill Lynch too cut back its projection to \$8,375 a metric ton from \$11,250. Still, many analysts expect the global economy to skirt a recession next year anticipate copper to average \$4.06 a pound in 2012.
- The most likely scenario for the next quarter will probably be one of gradual stability entering the markets with a steady average increase in price levels but contained at or around \$8000 (Sudcen Financial).
- Bloomberg reported that copper value is likely to raise up to 25 percent in the second half of 2012 due to growing demand from China.
- The refined copper market balance for September 2011 showed a small production deficit of 13,000 mt, according to preliminary International Copper Study Group data released. The apparent refined copper balance for the first nine months of 2011, including revisions to data previously presented, indicates a production deficit of 170,000 mt (adjusted surplus of 33,000 mt). This compares with a production deficit of 429,000 mt (seasonally adjusted deficit of 210,000 mt) in the same period of 2010. During the first nine months of 2011, world apparent usage grew by 1% compared with that in the same period of 2010.
- In 2011, Xstrata Copper's total contained copper in total Mineral Resources have grown by 10%, the equivalent of 9 million tonnes, to 97 million tonnes.
- Antofagasta Plc will boost output to 720,000 metric tons of copper in 2012 from about 640,000 tons this year, Francisco Veloso, vicepresident of corporate affairs, said.
- Chilean copper production probably will increase 7 percent to 5.7 million metric tons next year, Francisco Veloso, who represents mining association Sonami, told reporters in Santiago.

- ✚ Peru's copper output fell 7.4 percent to 103,257 metric tons in October as a strike curtailed production at Freeport-McMoRan Copper & Gold Inc.'s Peruvian unit.
- ✚ Metals miner HudBay Minerals Inc. says its copper production is expected to fall in 2012 due in part to the closures of its Trout Lake and Chisel North mines in Manitoba.
- ✚ Mexico's October copper production rose to 37,357 metric tons, the National Statistics Agency said in a statement on its website.
- ✚ China plans for recycled copper to account for 40% of total copper output by 2015.
- ✚ China's prelim Nov cu imports at 452,022 mt, up 22% yoy, ytd high.



- ✚ China Non-Ferrous Metal Mining Corp's Muliashi Copper Mine in Luanshya on Zambia's Copperbelt was commissioned and will start producing copper in three months time.
- ✚ Zambia's copper output for November was 80,174 mt, up 1.6.% from the same month a year ago, and up 1% from October.
- ✚ Output of copper and alloy semi-finished products in Italy, a major European manufacturer, fell 2.4 percent year-on-year to 814,400 tonnes in the first nine months of 2011.
- ✚ Japanese copper wire and cable shipments fell 0.4 percent in November from a year earlier to an estimated 60,400 tonnes, marking the second-lowest level for that month in the past 35 years.
- ✚ Russia's Economic Development Ministry said that refined copper production rose 0.5% and copper wire production grew 50.6% in the Jan-Nov. period.

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