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MONTHLY COPPER BULLETIN

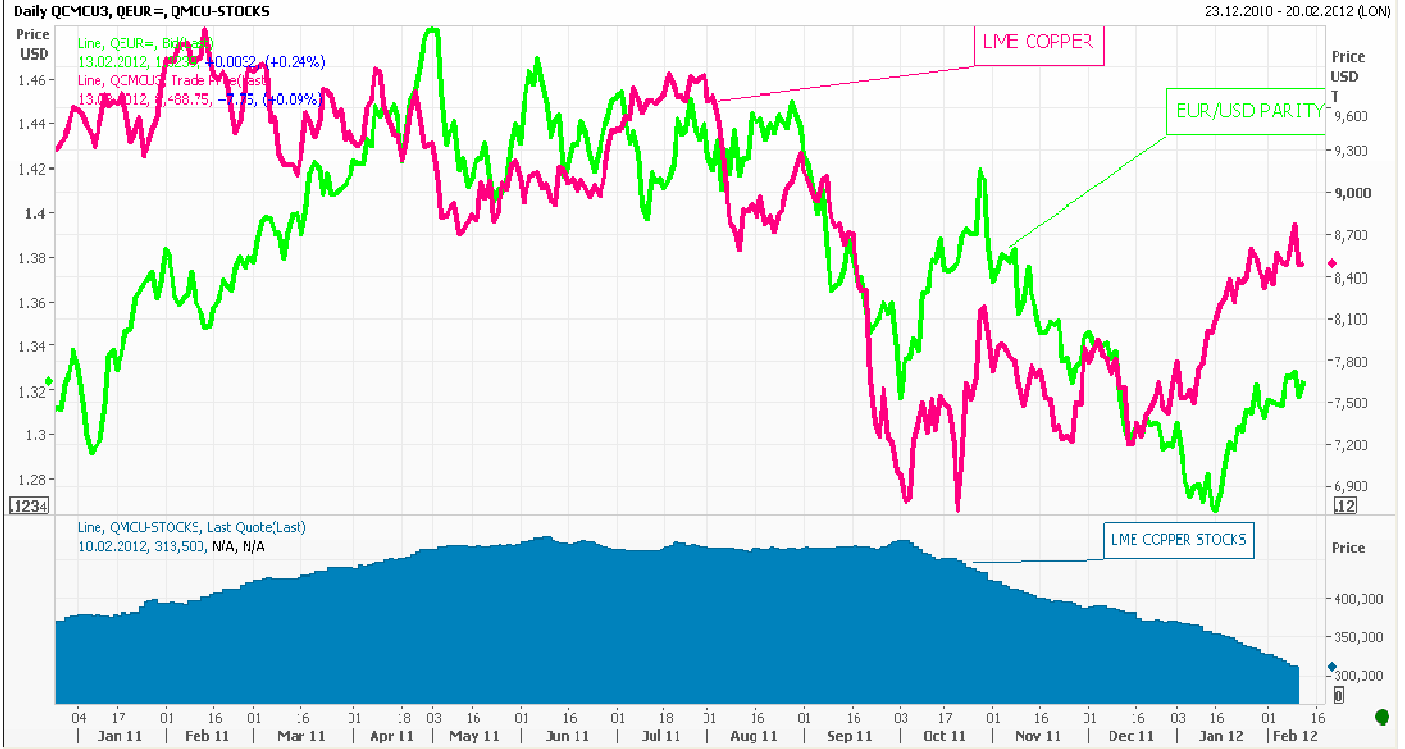
January-2012

14th February 2012

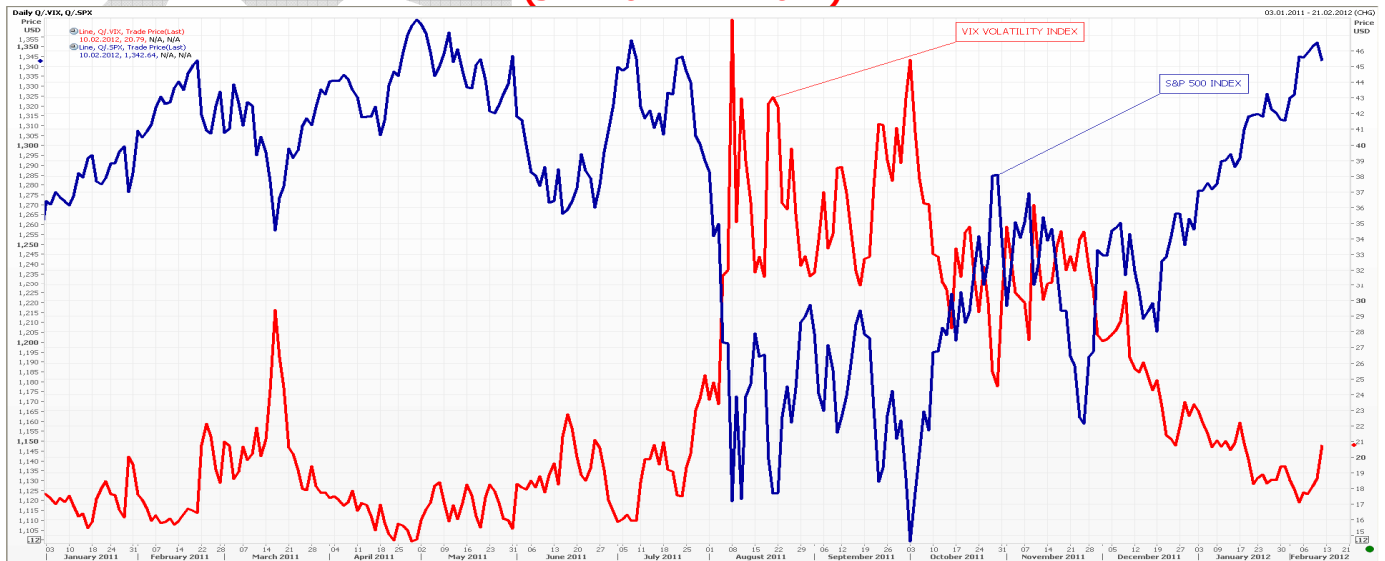


Stand No: 10C61

EUR/USD PARITY & LME COPPER PRICES & LME COPPER STOCKS (JAN 2011-FEB 2012)



S&P 500 INDEX & VOLATILITY INDEX (JAN 2011-FEB 2012)



ISO/TS 16949
BUREAU VERITAS
Certification
N° 11859



ISO 14001
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OHSAS 18001
BUREAU VERITAS
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N° 30280



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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
03.01.2012	7661,00	5882,67	4908,69	7476,00	2,41%	-15,01%	371.575	595,50	597,73
04.01.2012	7652,00	5897,04	4904,19	7476,00	2,30%	-15,15%	369.150	598,16	600,40
05.01.2012	7471,00	5817,63	4813,79	7476,00	-0,07%	-17,93%	368.400	590,38	592,64
06.01.2012	7515,00	5877,98	4853,71	7476,00	0,52%	-17,24%	368.125	595,86	598,14
09.01.2012	7503,00	5889,32	4856,94	7574,75	-0,96%	-17,43%	366.900	596,14	598,41
10.01.2012	7641,00	5969,06	4941,79	7574,75	0,87%	-15,31%	365.375	607,02	609,30
11.01.2012	7689,50	6045,20	4994,48	7574,75	1,49%	-14,58%	364.250	614,06	616,35
12.01.2012	7946,00	6229,71	5177,22	7574,75	4,67%	-10,88%	358.250	631,51	633,79
13.01.2012	7965,50	6233,76	5195,00	7574,75	4,91%	-10,61%	356.825	631,66	633,93
16.01.2012	8021,00	6326,21	5236,67	8550,00	-6,60%	-9,85%	354.575	642,05	644,34
17.01.2012	8185,00	6399,03	5318,73	8550,00	-4,46%	-7,65%	353.425	649,58	651,86
18.01.2012	8156,00	6364,42	5307,48	8550,00	-4,83%	-8,03%	352.500	644,57	646,84
19.01.2012	8350,50	6467,24	5402,41	8550,00	-2,39%	-5,51%	351.200	655,67	657,93
20.01.2012	8230,50	6373,81	5317,89	8550,00	-3,88%	-7,05%	348.750	646,45	648,71
23.01.2012	8333,00	6406,06	5354,02	8864,90	-6,38%	-5,74%	345.775	649,42	651,66
24.01.2012	8267,00	6360,70	5306,50	8864,90	-7,23%	-6,58%	342.250	644,38	646,62
25.01.2012	8271,00	6387,37	5314,53	8864,90	-7,18%	-6,53%	339.750	646,64	648,88
26.01.2012	8560,00	6512,48	5457,10	8864,90	-3,56%	-2,93%	337.875	659,55	661,76
27.01.2012	8610,00	6548,52	5483,38	8864,90	-2,96%	-2,33%	335.425	663,87	666,08
30.01.2012	8399,00	6404,61	5352,41	9022,90	-7,43%	-4,90%	333.125	648,31	650,53
31.01.2012	8485,50	6437,19	5377,04	9022,90	-6,33%	-3,83%	330.825	652,23	654,43
MONTHLY AVERAGES	8043,45	6230,00	5184,47						



MARKET COMMENTARY

After falling 21% in 2011, copper prices have risen nearly 13% ytd as fears about Europe ease and stabilization in Chinese manufacturing brighten the outlook. While equities have rallied 19% to start the year, expectations for lower prices in 2012 remain the consensus as global GDP growth slows and mine supply rises.

Last month some investors downgraded their demand and price forecasts and reiterated their view that the risks for both remained to the downside, at least in the short to medium term. The strong rally in prices during January has created a much more bullish perception of the market – prices have shot up 19% from the lows around \$7,200/tonne in mid-December to \$8,600/tonne in late January and early February. However, in our view, this strength is not built on the fundamentals, which makes the gains vulnerable. This doesn't mean to say that prices won't rally further – they may if central banks keep the liquidity taps open – but it does mean that prices have become disconnected from the physical fundamentals again. It is reminiscent of the situation a year ago, when QE2 drove copper to well over \$10,000/tonne, despite a very troublesome macro and fiscal backdrop. Admittedly, the US is better shape now, but it is still vulnerable to contagion from Europe, where the crisis has merely gone from bad to worse. On the China front, although apparent consumption looks strong, real consumption is certainly not, and there are plenty of reasons to retain a cautious outlook for 2012.

For this week it was with very careful steps that the participants entered the market on Monday morning following Sunday's late agreement where the Greek Parliament approved the country's new loan agreement with the Troika. Out of 300 lawmakers, 199 voted 'Yes', while 74 voted 'No' and five voted 'Present'.



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This morning London copper was almost unchanged after slipped by nearly 4 percent from 5-month peaks of \$8,765 a tonne reached last week, as investors took a cautious stance over Greece's approval of harsh austerity measures and traders noted scant buying from top consumer China. Three-month copper on the London Metal Exchange traded at \$8,403 a tonne by 0757 GMT, down 0.26 percent from Monday's close, and retreating from modest gains early in the session.

Sharemarkets and the euro were showing some signs of risk aversion on scepticism that Greece's harsh austerity measures will be implemented and after ratings agency Moody's downgraded several smaller European nations and placed others like France and Britain on watch.

But the impact on metals was cushioned by copper's recent price decline, said Nick Trevethan, senior commodities strategist at Australia and New Zealand Bank. "You've seen a decent fall in prices in the last few days," he said. "It's getting a little more attractive for Chinese purchases, although it's still bit high for them to leap in with both feet." China is the world's biggest copper consumer, accounting for around 40 percent of refined demand.

Greece has admitted it still faces a tough job in persuading the European Union and IMF to save it from bankruptcy even after parliament approved savage extra budget cuts, provoking a night of looting and burning in central Athens.

Also tempering risk appetite, rating agency Moody's warned on Monday it may cut the triple-A ratings of France, the United Kingdom and Austria while it downgraded the ratings of Italy, Portugal, Spain, Slovakia, Slovenia and Malta.



MONTHLY REVIEW & INDUSTRY NEWS

- Global refined copper demand could rise 1.2% to 1.6% (base case scenario), according to Bloomberg consensus GDP forecasts combined with trailing CAGRs of copper demand intensity per unit of GDP. The International Copper Study Group's forecast of a 3.6% rise hinges upon Asia 4.9% consumption growth in 2012.

Global copper mine supply may grow to about 10.8% in 2012, the fastest pace since 1997, says a new capacity study. In the ICSG forecast for a 9.4% rise, Latin, North America and Africa would drive 85% of absolute growth. Even if mine supply were to register half of the expected rise, output would grow at the fastest pace since 2004.

- Annual copper mine production capacity is expected to reach 26.2 million tonnes in 2015 after rising at an average rate of 6.6 percent a year from 2012 through 2015, the International Copper Study Group (ICSG) said.

The ICSG also predicts world copper refinery capacity will reach 28.9 million tonnes in 2015, up 17.5 percent from 2011. About 3.2 million tonnes of the expansion is expected to come from electrolytic refineries and 1.1 million tonnes from electrowinning capacity, the ICSG said.

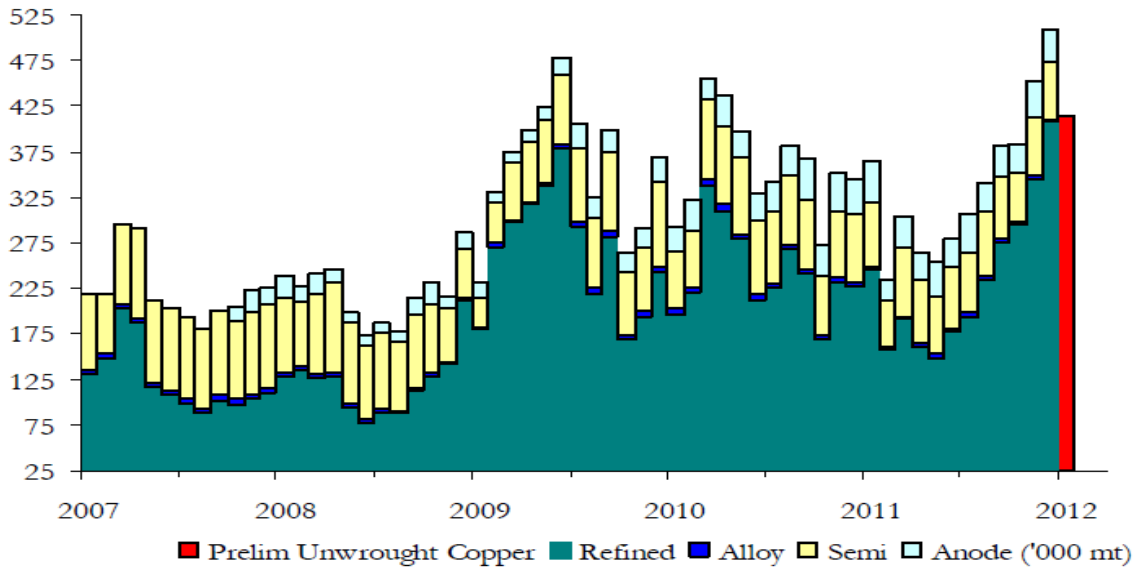
- The copper market recorded a surplus of 46.2 kt in January to November 2011 which compares with a deficit of 61.9kt in the whole of 2010.
- Copper mine supply will lag demand in 2012, spurring prices, Southern Copper Corp.'s Financial Planning Manager Raul Jacob said. The industry will require an additional 430,000 metric tons of copper this year, Jacob said on a conference call with analysts.



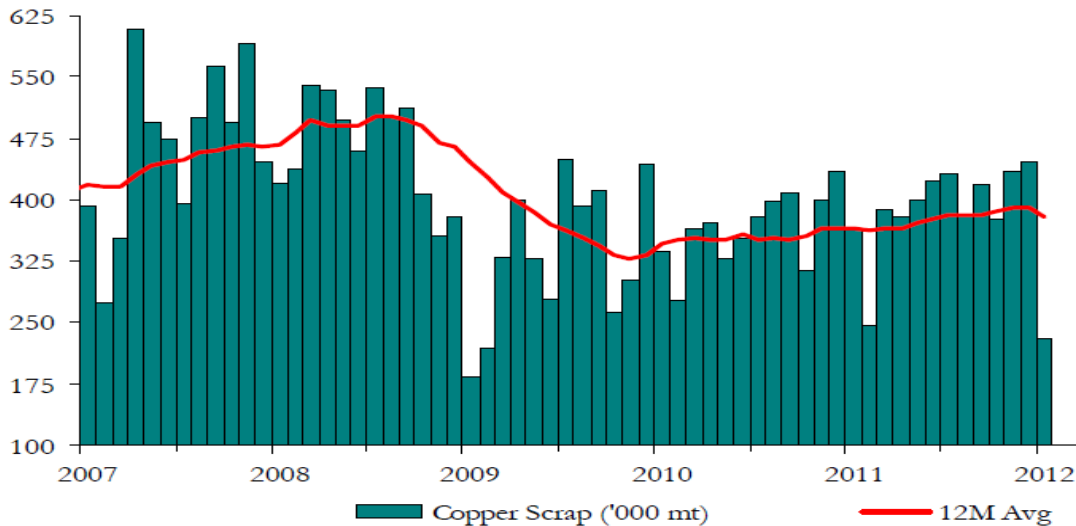
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- Glencore International Plc, the world's largest publicly traded commodities supplier, agreed to buy Xstrata Plc in a deal that values the target at 39.1 billion pounds (\$62 billion) in the biggest mining takeover.
- Chile, which mines a third of the world's copper, will boost supply of the metal by 9.6 percent this year, easing global shortages, state-run copper commission Cochilco said.
- Chile exported \$4.17 billion worth of copper in January, a rise of 12% compared with the same month of 2011, according to figures released by the country's central bank 2011.
- Copper exports from Zambia, Africa's biggest producer of the metal, fell 7 percent in December from the year earlier to 79,354 metric tons, the country's central bank said.
- China's prelim January copper imports at 413,964 mt, up 13.8 % yoy.



- China's prelim Jan scrap copper imports at 250k mt, down 37.0 % yoy.



- Japan's exports of refined copper rose 26 percent in December from a year earlier, aided by a 40 percent jump in cathode sales to China, Ministry of Finance data showed.

- # Russia's refined copper production rose 1.1% and copper wire production grew 49.6% in 2011.
- # China Non-Ferrous Mining Corp. plans to start its Muliashi copper mine in Zambia at the end of February, the company said. The \$368 million project will produce 41,000 metric tons of finished product a year.
- # Southern Copper expects its \$1 billion Tia Maria project to start production in 2015 rather than 2013, the company said in its fourth quarter earnings report. Tia Maria is expected to produce 120,000 tonnes of the red metal per year.
- # The world's No.1 copper producer, Chilean state giant Codelco, will struggle this year to match record 2011 copper output of 1.735 million tonnes, CEO Diego Hernandez said in the El Mercurio newspaper's.
- # Mitsubishi Corp., Japan's biggest commodity supplier, plans to almost double its copper output in 2012 after spending \$5.39 billion to buy a minority stake in Anglo American Plc's Chilean unit.
- # Norilsk Nickel plans to spend \$1.1 billion by 2016 to develop an eastern Siberian copper field and boost output of the highly conductive metal by 16 percent. The Bystrinsky deposit is expected to yield 62,000 metric tons of copper and 6.3 tons of gold in concentrate a year.
- # Diversified miner Antofagasta's full-year 2011 copper production totaled 640,500 mt, a 22.9% increase compared with 521,100 mt in 2010, as a result of the start-up of the Esperanza mine and the increased throughput at Los Pelambres, both in Chile, the miner said.
- # Kazakh copper producer Kazakhmys produced 300,500 tonnes of copper cathode in 2011, down 1.8% from the previous year but in line with its full-year production target, the company said.

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