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MONTHLY COPPER BULLETIN

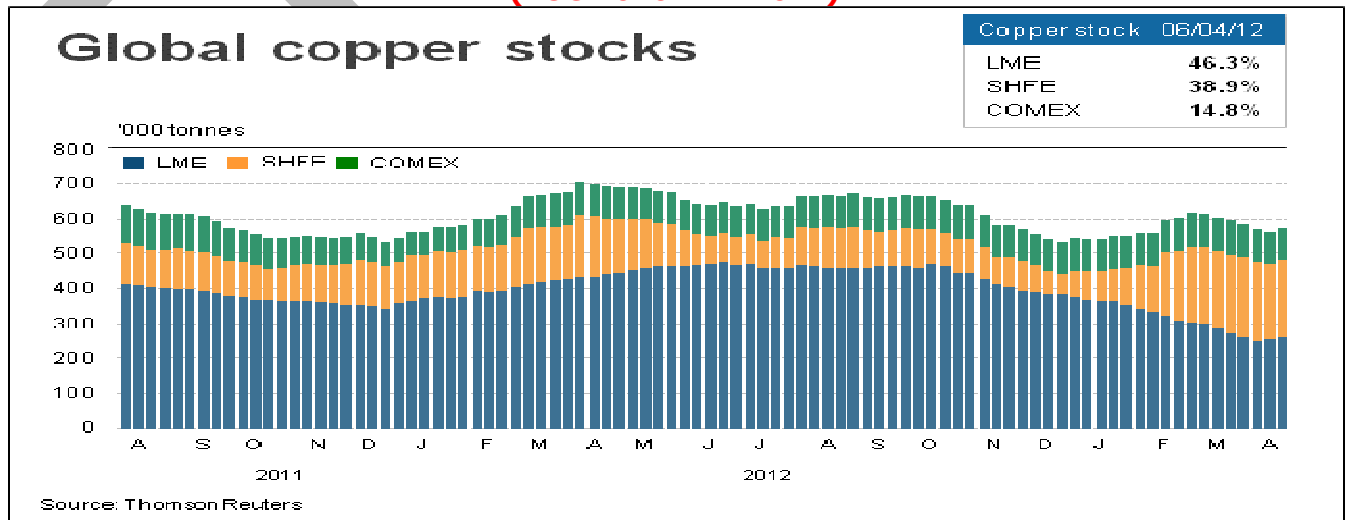
March-2012

16th April 2012

S&P 500 INDEX & LME COPPER PRICES (JUNE 2011-APRIL 2012)



LME WAREHOUSE COPPER STOCKS (AUG 2010-APR 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
01.03.2012	8570,00	6440,22	5374,39	8359,80	2,5%	11,9%	292.250	651,23	653,41
02.03.2012	8575,00	6485,89	5405,66	8359,80	2,5%	11,9%	289.000	656,29	658,49
05.03.2012	8502,00	6437,50	5369,12	8564,80	-0,7%	11,2%	285.825	653,09	655,29
06.03.2012	8335,50	6340,71	5280,65	8564,80	-2,8%	9,4%	283.575	643,07	645,28
07.03.2012	8261,00	6296,49	5254,75	8564,80	-3,7%	8,6%	280.900	637,38	639,60
08.03.2012	8390,00	6333,03	5310,80	8564,80	-2,1%	10,0%	280.025	641,74	643,94
09.03.2012	8390,50	6355,48	5315,49	8564,80	-2,1%	10,0%	276.025	643,14	645,34
12.03.2012	8401,50	6402,12	5374,21	8375,80	0,3%	10,1%	273.925	648,85	651,07
13.03.2012	8530,00	6532,39	5459,90	8375,80	1,8%	11,4%	273.000	659,27	661,49
14.03.2012	8468,00	6479,95	5387,11	8375,80	1,1%	10,8%	270.625	656,49	658,71
15.03.2012	8490,50	6501,15	5415,90	8375,80	1,4%	11,0%	267.750	658,77	661,00
16.03.2012	8620,50	6565,50	5454,29	8375,80	2,8%	12,4%	263.825	667,83	670,05
19.03.2012	8575,00	6518,43	5400,89	8502,10	0,9%	11,9%	262.575	660,09	662,30
20.03.2012	8437,00	6397,48	5322,36	8502,10	-0,8%	10,5%	256.082	648,44	650,65
21.03.2012	8470,50	6405,88	5346,53	8502,10	-0,4%	10,8%	258.325	648,23	650,42
22.03.2012	8320,00	6317,39	5263,82	8502,10	-2,2%	9,2%	255.545	640,62	642,82
23.03.2012	8400,50	6338,09	5302,01	8502,10	-1,2%	10,1%	255.175	643,51	645,71
26.03.2012	8485,00	6407,16	5344,21	8440,60	0,5%	11,0%	254.000	649,33	651,52
27.03.2012	8512,00	6383,68	5336,68	8440,60	0,8%	11,3%	257.575	645,65	647,83
28.03.2012	8480,50	6356,72	5333,65	8440,60	0,5%	10,9%	256.150	643,53	645,71
29.03.2012	8360,00	6293,76	5259,85	8440,60	-1,0%	9,6%	255.625	638,07	640,26
MONTHLY AVERAGES	8457,05	6406,59	5345,68				268.366	649,038	651,240



MARKET COMMENTARY

Copper prices rose sharply in 1Q12, which was heavily influenced by the wider cross-asset rally. Nevertheless, this appreciation has come with a wrinkle, as fundamentals on the physical market did not strengthen to the same extent as prices on LME. Chinese physical premia have for instance been under pressure of late. This was partially influenced by a locational switch in stocks, i.e. metal taken out of warehouses in World ex-China (especially the London Metal Exchange) where shipped to inventories in China. Looking into 2013, we see scope for a ramp-up in production at several large mine projects.

'000 tonnes	2009	2010	2011A	2012E	2013E
Global production	18343	19119	19659	20521	21862
Change YoY	0.4%	4.2%	2.8%	4.4%	6.5%
Global consumption	17301	19264	19983	20767	21742
Change YoY	-3.5%	11.3%	3.7%	3.9%	4.7%
Balance	1041	-145	-324	-246	120
Market inventories	979	858	862	616	736
Weeks of world consumption	2.9	2.3	2.2	1.5	1.8
LME Cash (\$/t)	5149	7547	8785	8275	7625
LME Cash (c/lb)	234	342	399	375	346

Source: Woodmac, CRU, Metal Bulletin, Reuters, Bloomberg, company reports, IAI, BofA Merrill Lynch Global Commodity Research

China's copper market is struggling with high inventories after a disappointing first quarter for the country's biggest copper consumers. Tight credit conditions and a downturn in the

construction and consumer goods markets have hit demand for the red metal, according to sector analysts. China's leading copper fabricators and home appliance manufacturers have fared better than their smaller rivals in these tough market conditions. All market participants are now counting on the government to boost demand by relaxing bank lending rules or implementing some other kind of stimulus.

In the first quarter of 2011 LME copper increased 11 percent, but on daily basis it was a tight range between \$8,250-8,650. In March it was more steadier than the first two months of this year.

Copper fell further below \$8,000 a tonne to hit fresh three-month lows today, pressured by growing concern about slower demand from top consumer China, with Shanghai prices sliding more than 2 percent. A stronger dollar also weighed on the metal, as rising Spanish bond yields that revived worries over the debt-plagued euro zone, dragged down the euro to one-month lows.

Three-month copper on the London Metal Exchange fell as low as \$7,885.25 a tonne, a level not seen since Jan. 13. By 0720 GMT, it was down 1.2 percent at \$7,893, adding to a slide of 2.8 percent on Friday, when the Chinese data was released.

The data, which showed the Chinese economy growing an annual 8.1 percent in the first quarter, its weakest pace in nearly three years, fuelled a rash of selling, said Jonathan Barratt, chief executive of BarrattBulletin, a Sydney-based commodity research firm. "We have broken through some pretty heavy support levels in copper. When this happens, you'll see some funds selling," Barratt said.

"LME copper's fall on Friday triggered a lot of stop-losses, so Shanghai copper's reaction today is within expectation. Sentiment has been dampened by a slew of worrying Chinese data, while the fall of the yuan today after the widening of its trading band against the dollar didn't cheer up investors here either," said a Shanghai trader.

Soaring bond yields in Spain added to the gloom. Spain's banks increased their reliance on cheap loans from the European Central Bank in March, borrowing almost double what they did in February. The dollar rose to its highest in a month versus the euro as Spain's soaring bond yields rekindled worries about the fragile state of the euro zone's economy, sending Asian shares lower too. Spain's government bond yields rose and the cost of insuring its debt hit an all-time high on Friday, as record borrowing by its banks from the European Central Bank highlighted fears about the country's finances before it tests market appetite for its debt on Thursday.



MONTHLY REVIEW & INDUSTRY NEWS

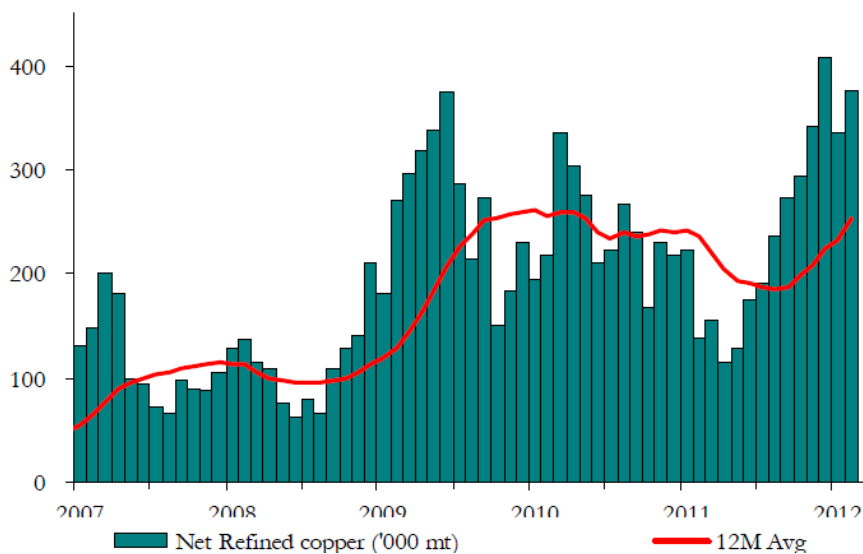
- Goldman Sachs said it had raised its three-month copper price outlook due to ongoing supply woes and expectations of a rebound in Chinese activity in the second half of this year. Goldman lifted its three-month copper price forecast to \$9,000 per tonne from \$8,400 per tonne earlier.
- Sumitomo Metal Mining Co., Japan's top nickel producer and second-largest copper smelter, said it will raise copper output by 23 percent in the 2012 fiscal year.
- Mitsubishi Materials Corp., Japan's third-largest copper producer, said it will increase output by 24 percent in the April-to-September period as its smelter in Fukushima prefecture came back online.



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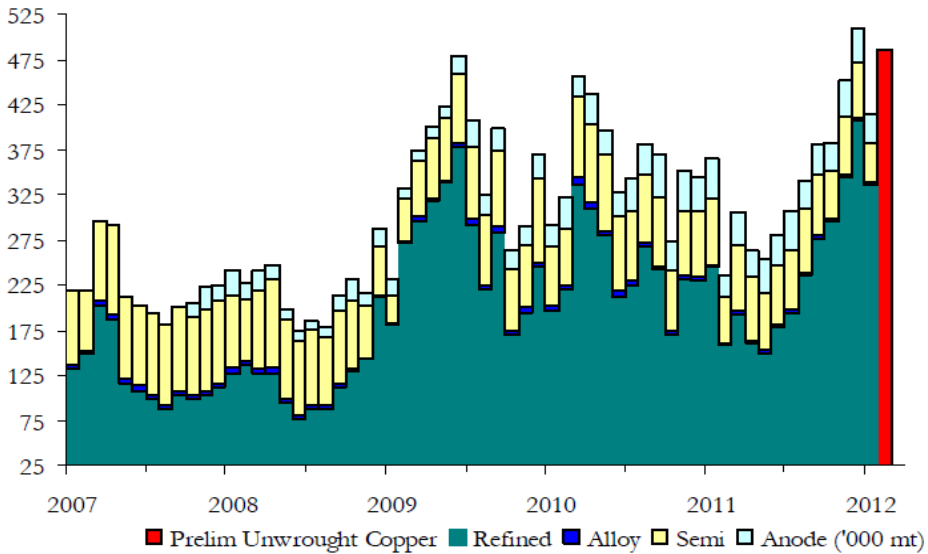
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- ✚ Mexican copper output jumped 25.8 percent in January compared to the same month a year earlier as production continued to rise at the Cananea mine after a three-year strike, data from the National Statistics Institute showed.
- ✚ Chile produced 379,474 tonnes of copper in February, up 6.5 percent from the same month a year earlier on mining from deposits with higher ore grades and due to a low base of comparison with 2011, the government said.
- ✚ China's largest copper smelter, Jiangxi Copper, saw its net profits rise 33.5% year-on-year to 6.5 billion yuan (\$1billion) last year.
- ✚ China holds more than 1 million tonnes of commercial stocks of refined copper cathode currently, a level last seen in 2009, due to high imports and weak domestic demand, which may slow arrivals in the second quarter, analysts said.
- ✚ According to preliminary ICSG data, the refined copper market balance for December 2011 showed a production surplus of 41,000 metric tonnes (t) despite record-high Chinese apparent usage (831,000 mt), as usage was weak in the other major consuming regions due to the yearend holiday period.
- ✚ Strong global copper demand and difficulties in bringing new mines on line will keep the red metal market tight, the head of Xstrata Copper, the world's fourth-largest copper miner, told a Chilean paper's.
- ✚ Codelco, forecast a "fairly tight" copper market this year, with a similar supply demand balance as last year, as China's economy grows about 7.5 percent.
- ✚ Copper exports from Zambia, Africa's biggest producer of the metal, rose to 64,073 metric tons in January from 61,778 tons a month earlier, the central bank said.
- ✚ Japan's output of rolled copper product fell 8.5 percent to 64,076 tonnes in February from a year earlier on a seasonally adjusted basis, preliminary data showed.
- ✚ China February refined copper imports up 11.8% mom at 375k mt.



- ✚ Grupo Mexico SAB, the world's fifth-largest copper producer, said 7.9 earthquake hasn't affected its mines and refineries.

- ✚ Japanese copper wire and cable shipments in February rose 2.5 percent from a year earlier to an estimated 59,400 tonnes, an industry body said on Monday. That was up from 56,002 tonnes in January, data from the Japanese Electric Wire and Cable Makers' Association showed.
- ✚ Freeport-McMoRan Copper & Gold Inc lowered its copper and gold sales outlooks for the first quarter following labor-related problems at its Grasberg mine in Indonesia and said the mine would not return to full production until the second quarter.
- ✚ The CEO of Aurubis, Europe's biggest copper producer, said he is confident of strong copper demand from China this year despite forecasts of lower growth in the country. The copper market was concerned about the cut in China's forecast economic growth to 7.5 percent in 2012 as the country accounts for 40 percent of global copper demand, Peter Willbrandt said.
- ✚ Global copper products group Luvata hopes to increase sales by up to 5 percent in 2012, despite the sluggish world economy, by focusing on higher-added products and continuing to expand in growing economies especially in Asia and China, its CEO said.
- ✚ Grupo Mexico SAB, the world's fifth-largest copper producer, increased the 2015 output target for its Buenavista mine to 488,000 tons of copper from 475,000 tons as it expands, Chief Financial Officer Daniel Muniz said.
- ✚ Copper supply will fall short of demand by 200,000 metric tons this year, while the deficit in 2013 will be smaller, Juan Carlos Guajardo, executive director of the Center for Copper and Mining Studies, said in an interview in London.
- ✚ China's preliminary Feb copper imports at 484,569 mt, up 105.8% yoy.



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