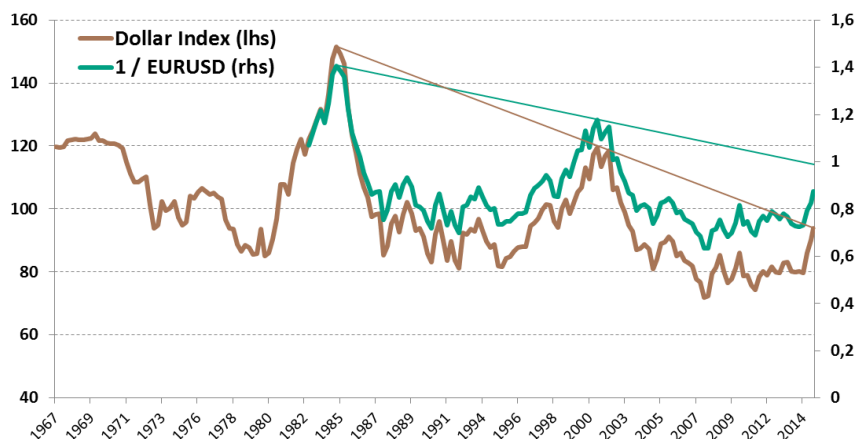


# Market Overview

as of: 16 February 2015

- Copper:** After January price plunge, copper has recovered above 5,700 USD/mt. Although some of the banks predicted recent price decrease, the supply/demand fundamentals have not changed significantly. (page 2).
- Precious metals:** In previous two weeks precious metals descended to lower levels after a month long rally. Main drivers were macroeconomic data from US and repercussions after Greek elections. (page 5).
- Freight market:** The Baltic Exchange's main sea freight index, which tracks rates for ships carrying dry bulk commodities, continued to fall, reaching the lowest level since August 1986. (page 4).
- Ukraine-Russia:** The Minsk summit held last week yielded agreement between Ukraine's and Russia's leaders that gives a glimpse of hope to end the military conflict in Eastern Europe. In addition, the International Monetary Fund announced financial aid for Ukraine (page 8).
- China:** China's January foreign trade data came in much weaker than expected, although seasonal factors are partially to blame. Exports and imports dropped 3.3% yoy and 19.9% yoy, respectively. As a consequence trade surplus reached a monthly record high of \$60bn. (page 9).

Dollar index and EURUSD rate are very close to significant resistance levels, breaking which open space for further dollar appreciation.








Source: KGHM, Bloomberg

## Key market prices

	Close price	2w chng.
<b>LME (USD/t)</b>		
▲ Copper	5 731.00	4.1%
▼ Nickel	14 745.00	-0.3%
<b>LBMA (USD/troz)</b>		
▼ Silver	16.86	-0.4%
▼ Gold (PM)	1 232.50	-2.2%
<b>FX</b>		
▲ EUR/USD	1.1381	0.7%
▼ EUR/PLN	4.1783	-0.7%
▼ USD/PLN	3.6552	-1.8%
▼ USD/CAD	1.2449	-2.1%
▲ USD/CLP	626.92	0.1%
<b>Stocks</b>		
▲ KGHM	113.75	8.0%

Source: Bloomberg, KGHM; (more on page 12)

## Important macroeconomic data

Release	For	
 Exports (yoy)	Jan	-3,3% ▼
 GDP (sa, yoy)	4Q	1,6% ▲
 Factory orders (wda, yoy)	Dec	3,4% ▲
 GDP (sa, yoy)	4Q	0,9% ▲
 Manufacturing PMI	Jan	55,2 ▲

Source: Bloomberg, KGHM; (more on page 10)

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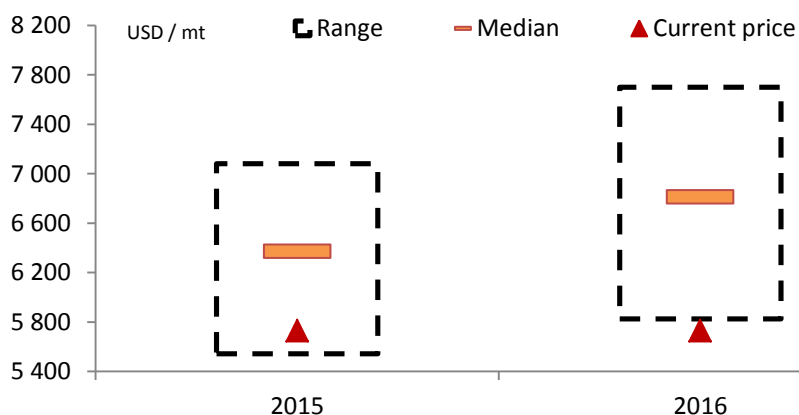
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## Base and precious metals

### Copper

After January plunge, copper price has recovered above 5,700 USD/mt. Although some of the banks predicted recent price decrease, the supply/demand fundamentals have not changed significantly. Latest Reuters survey shows that the recent price is nearby the most bearish forecast contributed by the polled institutions in 2015 and even beyond that range in 2016.

#### Reuters Poll - copper forecasts



Source: KGHM, Thomson Reuters,

**ICBC through Standard Bank take over will offer its clients full range of commodities services**

#### Chinese ICBC acquires global market unit of Standard Bank

Industrial and Commercial Bank of China (ICBC) purchased 60% stake in Standard Bank's global markets unit for 690 mn dollars. The main target was to enable Chinese clients full range of commodities services in order to compete with big western banks such as Citi or Goldman Sachs. This acquisition is another big move to the west (after LME takeover) as Middle Kingdom's financial institutions see opportunity to service Chinese client who produce and consume the bulk of the world's resources as western banks withdraw from the sector. Chinese bank will also try to extend its portfolio and offer services to other clients in order to match both sides of the market.

Chinese banks have financed billions in resource deals from Africa to Latin America over the past decade, they have lagged behind western competitors in providing access to commodity finance, hedging and other related services.

### Miners will receive up to 0,30 USD/lb above market

### Chile introduces small mines support

ENAMI (Empresa Nacional de Minería, The Chilean National Mining Corporation) introduces a program to protect small mining operations from closures by buying copper from them at above-market prices. Under the mechanism, miners will receive up to 0.30 USD/lb more for copper delivered to ENAMI's processing plants, which is c.a. 10% at current market prices. The government previously activated this mechanism in 2009. The subsidy is treated as a loan that beneficiaries pay back when prices recover to sustainable levels.

### Payment too low to be effective, according to miners

However, the mining association SONAMI (Sociedad Nacional de Minería), criticised that the subsidy is too low for the program to be effective, as the payment received by small mines (i.e. current price for copper plus ENAMI's subsidy) is still below the government's long-term copper price of 3.07 USD/lb, set by a committee of experts and used for calculating their budgets. According to SONAMI such a price may still result in closures.

### Lower scrap usage may mean bigger producer's dependency on concentrates

### Lower demand for raw copper scrap in China

Chinese copper producers are cutting demand for raw material scrap due to low margins at a time of weak metal prices, which could slow down growth in China's production of refined copper this year, according to Reuters. This could make producers more dependent on copper concentrates, boosting demand for imports.

### Processing fees for concentrate imports at a 10-year high this year

China is the world's biggest producer and consumer of refined copper. Nearly a third of its output has come from copper scrap in the past two years. Many copper producers reduced or stopped buying scrap after metal prices fell below production costs this month, traders and producer sources said. In contrast, processing fees for copper concentrate imports have hit a 10-year high this year.

China would add 650,000 mt of smelting capacity, which uses concentrate as feed, to achieve 6.25 mn mt in 2015, according to state-backed research firm Antaika. Refining capacity is expected to rise by about 800,000 mt to above 10 mn mt in 2015.

### Other significant copper information:

- China's Shandong Humon Smelting Co. plans to invest 254 mn dollars to raise refined copper production capacity at its smelter in Yantai city to 120,000 mt/year, from the current 20,000 mt/year. The company also plans to make investment on R&D copper technology project which apart from rising electrolytic copper production to abovementioned level, is said to generate annual gold and silver output of 15 mt and 230 mt, respectively.
- China Smelter Purchasing Team (CSPT) has recently held a meeting on the recent copper price slump. The meeting was very unusual, as the organization usually gathers at the end of each quarter to report their stock

levels, tonnages under term contract, as well as future production plans to each other. Market rumors that the main target of the meeting might have been output cut in order to support prices but the potential outcome will be visible after Chinese New Year.

- Chile's Escondida, the world's biggest copper mine, said it had begun a voluntary redundancy program for its workforce as part of an ongoing plan to improve productivity and cut costs. The mine owners – BHP Billiton, who is the world largest miner, and Rio Tinto did not say how many workers they were expecting to lay off, but the cuts will include redundancy payments as well as education and health bonuses.
- India overtook the United States to become the fourth-largest overall importer of copper from Chile in 2014, according to Cochilco. In 2014, the Andean country has exported 5.66 mn mt of red metal. The largest consumer of Chilean copper is still China which imports about 39% of total copper exported from this country.
- Zambia may consider deferring royalty payments by mining companies since some of the companies are threatening closing their operations. A new tax system, which increases mineral royalties to 20% from 6% for open-pit operations and to 8% for underground mines, became effective in January 2015. Some of the companies, including Vedanta's Konkola Copper Mines unit are led to review operations in Africa's biggest producer of the metal after the Democratic Republic of Congo. Output fell to a 3-year low in 2014 as the implementation of the contentious tax threatens a further drop.
- Copper output from BHP Billiton's Olympic Dam mine in Australia will be cut by 60,000-70,000 mt this year, or more than a third of the targeted output levels, due to repair and maintenance work. According to Reuters poll, the lower production would wipe out more than a quarter of the year's global copper surplus, estimated at 221,000 mt.

## Freight market

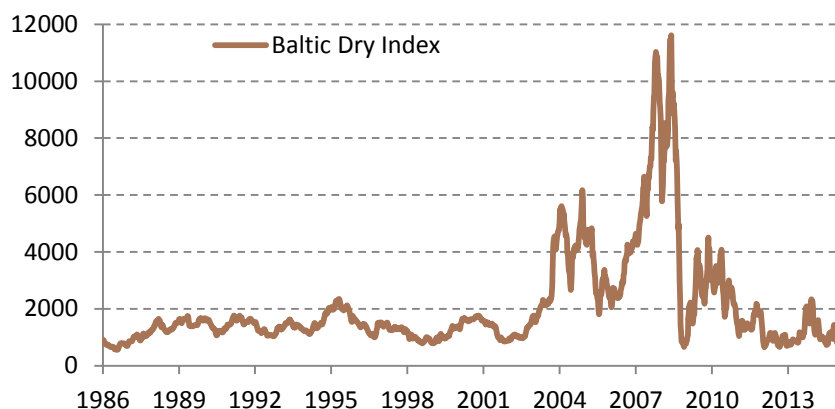
**The Baltic Exchange's main sea freight index, which tracks rates for ships carrying dry bulk commodities, continued to fall, reaching the lowest level since August 1986.**

### Baltic index falls to the lowest level since August 1986

The Baltic Dry Index, which tracks rates for ships carrying dry bulk commodities, has fallen to the lowest level since August 1986. The price drop was mainly driven by weaker rates for panamax (panamax are terms for the size limits for ships travelling through the Panama Canal) and smaller shipping vessels. According to Reuters the panamax index slipped about 2% to 428 points. The index has fallen about 47% over the past one month. Average daily earnings for panamax, which usually carry coal or grain cargoes of about 60,000 to 70,000 mt, slid to around \$3,400.

### Baltic Dry Index drops sharply

### Baltic Dry Index



Source: KGHM, Bloomberg

### Other significant freight market information:

- According to Reuters, privately-owned shipping company Copenship has filed for bankruptcy in Copenhagen after losses in the dry bulk market. Copenship had been operating over 50 chartered small-sized dry-bulk vessels carrying goods such as grain, iron ore and timber.
- Five dry bulk shipping firms, including shipping tycoon John Fredriksen's Golden Ocean will form a new venture to coordinate chartering services, hoping to reduce costs in a fragmented market, the firms said in a joint statement. The firms, including Golden Ocean, Bocimar International, CTM, Golden Union Shipping and Star Bulk Carriers will form Capesize Chartering Ltd., aiming to start up operations by the second half of February.

## Precious metals

**In previous two weeks precious metals descended to lower levels after a month long rally. Main drivers were macroeconomic data from US and repercussions after Greek elections.**

### Macroeconomic factors influencing precious metals

Developments and comments since the election of the new government in Greece seems to still support safe haven demand but the weak China Manufacturing PMI published last night for the first time below 50 since September 2012 at 49.8 now instead of 50.2 expected, after a peak in July 2014 at 51.7, brought the sellers to the market again.

The ECB announced that they decided to lift the waiver that allowed bonds issued or guaranteed by the Greek government to be eligible in the Eurosystem's MRO, LTRO, TLTRO operations. The lift is effective since 11 February 2015. This removes the ability of the Greek commercial banks to use

### Greek election

Greek government debt as collateral in return for low-cost ECB funding, a step with the clear aim to strengthen their position for further negotiations with the government.

#### US macroeconomic conditions

US released a strong employment report for January with improved revisions for December.

The markets have now priced in a 50 % chance of a rate hike in June and might now start to focus on FED President's Yellen semi-annual testimony on 24th February and if she will commit to hike timetable already at that point or wait until the March meeting to drop the "patient" remark.

#### Gold industry focuses on India

Voices are getting louder that India should reduce the import tax on Gold, given that the plunge in the Oil price will bring a great relief on the current account deficit. Prime Minister Modi is expected to touch the subject on his budget proposal on 28 February, where some market participants called for a tax reduction from 10 to 2%.

#### India back in the game

### World Gold Council Report

According to World Gold Council India is back as the largest Gold buyer again, overtaking China. Bar, coin and jewellery demand for 2014 was said to be 842.7 tons for India versus 813.6 for China.

Full year gold demand totaled 3,923.7 tonnes in 2014 (from 4,087.6t in 2013). The 4% year-on-year drop was unsurprising as consumer demand was never likely to match the previous year's record surge. Total annual supply was virtually unmoved at 4,278.2t. Growth in mine supply was balanced by a decline in recycling volumes to a seven-year low.

Jewellery: 2014 was always going to be a difficult year for jewellery demand, contending with comparisons to phenomenal strength in 2013. After a steep drop in Q2, demand for gold jewellery gradually recovered, culminating in the strongest Q4 since 2007. Full year statistics show the sector down by 10% at 2,152.9t, comfortably above the 2,053.0t average from the prior five-years.

Investment: Net investment demand of 904.6t in 2014 was 2% above the 2013 total of 885.4t.

#### Sluggish technology consumption

Technology: Gold demand in the Technology sector contracted to 389t - the lowest level since 2003. Sluggish economic conditions in key markets and ongoing substitution away from gold were the driving force behind the 5% drop.

#### Central banks diversifying

Central Banks: Seeking continued diversification away from the US dollar, central banks absorbed 477.2t of gold in 2014, 17% above 2013's impressive 409 tonnes.

## Nickel

**Recently published nickel Reuters polls suggest metal deficit on the market in 2015 and 2016. However due to unexpected Philippines ore**

**export rise in the last year there are doubts whether this scenario is still valid, especially for this year.**

**Analysts claim that the nickel market will tighten due to ore ban in Indonesia**

### Reuters poll – metal deficit in 2015 and 2016

Many analysts are still convinced that last year's ban on shipments of unprocessed nickel ore from former top exporter Indonesia will eventually lead to tighten the market. Last month Reuters published a poll conducted among metals' analysts which shows that the market is expected to jump in the deficit of 40,000 mt and 58,000 mt in 2015 and 2016, respectively.

However, recent real data shows something opposite. According to the latest statistics from the International Nickel Study Group there was a surplus of 51,600 mt during the first 11 months of last year. Last year, while shipments from Indonesia tailed off as expected most analysts were surprised at how quickly the Philippines ramped up shipments. This led nickel stocks in warehouses monitored by the LME to surge about 60% in 2014 to the level of 412,000 mt at the end of the year.

During the first quarter of this year nickel ore export from Philippines should be weaker because of monsoon period in southern Asia and it will be very important whether this result in decent-sized deficit, which offset further expected Philippines return to the market in large volumes. Investors will also be closely eyeing Chinese output of nickel pig iron (NPI), a low-grade ferro-nickel used in stainless steel output - an alternative to refined nickel. If shortages of nickel ore force a sharp decline in Chinese NPI output, that will likely in turn spur higher consumption of refined nickel and shortages of that higher grade product.

## Global economies | Foreign exchange markets

### Ukraine-Russia: agreement in Minsk

**The Minsk summit held last week yielded agreement between Ukraine's and Russia's leaders that gives a glimpse of hope to end the military conflict in Eastern Europe. In addition, the International Monetary Fund announced financial aid for Ukraine.**

A 17-hour-long negotiations in Minsk yielded a 13-point agreement. Leaders of Ukraine, Russia, Germany and France signed a joint declaration to support this plan and have committed to use their influence to implement it.

#### The ceasefire is effective from 15 Feb

The plan encompasses a complete ceasefire from midnight 15 February, prisoners swap, creation of a security zone by withdrawal of heavy weapons under OSCE monitoring, as well as unrestricted distribution of humanitarian aid. Ukraine committed to proceed with constitutional reform to decentralize power, to provide amnesty to conflict participants and to finalize its law on Donbass "special status" with legal definition of the areas of its application. Moreover, economic relations with the region must be restored. In exchange, Ukraine will restore full control over its borders by the end of the year, conditional on the progress of constitutional reforms and local elections. These elections will be held under Ukrainian law and with full OSCE supervision.

#### Ultimate conflict resolution not expected any time soon

Market view on the agreement is not clear. It seems that, despite the agreement being signed, the conflict will still exist, although in more passive form. In particular, major problems with the implementation of law changes and holding local elections in the rebel-held regions may be expected, that may result in Ukraine losing control on those territories. Open military conflict is less likely, however, mainly due to potentially high political, military and economic costs for Russia. For the time being Moscow stopped implementation of a new round of economic sanctions from western countries and probably will start to push for cancelling of the old ones soon.

#### New IMF's plan is worth 40 bn USD

In parallel to agreement signing, the International Monetary Fund (IMF) announced new financial support for Ukraine, worth 40 bn USD. The package will include 17.5 bn USD from the IMF and the remaining part will be financed by various other sources, including international financial institutions such as European Bank for Reconstruction and Development, World Bank and European Investment Bank, as well as restructuring of existing sovereign debt.



## China: weak foreign trade data

**China's January foreign trade data were much weaker than expected, although seasonal factors are partially to blame. Exports and imports dropped 3.3% yoy and 19.9% yoy, respectively. As a consequence trade surplus reached a monthly record high of \$60bn.**

### Seasonality associated with Chinese New Year may have distorted data

Fluctuations of the trade data, however, are not unusual at the beginning of the year, due to distortions associated with the timing of the Chinese New Year. The data is consistent with January PMI sub-indices that show weakening momentum of both exports and imports. With trade surplus widening, RMB may still depreciate moderately against a strong USD, but appreciate significantly against most other major currencies.

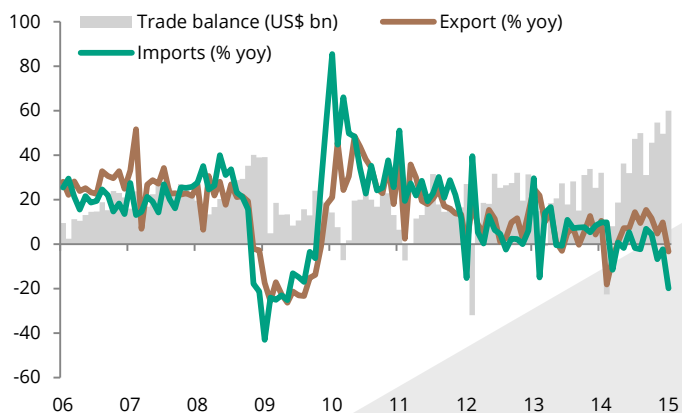
### Exports to EU and Japan weak; to US still strong

Exports by destination highlight weakness in EU and Japan – growth of exports to EU turned from positive 4.9% yoy previously to -4.6% yoy in January; to Japan they slowed from -7.2% yoy to -20.6% yoy. Growth of exports to US remained solid at 4.8% yoy, and that for ASEAN was robust at 15.5% yoy. Export outlook may improve in the months ahead, if euro zone QE and Japan's delay in the second consumption tax hike help lift growth prospects in these two economies.

### Volume of imported copper at -22.7% yoy

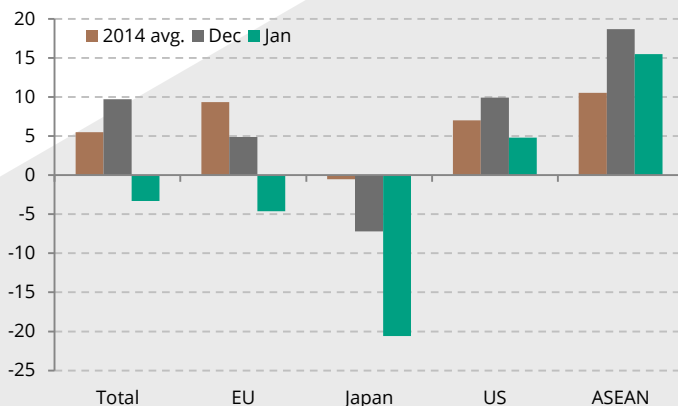
Weak domestic demand and falling prices contributed to negative import growth. The ordinary imports, which reflect domestic demand better, fell by 23% yoy. Imports for processing trade fell by 8% yoy, possibly due to seasonal factors. In volume terms, import growth of iron & ore, crude oil and copper dropped by 9.4% yoy, 0.6% yoy and 22.7% yoy. Import prices for these three items fell by 45.1% yoy, 41.4% yoy and 10.9% yoy.

### Trade balance at highs thanks to much lower imports



Source: KGHM, Bloomberg
















































### Exports by region (% yoy): plunge in Japan



Source: KGHM, Bloomberg

# Macroeconomic calendar

## Important macroeconomic data releases

Weight	Date	Event	For	Reading <sup>1</sup>	Previous	Consensus <sup>2</sup>	
<b>China</b> 							
★★★★	10-Feb	Consumer inflation CPI (yoy)	Jan	0,8% ▼	1,5%	1,0%	
★★★	02-Feb	HSBC's manufacturing PMI - final data	Jan	49,7 ▼	49,8	49,8	
★★	08-Feb	Trade balance (\$)	Jan	60,0 bn ▲	49,6 bn	48,9 bn	
★★	08-Feb	Exports (yoy)	Jan	-3,3% ▼	9,7%	5,9%	
<b>Poland</b> 							
★★★★★	04-Feb	NBP base rate decision	Feb	2,00% -	2,00%	2,00%	
★★★★★	13-Feb	GDP (yoy) - preliminary data	4Q	3,0% ▼	3,3%	3,1%	
★★★★★	13-Feb	GDP (qoq) - preliminary data‡	4Q	0,6% ▼	0,8%	0,6%	
★★★★	13-Feb	Consumer inflation CPI (yoy)	Jan	-1,3% ▼	-1,0%	-1,2%	
★★★	02-Feb	Manufacturing PMI	Jan	55,2 ▲	52,8	53,0	
★★	13-Feb	Trade balance‡	Dec	- 633 mn ▼	103 mn	- 295 mn	
★★	13-Feb	Exports‡	Dec	11 967 mn ▼	13 655 mn	12 189 mn	
★	13-Feb	M3 money supply (yoy)‡	Jan	8,5% ▲	8,2%	9,0%	
<b>US</b> 							
★★★★	02-Feb	Consumer spending inflation PCE (mom)	Dec	0,0% -	0,0%	0,0%	
★★★★	02-Feb	Consumer spending inflation PCE (yoy)	Dec	1,3% ▼	1,4%	1,3%	
★★★	04-Feb	Composite PMI - final data	Jan	54,4 ▲	54,2	--	
★★★	02-Feb	Manufacturing PMI - final data	Jan	53,9 ▲	53,7	53,7	
★★★	04-Feb	PMI services - final data	Jan	54,2 ▲	54,0	54,1	
★★	06-Feb	Change in non-farm payrolls‡	Jan	257 ths ▼	329 ths	228 ths	
★★	02-Feb	ISM Manufacturing‡	Jan	53,5 ▼	55,1	54,5	
★★	02-Feb	Personal income‡	Dec	0,3% -	0,3%	0,2%	
★★	02-Feb	Personal spending‡	Dec	-0,3% ▼	0,5%	-0,2%	
★★	12-Feb	Retail sales (excluding autos, mom)‡	Jan	-0,9% -	-0,9%	-0,5%	
★★	06-Feb	Underemployment rate (U6)	Jan	11,3% ▲	11,2%	--	
★★	06-Feb	Unemployment rate	Jan	5,7% ▲	5,6%	5,6%	
★★	13-Feb	University of Michigan confidence index - preliminary data	Feb	93,6 ▼	98,1	98,1	
★	06-Feb	Average hourly earnings (yoy)‡	Jan	2,2% ▲	1,9%	1,9%	
<b>Eurozone</b> 							
★★★★★	13-Feb	GDP (sa, yoy) - estimation	4Q	0,9% ▲	0,8%	0,8%	
★★★★★	13-Feb	GDP (sa, qoq) - estimation	4Q	0,3% ▲	0,2%	0,2%	
★★★★	12-Feb	Industrial production (sa, mom)‡	Dec	0,0% ▼	0,1%	0,2%	
★★★★	12-Feb	Industrial production (wda, yoy)‡	Dec	-0,2% ▲	-0,8%	0,3%	
★★★	04-Feb	Composite PMI - final data	Jan	52,6 ▲	52,2	52,2	
★★★	02-Feb	Manufacturing PMI - final data	Jan	51,0 -	51,0	51,0	
★★★	04-Feb	Services PMI - final data	Jan	52,7 ▲	52,3	52,3	
★★	04-Feb	Retail sales (yoy)‡	Dec	2,8% ▲	1,6%	2,0%	
<b>Germany</b> 							
★★★★★	13-Feb	GDP (yoy) - preliminary data	4Q	1,6% ▲	1,2%	1,2%	
★★★★★	13-Feb	GDP (sa, qoq) - preliminary data	4Q	0,7% ▲	0,1%	0,3%	
★★★★	12-Feb	Harmonized consumer inflation HICP (yoy) - final data	Jan	-0,5% -	-0,5%	-0,5%	
★★★★	12-Feb	Consumer inflation CPI (yoy) - final data	Jan	-0,4% ▼	-0,3%	-0,3%	
★★★★	06-Feb	Industrial production (wda, yoy)‡	Dec	-0,7% ▼	-0,3%	-0,3%	
★★★	04-Feb	Composite PMI - final data	Jan	53,5 ▲	52,6	52,6	
★★★	02-Feb	Manufacturing PMI - final data	Jan	50,9 ▼	51,0	51,0	
★★★	05-Feb	Factory orders (wda, yoy)	Dec	3,4% ▲	-0,4%	0,7%	

Weight	Date	Event	For	Reading <sup>1</sup>	Previous	Consensus <sup>2</sup>	
<b>France</b>							
*****	13-Feb	GDP (yoy) - preliminary data	4Q	0,2% ▼	0,4%	0,3%	☹
*****	13-Feb	GDP (qoq) - preliminary data	4Q	0,1% ▼	0,3%	0,1%	○
****	10-Feb	Industrial production (yoy)‡	Dec	-0,1% ▲	-2,8%	-1,3%	▲
***	04-Feb	Composite PMI - final data	Jan	49,3 ▼	49,5	49,5	☹
**	02-Feb	Manufacturing PMI - final data	Jan	49,2 ▼	49,5	49,5	☹
<b>Italy</b>							
*****	13-Feb	GDP (wda, yoy) - preliminary data	4Q	-0,3% ▲	-0,5%	-0,5%	▲
*****	13-Feb	GDP (wda, qoq) - preliminary data	4Q	0,0% ▲	-0,1%	-0,1%	▲
****	03-Feb	Harmonized consumer inflation HICP (yoy) - preliminary data	Jan	-0,4% ▼	-0,1%	-0,4%	○
****	10-Feb	Industrial production (wda, yoy)‡	Dec	0,1% ▲	-1,9%	-0,7%	▲
***	04-Feb	Composite PMI	Jan	51,2 ▲	49,4	50,1	▲
**	02-Feb	Manufacturing PMI	Jan	49,9 ▲	48,4	48,8	▲
<b>UK</b>							
*****	05-Feb	BoE base rate decision	Feb	0,50% -	0,50%	0,50%	○
****	10-Feb	Industrial production (yoy)	Dec	0,5% ▼	1,1%	0,5%	○
****	05-Feb	BoE asset purchase target	Feb	375 bn -	375 bn	375 bn	○
***	02-Feb	Manufacturing PMI (sa)‡	Jan	53,0 ▲	52,7	52,7	▲
**	04-Feb	Composite PMI‡	Jan	56,7 ▲	55,3	55,5	▲
<b>Japan</b>							
***	04-Feb	Composite PMI	Jan	51,7 ▼	51,9	--	○
**	02-Feb	Manufacturing PMI - final data	Jan	52,2 ▲	52,1	--	○
<b>Chile</b>							
*****	12-Feb	BCCh overnight rate target	Feb	3,00% -	3,00%	3,00%	○
****	06-Feb	Consumer inflation CPI (yoy)	Jan	4,5% ▼	4,6%	4,2%	▲
**	09-Feb	Copper exports (\$)	Jan	2 870,0 ▼	3 764,0	--	○
<b>Canada</b>							

No major data in the period

<sup>1</sup> Reading difference to previous release: ▲ = higher than previous; ▼ = lower than previous; = = equal to previous.

<sup>2</sup> Reading difference to consensus: ▲ = higher than consensus; ☹ = lower than consensus; ○ = equal to consensus.

mom = month-on-month; yoy = year-on-year; qoq = quarter on quarter; ytd year-to-date; sa = seasonally adjusted; wda = working days adjusted; ‡ = previous data after revision.

Source: KGHM, Bloomberg

## Key market data

### Key base & precious metal prices, exchange rates and other important market factors

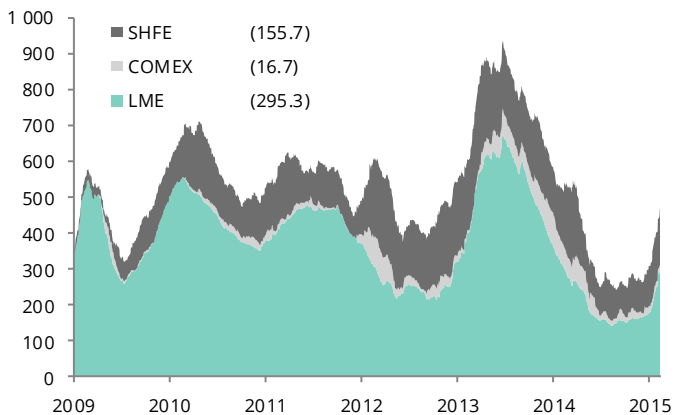
(as of: 13-Feb-15)

	Price	Price change <sup>4</sup>				From year beginning <sup>2</sup>		
		2W	QTD	YTD	1Y	Average	Min	Max
<b>LME (USD/t)</b>								
Copper	5 731.00	▲ 4.1%	▼ -9.9%	▼ -9.9%	▼ -19.9%	5 764.08	5 390.50	6 309.00
Molybdenum	17 400.00	▼ -10.8%	▼ -17.1%	▼ -17.1%	▼ -23.7%	19 966.13	17 400.00	21 500.00
Nickel	14 745.00	▼ -0.3%	▼ -1.3%	▼ -1.3%	▲ 3.6%	14 816.61	14 250.00	15 455.00
Aluminum	1 831.50	▼ -0.3%	- 0.0%	- 0.0%	▲ 8.6%	1 820.65	1 762.00	1 871.50
Tin	18 250.00	▼ -5.2%	▼ -6.4%	▼ -6.4%	▼ -19.2%	19 164.35	17 830.00	19 750.00
Zinc	2 152.00	▲ 1.9%	▼ -0.7%	▼ -0.7%	▲ 6.5%	2 117.95	2 021.00	2 183.50
Lead	1 834.00	▼ -0.5%	▼ -1.0%	▼ -1.0%	▼ -12.9%	1 831.92	1 745.00	1 881.50
<b>LBMA (USD/troz)</b>								
Silver	16.86	▼ -0.4%	▲ 5.6%	▲ 5.6%	▼ -16.8%	17.10	15.71	18.23
Gold <sup>1</sup>	1 232.50	▼ -2.2%	▲ 2.8%	▲ 2.8%	▼ -4.9%	1 249.87	1 172.00	1 295.75
<b>LPPM (USD/troz)</b>								
Platinum <sup>1</sup>	1 201.00	▼ -1.6%	▼ -0.7%	▼ -0.7%	▼ -14.0%	1 235.87	1 193.00	1 285.00
Palladium <sup>1</sup>	786.00	▲ 1.4%	▼ -1.5%	▼ -1.5%	▲ 8.4%	783.39	757.00	817.00
<b>FX <sup>3</sup></b>								
EUR/USD	1.1381	▲ 0.7%	▼ -6.3%	▼ -6.3%	▼ -16.8%	1.1537	1.1198	1.2043
EUR/PLN	4.1783	▼ -0.7%	▼ -2.0%	▼ -2.0%	▲ 0.1%	4.2473	4.1695	4.3335
USD/PLN	3.6552	▼ -1.8%	▲ 4.2%	▲ 4.2%	▲ 19.7%	3.6825	3.5725	3.7687
USD/CAD	1.2449	▼ -2.1%	▲ 7.3%	▲ 7.3%	▲ 13.4%	1.2241	1.1728	1.2717
USD/CNY	6.2405	▼ -0.2%	▲ 0.6%	▲ 0.6%	▲ 2.9%	6.2285	6.1883	6.2599
USD/CLP	626.92	▲ 0.1%	▲ 3.2%	▲ 3.2%	▲ 13.4%	623.00	606.75	632.19
<b>Money market</b>								
3m LIBOR USD	0.257	▲ 0.02	▲ 0.01	▲ 0.01	▲ 0.09	0.255	0.251	0.258
3m EURIBOR	0.048	▼ -0.11	▼ -0.38	▼ -0.38	▼ -0.83	0.059	0.048	0.076
3m WIBOR	1.940	▼ -0.03	▼ -0.06	▼ -0.06	▼ -0.28	2.010	1.940	2.060
5y USD interest rate swap	1.697	▲ 0.27	▼ -0.04	▼ -0.04	▲ 0.05	1.530	1.313	1.734
5y EUR interest rate swap	0.305	▲ 0.01	▼ -0.15	▼ -0.15	▼ -0.70	0.314	0.270	0.350
5y PLN interest rate swap	1.740	▲ 0.10	▼ -0.11	▼ -0.11	▼ -0.55	1.721	1.563	1.920
<b>Fuel</b>								
WTI Cushing	52.78	▲ 9.4%	▼ -0.9%	▼ -0.9%	▼ -47.4%	48.48	44.45	53.05
Brent	59.41	▲ 17.0%	▲ 6.5%	▲ 6.5%	▼ -45.6%	50.63	45.25	59.41
Diesel NY (ULSD)	199.64	▲ 18.4%	▲ 9.4%	▲ 9.4%	▼ -35.7%	173.80	161.84	199.64
<b>Others</b>								
VIX	14.69	▼ -0.30	▼ -0.23	▼ -0.23	▲ 0.04	18.48	14.69	22.39
BBG Commodity Index	104.47	▲ 3.6%	▲ 0.1%	▲ 0.1%	▼ -19.7%	102.29	98.76	104.47
S&P500	2 096.99	▲ 5.1%	▲ 1.9%	▲ 1.9%	▲ 14.6%	2 038.78	1 992.67	2 096.99
DAX	10 963.40	▲ 2.5%	▲ 11.8%	▲ 11.8%	▲ 14.2%	10 365.83	9 469.66	10 963.40
Shanghai Composite	3 203.83	▼ -0.2%	▼ -1.0%	▼ -1.0%	▲ 52.7%	3 245.63	3 075.91	3 383.18
WIG 20	2 346.95	▲ 0.3%	▲ 1.3%	▲ 1.3%	▼ -5.7%	2 318.89	2 242.42	2 367.65
KGHM	113.75	▲ 8.0%	▲ 4.5%	▲ 4.5%	▲ 3.3%	108.38	100.95	113.95

<sup>1</sup> latest quoted price. <sup>2</sup> based on daily closing prices. <sup>3</sup> central banks' fixing rates (Bank of China HK for USD/CNY). <sup>4</sup> change over: 2W = two weeks; QTD = quarter-to-day; YTD = year-to-date; 1Y = one year.

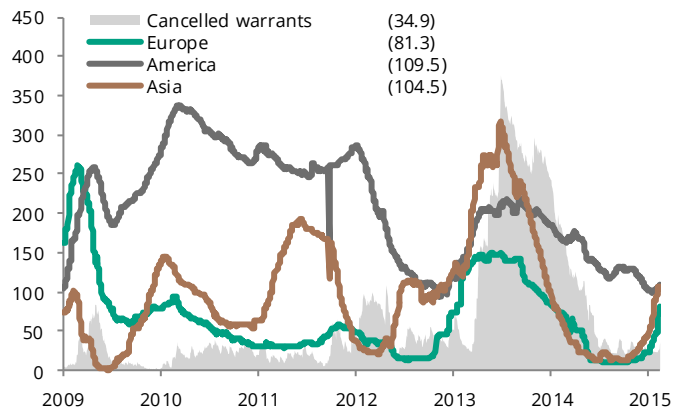
Source: Bloomberg, KGHM

**Copper: official exchange stocks (thousand tonnes)**



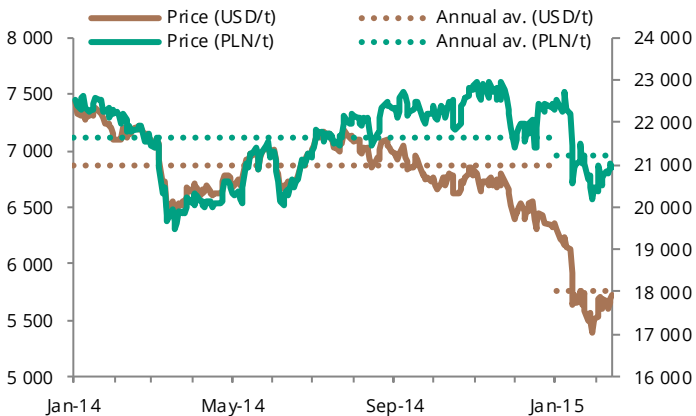
Note: Latest values in brackets. Source: Bloomberg, KGHM

**Copper: official LME stocks (thousand tonnes)**



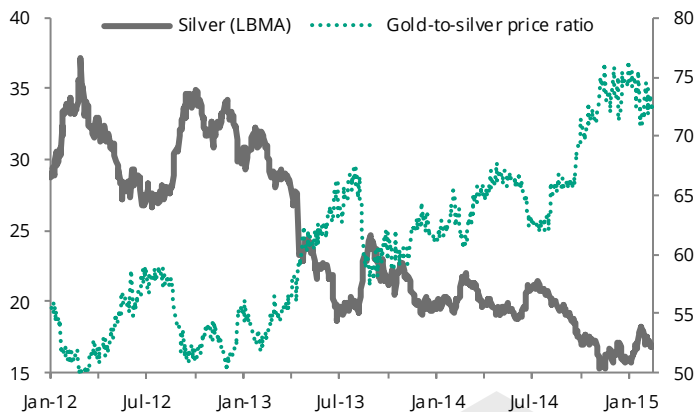
Note: Latest values in brackets. Source: Bloomberg, KGHM

**Copper: price in USD (lhs) and PLN (rhs) per tonne**



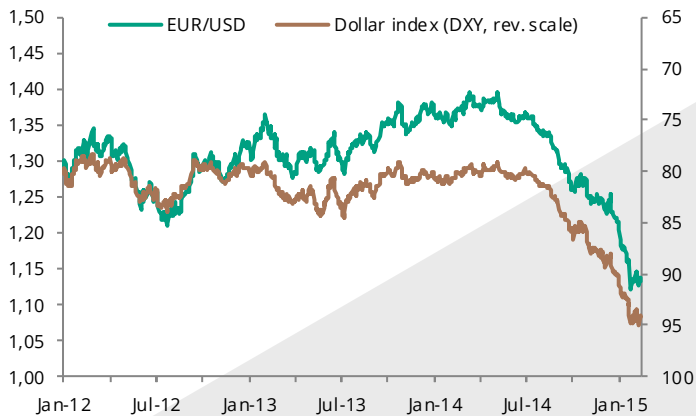
Source: Bloomberg, KGHM

**Silver: price (lhs) and gold ratio (rhs)**



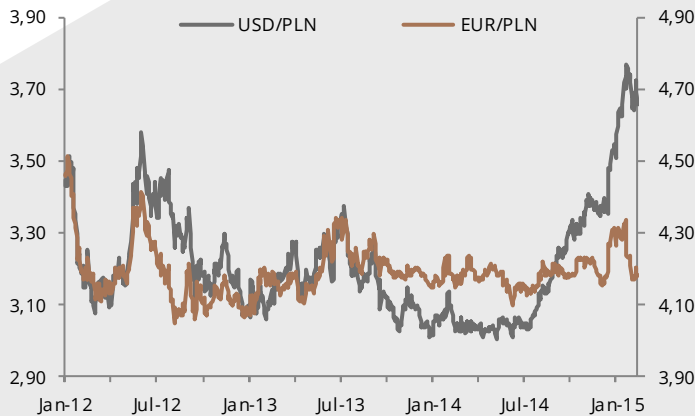
Source: Bloomberg, KGHM

**USD: dollar index (lhs) and ECB-based EUR/USD (rhs)**



Source: Bloomberg, KGHM

**PLN: NBP-fixing based rate vs. USD (lhs) and EUR (rhs)**



Source: Bloomberg, KGHM

## Legal note

This document has been prepared based on the below listed reports, among others, published in the following period:  
**2 February – 15 February 2015.**

▪ “Commodities Comment” Macquarie Research Metals and Mining, ▪ “Commodities Daily” Standard Bank, ▪ “Commodities Weekly” Barclays Capital Research, ▪ “Metals Market Update” Morgan Stanley, ▪ “Daily Copper Wrap” Mitsui, ▪ “Base and Precious Metals Daily” JPMorgan, ▪ „Codziennik” BZ WBK, ▪ „Tygodnik Ekonomiczny” BZ WBK, ▪ „Raport dzienny” mBank, ▪ „Biuletyn Dzienny” Bank PEKAO S.A., ▪ „Dragonomics: China Research” Gavekal

Moreover, additional information published here was acquired in direct conversations with market dealers, from financial institution reports and from the following websites: ▪ lme.co.uk, ▪ lbma.org.uk, ▪ economy.com/dismal, ▪ thebulliondesk.com, ▪ lbma.org.uk/stats, ▪ crumonitor.com, ▪ metalbulletin.com, ▪ nbportal.pl, ▪ nbp.pl, as well as data providing systems: Thomson Reuters and Bloomberg.

Official metals prices are available on following websites:

- base metals: [www.lme.com/dataprices\\_products.asp](http://www.lme.com/dataprices_products.asp) (charge-free logging)
- silver and gold: [www.lbma.org.uk/pricing-and-statistics](http://www.lbma.org.uk/pricing-and-statistics)
- platinum and palladium: [www.lppm.com/statistics.aspx](http://www.lppm.com/statistics.aspx)

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