

Market Overview

as of: 26 October 2015






- Copper:** During the LME Week copper had been trading around 5200-5350 USD/mt range until it went down around 5150 USD/mt. Among the most interesting news we could find further production cuts by Freeport as well as 2016 premiums offer for Europe from Aurubis and Codelco which were both set at 92 USD/mt (*page 4*).
- Precious metals:** In past two weeks precious metals gained value. The main drivers were: uncertainty of FED hiking rates timing and good news from demand side of the market (*page 4*).
- Other metals:** It was a rough fortnight for commodities, as most base metals' prices fallen and oil posted double-digit losses. Metal industry is preparing for a seasonal El Nino weather pattern, which may be a positive factor for tin, nickel and bauxite miners, but not for copper producers (*page 6*).
- China:** Following weak third quarter economic data released lately, the People's Bank of China (PBoC) cut both its benchmark interest rates and the bank reserve requirement ratio. The PBoC also abandoned the ceiling for commercial bank deposit rate, bringing the decade-long process of interest rate liberalization almost to completion (*page 7*).

Key market prices

	Close price	2w chng.
LME (USD/t)		
▼ Copper	5 295.00	-0.5%
▼ Nickel	10 600.00	-1.0%
LBMA (USD/troz)		
▼ Silver	15.98	-0.1%
▲ Gold (PM)	1 161.25	0.8%
FX		
▼ EUR/USD	1.1084	-2.4%
▲ EUR/PLN	4.2520	0.8%
▲ USD/PLN	3.8200	2.6%
▲ USD/CAD	1.3172	1.7%
▲ USD/CLP	691.62	1.5%
Stocks		
▲ KGHM	98.20	2.8%

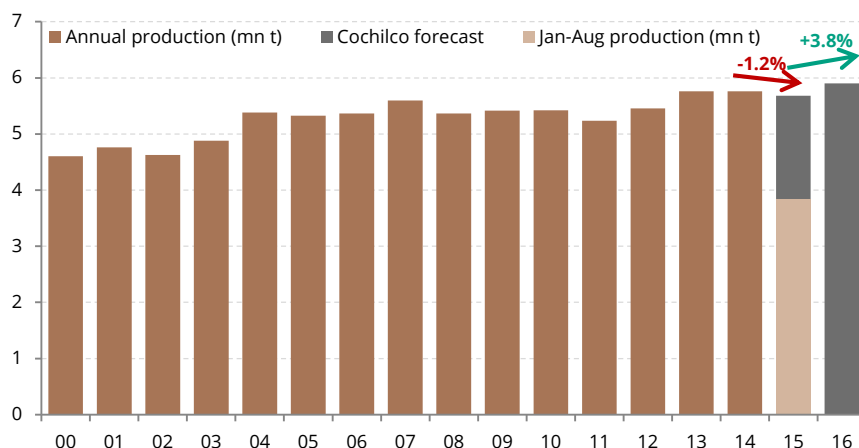
 Source: Bloomberg, KGHM; (*more on page 10*)

Important macroeconomic data

Release	For	
 GDP (yoy)	3Q	6.9% ▼
 Reserve req. ratio	Oct	17.5% ▼
 Industr. prod. (wda, yoy)	Aug	0.9% ▼
 Manufacturing PMI	Oct	51.6 ▼
 BCCh rate decision	Oct	3.25% ▲

 Source: Bloomberg, KGHM; (*more on page 8*)

Chile copper production is now forecast to contract this year and not reach 6mn tonnes at least until 2017 (*more on page 3*)



Source: Bloomberg, Cochilco, KGHM

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Base and precious metals | Other commodities

Copper

During the LME Week copper had been trading around 5200-5350 USD/mt range until it went down around 5150 USD/mt. Among the most interesting news we could find further production cuts by Freeport as well as 2016 premiums offer for Europe from Aurubis and Codelco which were both set at 92 USD/mt.

Antaika International Copper Conference trip notes

A week after LME event in London, lots of Chinese and international market participants gathered in Nanning, Guangxi to talk about the copper market and the further Middle Kingdom's economic growth perspective.

One of the best lectures during the conference was about the economic growth perspective in China. According to Hu Yuyue, who is the head of Securities and Futures Institute, China is in the "L" shape mode, which means that the time of double-digit growth have likely come to an end. He claims that investments has been slowing down recently, massive urbanization is coming to an end and lots of reforms entered into deep water area. In the monetary policy area, there is some room for further policy easing and RRR cuts as the markets experienced in the last days. The new normal for the economy has come and the economy is maturing whereas US and EU are entering the "menopause" stage. Hu Yuyue expressed his worries about the potential end of bulk commodity golden age as the demand growth is slowing and over 80% of incremental demands come from the Middle Kingdom.

He Xiaohui, the senior analyst of Beijing Antaika Information Development Co.,Ltd., talked about the Chinese copper market developments. According to the analyst China's copper consumption will still keep growing, however, the growth rate will be at a lower level, the expected copper consumption growth will be below 5% in future years. However, the Middle Kingdom will still be the major driver for global copper consumption. Regarding Chinese metals' supply, copper is one of few metals without overcapacity. Currently there are many copper mine project in construction, but the capacities of projects are small, there's no start-ups of large scale copper mine projects in China in 2015. For the medium term, China's copper mines production has further space to grow, currently some projects are in construction such as Tibet Qulong copper mine (120kt/yr) or Tibet Xietongmen Xiongkun copper mine (40kt/yr).

One of the hottest topic apart from the upcoming 13th five-year plan was one belt one road strategy which aims at the cooperation with the following countries: Indonesia, Malaysia, Philippines, Singapore, Thailand, Brunei, Vietnam, Laos, Burma, Kampuchea, East Timor, Nepal, Bhutan, India, Pakistan, Bangladesh, Sri Lanka, Maldives, Kazakhstan, Turkmenistan, Kyrgyzstan, Uzbekistan, Tajikistan, Afghanistan, Iran, Iraq, Georgia, Armenia, Azerbaijan,

October is plentiful of copper market events

Chinese economy still dipping in a "L" shape until 1H 2016; one belt one road strategy will be the project in which China will unleash the accumulated overcapacity from the past years

Antaika forecasts slower copper demand growth in the coming years, with 5,3% yoy in 2015 and 4-4,5% in 2016 (every year the supply has to grow by about 500k tonnes which is nearly KGHM annual production)

One belt one road is a great infrastructure hope for China

Turkey, Syria, Jordan, Israel, Pakistan, Saudi Arabia, Bahrain, Qatar, Yemen, Oman, Arabia United Arab Emirates, Kuwait, Lebanon, Poland, Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Czech, Estonia, Hungary, Latvia, Lithuania, Macedonia, Montenegro, Romania, Serbia, Slovakia, Slovenia, Russia, Belarus, Ukraine, Moldova, Egypt and Mongolia. Yang Changhua, chief analyst of Beijing Antaika Information Development Co., Ltd., said that it will expand China's copper concentrates supply channels. Currently 60% of China's copper concentrates were imported from south America. In the future, copper concentrates import from countries on the one belt one road areas will increase. Chinese copper companies will have more opportunities to cooperate with countries in fields of exploration, mining, smelting & refining and processing.

Codelco offered USD 20 lower premiums in Europe and similar cut is expected in Asia...

Term premium offers for 2016 significantly down

Codelco has offered its European customers a contractual premium of USD 92 for 2016, according to Metal Bulletin. The proposal is down USD 20 compared to 2015 offer, and in line with the premium offered by Aurubis earlier this month. Trade sources said that the company is expected to lower benchmark offered in Asia by about the same amount to USD 110 from USD 133 agreed for 2015.

...while Japanese smelters cut them by USD 10 for Chinese customers

In China, buyers of refined copper have been asked to pay term premiums at about USD 105 per tonne for imports of Japanese copper in 2016, down 8.7% from USD 115 in 2015. The proposed premium is within the range of current spot premiums at USD 100-110 for shipments into Shanghai, but are said to be higher than about USD 100 expected by traders and buyers in China.

Cochilco forecasts 1.2% yoy decline in Chilean copper production this year

Chile not poised to reach 6mn tonnes production this year

According to the Chilean Copper Commission (Cochilco), the country will produce 5.68mn tonnes of copper this year, down 1.2% from 2014, as mines reduce output in the face of six-year lows in the price of the metal. By far, the world's largest red metal producer had been expected to hit production of 6mn tonnes this year, as three new major mines ramped output. But in July, Cochilco cut its forecast to less than 5.9mn tonnes as flooding and drought impacted operations in the north and centre of the country.

The latest revision driven mostly by El Abra and Collahuasi

The latest reduction reflects decisions by Freeport McMoRan to operate its El Abra mine at 50% of capacity next year to reduce costs and by the Collahuasi mine, controlled by Anglo American and Glencore, to halt its cathodes plant. Production next year is expected to rise 3.8% to 5.90mn tonnes on additional output from Caserones and Sierra Gorda and the startup of Antofagasta's Antucoya mine, offsetting lower production from the giant Escondida mine.

Other important information on copper market:

- Freeport McMoRan announced further copper and molybdenum output cuts, as it posted a bigger-than-expected quarterly loss. The US company will halve operating rates at its Sierrita mine in Arizona as prices continue to drop. Mine's annual output will drop by 100mn lbs of copper and 10mn lbs of molybdenum, with full shutdown being considered. Combined with previous cuts, annual copper production is down 250mn lbs and molybdenum output down 20mn lbs. Freeport's primary strategic objective is "significant" reduction of its USD 20.7bn debt.
- Chilean government is not planning to pledge more funds to Codelco, having already given USD 4bn until 2020, despite company's needs amounting to USD 25bn over next five years, said Mining Minister Aurora Williams during LME Week in London. Mrs. Williams said that over the five years the amount cannot exceed USD 4bn, since this level was established in a law passed by the Chilean congress.
- The global refined copper market showed a 8kt surplus in July, compared with a 16kt deficit one month before, the International Copper Study Group said. For the first 7 months of the year, the market was in a 8kt surplus vs. 563kt deficit in the same period a year earlier, while bonded stocks in China showed a 16kt deficit in July compared with a 7kt surplus in June.
- Zambia cut its copper output forecast for this year by 26% as prices trade near six-year lows and a power shortage curbs production, local Finance Minister said. Africa's second-biggest producer of the metal is struggling to meet half of peak electricity demand at a time when some mines have announced the suspension of local operations. Zambia's economy depends on copper to large extent, as 70% of exports are copper sales, and low red metal prices contributed to 46% loss of the kwacha value against the dollar this year.
- A 12-day strike at Chilean copper mine Radomiro Tomic ended on October 20, after unionized supervisors accepted a new collective contract. The agreement will last 24 months and a work commission would be created to deal with health and expenses issues. Codelco, the mine owner, has not said how much production was lost due to the strike.

Precious metals

In past two weeks precious metals gained value. The main drivers were: uncertainty of FED hiking rates timing and good news from demand side of the market.

Robust demand for gold in Q3

Demand for gold coins and bars jumped by 26 percent year-on-year in the last quarter, GFMS analysts at Thomson Reuters reported in the Q3 update of their Gold Survey 2015.

Retail investment surged in top consumers India, China and Germany, with buying rising 30 percent, 26 percent and 19 percent respectively. Those three markets alone accounted for an additional 26 tonnes of retail buying. A sharp price correction in July, which saw the gold price plunge to a near six-year low at the start of the quarter, was the major driver behind Q3 growth, GFMS said.

According to GFMS's analysts Gold is set to remain under pressure until there is more clarity on the timing and the scale of U.S. rates normalisation. Jewellery fabrication, the biggest individual segment of demand, fell 1 percent in the third quarter to 510 tonnes. European jewellery consumption fell 23 percent on the back of plunging demand from Russia and Turkey. Chinese jewellery demand edged up half a percent year-on-year, GFMS said, while Indian jewellery demand rose 5 percent. India regained its position as the world's biggest gold consumer from China in the first three quarters of the year, GFMS said, with overall consumption of 642 tonnes. Chinese consumption stood at 579 tonnes.

More regulation is a concern to the market

The London Metal Exchange voiced recently its concern over controversial new European financial regulation at its 2015 Metals Seminar in London this month. Among other changes, the Markets in Financial Instruments Directive II (MiFID II) will broaden the reach of existing rules to include many firms in the metals industry. The legislation is designed to reduce risk in financial markets, but some worry that regulations not specifically designed for the metals sector could stifle firms' activities and even drive businesses and trade outside of the European Union.

Central banks are buying gold

Kazakhstan increased its gold reserves for a 36th month in September as Russia and Ukraine added to their holdings, according to data published by the International Monetary Fund. Kazakhstan purchased 3.22 metric tons to take its stash to about 213.46 tons, while Russia boosted holdings to 1,352.22 tons from about 1,317.73 tons, data on the IMF's website showed. Ukraine expanded its reserves to 27.06 tons as Mexico cut them for a 15th month, the figures showed. Turkey pared holdings to 504.5 tons in September from 517.6 tons the previous month. China, which rivals India as the biggest gold consumer, said Oct. 16 it increased holdings to about 1,709 tons in September. In July, the People's Bank of China ended six years of mystery surrounding its reserves, revealing a 57 percent jump in gold assets since 2009 to about 1,658 tons, overtaking Russia to become the fifth-largest holder.

Mitsui abandons precious metals market

Mitsui is shutting down precious in London and New York in December. The firm, which started trading precious metals in 1970, is the latest to join a retreat by banks and brokers from some commodity markets as profits and prices

tumble on concern about slowing Chinese economic growth. Mitsui trades precious metals on the Tokyo Commodity Exchange (TOCOM) in Japan and also has offices in Hong Kong. The trading house also participates in the twice-daily auction setting the London silver benchmark run by the Chicago Mercantile Exchange and Thomson Reuters. Its withdrawal would leave five banks to set the price.

Other metals

It was a rough fortnight for commodities, as most base metals' prices fallen and oil posted double-digit losses. Metal industry is preparing for a seasonal El Nino weather pattern, which may be a positive factor for tin, nickel and bauxite miners, but not for copper producers.

Strong El Nino may help nickel but hurt copper miners

El Nino to be strongest in almost 20 years

An El Nino weather pattern that is expected to be the strongest in nearly 20 years looks set to hit copper mining over the coming months, but should boost production of bauxite, nickel ore and tin in 2016, according to some of industry sources.

While hotter western Pacific is good for producers of tin, nickel, bauxite...

The weather phenomenon leads to hotter sea temperatures in the west Pacific Ocean, which translates to more rain falls on South America and less in Australia and South East Asia. A shorter monsoon in Indonesia, the Philippines and Malaysia can help miners produce more tin, nickel and bauxite - key materials for the construction, transport and electronics industries. In Indonesia, the leader in tin, production often dips due to heavy rains in December and January, so dry weather should be beneficial. For Malaysia, the second-biggest bauxite supplier to China, a shorter rainy season may boost production by 10%-20%. Philippine nickel miners are also betting drier weather will let them mine until year end, while Australia's iron ore and coal exports are less likely to be disrupted by cyclones in the upcoming cyclone season.

...it disturbs operations of copper miners

While a strong El Nino helps the mining of some metals, the opposite is true for copper as too little rain in Asia and too much in South America crimps supply. Ok Tedi Mining's copper mine in Papua New Guinea has already been forced to shut after a drought cut off river transit links, while Freeport McMoRan blamed El Nino for lower copper concentrate sales from Indonesia as less water impacted its milling operations. Meanwhile, mining operations in Chile, the world's top producer, remain vulnerable to disruption after heavy rains this year cut power and flooded mine shafts.

Global economies | Foreign exchange markets

China: PBoC cuts and eases rates further

Following weak third quarter economic data released lately, the People's Bank of China (PBoC) cut both its benchmark interest rates and the bank reserve requirement ratio. The PBoC also abandoned the ceiling for commercial bank deposit rate, bringing the decade-long process of interest rate liberalization almost to completion.

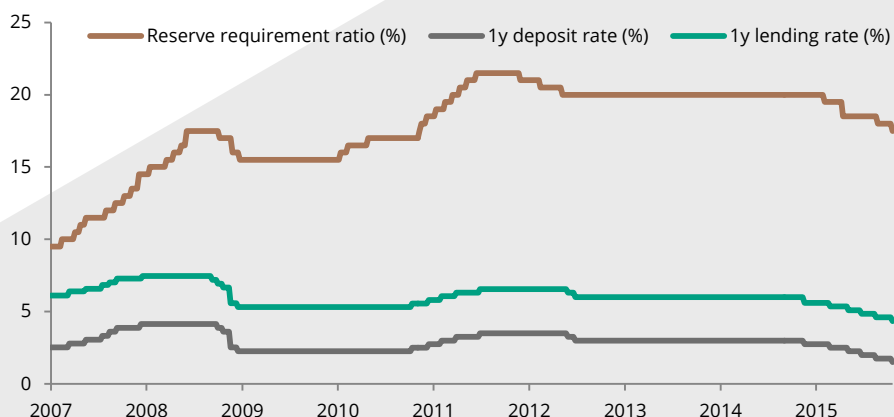
PBoC cut for the sixth time in the last 12 months

The decision to lower rate was the sixth cut in the last 12 months, and reduced the benchmark one-year deposit and lending rates to 1.50% and 4.35% respectively, both record lows in modern Chinese history. The cuts come after economic data published last Monday confirmed that Middle Kingdom's growth trajectory is not picking up, as investment continues to slow, and the resulting slump in producer prices is making it harder for mining and manufacturing industries to service their debts. As a consequence, non-performing loan ratios have increased and a series of near-defaults on domestic bond payments has been observed.

Commercial banks will still be relying on PBoC's benchmarks until new policy rate is introduced

With deposit rate ceiling removal, commercial banks now have complete freedom to set their own deposit and lending rates, but the central bank's benchmark rates will continue to matter as key references – nowadays commercial banks price their loans and deposits with reference to the benchmarks, offering either a premium or discount to the PBoC's rates. As a result, the central bank will continue to announce benchmark deposit and lending rates, even as it moves towards a new central policy rate, which is expected to be introduced in the next three to six months. Once a new main rate is established – and most likely candidates are either the overnight or the seven-day repo rate – future interest rate cuts will take the form of a reduction in the PBoC's target for the short term repo rate.

People's Bank of China tries to stimulate the economy once more



Source: Bloomberg, KGHM

Macroeconomic calendar

Important macroeconomic data releases

Weight	Date	Event	For	Reading ¹	Previous	Consensus ²	
China							
☉☉	13-Oct	Trade balance (USD bn)	Sep	60.3 ▲	60.2	48.2	▲
☉☉	13-Oct	Exports (yoy)	Sep	-3.7% ▲	-5.5%	-6.0%	▲
☉☉☉☉	14-Oct	Consumer inflation CPI (yoy)	Sep	1.6% ▼	2.0%	1.8%	◡
☉☉	14-Oct	Producer inflation PPI (yoy)	Sep	-5.9% -	-5.9%	-5.9%	○
☉	15-Oct	New yuan loans (CNY bn)	Sep	1 050 ▲	810	900	▲
☉☉☉☉☉	19-Oct	GDP (yoy)	3Q	6.9% ▼	7.0%	6.8%	▲
☉☉☉☉☉	19-Oct	GDP (sa, qoq)‡	3Q	1.8% -	1.8%	1.8%	○
☉☉☉☉	19-Oct	Industrial production (yoy)	Sep	5.7% ▼	6.1%	6.0%	◡
☉☉	19-Oct	Fixed assets investments (ytd, yoy)	Sep	10.3% ▼	10.9%	10.8%	◡
☉	19-Oct	Retail sales (yoy)	Sep	10.9% ▲	10.8%	10.8%	▲
☉☉☉☉☉	23-Oct	Reserve requirement ratio	Oct	17.5% ▼	18.0%	--	
Poland							
☉☉	14-Oct	Trade balance (EUR mn)‡	Aug	- 91.0 ▲	- 747	- 505	▲
☉☉	14-Oct	Exports (EUR mn)‡	Aug	12 764 ▼	13 977	12 500	▲
☉☉	14-Oct	Current account balance (EUR mn)‡	Aug	- 864 ▲	-1 212	-1 009	▲
☉	14-Oct	M3 money supply (yoy)	Sep	8.4% ▲	7.3%	7.6%	▲
☉☉☉☉	15-Oct	Consumer inflation CPI (yoy) - final data	Sep	-0.8% -	-0.8%	--	
☉	15-Oct	Budget balance (ytd)	Sep	67.6% ▲	56.1%	--	
☉☉☉☉	16-Oct	Core CPI (excluding food and energy, yoy)	Sep	0.2% ▼	0.4%	0.3%	◡
☉☉	16-Oct	Average gross salary (yoy)	Sep	4.1% ▲	3.4%	3.3%	▲
☉	16-Oct	Employment (yoy)	Sep	1.0% -	1.0%	1.0%	○
☉☉☉☉	19-Oct	Sold industrial production (yoy)	Sep	4.1% ▼	5.3%	4.0%	▲
☉☉☉	19-Oct	Retail sales (yoy)	Sep	0.1% ▲	-0.3%	1.3%	◡
☉☉	19-Oct	Producer inflation PPI (yoy)	Sep	-2.9% ▼	-2.7%	-2.8%	◡
☉☉	23-Oct	Unemployment rate‡	Sep	9.7% ▼	9.9%	9.9%	◡
US							
☉☉	14-Oct	Retail sales (excluding autos, mom)‡	Sep	-0.3% ▼	-0.1%	-0.1%	◡
☉☉☉☉	15-Oct	Consumer inflation CPI (mom)	Sep	-0.2% ▼	-0.1%	-0.2%	○
☉☉☉☉	15-Oct	Consumer inflation CPI (yoy)	Sep	0.0% ▼	0.2%	-0.1%	▲
☉☉	15-Oct	Philadelphia Fed business outlook	Oct	- 4.5 ▲	- 6.0	- 2.0	◡
☉☉☉☉	16-Oct	Industrial production (mom)‡	Sep	-0.2% ▼	-0.1%	-0.2%	○
☉	16-Oct	Capacity utilization‡	Sep	77.5% ▼	77.8%	77.3%	▲
☉☉	16-Oct	University of Michigan confidence index - preliminary data	Oct	92.1 ▲	87.2	89.0	▲
☉☉☉	23-Oct	Manufacturing PMI - preliminary data	Oct	54.0 ▲	53.1	52.7	▲

Weight	Date	Event	For	Reading ¹	Previous	Consensus ²	
Eurozone							
⊕	13-Oct	ZEW survey expectations	Oct	30.1 ▼	33.3	--	
⊕⊕⊕⊕	14-Oct	Industrial production (sa, mom)‡	Aug	-0.5% ▼	0.8%	-0.5%	○
⊕⊕⊕⊕	14-Oct	Industrial production (wda, yoy)‡	Aug	0.9% ▼	1.7%	1.8%	◡
⊕⊕⊕⊕	16-Oct	Consumer inflation CPI (yoy) - final data	Sep	-0.1% -	-0.1%	-0.1%	○
⊕⊕⊕⊕	16-Oct	Core CPI (yoy) - final data	Sep	0.9% -	0.9%	0.9%	○
⊕	16-Oct	Trade balance (EUR mn)	Aug	11.2 ▼	31.4	20.0	◡
⊕⊕⊕⊕⊕	22-Oct	ECB main refinancing rate	Oct	0.05% -	0.05%	0.05%	○
⊕⊕⊕⊕⊕	22-Oct	ECB deposit facility rate	Oct	-0.2% -	-0.2%	-0.2%	○
⊕	22-Oct	Consumer confidence - estimation	Oct	-7.7 ▼	-7.1	-7.4	◡
⊕⊕⊕	23-Oct	Composite PMI - preliminary data	Oct	54.0 ▲	53.6	53.4	▲
⊕⊕⊕	23-Oct	Manufacturing PMI - preliminary data	Oct	52.0 -	52.0	51.7	▲
⊕⊕⊕	23-Oct	Services PMI - preliminary data	Oct	54.2 ▲	53.7	53.5	▲
Germany							
⊕⊕⊕⊕	13-Oct	Harmonized consumer inflation HICP (yoy) - final data	Sep	-0.2% -	-0.2%	-0.2%	○
⊕⊕⊕⊕	13-Oct	Consumer inflation CPI (yoy) - final data	Sep	0.0% -	0.0%	0.0%	○
⊕⊕⊕	23-Oct	Composite PMI - preliminary data	Oct	54.5 ▲	54.1	53.7	▲
⊕⊕⊕	23-Oct	Manufacturing PMI - preliminary data	Oct	51.6 ▼	52.3	51.7	◡
France							
⊕⊕⊕⊕	14-Oct	Harmonized consumer inflation HICP (yoy)	Sep	0.1% -	0.1%	0.1%	○
⊕⊕⊕⊕	14-Oct	Consumer inflation CPI (yoy)	Sep	0.0% -	0.0%	0.1%	◡
⊕⊕⊕	23-Oct	Composite PMI - preliminary data	Oct	52.3 ▲	51.9	51.6	▲
⊕⊕⊕	23-Oct	Manufacturing PMI - preliminary data	Oct	50.7 ▲	50.6	50.2	▲
Italy							
⊕⊕⊕⊕	14-Oct	Harmonized consumer inflation HICP (yoy) - final data	Sep	0.2% -	0.2%	0.2%	○
UK							
⊕⊕⊕⊕	13-Oct	Consumer inflation CPI (yoy)	Sep	-0.1% ▼	0.0%	0.0%	◡
⊕⊕	14-Oct	Unemployment rate (ILO, 3-months)	Aug	5.4% ▼	5.5%	5.5%	◡
Japan							
⊕⊕⊕⊕	15-Oct	Industrial production (yoy) - final data	Aug	-0.4% ▼	0.2%	--	
⊕⊕⊕	23-Oct	Manufacturing PMI - preliminary data	Oct	52.5 ▲	51.0	50.5	▲
Chile							
⊕⊕⊕⊕⊕	15-Oct	BCCh overnight rate target	Oct	3.25% ▲	3.00%	3.25%	○
Canada							
⊕⊕⊕⊕⊕	21-Oct	BoC base rate decision	Oct	0.50% -	0.50%	0.50%	○
⊕⊕⊕⊕	23-Oct	Consumer inflation CPI (yoy)	Sep	1.0% ▼	1.3%	1.1%	◡

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

² 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: Bloomberg, KGHM

Key market data

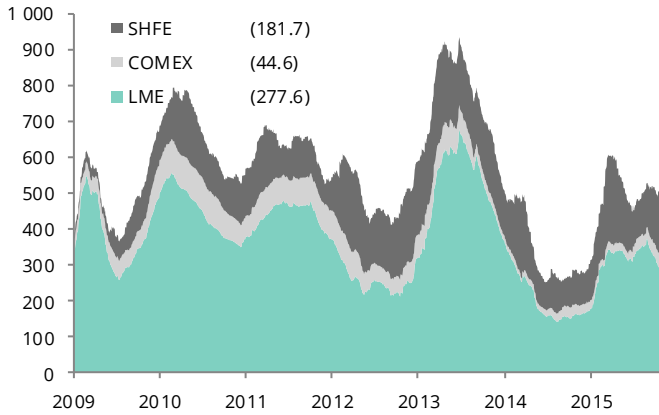
Key base & precious metal prices, exchange rates and other important market factors

(as of: 23-Oct-15)

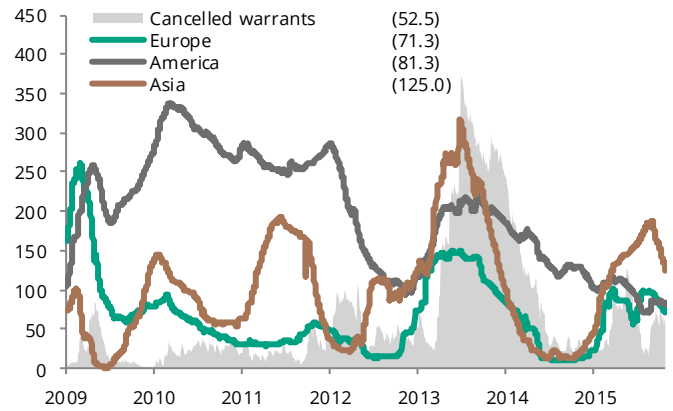
	Price	Price change °					From year beginning ²		
		2W	QTD	YTD	1Y	Average	Min	Max	
LME (USD/t)									
Copper	5 295.00	▼ -0.5%	▲ 4.0%	▼ -16.7%	▼ -21.2%	5 660.18	4 888.00	6 448.00	
Molybdenum	10 200.00	▼ -4.7%	▼ -15.7%	▼ -51.4%	▼ -50.2%	15 675.73	9 250.00	21 500.00	
Nickel	10 600.00	▼ -1.0%	▲ 5.3%	▼ -29.0%	▼ -29.1%	12 421.75	9 305.00	15 455.00	
Aluminum	1 480.50	▼ -7.9%	▼ -5.2%	▼ -19.2%	▼ -25.4%	1 702.78	1 480.00	1 919.00	
Tin	16 075.00	▼ -1.5%	▲ 3.3%	▼ -17.6%	▼ -17.7%	16 363.35	13 895.00	19 750.00	
Zinc	1 750.00	▼ -4.1%	▲ 5.6%	▼ -19.2%	▼ -21.5%	2 010.40	1 586.50	2 405.00	
Lead	1 757.00	▼ -0.8%	▲ 6.1%	▼ -5.2%	▼ -12.4%	1 810.63	1 619.00	2 140.00	
LBMA (USD/troz)									
Silver	15.98	▼ -0.1%	▲ 9.1%	▲ 0.1%	▼ -6.4%	15.96	14.27	18.23	
Gold ¹	1 161.25	▲ 0.8%	▲ 4.2%	▼ -3.2%	▼ -5.8%	1 176.10	1 080.80	1 295.75	
LPPM (USD/troz)									
Platinum ¹	1 006.00	▲ 2.9%	▲ 10.8%	▼ -16.9%	▼ -20.2%	1 089.55	908.00	1 285.00	
Palladium ¹	699.00	▼ -3.3%	▲ 5.7%	▼ -12.4%	▼ -9.6%	716.71	524.00	831.00	
FX ³									
EUR/USD	1.1084	▼ -2.4%	▼ -1.1%	▼ -8.7%	▼ -12.5%	1.1156	1.0552	1.2043	
EUR/PLN	4.2520	▲ 0.8%	▲ 0.3%	▼ -0.2%	▲ 0.6%	4.1645	3.9822	4.3335	
USD/PLN	3.8200	▲ 2.6%	▲ 1.2%	▲ 8.9%	▲ 14.4%	3.7341	3.5550	3.9260	
USD/CAD	1.3172	▲ 1.7%	▼ -1.7%	▲ 13.5%	▲ 17.2%	1.2635	1.1728	1.3413	
USD/CNY	6.3506	▲ 0.1%	▼ -0.1%	▲ 2.3%	▲ 3.8%	6.2560	6.1883	6.4128	
USD/CLP	691.62	▲ 1.5%	▼ -1.9%	▲ 13.9%	▲ 18.4%	643.21	597.10	706.24	
Money market									
3m LIBOR USD	0.323	▲ 0.01	▼ -0.01	▲ 0.26	▲ 0.38	0.288	0.251	0.345	
3m EURIBOR	-0.061	▲ 0.24	▲ 0.53	▼ -1.78	▼ -1.72	-0.001	-0.061	0.076	
3m WIBOR	1.730	- 0.00	- 0.00	▼ -0.16	▼ -0.13	1.751	1.650	2.060	
5y USD interest rate swap	1.425	▼ -0.01	▲ 0.03	▼ -0.20	▼ -0.15	1.620	1.282	1.909	
5y EUR interest rate swap	0.274	▼ -0.25	▼ -0.20	▼ -0.24	▼ -0.43	0.362	0.176	0.590	
5y PLN interest rate swap	1.853	▼ -0.04	▼ -0.08	▼ -0.05	▼ -0.06	2.061	1.563	2.643	
Fuel									
WTI Cushing	43.65	▼ -12.0%	▼ -3.2%	▼ -18.1%	▼ -47.0%	50.57	38.09	61.43	
Brent	46.04	▼ -11.5%	▼ -2.3%	▼ -17.4%	▼ -46.4%	54.82	40.74	66.37	
Diesel NY (ULSD)	143.69	▼ -7.5%	▼ -3.9%	▼ -21.2%	▼ -42.6%	174.06	135.84	233.64	
Others									
VIX	14.46	▼ -0.15	▼ -0.41	▼ -0.25	▼ -0.13	16.62	11.95	40.74	
BBG Commodity Index	87.45	▼ -3.9%	▼ -0.4%	▼ -16.2%	▼ -25.4%	97.43	85.14	105.49	
S&P500	2 075.15	▲ 3.0%	▲ 8.1%	▲ 0.8%	▲ 6.4%	2 059.47	1 867.61	2 130.82	
DAX	10 794.54	▲ 6.9%	▲ 11.7%	▲ 10.1%	▲ 19.3%	10 990.88	9 427.64	12 374.73	
Shanghai Composite	3 412.43	▲ 7.2%	▲ 11.8%	▲ 5.5%	▲ 48.2%	3 767.72	2 927.29	5 166.35	
WIG 20	2 107.43	▼ -1.7%	▲ 2.0%	▼ -9.0%	▼ -13.4%	2 302.06	2 036.32	2 549.40	
KGHM	98.20	▲ 2.8%	▲ 19.8%	▼ -9.8%	▼ -21.8%	105.65	71.31	131.00	

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

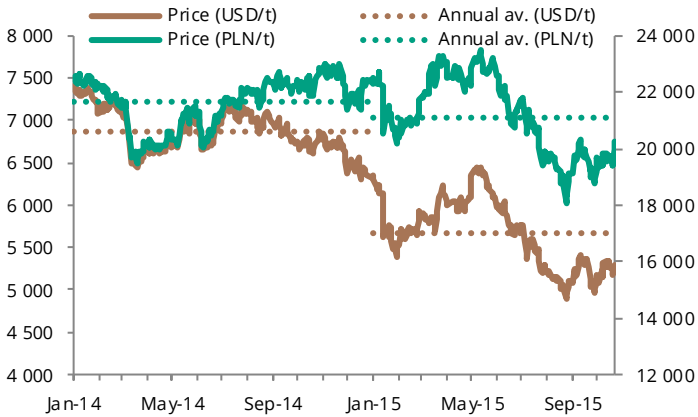
Source: Bloomberg, KGHM

Copper: official exchange stocks (thousand tonnes)


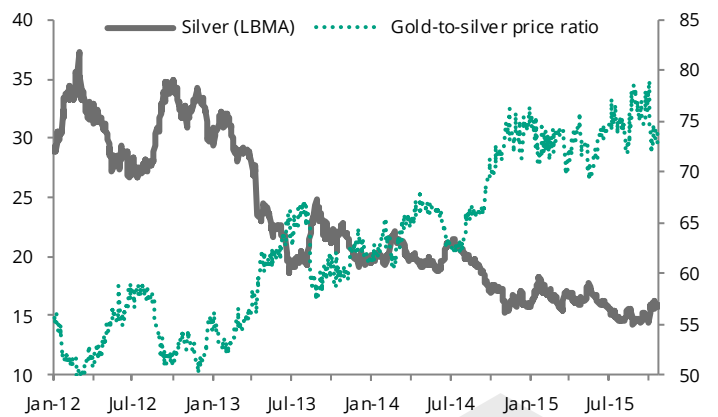
Note: Latest values in brackets. Source: Bloomberg, KGHM

Copper: official LME stocks (thousand tonnes)


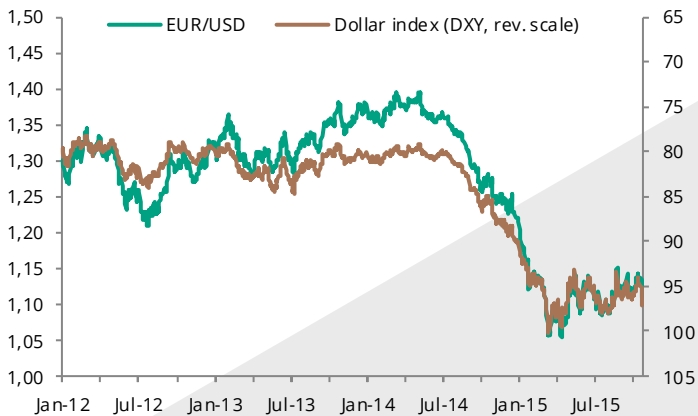
Note: Latest values in brackets. Source: Bloomberg, KGHM

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


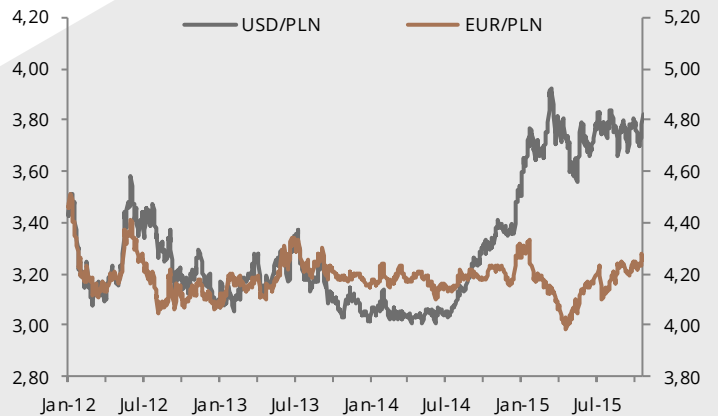
Source: Bloomberg, KGHM

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:
12 – 26 October 2015.

- Barclays Capital, ▪ BofA Merrill Lynch, ▪ Citi Research, ▪ CRU Group, ▪ Deutsche Bank Markets Research, ▪ GavekalDragonomics, ▪ Goldman Sachs, ▪ JPMorgan, ▪ Macquarie Capital Research, ▪ Mitsui Bussan Commodities, ▪ Morgan Stanley Research, ▪ SMM Information & Technology, ▪ SNL Metals & Mining, ▪ Wood Mackenzie.

Moreover, additional information published here was acquired in direct conversations with market dealers, from financial institution reports and from the following websites: ▪ thebulliondesk.com, ▪ lbma.org.uk, ▪ lme.co.uk, ▪ metalbulletin.com, ▪ nbp.pl, a także systemów: Bloomberg oraz Thomson Reuters.

Official metals prices are available on following websites:

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

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