

Market Overview

as of: 4 April 2016






- Copper:** After strong performance year-to-date the price of copper has corrected in the last two weeks. Some of the market sources claim that the rally was entirely caused by market positioning with a particular influence from short covering. Other market participants say that a significant changes in the macroeconomic picture have happened and thus pushed the price higher (*page 2*).
- Precious metals:** In last two weeks a better-than-expected U.S. jobs report changed investors view for the precious metals segment, gold speculators boosted their bullish positions whereas silver speculators trimmed their bullish positions to the lowest level since early February. In the meantime China gained another foothold in precious metals segment (*page 4*).
- Fed:** In a speech to the New York Economic Club on 29th of March, Fed chair Yellen was generally more dovish than the market had expected. The dollar reacted with a sharp fall. Yellen underlined that from beginning of the year some significant risks for global outlook have become more probable to materialize: one concern pertains to the pace of economic growth in China and second is related to prospects for commodity prices and its negative impact on companies in oil sector. Currently market is pricing two policy rates hikes in 2016, two less than in December last year (*str. 6*).

Key market prices

	Close price	2w chng.
LME (USD/t)		
▼ Copper	4 880.00	-4.4%
▼ Nickel	8 380.00	-5.4%
LBMA (USD/troz)		
▼ Silver	15.38	-3.5%
▼ Gold (PM)	1 213.60	-3.1%
FX		
▲ EUR/USD	1.1432	1.4%
▼ EUR/PLN	4.2387	-0.7%
▼ USD/PLN	3.7193	-1.8%
▲ USD/CAD	1.3047	0.5%
▼ USD/CLP	669.80	-0.3%
Stocks		
▼ KGHM	74.99	-1.5%

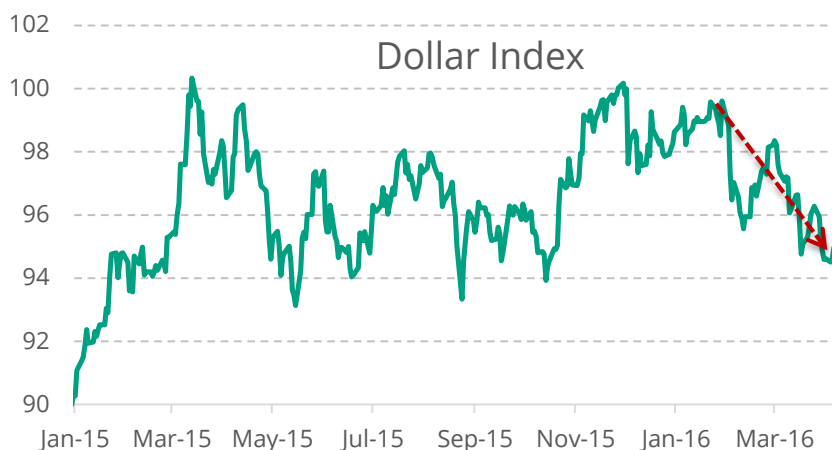
Source: Bloomberg, KGHM; (*more on page 10*)

Important macroeconomic data

Release	For		
 GDP (annlzd., qoq)	4Q	1.4%	▲
 Official manuf. PMI	Mar	50.2	▲
 Manufacturing PMI	Mar	51.6	▲
 CPI (yoy)	Mar	-0.9%	▼
 Manufacturing PMI	Mar	53.8	▲

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

Dollar appreciation has been curbed in January by Fed's dovishness resulting in more convergence between central bank policies



Note: Dollar Index = trade weighted dollar; Source: Bloomberg, KGHM

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Base and precious metals | Other commodities

Copper

After strong performance year-to-date the price of copper has corrected in the last two weeks. Some of the market sources claim that the rally was entirely caused by market positioning with a particular influence from short covering. Other market participants say that a significant changes in the macroeconomic picture have happened and thus pushed the price higher.

Metals short covering or macroeconomic-driven shift?

Price went up, but the fundamentals remains the same – supply growing, demand moderating

Some of the market sources seemed to suggest that the recent metals prices' rally was rather driven by short covering, oil price gains as well as rumors regarding the size of next 5-year plan in China rather than by the physical market fundamentals. According to J. P. Morgan's Metals Quarterly report metals-specific fundamentals have not changed much since the end of last year. Supply is generally still growing, while demand growth is lagging.

Four macro catalysts that have positively affected base metals complex

However, in comparison to December macroeconomic picture, four important macro catalysts have emerged which have improved market sentiment and given lift to risk assets, including commodities. The US dollar has likely peaked, worries about the state of the global economy have abated somewhat, oil prices appear to have reached a bottom and it has become increasingly obvious that China is ramping up stimulus:

1. **The US dollar has likely peaked against the yen and euro, and most oil currencies as well.** Over the past two months, the aggressively easing ECB and BoJ were joined by a significantly more dovish Fed, resulting in more convergence between central bank policies, and hence a weaker US dollar.
2. **Macro risks have largely diminished, but still lurk on the periphery.** The most recent economic data have been relatively stronger, alleviating the risks of an imminent recession. However, a majority of the improvements are focused in the DM. According to J.P. Morgan Economics team, the probability of 12-month-out US recession has fallen from 32% a month ago to 26% in the last few days. The EM stands to benefit the most from a more dovish Fed; however, so far this year there has been an apparent lack of any meaningful pickup in these regions. Given the constraints (excess leverage, excess capacity and weak industrial corporate profits in China), it would be surprising to see the growth accelerate above trend. The US business cycle is also maturing and unless profit margins start rising, which we do not expect, recession risk will remain elevated.
3. **Oil prices bottomed out in January.** After falling more than 50% over the six months prior, Brent prices reached a low in January at 27.88 USD/bbl before increasing about 12 USD/bbl in the rest of the quarter.

- 4. China has ramped up stimulus.** The more data available from the beginning of the year, the more obvious that China has been stimulating its economy, both fiscally and monetarily. Growth stabilization is one of the top priorities this year with an official growth target between 6.5-7% of GDP growth. Deficit target has been increased from 2.3% in 2015 to 3.0% in 2016, fixed asset investment (FAI) target from 9.8% in 2015 to 10.5% and credit growth from 12% in 2015 to 13%.

Other important information on copper market:

- According to preliminary data released by International Copper Study Group, the refined global copper market recorded its sixth consecutive year of deficit in 2015, with demand outstripping supply by 57k tonnes for the full-year. Seasonally adjusted data for December showed 163k tonnes of deficit and 53k tonnes of deficit in the whole 2015. Although it was the sixth consecutive year of negative imbalance, the supply shortage is less than it was in 2014, mainly due to higher supply contribution. Refined production grew by 1.6% and mining production by 3.5% while demand remained fairly flat. ICSG said that higher demand in China was offset by weaker needs from other regions and countries in 2015. ICSG analysts expect 56k tonnes of deficit in 2016 and 20k tonnes of surplus in 2017.
- Kennecott Utah Copper reported that the company's century-old Bingham Canyon copper mine suffered two relatively small landslides in the south west section on March 11 and March 15. According to the company's spokesman production was not affected and the company had removed all staff from the area as a precaution. This area of the one of the world's biggest open-pit mines is susceptible to movement because it is higher in the Oquirrh Mountains and wetter. In the past, the company faced such smaller landslides which did not have much effect on production. However, a much bigger landslide occurred in 2013 and forced the company to close Bingham Canyon.
- Unlike recent media report, Rio Tinto said it did not expect production at its giant Oyu Tolgoi copper mine in Mongolia to be affected by a landslide. According to company spokesman there was a bench failure that Rio Tinto does not expect to affect its guidance for 2016. Turquoise Hill, which is mine's operator, announced on March 17 that the mine was expected to produce 175k to 195k tonnes of copper in 2016. Oyu Tolgoi was also expected to produce 210k to 260k ounces of gold in concentrates for 2016.
- Jiangxi Copper, China's biggest integrated copper producer, said it plans to cut refined copper output by 6.7% this year, in line with a proposal by the country's big smelters to reduce output to support prices. The move would cut production by 80k tonnes to 1.175 million tonnes, and follows a pledge last week by the second producer Tongling Nonferrous Metals Group to reduce output by 110k tonnes. Nine of China's large copper smelters agreed

last year to cut output by at least 350k tonnes in 2016, and said they could deepen the cuts if prices and profitability deteriorate.

- In 2015 Codelco rose production but suffered historic loss as sharply lower metals prices squeezed margins and forced large writedowns of major assets. Chilean state-owned company produced 1.732 million tonnes of copper in 2015, an increase of 3.6% from 2014, reflecting higher production at its Ministro Hales, El Teniente and Gabriel Mistral divisions, offsetting lower output at Chuquicamata, Salvador, Andina, and Radomiro Tomic. Codelco's total costs fell 4% to 2.23 USD/lb last year, only slightly below the current copper price. However, Codelco's CEO Nelson Pizarro dismissed the need to shut loss-making operations noting that company's costs were below those of half of the global copper industry.
- Japan's No. 2 copper smelter Sumitomo plans to boost its copper output in the financial year, which has already started, by 6.1% from a year earlier when production was negatively affected by maintenance activity. The company forecasts an output of 445.2k tonnes of electrolytic copper in the current financial year. Sumitomo also aims to increase electrolytic nickel output by 2.0% y/y in 2016 to achieve production at level of 32.6k tonnes.
- Chinese copper smelters are looking to increase spot treatment and refining charges in the second quarter by 12 percent from current levels, to reflect higher imports of raw material concentrate. Smelters in China should quote TC/RCs at 90-95 USD per tonne and 9-9.5 USc per pound for spot imports of standard grade spot copper concentrate. The charges growth is partially caused by the fact that global miners increased selling stocks in November and December and the shipments mostly arrived in China in January and February. Additionally, at least two smelters have in plans to conduct maintenance in April.
- Most mining companies in Zambia, Africa's second-biggest copper producer, are disputing an electricity price increase and aren't paying the tariffs. The government increased power prices for companies including Barrick Gold Corp. and Glencore Plc to 10.35 cents per kilowatt hour to help fund expensive emergency imports amid a severe electricity shortage. The government is in talks with mine operators over the tariffs but it is hardly to expect that they will be significantly lowered as the country has problems with balancing its budget.

Precious metals

In last two weeks a better-than-expected U.S. jobs report changed investors view for the precious metals segment, gold speculators boosted their bullish positions whereas silver speculators trimmed their bullish positions to the lowest level since early February. In the meantime China gained another foothold in precious metals segment.

Positive jobs report changed investors view

Speculators bullish on gold, bearish on silver

Recent developments on gold market

In last two weeks a better-than-expected U.S. jobs report signalled strength in the economy and stoked speculation the Federal Reserve could raise interest rates soon. Bullion's recent losses took it closer towards the key \$1,200 an ounce level. Assets in SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, fell 0.15 percent to 818.09 tonnes, but remain near the highest in over two years. The non-commercial futures contracts of Comex gold futures, traded by large speculators and hedge funds, totalled a net position of +189,806 contracts in the data reported through March 29th. This was a weekly change of +10,975 contracts from the previous week's total of +178,831 net contracts that was registered on March 22nd. The non-commercial futures contracts of Comex silver futures, traded by large speculators and hedge funds, totalled a net position of +54,507 contracts in the data reported through March 29th. This was a weekly change of -8,922 contracts from the previous week's total of +63,429 net contracts that was registered on March 22nd.

Year 2015 in Reuters' GFMS Gold Survey

Lower gold prices saw total gold supply shrink by 2% in 2015, while scrap supply, traditionally the most price-sensitive element, was up slightly year-on-year. Physical demand slipped by 2% in 2015, to the lowest since 2010, although the rate of decline slowed considerably compared with the 17% drop recorded in 2014. Jewelry demand remained subdued, largely due to continued weakness in China, which lost its supremacy over India as the world's largest gold consumer in 2015. Retail investment was slightly higher year-on-year, predominantly thanks to a rise in demand for bullion coins. Demand for gold bars, however, remained weak, at a similar level to 2014, in light of investors' cautious attitude towards commodities and renewed interest in risky assets. Another area that enjoyed growth last year was the official sector, which remained a net buyer for the sixth consecutive year.

China gaining a stronger foothold in the market of precious metals

Another bastion captured...

ICBC Standard Bank Reclassified as an LBMA Market Maker

ICBC Standard Bank has been reclassified as a spot Market Making Member of the London Bullion Market Association. In order to qualify as a LBMA market maker, a company must offer two-way quotations in both gold and silver to the other market makers throughout the London business day. Total LBMA membership stands at 146, consisting of 13 market making Members, 67 Ordinary Members and 66 Associates Members.

Recently China Construction Bank officially joined as a member of the LBMA price determination process and The Shanghai Gold Exchange is planning to launch new gold pricing benchmark.

Global economies | Foreign exchange markets

Dovish Yellen' speech surprised the market

In a speech to the New York Economic Club on 29th of March, Fed chair Yellen was generally more dovish than the market had expected. The dollar reacted with a sharp fall. Yellen underlined that from beginning of the year some significant risks for global outlook have become more probable to materialize: one concern pertains to the pace of economic growth in China and second is related to prospects for commodity prices and its negative impact on companies in oil sector. Currently market is pricing two policy rates hikes in 2016, two less than in December last year.

Committee anticipates only gradual rate increases in coming years

According to Janet Yellen's statement the Committee anticipates that only gradual increases in the federal funds rate are likely to be warranted in coming years. In opinion of the Committee such trajectory of policy rates will prove to be appropriate to achieve FED's goals, which are maximum employment and price stability in the country. Yellen's stated however that this forecast is not "a plan set in the stone". It means that policy will be responsive to the economy's twists and turns.

Slightly less optimistic outlook on the US economy

In Fed Chairman's opinion readings on the U.S. economy since the turn of the year have been mixed, which is a slightly less optimistic outlook than stated in December last year when US interest rates have been moved up first time from several years. On the one hand there are some positive signals like labor market development (added an average of almost 230k jobs a month over the past three months), lowering of unemployment rate, consumer spending growth and positively changing situation in housing market. On the other hand, manufacturing and net exports have continued to be hard hit by slow global growth and the significant appreciation of the dollar since 2014. In addition, business investment has been held down by the collapse in oil prices since late 2014, which is driving an ongoing steep decline in drilling activity.

Two major risks mentioned by Yellen: Chinese economy growth and financial problems in oil sector.

Yellen underlined that from beginning of the year some significant risk for global outlook have become more probable to materialize. One concern pertains to the pace of economic growth in China. There is a consensus that China's economy will slow in the coming years as it transitions away from investment toward consumption and from exports toward domestic sources of growth. A second concern relates to the prospects for commodity prices, particularly oil. For the United States, low oil prices, on net, likely will boost spending and economic activity over the next few years because we are still a major oil importer. But the apparent negative reaction of financial markets to recent declines in oil prices may in part reflect market concern that the price of oil was nearing a financial tipping point for some countries and energy firms. In the case of countries reliant on oil exports, the result might be a sharp cutback in government spending; for energy-related firms, it could entail significant

financial strains and increased layoffs. In the event oil prices were to fall again, either development could have adverse spillover effects to the rest of the global economy.

These risks appear to have contributed to the financial market volatility witnessed both last summer and in recent months and seems to change Committee approach into more dovish. Currently market is pricing two interest rates hikes in 2016, two less than in December last year.

Macroeconomic calendar

Important macroeconomic data releases

Weight	Date	Event	For	Reading ¹	Previous	Consensus ²	
China							
☆☆☆	01-Apr	Official manufacturing PMI	Mar	50.2 ▲	49.0	49.4	▲
☆☆☆	01-Apr	Caixin's manufacturing PMI	Mar	49.7 ▲	48.0	48.3	▲
Poland							
☆☆	23-Mar	Unemployment rate	Feb	10.3% -	10.3%	10.3%	○
☆☆☆☆	31-Mar	Consumer inflation CPI (yoy) - preliminary data	Mar	-0.9% ▼	-0.8%	-0.8%	▼
☆☆	31-Mar	NBP inflation expectations	Mar	0.2% -	0.2%	0.2%	○
☆☆☆	01-Apr	Manufacturing PMI	Mar	53.8 ▲	52.8	52.6	▲
US							
☆☆☆	22-Mar	Manufacturing PMI - preliminary data	Mar	--	51.3	51.9	○
☆☆	22-Mar	Richmond Fed manufacturing index	Mar	22.0 ▲	-4.0	0.0	▲
☆☆	24-Mar	Durable goods orders - preliminary data‡	Feb	-2.8% ▼	4.2%	-3.0%	▲
☆☆☆	24-Mar	Composite PMI - preliminary data	Mar	51.1 ▲	50.0	--	○
☆☆☆	24-Mar	PMI services - preliminary data	Mar	51.0 ▲	49.7	51.4	▼
☆☆☆☆☆	25-Mar	GDP (annualized, qoq) -	4Q	1.4% ▲	1.0%	1.0%	▲
☆☆☆☆	28-Mar	Consumer spending inflation PCE (mom)	Feb	0.1% ▼	0.3%	0.2%	▼
☆☆☆☆	28-Mar	Consumer spending inflation PCE (yoy)	Feb	1.7% -	1.7%	1.8%	▼
☆☆	28-Mar	Personal income (sa, mom)	Feb	0.2% ▼	0.5%	0.1%	▲
☆☆	28-Mar	Personal spending (sa, mom)‡	Feb	0.1% -	0.1%	0.1%	○
☆☆	28-Mar	Dallas Fed manufacturing activity	Mar	-13.6 ▲	-31.8	-25.8	▲
☆☆	29-Mar	S&P/CaseShiller home price index‡	Jan	183 ▼	183	183	▼
☆☆	01-Apr	Change in non-farm payrolls (ths)‡	Mar	215 ▼	245	205	▲
☆☆	01-Apr	Underemployment rate (U6)	Mar	9.8% ▲	9.7%	--	○
☆☆	01-Apr	Unemployment rate	Mar	5.0% ▲	4.9%	4.9%	▲
☆☆	01-Apr	Average hourly earnings (yoy)‡	Mar	2.3% -	2.3%	2.2%	▲
☆☆☆☆	01-Apr	Manufacturing PMI - final data	Mar	51.5 ▲	51.4	51.5	○
☆☆	01-Apr	ISM Manufacturing	Mar	51.8 ▲	49.5	51.0	▲
☆☆	01-Apr	University of Michigan confidence index - final data	Mar	91.0 ▲	90.0	90.5	▲
Eurozone							
☆☆	21-Mar	Consumer confidence - estimation	Mar	-9.7 ▼	-8.8	-8.3	▼
☆☆☆☆	22-Mar	Composite PMI - preliminary data	Mar	--	53.0	53.0	○
☆☆☆☆	22-Mar	Manufacturing PMI - preliminary data	Mar	--	51.2	51.4	○
☆☆☆☆	22-Mar	Services PMI - preliminary data	Mar	--	53.3	53.3	○
☆☆	22-Mar	ZEW survey expectations	Mar	10.6 ▼	13.6	--	○
☆☆	29-Mar	M3 money supply (yoy)	Feb	5.0% -	5.0%	5.0%	○
☆☆	30-Mar	Economic confidence‡	Mar	103 ▼	104	104	▼
☆☆	30-Mar	Industrial confidence‡	Mar	-4.2 ▼	-4.1	-4.3	▲
☆☆	30-Mar	Consumer confidence - final data	Mar	-9.7 -	-9.7	-9.7	○
☆☆	30-Mar	Business climate indicator‡	Mar	0.1 ▲	0.1	0.1	▲
☆☆☆☆	31-Mar	Core CPI (yoy) - estimation	Mar	1.0% ▲	0.8%	0.9%	▲
☆☆☆☆	31-Mar	CPI estimate (yoy)	Mar	-0.1% ▲	-0.2%	-0.1%	○
☆☆☆☆	01-Apr	Manufacturing PMI - final data	Mar	51.6 ▲	51.4	51.4	▲

Weight	Date	Event	For	Reading ¹	Previous	Consensus ²	
Germany							
☆☆☆	22-Mar	Composite PMI - preliminary data	Mar	--	54.1	54.1	
☆☆☆	22-Mar	Manufacturing PMI - preliminary data	Mar	--	50.5	50.8	
☆☆	22-Mar	IFO business climate	Mar	107 ▲	106	106	▲
☆☆	24-Mar	GfK consumer confidence	Apr	9.4 ▼	9.5	9.5	▼
☆☆☆☆	30-Mar	Harmonized consumer inflation HICP (yoy) - preliminary data	Mar	0.1% ▲	-0.2%	0.0%	▲
☆☆☆☆	30-Mar	Consumer inflation CPI (yoy) - preliminary data	Mar	0.3% ▲	0.0%	0.1%	▲
☆☆☆	31-Mar	Retail sales (yoy)‡	Feb	5.4% ▲	-1.2%	2.2%	▲
☆☆	31-Mar	Unemployment rate	Mar	6.2% =	6.2%	6.2%	○
☆☆☆	01-Apr	Manufacturing PMI - final data	Mar	50.7 ▲	50.4	50.4	▲
France							
☆☆☆	22-Mar	Composite PMI - preliminary data	Mar	--	49.3	49.7	
☆☆☆	22-Mar	Manufacturing PMI - preliminary data	Mar	--	50.2	50.2	
☆☆☆☆☆	25-Mar	GDP (yoy) - final data	4Q	1.4% =	1.4%	1.4%	○
☆☆☆☆☆	25-Mar	GDP (qoq) - final data	4Q	0.3% =	0.3%	0.3%	○
☆☆☆☆	31-Mar	Harmonized consumer inflation HICP (yoy) - preliminary data	Mar	-0.1% =	-0.1%	-0.1%	○
☆☆☆☆	31-Mar	Consumer inflation CPI (yoy) - preliminary data	Mar	-0.2% =	-0.2%	-0.1%	▼
☆☆☆	01-Apr	Manufacturing PMI - final data	Mar	49.6 =	49.6	49.6	○
Italy							
☆☆☆☆	31-Mar	Harmonized consumer inflation HICP (yoy) - preliminary data	Mar	-0.3% ▼	-0.2%	-0.2%	▼
☆☆☆	01-Apr	Manufacturing PMI	Mar	53.5 ▲	52.2	52.5	▲
☆☆	01-Apr	Unemployment rate - preliminary data‡	Feb	11.7% ▲	11.6%	11.5%	▲
UK							
☆☆☆☆	22-Mar	Consumer inflation CPI (yoy)	Feb	0.3% =	0.3%	0.4%	▼
☆☆☆☆☆	31-Mar	GDP (yoy) - final data	4Q	2.1% ▲	1.9%	1.9%	▲
☆☆☆☆☆	31-Mar	GDP (qoq) - final data	4Q	0.6% ▲	0.5%	0.5%	▲
☆☆☆	01-Apr	Manufacturing PMI (sa)	Mar	51.0 ▲	50.8	51.2	▼
Japan							
☆☆☆	22-Mar	Manufacturing PMI - preliminary data	Mar	--	50.1	50.5	
☆☆☆☆	25-Mar	Consumer inflation CPI (yoy)	Feb	0.3% ▲	0.0%	0.3%	○
☆☆☆☆	30-Mar	Industrial production (yoy) - preliminary data	Feb	-1.5% ▲	-3.8%	-1.7%	▲
☆☆☆	01-Apr	Manufacturing PMI - final data	Mar	49.1 =	49.1	--	
Chile							
☆☆☆	30-Mar	Total copper production (metric tons)	Feb	449 539 ▼	453 638	--	
☆☆☆	30-Mar	Manufacturing (yoy)‡	Feb	1.3% ▲	-4.4%	0.2%	▲
Canada							
☆☆☆☆☆	31-Mar	GDP (yoy)‡	Jan	1.5% ▲	0.6%	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

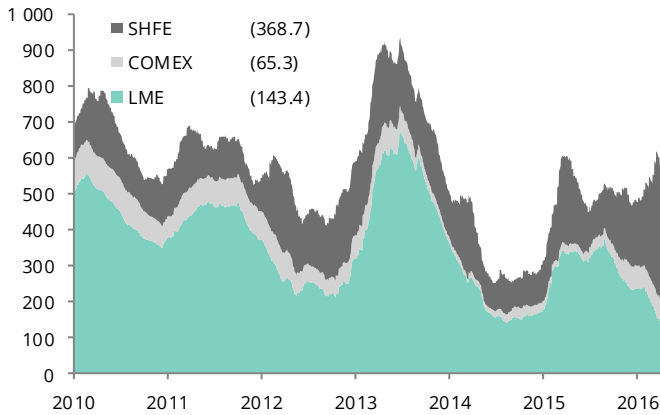
Key market data

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

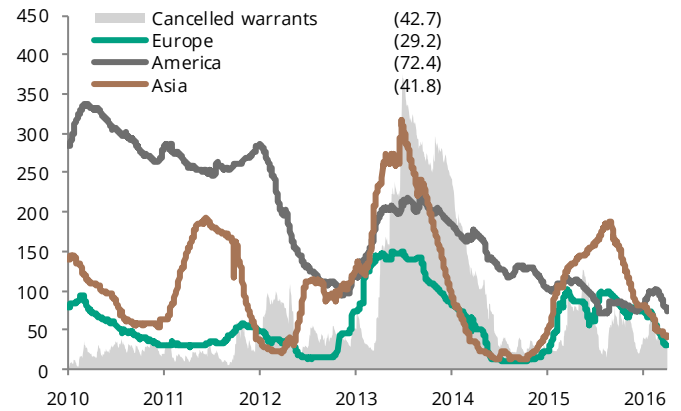
<i>(as of: 01-Apr-16)</i>		Price change °					From year beginning ²		
	Price	2W	QTD	YTD	1Y	Average	Min	Max	
LME (USD/t)									
Copper	4 880.00	▼ -4.4%	▲ 0.5%	▲ 3.8%	▼ -18.7%	4 675.21	4 310.50	5 103.00	
Molybdenum	12 200.00	- 0.0%	- 0.0%	▲ 1.7%	▼ -33.7%	12 084.92	11 750.00	12 200.00	
Nickel	8 380.00	▼ -5.4%	▲ 1.2%	▼ -3.3%	▼ -35.2%	8 497.22	7 710.00	9 375.00	
Aluminum	1 524.00	▲ 1.7%	▲ 2.2%	▲ 1.1%	▼ -13.9%	1 515.91	1 453.00	1 621.50	
Tin	16 805.00	▼ -2.0%	▼ -0.6%	▲ 15.1%	▲ 1.4%	15 523.89	13 235.00	17 625.00	
Zinc	1 842.00	▼ -0.3%	▲ 3.2%	▲ 15.1%	▼ -12.0%	1 681.13	1 453.50	1 860.00	
Lead	1 719.50	▼ -5.5%	▲ 0.9%	▼ -4.6%	▼ -7.8%	1 743.33	1 597.00	1 896.50	
LBMA (USD/troz)									
Silver	15.38	▼ -3.5%	- 0.0%	▲ 11.3%	▼ -8.7%	14.86	13.58	15.94	
Gold ¹	1 213.60	▼ -3.1%	▼ -1.9%	▲ 14.2%	▲ 1.3%	1 183.05	1 077.00	1 277.50	
LPPM (USD/troz)									
Platinum ¹	957.00	▼ -1.5%	▼ -1.9%	▲ 9.7%	▼ -17.1%	915.89	814.00	1 005.00	
Palladium ¹	559.00	▼ -5.7%	▼ -1.8%	▲ 2.2%	▼ -25.6%	525.10	470.00	605.00	
FX ³									
EUR/USD	1.1432	▲ 1.4%	▲ 0.4%	▲ 5.0%	▲ 5.6%	1.1027	1.0742	1.1432	
EUR/PLN	4.2387	▼ -0.7%	▼ -0.7%	▼ -0.5%	▲ 4.3%	4.3628	4.2387	4.4987	
USD/PLN	3.7193	▼ -1.8%	▼ -1.1%	▼ -4.7%	▼ -0.9%	3.9542	3.7193	4.1475	
USD/CAD	1.3047	▲ 0.5%	▲ 0.6%	▼ -5.7%	▲ 3.7%	1.3721	1.2962	1.4589	
USD/CNY	6.4818	▲ 0.2%	▲ 0.4%	▼ -0.2%	▲ 4.6%	6.5373	6.4536	6.5948	
USD/CLP	669.80	▼ -0.3%	▼ -0.8%	▼ -5.7%	▲ 8.3%	701.27	669.80	730.31	
Money market									
3m LIBOR USD	0.629	▲ 0.00	▲ 0.00	▲ 0.02	▲ 0.36	0.625	0.612	0.642	
3m EURIBOR	-0.245	▼ -0.01	▼ 0.00	▼ -0.11	▼ -0.26	-0.188	-0.245	-0.132	
3m WIBOR	1.670	- 0.00	- 0.00	▼ -0.05	▲ 0.02	1.687	1.670	1.720	
5y USD interest rate swap	1.196	▼ -0.08	▲ 0.02	▼ -0.54	▼ -0.32	1.298	1.045	1.709	
5y EUR interest rate swap	0.022	▼ -0.02	▼ 0.00	▼ -0.31	▼ -0.24	0.089	-0.035	0.309	
5y PLN interest rate swap	1.765	▲ 0.01	▼ -0.01	▼ -0.23	▼ -0.06	1.844	1.735	2.040	
Fuel									
WTI Cushing	36.79	▼ -6.7%	▼ -4.0%	▼ -0.7%	▼ -25.1%	33.47	26.21	40.20	
Brent	37.86	▼ -6.6%	▼ -2.2%	▲ 5.9%	▼ -30.2%	34.53	26.39	40.89	
Diesel NY (ULSD)	111.92	▼ -9.7%	▼ -4.3%	▲ 4.0%	▼ -33.5%	107.25	86.44	125.32	
Others									
VIX	13.10	▼ -0.92	▼ -0.85	▼ -5.11	▼ -1.57	20.37	13.10	28.14	
BBG Commodity Index	77.94	▼ -3.5%	▼ -1.1%	▼ -0.8%	▼ -21.8%	76.77	72.88	81.29	
S&P500	2 072.78	▲ 1.1%	▲ 0.6%	▲ 1.4%	▲ 0.3%	1 953.19	1 829.08	2 072.78	
DAX	9 794.64	▼ -1.6%	▼ -1.7%	▼ -8.8%	▼ -18.2%	9 658.94	8 752.87	10 310.10	
Shanghai Composite	3 009.53	▲ 1.8%	▲ 0.2%	▼ -15.0%	▼ -21.3%	2 907.10	2 655.66	3 361.84	
WIG 20	1 973.24	▲ 0.6%	▼ -1.2%	▲ 6.1%	▼ -17.8%	1 821.92	1 674.57	1 999.93	
KGHM	74.99	▼ -1.5%	▼ -1.5%	▲ 18.1%	▼ -37.2%	64.39	52.29	77.00	

° 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

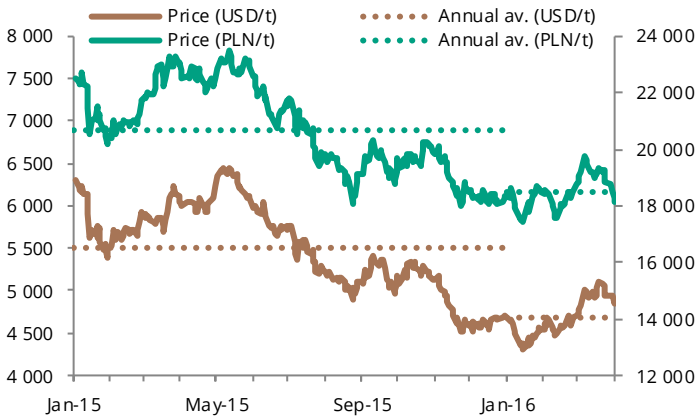
Source: Bloomberg, KGHM

Copper: official exchange stocks (thousand tonnes)


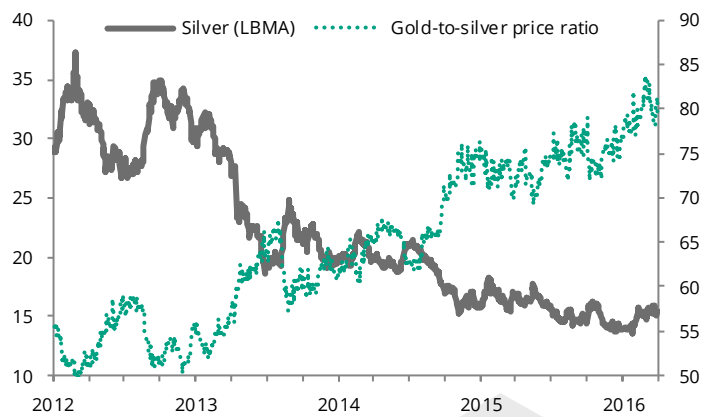
Note: Latest values in brackets. Source: Bloomberg, KGHM

Copper: official LME stocks (thousand tonnes)


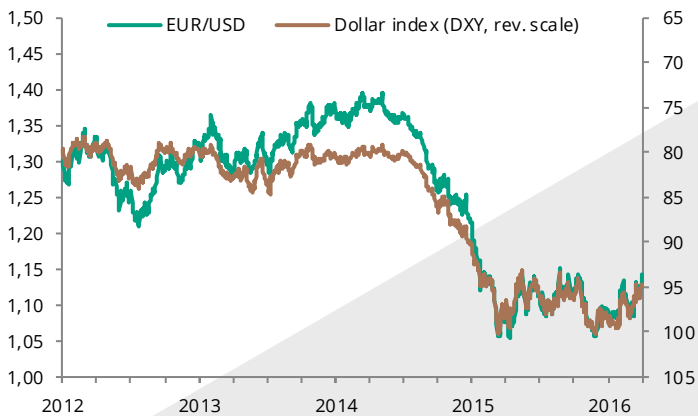
Note: Latest values in brackets. Source: Bloomberg, KGHM

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


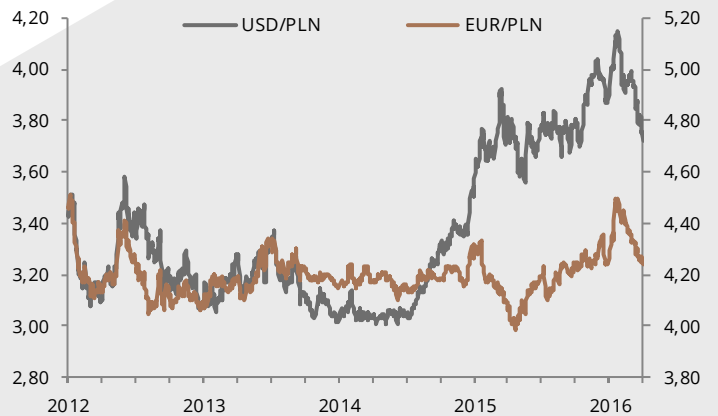
Source: Bloomberg, KGHM

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: **21 March 2016 – 3 April 2016.**

- 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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