

Market Overview

as of: 22nd August 2016

- Copper:** Price is still stuck in the 4600 – 5000 USD/t range in which the red metal has been moving from the beginning of 2016. Meanwhile, mining sector keeps publishing first half reports which prove that Peru's contribution to 1H supply growth cannot be neglected as it grown by 51,5% in comparison to first half of 2015. On the other hand, still-low copper prices make life even more difficult for Codelco. Cost cutting in Chilean giant still does not deliver needed savings and scaling the production down is much more likely than it was last year (*page 2*).
- Precious metals:** Precious metals' markets are eying the Fed rhetoric on US economy and interest rates. Vice Chairman Stanley Fischer said the world's largest economy is close to meeting the central bank's goals and that growth will pick up. Other Fed presidents including William Dudley and John Williams indicated the U.S. borrowing costs may rise as early as next month (*page 5*).

Key market prices

	Close price	2w chng.
LME (USD/t)		
▼ Copper	4 774.00	-0.4%
▼ Nickel	10 250.00	-3.1%
LBMA (USD/troz)		
▼ Silver	19.42	-4.0%
▲ Gold (PM)	1 346.40	0.4%
FX		
▲ EUR/USD	1.1326	1.5%
▼ EUR/PLN	4.2884	-0.2%
▼ USD/PLN	3.7905	-1.7%
▼ USD/CAD	1.2878	-2.3%
▼ USD/CLP	656.05	-0.2%
Stocks		
▼ KGHM	77.92	-1.8%

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

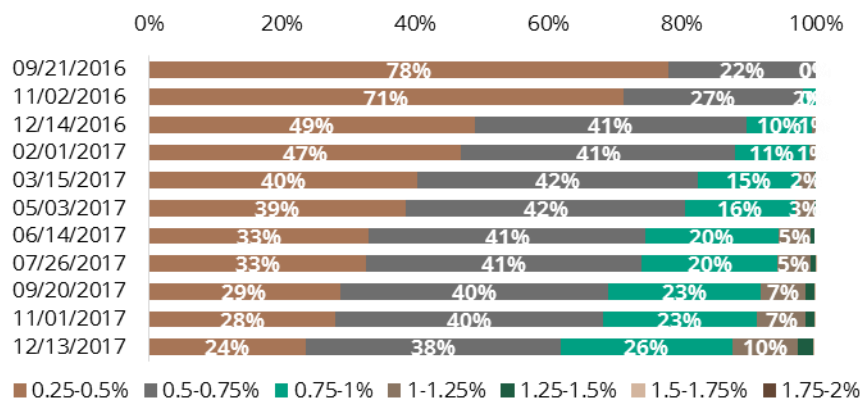
Important macroeconomic data

Release	For		
 Industrial prod. (yoy)	Jul	6.0%	▼
 GDP (yoy)	2Q	3.1%	▲
 Industr. prod. (wda, yoy)	Jun	0.4%	▲
 GDP (sa, yoy)	2Q	3.1%	▲
 GDP (annlzd., sa, qoq)	2Q	0.2%	▼

Source: Bloomberg, KGHM Polska Miedź; (*more on page 6*)

Jackson Hole meeting is pumping market expectations of Fed potential monetary policy moves

Market estimate for the probability of the future interes rates level



As of 21/08/2016; Source: Bloomberg, KGHM Polska Miedź

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Base and precious metals | Other commodities

Copper

Price is still stuck in the 4600 – 5000 USD/t range in which the red metal has been moving from the beginning of 2016. Meanwhile, mining sector keeps publishing first half reports which prove that Peru's contribution to 1H supply growth cannot be neglected as it grown by 51,5% in comparison to first half of 2015. On the other hand, still-low copper prices make life even more difficult for Codelco. Cost cutting in Chilean giant still does not deliver needed savings and scaling the production down is much more likely than it was last year.

Will the strong Cu supply growth continue in 2H and beyond?

A few more copper miners are still to post Q2 and thus H1 copper production results, however, data already released points to strong 1H growth. The principal driver has been mine production in Peru, where volumes have grown by 51.5% yoy in 1H or an additional 381 kt of copper in concentrate vs 1H 2015, making the country the second largest copper producer in the world after Chile.

Strong Peru performance delivers additional 381k tonnes of copper in concentrate in 1H16

Looks like the supply will not keep up with demand by 2020

Peruvian mines led surge has caused a rally in copper TC/RC and in turn prompted a jump in Chinese refined copper output (up 6.6% y/y), resulting in another wave of bearish supply growth and as a consequence price outlook sentiment. According to Citi analysts the supply-side driven bearishness is likely to be temporary in nature. Taking into account capex crunch which has impacted the mining industry since 2012, the constrained nature of project financing, combined with the sustained ore grade depletion issue afflicting many mining locations, Citi forecasts that little more 1 million metric tonnes of mine supply to be added by 2020 which is significantly lower than 1.6 million demand growth projection over the same time period.

Four new mines produced 675k tonnes of copper in the first half of 2016, in comparison to 308k tonnes in 1H2015

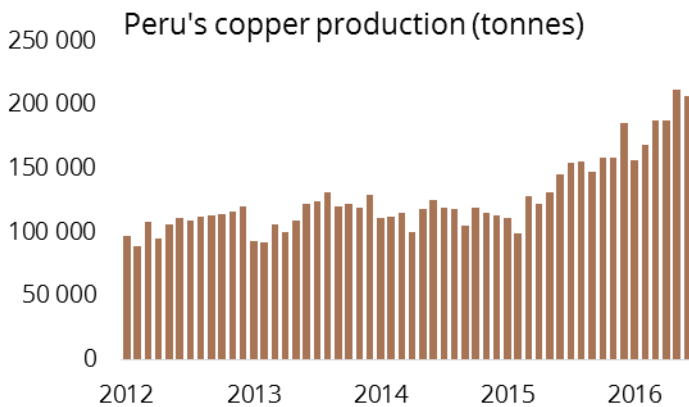
Bringing the details in, four projects/operations in Peru have been key to the explosive growth seen in the country's mine supply this year, namely Cerro Verde, Las Bambas, Antamina and Contancia. These 4 mines produced 675 kt of copper in concentrate in the last 6 months, compared to 308 kt in 1H last year. It is worth to mention that all 4 mines have now reached designed operational capacity, which might suggest that the monthly percentage additions to mine supply will be begin to fall off in 2H. Indeed, Cerro Verde, which began to ramp up production from August/September last year, appears to have already peaked in March at 49 kt. In addition, Las Bambas is operating well ahead of planned schedule, resulting in 2016 guidance being raised from 200-250 kt contained copper to 250-300 kt, thereby reducing effective 2017 additions.

Peruvian copper projects pipeline looks poor in the coming years

Apart from the abovementioned mines, there is nothing much significant in terms of supply growth, according to Citi. A second Toromocho stage was due to begin construction earlier this year, but has been postponed indefinitely due to complex ore issues. The only other expansion is at Toquepala, where c100

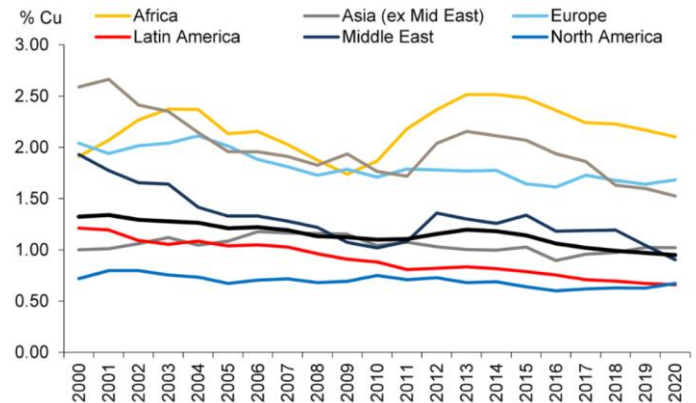
ktpa is due to be added to output by 2019 with commissioning of an expanded concentrator next year. We expect Peruvian mine supply to rise by a further 170 kt the end of 2016 and 2019. On current project pipelines, 2019 looks to be Peru's peak year of production for the foreseeable future.

The ramp-ups of new Peruvian mines have significantly affected copper market balance in 1H2016



Source: Bloomberg, KGHM Polska Miedź

According to Citi, the copper grades will decrease in the coming years



Source: Citi, KGHM Polska Miedź

Other important information on copper market:

- The China Securities Regulatory Commission (CSRC) has accepted an application for a copper exchange-traded fund (ETF) by China Southern Asset Management. It will be the first copper ETF in China, if the application is approved. The sentiment on the base metals market somewhat improved this year and as a consequence attracted attention from both investors and speculators, following a slump in the stock market and a cooling property market. Commodity ETF products such as gold, silver and crude oil are already available in China, thus, the copper ETF will diversify the product category. As it is understood by Metal Bulletin, this will be a new channel for securities companies who are not able to participate in the futures market directly. So far twelve commodity ETF product applications have been submitted to CSRC, mostly focused on precious metals. Another copper ETF product submitted by Fortune SG Fund Management in November last year is still pending approval, according to Metal Bulletin.
- According to the commodities trading group website, Trafigura and Indian wire and cable producer Polycab Wires have formed a strategic joint venture to set up a manufacturing facility in India for copper wire rod production. The 240,000 mt/year facility, to be located in Halol, Gujarat, is expected to be operational by the end of 2017 with a proposed total investment of \$25 million. The investment is aimed at addressing the rising domestic supply-demand gap in the copper wire rod market extensively used by the construction, power, transport and telecoms industries. The Indian copper wire rod market is estimated to be currently worth 3 billion USD and is

expected to grow 12% year on year as a consequence of increased public and infrastructure investment by the government.

- Democratic Republic of Congo's (DRC) state miner Gecamines expects to increase copper production by over 40% this year as new machinery comes online and will likely to increase productivity. According to Reuters, Gecamines plans to produce 24,000 tonnes of copper this year and 50,000 tonnes next year. This is up from about 17,000 tonnes in 2015, according to central bank figures. The increase in production will be driven by a new concentrator at the company's Kambove site, new electrical lines and a machine to crush ore at its Kamatanda mine. The company's output peaked at close to 500,000 tonnes in 1986, but then fell during decades of political upheaval, mismanagement and asset sales. In recent years, investments by companies like Glencore and Freeport-McMoRan have helped make DRC Africa's top copper producer. Democratic Republic of Congo, the world's fifth-biggest copper producer, produced 990,000 tonnes of the metal last year, down from 1.03 million tonnes in 2014. In June, Gecamines announced a modernisation plan for 2016-2020 that will see the company invest \$717 million in operations in a bid to increase production to over 100,000 tonnes per year. DRC's copper production surpassed 1 million tonnes for the first time in 2014 but slumping commodity prices caused output to fall about 20 percent in the first quarter of this year.
- Codelco may soon change its focus from cost reductions to output cuts, as the state-owned miner faces what its chief executive called the "worst crisis ever" since created in 1976. Announcing fresh cost-cutting measures to save 242 million USD this year, the main Nelson Pizarro's message was that slumping copper prices, high debt, rising costs and lower productivity have brought Codelco to "an extreme" situation. Among the urgent actions proposed by Pizarro there is a further 2.5 billion-USD-cut to the state-owned miner's multi-billion investment plan. The figure, though significant, is minor when taken in the context of Codelco's ambitious investment plan, originally pegged at 25 billion USD (now sitting at 18bn USD), aimed at upgrading its aging mines and dealing with dwindling ore grades. According to Mining.com a resolution regarding future investment decisions will be announced after 25th of August board meeting. Further slashing investment will severely impact Codelco's production targets, once tallied at 2.5 million tonnes by 2025, but reduced last year to 2 million tonnes by 2020. It is, however, likely that the company may just decide to keep its current production of 1.7 million tonnes as target, though scaling down to 1.5 million or lower has not been ruled out just yet. What is clear is that Codelco plans to cut a minimum of 500 million USD a year, to save a total of 2 billion USD by 2020. It also expects to increase productivity by 18% at the end of 2018 and 20% by the end of the decade.

Precious metals

Precious metals' markets are eying the Fed rhetoric on US economy and interest rates. Vice Chairman Stanley Fischer said the world's largest economy is close to meeting the central bank's goals and that growth will pick up. Other Fed presidents including William Dudley and John Williams indicated the U.S. borrowing costs may rise as early as next month.

Glencore fights for liquidity

Glencore Plc, the miner and trader that sold assets and shares to cut debt, agreed to another deal to sell future output from an Australian copper and gold mine to Evolution Mining Ltd for A\$880 million (\$670 million). Evolution, Australia's second-largest gold producer, will receive the equivalent of 100% of future gold and 30% of copper and silver production from the Ernest Henry operation in Queensland. Evolution will also take a 30% interest in the mine. Miners including Vale SA are being attracted to so-called streaming deals as a method of trimming debt.

Switzerland-based Glencore has sold future output and disposed of assets in a bid to almost halve its borrowings to as low as \$17 billion by the end of the year. Streaming deals give miners upfront payments in exchange for metal. Under a deal agreed last November, Glencore sold a share of its future silver output to Silver Wheaton Corp. for terms that included a \$900 million upfront payment. In February, the producer agreed a \$500 million deal with Franco-Nevada Corp. to sell a precious metals stream from its

Antapaccay mine in Peru. Glencore has sold about 50% of its agriculture business for just over \$3.1 billion, while copper mines, an Australian coal rail unit and a Kazakhstan gold mine have also been put up for sale under efforts to reduce debt. Adding output from Ernest Henry, which Glencore will continue to manage, will raise Evolution's forecast gold output this fiscal year to between 800,000 and 860,000 ounces, the producer said in a separate statement. Evolution also announced a A\$901 million capital raising to fund the deal, comprising a A\$401 million sale of new shares to existing holders and a new A\$500 million syndicated loan. Evolution last week agreed to sell its Pajingo gold mine in Australia under a drive to improve the quality of its portfolio.

Silver ETFs back on track

The rally in gold and silver may have lost some of its shine lately, but investors are still eager to own the precious metals. Silver exchange-traded fund holdings surged to a record high of 20,670 tons. Holdings in gold-backed ETFs reached 2,270.5 tons at the end of July, the highest level since May 2013, according to Bloomberg.







Streaming is also included in the offer

Other projects await potential buyers

Macroeconomic calendar

Important macroeconomic data releases

Weight	Date	Event	For	Reading ¹	Previous	Consensus ²
China						
☉☉	16-Aug	Trade balance (USD bn)	Jul	52.3 ▲	48.1	47.0 ▲
☉☉	16-Aug	Exports (yoy)	Jul	-4.4% ▲	-4.8%	-3.5% ▼
☉☉☉☉	16-Sep	Consumer inflation CPI (yoy)	Jul	1.8% ▼	1.9%	1.8% ○
☉☉	16-Sep	Producer inflation PPI (yoy)	Jul	-1.7% ▲	-2.6%	-2.0% ▲
☉☉☉☉	16-Dec	Industrial production (yoy)	Jul	6.0% ▼	6.2%	6.2% ▼
☉☉	16-Dec	Fixed assets investments (ytd, yoy)	Jul	8.1% ▼	9.0%	8.9% ▼
☉	16-Dec	Retail sales (yoy)	Jul	10.2% ▼	10.6%	10.5% ▼
☉	16-Dec	New yuan loans (CNY bn)	Jul	464 ▼	1 380	850 ▼
Poland						
☉☉☉☉☉	16-Dec	GDP (yoy) - preliminary data	2Q	3.1% ▲	3.0%	3.3% ▼
☉☉☉☉☉	16-Dec	GDP (qoq) - preliminary data	2Q	0.9% ▲	-0.1%	1.0% ▼
☉☉☉☉	16-Dec	Consumer inflation CPI (yoy) - final data	Jul	-0.9% -	-0.9%	--
☉☉	16-Dec	Trade balance (EUR mn)‡	Jun	404 ▲	345	200 ▲
☉☉	16-Dec	Exports (EUR mn)‡	Jun	15 218 ▲	13 840	14 753 ▲
☉☉	16-Dec	Current account balance (EUR mn)‡	Jun	- 203 ▼	624	- 85.0 ▼
☉	16-Dec	M3 money supply (yoy)	Jul	10.7% ▼	11.4%	11.2% ▼
☉☉☉☉	16-Aug	Core CPI (excluding food and energy, yoy)	Jul	-0.4% ▼	-0.2%	-0.3% ▼
☉☉	17-Aug	Average gross salary (yoy)	Jul	4.8% ▼	5.3%	4.5% ▲
☉	17-Aug	Employment (yoy)	Jul	3.2% ▲	3.1%	3.2% ○
☉☉☉☉	18-Aug	Sold industrial production (yoy)	Jul	-3.4% ▼	6.0%	0.9% ▼
☉☉☉	18-Aug	Retail sales (yoy)	Jul	2.0% ▼	4.6%	3.4% ▼
☉☉	18-Aug	Producer inflation PPI (yoy)‡	Jul	-0.4% ▲	-0.8%	-0.4% ○
☉		Budget balance (ytd)	Jul	--	34.1%	--
US						
☉☉	16-Dec	Retail sales (excluding autos, mom)‡	Jul	-0.3% ▼	0.9%	0.1% ▼
☉☉	16-Dec	University of Michigan confidence index - preliminary data	Aug	90.4 ▲	90.0	91.5 ▼
☉☉☉☉	16-Aug	Consumer inflation CPI (mom)	Jul	0.0% ▼	0.2%	0.0% ○
☉☉☉☉	16-Aug	Consumer inflation CPI (yoy)	Jul	0.8% ▼	1.0%	0.9% ▼
☉☉☉☉	16-Aug	Industrial production (mom)‡	Jul	0.7% ▲	0.4%	0.3% ▲
☉	16-Aug	Capacity utilization	Jul	75.9% ▲	75.4%	75.6% ▲
☉☉	18-Aug	Philadelphia Fed business outlook	Aug	2.0 ▲	- 2.9	2.0 ○
Eurozone						
☉☉☉☉☉	16-Dec	GDP (sa, yoy) - preliminary data	2Q	1.6% -	1.6%	1.6% ○
☉☉☉☉☉	16-Dec	GDP (sa, qoq) - preliminary data	2Q	0.3% -	0.3%	0.3% ○
☉☉☉☉	16-Dec	Industrial production (sa, mom)‡	Jun	0.6% ▲	-1.2%	0.5% ▲
☉☉☉☉	16-Dec	Industrial production (wda, yoy)‡	Jun	0.4% ▲	0.3%	0.7% ▼
☉	16-Aug	Trade balance (EUR mn)	Jun	29.2 ▲	24.6	26.0 ▲
☉	16-Aug	ZEW survey expectations	Aug	4.6 ▲	- 14.7	--
☉☉☉☉	18-Aug	Consumer inflation CPI (yoy) - final data‡	Jul	0.2% ▲	0.1%	0.2% ○
☉☉☉☉	18-Aug	Core CPI (yoy) - final data	Jul	0.9% -	0.9%	0.9% ○
Germany						
☉☉☉☉	16-Aug	Industrial production (wda, yoy)	Jun	0.5% ▲	-0.4%	0.5% ○
☉☉☉☉☉	16-Dec	GDP (yoy) - preliminary data‡	2Q	3.1% ▲	1.5%	2.8% ▲
☉☉☉☉☉	16-Dec	GDP (sa, qoq) - preliminary data	2Q	0.4% ▼	0.7%	0.2% ▲
☉☉☉☉	16-Dec	Harmonized consumer inflation HICP (yoy) - final data	Jul	0.4% -	0.4%	0.4% ○
☉☉☉☉	16-Dec	Consumer inflation CPI (yoy) - final data	Jul	0.4% -	0.4%	0.4% ○

Weight	Date	Event	For	Reading ¹	Previous	Consensus ²
France 						
⊕⊕⊕⊕	16-Oct	Industrial production (yoy)	Jun	-1.3% ▼	0.5%	-0.4% ◡
⊕⊕⊕⊕	16-Nov	Harmonized consumer inflation HICP (yoy) - final data	Jul	0.4% -	0.4%	0.4% ○
⊕⊕⊕⊕	16-Nov	Consumer inflation CPI (yoy) - final data	Jul	0.2% -	0.2%	0.2% ○
Italy 						
⊕⊕⊕⊕	16-Nov	Harmonized consumer inflation HICP (yoy) - final data	Jul	-0.2% ▼	-0.1%	-0.1% ◡
⊕⊕⊕⊕⊕	16-Dec	GDP (wda, yoy) - preliminary data	2Q	0.7% ▼	1.0%	0.8% ◡
⊕⊕⊕⊕⊕	16-Dec	GDP (wda, qoq) - preliminary data	2Q	0.0% ▼	0.3%	0.2% ◡
UK 						
⊕⊕⊕⊕	16-Sep	Industrial production (yoy)	Jun	1.6% ▲	1.4%	1.6% ○
⊕⊕⊕⊕	16-Aug	Consumer inflation CPI (yoy)	Jul	0.6% ▲	0.5%	0.5% ◡
⊕⊕	17-Aug	Unemployment rate (ILO, 3-months)	Jun	4.9% -	4.9%	4.9% ○
Japan 						
⊕⊕⊕⊕⊕	15-Aug	GDP (annualized, qoq) - preliminary data‡	2Q	0.2% ▼	2.0%	0.7% ◡
⊕⊕⊕⊕⊕	15-Aug	GDP (qoq, sa) - preliminary data	2Q	0.0% ▼	0.5%	0.2% ◡
⊕⊕⊕⊕	15-Aug	Industrial production (yoy) - final data	Jun	-1.5% ▲	-1.9%	--
Chile 						
⊕⊕⊕⊕	16-Aug	Consumer inflation CPI (yoy)	Jul	4.0% ▼	4.2%	3.9% ◡
⊕⊕⊕	16-Aug	Copper exports (USD mn)‡	Jul	2 112 ▼	2 120	--
⊕⊕⊕⊕⊕	16-Dec	BCCh overnight rate target	Aug	3.50% -	3.50%	3.50% ○
⊕⊕⊕⊕⊕	18-Aug	GDP (yoy)‡	2Q	1.5% ▼	2.2%	1.2% ◡
Canada 						
⊕⊕⊕⊕	19-Aug	Consumer inflation CPI (yoy)	Jul	1.3% ▼	1.5%	1.4% ◡

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 Polska Miedź

Key market data

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

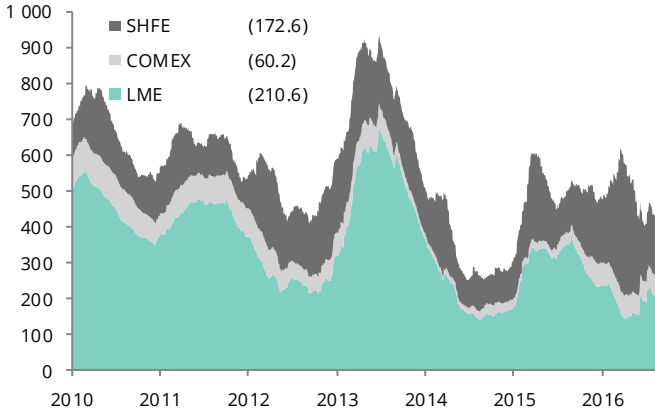
(as of: 19-Aug-16)

	Price	Price change °					From year beginning ²		
		2W	QTD	YTD	1Y	Average	Min	Max	
LME (USD/t)									
Copper	4 774.00	▼ -0.4%	▼ -1.1%	▲ 1.5%	▼ -5.7%	4 730.70	4 310.50	5 103.00	
Molybdenum	16 000.00	- 0.0%	▼ -5.9%	▲ 33.3%	▲ 20.3%	13 848.14	11 750.00	17 000.00	
Nickel	10 250.00	▼ -3.1%	▲ 8.9%	▲ 18.3%	▼ -1.3%	9 045.06	7 710.00	10 900.00	
Aluminum	1 648.50	▲ 1.3%	▲ 0.8%	▲ 9.4%	▲ 6.8%	1 564.49	1 453.00	1 690.50	
Tin	18 475.00	▲ 0.4%	▲ 8.3%	▲ 26.5%	▲ 17.3%	16 622.45	13 235.00	18 650.00	
Zinc	2 287.00	▲ 0.7%	▲ 8.8%	▲ 42.9%	▲ 26.1%	1 893.31	1 453.50	2 310.00	
Lead	1 884.00	▲ 5.0%	▲ 5.8%	▲ 4.6%	▲ 10.4%	1 753.88	1 597.00	1 901.00	
LBMA (USD/troz)									
Silver	19.42	▼ -4.0%	▲ 5.7%	▲ 40.5%	▲ 25.3%	16.75	13.58	20.71	
Gold ¹	1 346.40	▲ 0.4%	▲ 1.9%	▲ 26.7%	▲ 17.3%	1 248.39	1 077.00	1 366.25	
LPPM (USD/troz)									
Platinum ¹	1 106.00	▼ -3.5%	▲ 10.7%	▲ 26.8%	▲ 8.8%	993.23	814.00	1 182.00	
Palladium ¹	711.00	▲ 1.7%	▲ 20.7%	▲ 30.0%	▲ 15.2%	574.04	470.00	730.00	
FX ³									
EUR/USD	1.1326	▲ 1.5%	▲ 2.0%	▲ 4.0%	▲ 1.3%	1.1151	1.0742	1.1569	
EUR/PLN	4.2884	▼ -0.2%	▼ -3.1%	▲ 0.6%	▲ 2.2%	4.3655	4.2355	4.4987	
USD/PLN	3.7905	▼ -1.7%	▼ -4.8%	▼ -2.8%	▲ 0.7%	3.9155	3.7193	4.1475	
USD/CAD	1.2878	▼ -2.3%	▼ -1.0%	▼ -7.0%	▼ -1.5%	1.3244	1.2544	1.4589	
USD/CNY	6.6532	▼ -0.1%	▲ 0.1%	▲ 2.5%	▲ 4.1%	6.5661	6.4536	6.7045	
USD/CLP	656.05	▼ -0.2%	▼ -0.8%	▼ -7.6%	▼ -5.6%	682.50	645.22	730.31	
Money market									
3m LIBOR USD	0.817	▲ 0.02	▲ 0.16	▲ 0.20	▲ 0.49	0.658	0.612	0.818	
3m EURIBOR	-0.298	- 0.00	▼ -0.01	▼ -0.17	▼ -0.27	-0.239	-0.299	-0.132	
3m WIBOR	1.710	- 0.00	- 0.00	▼ -0.01	▼ -0.01	1.689	1.670	1.720	
5y USD interest rate swap	1.180	▼ 0.00	▲ 0.20	▼ -0.56	▼ -0.41	1.218	0.928	1.709	
5y EUR interest rate swap	-0.121	▲ 0.01	▼ -0.06	▼ -0.45	▼ -0.47	0.005	-0.183	0.309	
5y PLN interest rate swap	1.745	▼ -0.14	▼ -0.04	▼ -0.25	▼ -0.28	1.870	1.735	2.118	
Fuel									
WTI Cushing	48.52	▲ 16.1%	▲ 0.4%	▲ 31.0%	▲ 17.9%	40.63	26.21	51.23	
Brent	49.89	▲ 15.3%	▲ 3.0%	▲ 39.6%	▲ 10.7%	41.33	26.39	51.33	
Diesel NY (ULSD)	150.84	▲ 15.7%	▲ 2.3%	▲ 40.2%	▲ 1.7%	126.15	86.44	156.18	
Others									
VIX	11.34	▼ -0.05	▼ -4.29	▼ -6.87	▼ -7.80	16.85	11.34	28.14	
BBG Commodity Index	86.24	▲ 2.8%	▼ -2.9%	▲ 9.8%	▼ -3.4%	81.77	72.88	89.94	
S&P500	2 183.87	▲ 0.0%	▲ 4.1%	▲ 6.8%	▲ 7.3%	2 046.75	1 829.08	2 190.15	
DAX	10 544.36	▲ 1.7%	▲ 8.9%	▼ -1.8%	▲ 1.1%	9 895.51	8 752.87	10 742.84	
Shanghai Composite	3 108.10	▲ 4.4%	▲ 6.1%	▼ -12.2%	▼ -15.2%	2 938.68	2 655.66	3 361.84	
WIG 20	1 800.17	▼ -1.4%	▲ 2.8%	▼ -3.2%	▼ -18.2%	1 824.23	1 674.57	1 999.93	
KGHM	77.92	▼ -1.8%	▲ 18.1%	▲ 22.7%	▼ -8.7%	67.49	52.29	80.20	

° 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

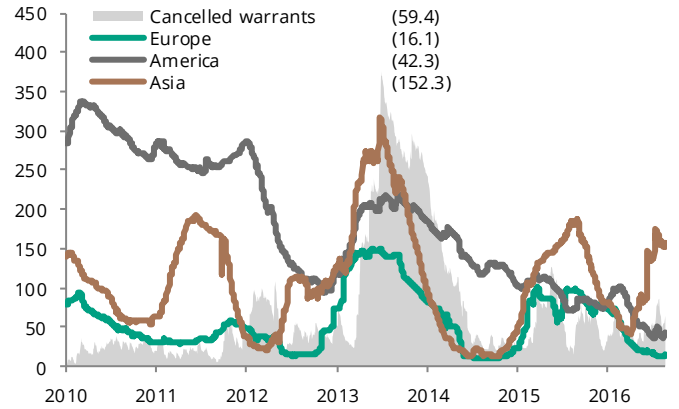
Source: Bloomberg, KGHM Polska Miedź

Copper: official exchange stocks (thousand tonnes)



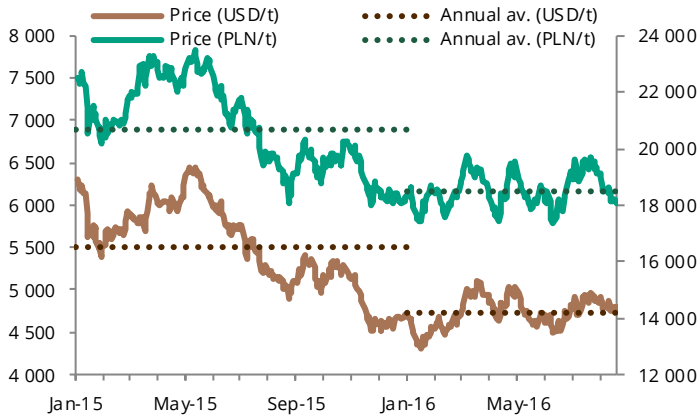
Note: Latest values in brackets. Source: Bloomberg, KGHM Polska Miedź

Copper: official LME stocks (thousand tonnes)



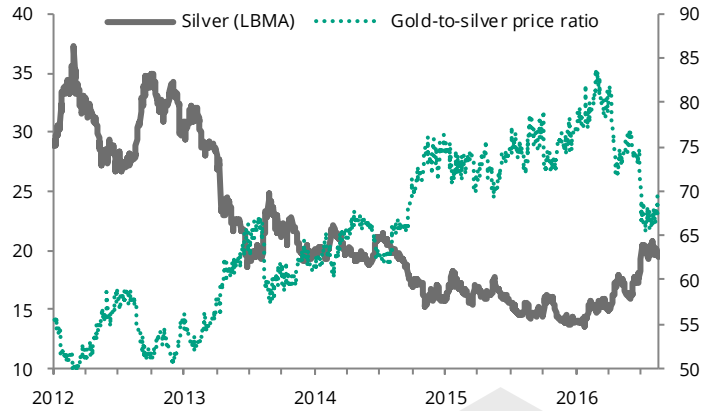
Note: Latest values in brackets. Source: Bloomberg, KGHM Polska Miedź

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



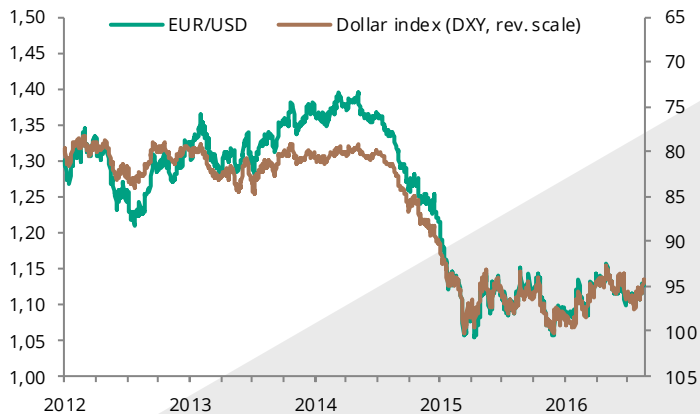
Source: Bloomberg, KGHM Polska Miedź

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



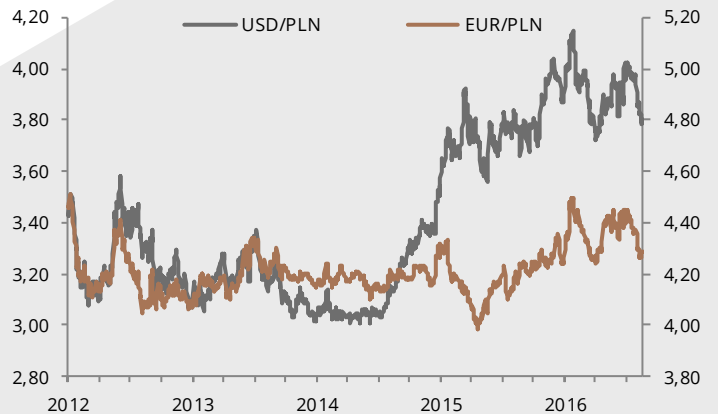
Source: Bloomberg, KGHM Polska Miedź

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



Source: Bloomberg, KGHM Polska Miedź

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



Source: Bloomberg, KGHM Polska Miedź

Legal note

This document has been prepared based on the below listed reports, among others, published in the following period:
8th – 21st August 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.

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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