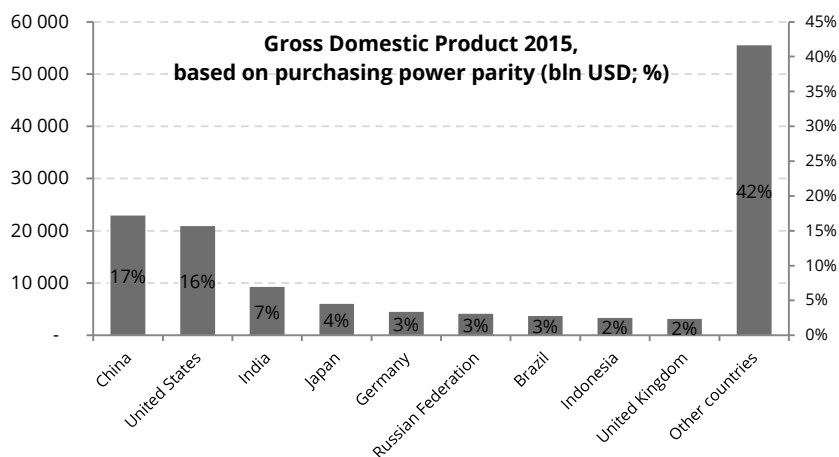


Market Overview

- **Copper:** Copper prices have surged to 21-month highs above \$6,200 a tonne for a gain of more than 40% since January 2015 due to worries about supplies after disruptions in top producer Chile, Indonesia and Peru (*page 2*).
- **Precious Metals:** In recent two weeks gold hit its highest level since mid-November as it responded to a sliding USD, uncertainties swirling around President Trump's simulative fiscal policy and potentially destabilizing elections in Europe (*page 4*).
- **US - China Trade conflict:** What is the future character of the relationship between the United States and the People's Republic of China? At the moment there are more questions than answers in the case, which has enormous importance for further growth of global economy (*page 6*).

Contribution of US and Chinese economies to the World GDP summed up to almost 33% in 2015



Source: The World Bank GDP ranking, KGHM Polska Miedź






as of: 27 Feb 2017

Key market prices

	Cena	2-tyg. zm.
LME (USD/t)		
▲ Miedź	5 881,00	0,2%
▲ Nikiel	10 680,00	2,2%
LBMA (USD/troz)		
▲ Srebro	18,27	3,7%
▲ Złoto	1 253,65	2,1%
Waluty		
▼ EUR/USD	1,0609	-0,2%
▲ EUR/PLN	4,3102	0,2%
▲ USD/PLN	4,0681	0,6%
▲ USD/CAD	1,3104	0,2%
▼ USD/CLP	640,36	-1,0%
Akcje		
▲ KGHM	130,50	2,9%

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

Important macroeconomic data

Release	For	
 GDP (yoy)	4Q	2.7% ▲
 CPI (yoy)	Jan	2.5% ▲
 CPI (yoy)	Jan	2.5% ▲
 GDP (sa, yoy)	4Q	1.7% -
 Manufacturing PMI	Feb	57.0 ▲

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

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Base and precious metals | Other commodities

Copper

Copper prices have surged to 21-month highs above \$6,200 a tonne for a gain of more than 40% since January 2015 due to worries about supplies after disruptions in top producer Chile, Indonesia and Peru.

Escondida strike situation affects the global copper balance, which results in copper price increase

Escondida strike situation

A strike that has shut down operations at northern Chilean copper mine Escondida, the world's biggest, entered its third week with few signs of an imminent resolution. Workers began a strike at the BHP Billiton-run mine to put pressure on the company after contractual wage talks failed to end in agreement. The union has said its 2,500 members are committed to action and is threatening a two-month stoppage, leading BHP to swiftly declare force majeure, an admission that it will not be able to meet its contractual obligations.

Concerns about supply constraints have led the copper price to a 20-month high as Indonesia's Grasberg, the world's No. 2 copper mine, deals with an export ban, and Peru's important Las Bambas faces protests that have blocked roads. That creates a dilemma for the government of Chile, where copper makes up more than half all exports and whose income has diminished in recent years as the metal's price has sunk. A higher price will probably benefit the overall economy, although a protracted conflict will do little to encourage investment.

Workers at Escondida are digging in for a long strike, emboldened by new labor laws that are likely to result in tough wage negotiations in the industry in 2017 in one of Latin America's most free-market economies. Negotiations stalled in part because of a freshly minted labor code that aims to return power lost by unions decades ago. The law does not take effect until April, but its provisions and language have influenced the union's negotiating position. Union sources say workers broke off wage talks with Escondida in part because they believed the company was using underhanded tactics to dilute the impact of that reform. But one legal source with knowledge of BHP's negotiating strategy said the reform had effectively narrowed the pay and benefit proposals the company could successfully take to the union. The situation at Escondida bodes ill for other mining companies ahead of wage talks expected elsewhere in Chile this year.

At Escondida, a principal point of contention between the company and workers is a proposal by BHP to offer new workers fewer benefits than those awarded to laborers already at the mine, the union said. The union says this is a BHP ploy to undermine a provision in the new labor code. Under that provision, known as the minimum-floor rule, a company will not be permitted during wage talks to offer workers benefits weaker than those afforded in the previous

contract. If junior workers have fewer benefits than their colleagues, that could lower the negotiating floor for the next round of wage talks, years down the road, union leaders say.

Management and union leaders met again in Santiago last week for government-mediated talks, but the union withdrew from the meeting later that day. Negotiations to end a crippling strike at the giant Escondida copper mine in northern Chile have broken up after just a few hours with the union accusing the BHP Billiton-controlled company of intransigence. According to the union the company reiterated its intention of not respecting the pay and benefits included in the previous wage agreement and to impose clauses discriminating between old and new workers.

BHP Billiton is reassessing its copper output guidance for the current fiscal year in light of the current strike at its majority-owned Escondida mine. Resuming activity at more complex processes such as concentrator plants and leaching operations could take as long as one month. Following a strike in August of 2006, Escondida's production in September was still 10 percent down on pre-strike levels, according to data compiled by Chile's copper commission.

Result of the dispute between BHP Billiton and Escondida union workers might set up a benchmark to other labour negotiations scheduled for this year

2017 Global Scheduled Copper Mine Labour Negotiations

March 2017 -- Rio Tinto's Bingham Canyon expected to produce around 180,000 tonnes in 2017.

July 2017 -- Zaldivar copper mine in Chile owned by Antofagasta and Barrick Gold Corp, expected to produce roughly 125,000 tonnes this year.

Sept 2017 -- Freeport's Grasberg copper mine in Indonesia, which produced nearly 600,000 tonnes last year.

H2 2017 -- Chilean state-owned copper producer Codelco's El Teniente, expected to produce around 400,000 tonnes this year.

Oct 2017 -- Glencore and Anglo American's Collahuasi in Chile, expected to produce more than 450,000 tonnes of copper this year.

Other important information on copper market:

- Freeport-McMoRan Inc has halted production of concentrate at the world's second-largest copper mine in Indonesia. The Southeast Asian nation on Jan. 12 introduced rules restricting copper concentrate exports in a bid to boost its domestic smelting industry. Freeport previously said the suspension of concentrate exports would require the Grasberg mine to slash output by around 70 million pounds of copper per month. The company previously said it would need to cut production to about 40 percent of capacity if it did not get an export permit by mid-February, due to limited storage. But a strike at Freeport's sole domestic offtaker of copper concentrate, PT Smelting, expected to last at least until March, has limited Freeport's output options, and Grasberg's storage sites are now full. A week

after the company suspended mining and then declared force majeure on shipments, The Energy and Mineral Resources Ministry issued a recommendation to grant permits for copper concentrate exports from the Grasberg mine. However Freeport vowed to hold out for investment safeguards before restarting shipments. Freeport said it still needs an investment stability agreement with the same level of fiscal and legal certainty as in its current contract of work (COW). The Phoenix-based company's local unit will continue to protect its rights under the COW while working with the government on a mutually satisfactory replacement. Freeport confirmed on Friday that it declared force majeure, a contractual clause used when suppliers can't meet obligations because of circumstances beyond their control. Freeport is ready to start arbitration against the government if it isn't able to resolve the stalemate over the terms of its license under new rules issued in January.

- Copper concentrate TC/RCS dropped to their lowest level in over seven months on Wednesday February 15 as disruptions at Escondida and Grasberg, two of the world's biggest mines, came into effect. The Metal Bulletin copper concentrates index dropped to \$81.9 per tonne/8.19 cents per lb, down just over 7% from the previous fortnightly assessment on news that copper mining has been suspended at both mines, which account for almost 10% of the world's global output. Smelters were largely absent from the market, reacting to low offers from traders, although some bought at the mid-\$80s/8c level. Direct miner-to-trader tonnages were concluded in the low \$70s/7c level, including a 60,000-tonne deal for 2017 supply from the Gibraltar mine.

Precious Metals

In recent two weeks gold hit its highest level since mid-November as it responded to a sliding USD, uncertainties swirling around President Trump's simulative fiscal policy and potentially destabilizing elections in Europe.

Will Fed and D. Trump spoil the party?

The firmer investor appetite for safe haven assets was also boosted by a retreating equity market, after several poor European corporate earnings prints and worries the US president will not deliver the lower taxes in a timely manner. Fed messaging pointing to possible early rate hikes and strong US data should prompt a move lower. Recent move to \$1,260.35 might also be a reaction to the lack of a stronger hawkish tone in the latest FOMC minutes (citing a lack of clarity on the new Administration's economic programme), which along with the various political risks prompted traders to temper expectations of US rate hikes this year.

Considering the FOMC minutes content, Secretary of the Treasury Steve Mnuchin's comments signaling a delay until August of the tax reform package fueled the speculative positions pushing the gold price towards 200d moving average. But given that the US economy is nearing full capacity and the Trump tax cuts still very much in the cards, it is quite likely that the US central bank will pull the trigger on rates by June. Also, as short term rates move higher, the firmer USD may well drive investors to reduce some exposure to the yellow metal, which would no doubt reverse some of the recent technical rally. Investors should also look ahead to an address by President Trump to Congress in the near future for further clarity on his economic policy, which could reignite optimism again. It is likely that the Fed will only hike twice (according to the market expectations) this year and the world still faces political risks in Europe and a generally low global rates environment. There will also continue to be concern that the Trump Administration will engage China and others in a "currency war", which would typically be supportive of safe-have assets.

Global economies | Foreign exchange markets

Threat of escalation in US – China trade conflict

What is the future character of the relationship between the United States and the People's Republic of China? At the moment there are more questions than answers in the case, which has enormous importance for further growth of global economy.

There are multiple scenarios for the future shape of US – China relationship, the development of the situation is yet unclear

During last weeks of Trump's presidency many campaign pledges were at least symbolically honored (including border wall with Mexico and Muslim travel ban). There is, however, no sign of the promised anti-China trade action. The rhetoric of President Donald Trump has changed from stump-speech accusations that China was "raping" the U.S. of manufacturing jobs to calling China the "grand champions" of currency manipulation, according to GaveKal Dragonomics. Trade confrontation, in line with "get tough with China" campaign promise, seems to be the main topic now in the area of US-China relationship. The development of this subject could be a combination of tariffs, anti-dumping actions against specific Chinese industries with overcapacity problems, charges of currency manipulation, and perhaps restrictions on Chinese investments in the US. Yet while politically satisfying, such a trade confrontation is unlikely to go well for the US. The anti-China measures pose various practical and legal risks. Importantly the resistance from China will be robust and there is hardly any proof that Trump's team has thought out its longer-term strategy.





Many potential "get tough" measures like increased tariffs on Chinese imports or branding China as a currency manipulator pose legal pitfalls, including those prompted from China under WTO membership, which the US would certainly lose. After losing the legal battles Washington would then face a choice: back down, or defy the ruling and risk blowing up the entire world trading system. A full-scale trade war with the US could easily knock a point off Chinese GDP growth. But Beijing can easily support any of its companies or sectors that are hurt by US trade actions, by handing out tax breaks, subsidies, or cheap loans. Funding of such measures can be secured from domestic savings. Moreover, China poses broad measures to do considerable damage to the US. The obvious moves would be to sharply cut imports of US products, which state-owned enterprises could easily be directed to do. Additionally China can compile a list of US firms in the crucial Midwest swing states that provided Trump his narrow victory, and target these companies for restrictions on their exports or business operations in China. The political blowback against real-world economic pain from a trade war would be much harder to manage in the open US system than in the closed Chinese one. Additionally, when looking on Chinese strategy before Trumps' affirming the One China policy, China's leadership is prepared for a long battle of attrition.

While the coming months will probably bring aggressive trade actions by the US against China, the ultimate strategy behind these moves remains unclear. Most probably China will respond firmly to any action of Trump's administration. The

future outcome from this situation is unclear at this point. In the best case scenario the trade confrontation does not escalate further and after Chinese cosmetic concessions, the two sides agree to resume talks on a Bilateral Investment Treaty. Such scenario would enable Trump to claim credit for a win against Chinese, but without permanently damaging the world trading system or either nation's economy. The worst scenario the world can think of would be that the Trump administration gets trapped by the fantasy that it can simply force China to change, which ends up in a full-scale trade war, affecting seriously the global economy.

Macroeconomic calendar

Important macroeconomic data releases

Weight	Date	Event	For	Reading ¹	Previous	Consensus ²	
China							
★★★★	14-Feb	Consumer inflation CPI (yoy)	Jan	2.5% ▲	2.1%	2.4%	▲
★★	14-Feb	Producer inflation PPI (yoy)	Jan	6.9% ▲	5.5%	6.5%	▲
★	14-Feb	New yuan loans (CNY bn)	Jan	2 030 ▲	1 040	2 440	●
Poland							
★★★★	13-Feb	Consumer inflation CPI (yoy)	Jan	1.8% ▲	0.8%	1.7%	▲
★★	13-Feb	Trade balance (EUR mn)‡	Dec	- 151 ▼	151	- 284	▲
★★	13-Feb	Exports (EUR mn)‡	Dec	14 615 ▼	15 953	14 205	▲
★★	13-Feb	Current account balance (EUR mn)‡	Dec	- 533 ▼	- 188	- 726	▲
★★★★★	14-Feb	GDP (yoy) - preliminary data	4Q	2.7% ▲	2.5%	2.5%	▲
★★★★★	14-Feb	GDP (qoq) - preliminary data‡	4Q	1.7% ▲	0.4%	1.2%	▲
★	14-Feb	M3 money supply (yoy)	Jan	8.5% ▼	9.6%	9.2%	●
★★	16-Feb	Average gross salary (yoy)	Jan	4.3% ▲	2.7%	4.3%	○
★	16-Feb	Employment (yoy)	Jan	4.5% ▲	3.1%	2.8%	▲
★★★★	17-Feb	Sold industrial production (yoy)‡	Jan	9.0% ▲	2.1%	8.1%	▲
★★★	17-Feb	Retail sales (yoy)	Jan	11.4% ▲	6.4%	7.7%	▲
★★	17-Feb	Producer inflation PPI (yoy)‡	Jan	4.1% ▲	3.2%	3.7%	▲
★★	23-Feb	Unemployment rate	Jan	8.6% ▲	8.3%	8.7%	●
US							
★★★★	15-Feb	Consumer inflation CPI (mom)	Jan	0.6% ▲	0.3%	0.3%	▲
★★★★	15-Feb	Consumer inflation CPI (yoy)	Jan	2.5% ▲	2.1%	2.4%	▲
★★★★	15-Feb	Industrial production (mom)‡	Jan	-0.3% ▼	0.6%	0.0%	●
★★	15-Feb	Retail sales (excluding autos, mom)‡	Jan	0.8% ▲	0.4%	0.4%	▲
★	15-Feb	Capacity utilization‡	Jan	75.3% ▼	75.6%	75.4%	●
★★	16-Feb	Philadelphia Fed business outlook	Feb	43.3 ▲	23.6	18.0	▲
★★★	21-Feb	Composite PMI - preliminary data	Feb	54.3 ▼	55.8	--	●
★★★	21-Feb	Manufacturing PMI - preliminary data	Feb	54.3 ▼	55.0	55.4	●
★★★	21-Feb	PMI services - preliminary data	Feb	53.9 ▼	55.6	55.8	●
★★	24-Feb	University of Michigan confidence index - final data	Feb	96.3 ▲	95.7	96.0	▲
Eurozone							
★★★★★	14-Feb	GDP (sa, yoy) - preliminary data‡	4Q	1.7% -	1.7%	1.8%	●
★★★★★	14-Feb	GDP (sa, qoq) - preliminary data‡	4Q	0.4% -	0.4%	0.5%	●
★★★★	14-Feb	Industrial production (sa, mom)	Dec	-1.6% ▼	1.5%	-1.5%	●
★★★★	14-Feb	Industrial production (wda, yoy)	Dec	2.0% ▼	3.2%	1.7%	▲
★	14-Feb	ZEW survey expectations	Feb	17.1 ▼	23.2	--	●
★	15-Feb	Trade balance (EUR mn)	Dec	28.1 ▲	25.9	26.0	▲
★	20-Feb	Consumer confidence - estimation‡	Feb	- 6.2 ▼	- 4.8	- 4.9	●
★★★	21-Feb	Composite PMI - preliminary data	Feb	56.0 ▲	54.4	54.3	▲
★★★	21-Feb	Manufacturing PMI - preliminary data	Feb	55.5 ▲	55.2	55.0	▲
★★★	21-Feb	Services PMI - preliminary data	Feb	55.6 ▲	53.7	53.7	▲
★★★★	22-Feb	Consumer inflation CPI (yoy) - final data‡	Jan	1.8% ▲	1.1%	1.8%	○
★★★★	22-Feb	Core CPI (yoy) - final data	Jan	0.9% -	0.9%	0.9%	○

Weight	Date	Event	For	Reading ¹	Previous	Consensus ²	
Germany							
*****	14-Feb	GDP (yoy) - preliminary data	4Q	1.2% ▼	1.5%	1.4%	☹
*****	14-Feb	GDP (sa, qoq) - preliminary data‡	4Q	0.4% ▲	0.1%	0.5%	☹
*****	14-Feb	Harmonized consumer inflation HICP (yoy) - final data	Jan	1.9% -	1.9%	1.9%	○
*****	14-Feb	Consumer inflation CPI (yoy) - final data	Jan	1.9% -	1.9%	1.9%	○
****	21-Feb	Composite PMI - preliminary data	Feb	56.1 ▲	54.8	54.8	▲
****	21-Feb	Manufacturing PMI - preliminary data	Feb	57.0 ▲	56.4	56.0	▲
**	22-Feb	IFO business climate‡	Feb	111 ▲	110	110	▲
*****	23-Feb	GDP (yoy) - final data	4Q	1.2% -	1.2%	1.2%	○
*****	23-Feb	GDP (sa, qoq) - final data	4Q	0.4% -	0.4%	0.4%	○
**	23-Feb	GfK consumer confidence	Mar	10.0 ▼	10.2	10.1	☹
**	23-Feb	Exports (qoq)‡	4Q	1.8% ▲	-0.3%	1.4%	▲
France							
*****	21-Feb	Harmonized consumer inflation HICP (yoy) - final data	Jan	1.6% -	1.6%	1.6%	○
*****	21-Feb	Consumer inflation CPI (yoy) - final data‡	Jan	1.3% -	1.3%	1.4%	☹
***	21-Feb	Composite PMI - preliminary data	Feb	56.2 ▲	54.1	53.8	▲
***	21-Feb	Manufacturing PMI - preliminary data	Feb	52.3 ▼	53.6	53.5	☹
Italy							
*****	14-Feb	GDP (wda, yoy) - preliminary data‡	4Q	1.1% -	1.1%	1.0%	▲
*****	14-Feb	GDP (wda, qoq) - preliminary data	4Q	0.2% ▼	0.3%	0.3%	☹
*****	22-Feb	Harmonized consumer inflation HICP (yoy) - final data‡	Jan	1.0% -	1.0%	0.7%	▲
UK							
*****	14-Feb	Consumer inflation CPI (yoy)	Jan	1.8% ▲	1.6%	1.9%	☹
**	15-Feb	Unemployment rate (ILO, 3-months)	Dec	4.8% -	4.8%	4.8%	○
*****	22-Feb	GDP (yoy) - preliminary data	4Q	2.0% ▼	2.2%	2.2%	☹
*****	22-Feb	GDP (qoq) - preliminary data	4Q	0.7% ▲	0.6%	0.6%	▲
Japan							
*****	13-Feb	GDP (annualized, qoq) - preliminary data‡	4Q	1.0% ▼	1.4%	1.1%	☹
*****	13-Feb	GDP (qoq, sa) - preliminary data	4Q	0.2% ▼	0.3%	0.3%	☹
*****	14-Feb	Industrial production (yoy) - final data‡	Dec	3.2% -	3.2%	--	
***	21-Feb	Manufacturing PMI - preliminary data	Feb	--	52.7	--	
Chile							
*****	14-Feb	BCCh overnight rate target	Feb	3.25% -	3.25%	3.25%	○
Canada							
*****	24-Feb	Consumer inflation CPI (yoy)	Jan	2.1% ▲	1.5%	1.6%	▲

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

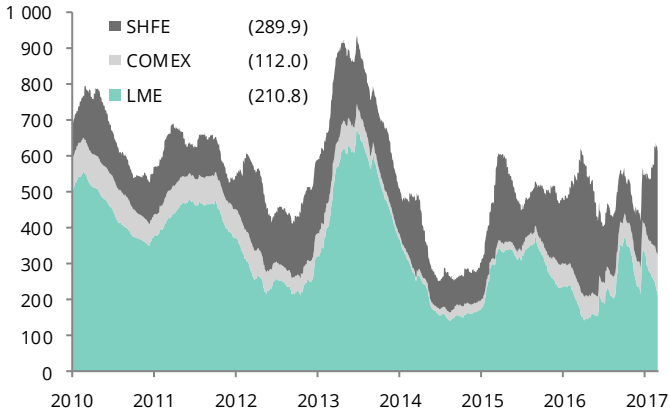
Key base & precious metal prices, exchange rates and other important market factors

(as of: 24-Feb-17)		Price change °						From year beginning ²		
	Price	2W	QTD	YTD	1Y	Average	Min	Max		
LME (USD/t)										
Copper	5 881.00	▲ 0.2%	▲ 6.9%	▲ 6.9%	▲ 26.3%	5 832.15	5 500.50	6 145.00		
Molybdenum	15 250.00	- 0.0%	- 0.0%	- 0.0%	▲ 25.0%	15 250.00	15 250.00	15 250.00		
Nickel	10 680.00	▲ 2.2%	▲ 6.7%	▲ 6.7%	▲ 25.6%	10 263.85	9 380.00	11 045.00		
Aluminum	1 877.00	▲ 1.5%	▲ 9.5%	▲ 9.5%	▲ 17.3%	1 818.96	1 701.00	1 893.00		
Tin	19 250.00	▲ 0.2%	▼ -8.8%	▼ -8.8%	▲ 18.6%	20 181.15	18 760.00	21 300.00		
Zinc	2 822.00	▼ -2.9%	▲ 10.1%	▲ 10.1%	▲ 60.2%	2 777.31	2 530.00	2 971.00		
Lead	2 231.00	▼ -7.3%	▲ 12.4%	▲ 12.4%	▲ 30.6%	2 278.87	2 007.00	2 442.00		
LBMA (USD/troz)										
Silver	18.27	▲ 3.7%	▲ 12.5%	▲ 12.5%	▲ 20.5%	17.28	15.95	18.27		
Gold ¹	1 253.65	▲ 2.1%	▲ 8.2%	▲ 8.2%	▲ 1.4%	1 210.75	1 151.00	1 253.65		
LPPM (USD/troz)										
Platinum ¹	1 027.00	▲ 3.4%	▲ 13.2%	▲ 13.2%	▲ 10.4%	986.97	929.00	1 027.00		
Palladium ¹	786.00	▲ 0.6%	▲ 16.3%	▲ 16.3%	▲ 61.4%	760.56	706.00	793.00		
FX ³										
EUR/USD	1.0609	▼ -0.2%	▲ 0.6%	▲ 0.6%	▼ -3.8%	1.0634	1.0385	1.0808		
EUR/PLN	4.3102	▲ 0.2%	▼ -2.6%	▼ -2.6%	▼ -1.5%	4.3399	4.2864	4.4002		
USD/PLN	4.0681	▲ 0.6%	▼ -2.7%	▼ -2.7%	▲ 2.5%	4.0799	3.9835	4.2271		
USD/CAD	1.3104	▲ 0.2%	▼ -2.4%	▼ -2.4%	▼ -3.5%	1.3151	1.3004	1.3438		
USD/CNY	6.8691	▼ -0.1%	▼ -1.1%	▼ -1.1%	▲ 5.1%	6.8840	6.8450	6.9640		
USD/CLP	640.36	▼ -1.0%	▼ -4.0%	▼ -4.0%	▼ -8.3%	652.78	638.35	673.36		
Money market										
3m LIBOR USD	1.054	▲ 0.02	▲ 0.06	▲ 0.06	▲ 0.42	1.034	0.999	1.057		
3m EURIBOR	-0.329	- 0.00	▼ -0.01	▼ -0.01	▼ -0.13	-0.327	-0.330	-0.319		
3m WIBOR	1.730	- 0.00	- 0.00	- 0.00	▲ 0.05	1.730	1.730	1.730		
5y USD interest rate swap	1.931	▼ -0.04	▼ -0.04	▼ -0.04	▲ 0.84	1.977	1.872	2.073		
5y EUR interest rate swap	0.092	▼ -0.05	▲ 0.02	▲ 0.02	▲ 0.08	0.136	0.078	0.198		
5y PLN interest rate swap	2.485	▼ -0.11	▲ 0.09	▲ 0.09	▲ 0.75	2.539	2.390	2.625		
Fuel										
WTI Cushing	53.49	▼ -0.7%	▼ -0.4%	▼ -0.4%	▲ 66.3%	52.89	50.82	54.10		
Brent	55.54	▼ -0.8%	▲ 0.2%	▲ 0.2%	▲ 61.1%	55.13	52.88	56.46		
Diesel NY (ULSD)	164.04	▼ -0.4%	▼ -3.4%	▼ -3.4%	▲ 54.4%	161.97	156.92	167.82		
Others										
VIX	11.47	▲ 0.62	▼ -2.57	▼ -2.57	▼ -7.64	11.52	10.58	12.85		
BBG Commodity Index	87.48	▼ -2.1%	▼ 0.0%	▼ 0.0%	▲ 15.5%	88.00	86.07	89.36		
S&P500	2 367.34	▲ 2.2%	▲ 5.7%	▲ 5.7%	▲ 21.3%	2 298.30	2 257.83	2 367.34		
DAX	11 804.03	▲ 1.2%	▲ 2.8%	▲ 2.8%	▲ 26.5%	11 674.25	11 509.84	11 998.59		
Shanghai Composite	3 253.43	▲ 1.8%	▲ 4.8%	▲ 4.8%	▲ 18.7%	3 170.29	3 101.30	3 261.22		
WIG 20	2 212.04	▲ 2.7%	▲ 13.6%	▲ 13.6%	▲ 20.3%	2 089.05	1 989.64	2 256.01		
KGHM	130.50	▲ 2.9%	▲ 41.1%	▲ 41.1%	▲ 99.8%	118.96	94.00	135.50		

° 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

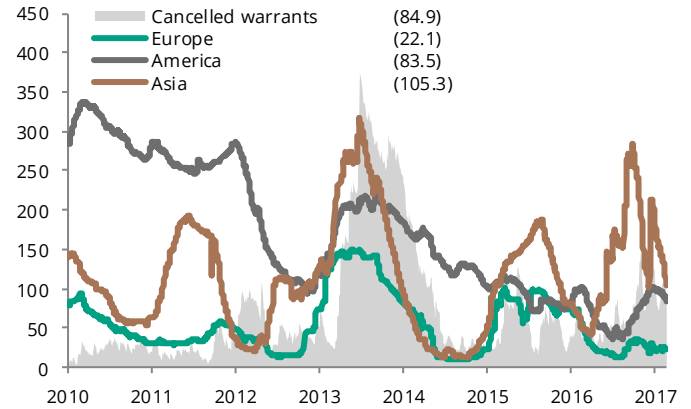
Source: Bloomberg, KGHM

Copper: official exchange stocks (thousand tonnes)



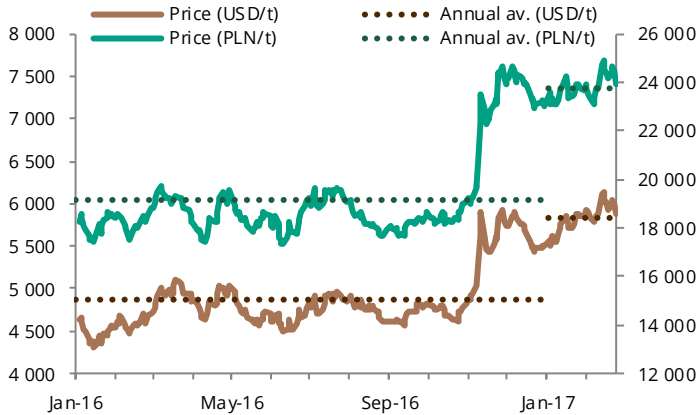
Note: Latest values in brackets. Source: Bloomberg, KGHM

Copper: official LME stocks (thousand tonnes)



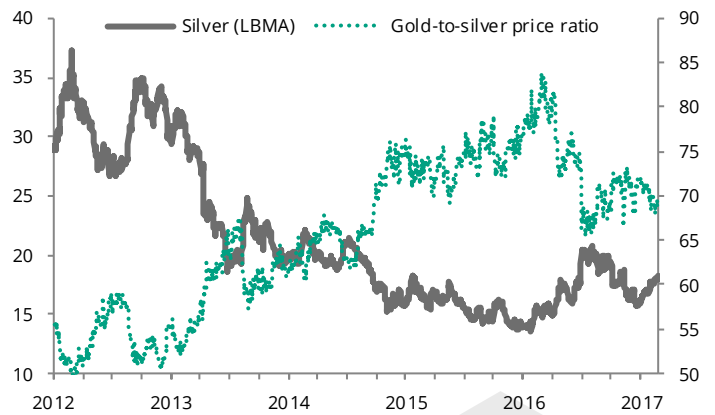
Note: Latest values in brackets. Source: Bloomberg, KGHM

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



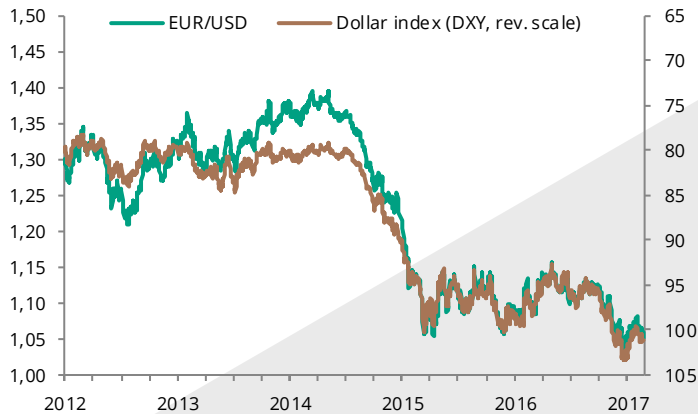
Source: Bloomberg, KGHM

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



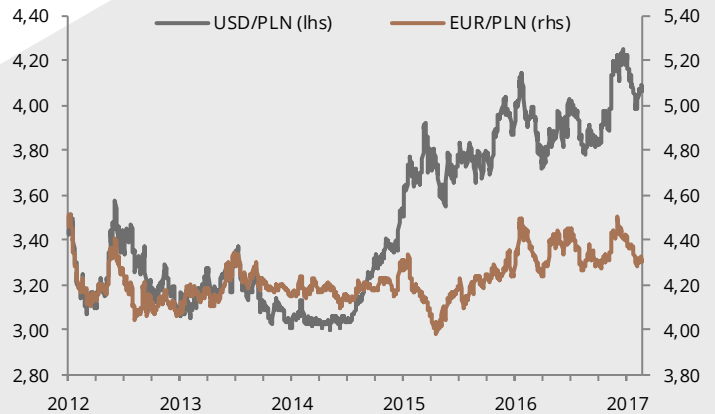
Source: Bloomberg, KGHM

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: **13th – 26th February 2017.**

- 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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