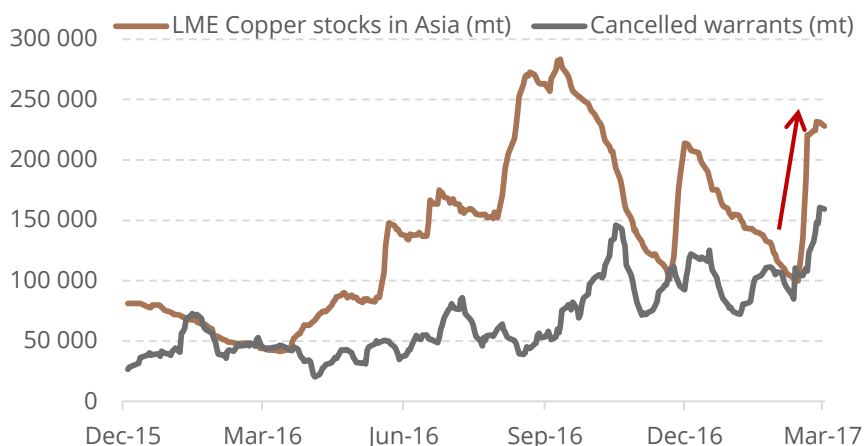


Market Overview

as of: 20th March 2017

- Copper:** The most relevant events during the last fortnight on the copper market was the continuation of Chilean and Peruvian labour unions strikes as well as significant cathodes' stock build-up in the Asian LME warehouses. In case of the former, the situation is becoming tough for both sides as neither labour union nor BHP management want to reach any kind of compromise. Meanwhile, stocks build-up raises a question about possibility of such massive deliveries in just one week along with the parallel huge LME warrants cancellations (*page 2*).
- Precious Metals:** In recent weeks gold prices remained in 1220 – 1250 USD/troz price range. In the first week the metal continued consolidation than finally rebound. The most prominent event was Fed's decision to hike rate that unexpectedly made gold rally. It appears that other than macroeconomic factors weighed on precious metals valuation and there is plenty: Trump's policy uncertainty, geopolitical risks in middle east and Europe's issues with Brexit (*page 5*).
- Fed hikes rates:** The Federal Reserve raised its benchmark lending rate a quarter point and continued to project two more increases this year, signaling more vigilance as inflation approaches its target (*page 7*).

Are the recent stocks' moves an oversupply proof or just a speculative trader-to-trader game?





Source: Bloomberg, KGHM Polska Miedź

Key market prices

	Close price	2w chng.
LME (USD/t)		
▼ Copper	5 889.00	-0.4%
▼ Nickel	10 200.00	-6.4%
LBMA (USD/troz)		
▼ Silver	17.40	-1.5%
▲ Gold (PM)	1 229.60	0.3%
FX		
▲ EURUSD	1.0737	1.6%
▼ EURPLN	4.3013	-0.2%
▼ USDPLN	3.9917	-2.5%
▼ USDCAD	1.3369	-0.4%
▲ USDCLP	661.20	1.1%
Stocks		
▼ KGHM	127.00	-0.5%

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

Important macroeconomic data

Release	For		
 Fed upper rate	Mar	1.00%	▲
 CPI (yoy)	Feb	2.7%	▲
 CPI (yoy)	Feb	2.2%	▲
 Industrial prod. (yoy)	Feb	1.2%	▼
 Econom. activity (yoy)	Jan	1.4%	▲

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

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Base and precious metals | Other commodities

Copper

The most relevant events during the last fortnight on the copper market was the continuation of Chilean and Peruvian labour unions strikes as well as significant cathodes' stock build-up in the Asian LME warehouses. In case of the former, the situation is becoming tough for both sides as neither labour union nor BHP management want to reach any kind of compromise. Meanwhile, stocks build-up raises a question about possibility of such massive deliveries in just one week along with the parallel huge LME warrants cancellations.

30th International Copper Conference – balanced market

In recent two weeks Metal Bulletin held its annual edition of International Copper Conference. Participants on various panels, presentations and meetings expressed their mixed sentiment for copper market in short to midterm and bullish in longer time horizon. First of all, investors pointed out that arguments behind recent rapid copper price growth that were able to see in last quarter faded recently. Donald Trump's program for restoration of American infrastructure still has not been described in detail and there are doubts if it is meaningful for copper industry at all. Next, there are disruptions of supply (namely Escondida strikes and Indonesia export ban) that are to be resolved soon and provide negative pressure for prices. This is why investors eyes are fixed on China again. Middle Kingdom, however, remains firm steady on copper demand and stale on new investments at least up until government change (set to be conducted in second half of this year) is done. Political instability takes its toll on investment sentiment. Europe has to cope with Brexit, coming elections in France and Germany. The uncertainty and volatility coming from probable regulations change and new trade restrictions between countries are negatively received and make investors forecast negative pressure on aggregate global growth. In the long term, however, investors are positive when it comes to copper prices and broad commodities segment. Deteriorating ore grades, lack of new mining projects, cuts on capex for mine expansions and lack of price incentive for these are among main arguments for copper price inflation in further future.

Leipzig International Copper Conference trip notes

London visit trip notes

Positive sentiment to commodities backed by markets' fundamentals. Strong "copper story"

The consensus of the research teams of major financial institutions shows the positive sentiment toward commodities markets. Having in mind low profitability of other assets (including bonds), already high valuations of equities market (27x earnings in case of S&P500 comparing to average of 16x in the long-term) and reflation theme in major economies, the commodities

market seems to be the next perfect spot for financial investors. Such prospect is backed by the fact, that most of commodities have a positive story regarding market fundamentals. Years of low prices environment influenced financial condition of majority of producers, forcing them to cut spending on development of their activities. Such lack of investment projects already results in supply cuts and will restrain the supply growth in the next few years, because in mining sector it's impossible to make up for the lost time in the area of development in short term. On top of that we have the positive revisions of the global GDP growth forecasts and steady growth of demand for commodities. As a result we receive quite optimistic commodities market outlook. There are of course differences in fundamentals between the specific commodities, but general picture looks good.

Copper has one of the most convincing story among other metals. According to analysts we are now in the third out of four stages of usual business cycle (expansion). The market fundamentals are solid. Market balance is already turning towards deficit and the dynamics of this process should be additionally supported by growing disruptions on the mine side (i.e. strike situations in Chile and Peru), relatively low global stocks of red metal and long period needed to add mining capacities. Supply constraints already affected charges (TC/RCs) paid by the miners to smelters for treatment of the copper concentrates. Their levels have recently come close to the breakeven point for Chinese smelters. The demand for copper should be still driven by China, where copper consumption data positively surprised market participants in 2016 and is expected to be strong during 2017. Additionally the long-term demand growth should be supported by the development of new energy sources (i.e. the electric vehicles sector along with its infrastructure). Such results from research activities encourage banks to revise their copper price forecasts, at least in short term. Recent moves on the global stocks of red metal are considered as temporary and insignificant for the general market view. The one element that disturbs the positive view on copper is current lack of tightness on physical refined market. This is considered to be result of few years of cathodes stocking and increase of copper scrap quantities, which hit the market after price increase.

Other important information on copper market:

- *[Platts]* Chile exported \$2.035 billion worth of copper in February, down 12.7% from a year earlier, as a prolonged strike at the world's largest copper mine, slowed shipments, according to recently released central bank data. The monthly figure also marked a fall of 13.8% from January. Around 2,500 unionized workers have been on strike at the BHP Billiton controlled Escondida mine in northern Chile since February 9, halting production at the operation which produced one million mt of copper in cathode and concentrate last year. The data showed exports of copper concentrate in February fell 17.6% from January to \$853 million while exports of copper cathode fell 8.9% to \$998 million. Exports of copper during the first two

months of the year totaled \$4.356 billion, little changed from a year ago. After almost a month on strike, the protest is estimated to have cost the Escondida mine more than 100,000 mt of lost copper production and over \$500 million in lost sales. The strike has helped to push copper prices to their highest level in almost two years, with prices averaging \$2.70/lb in February. Workers appear no closer to ending their protest, with the union refusing to meet management for negotiations until the company drops plans to remove some benefits, modify workers' rest-times and offer new recruits lesser conditions than existing employees.

- *[Reuters]* Australia and New Zealand Banking Group is scaling back its commodities market exposure by quitting trading activity in base metals, coal and iron ore and electricity, the bank confirmed on Friday, citing higher regulatory and capital costs. In a statement issued after Reuters reported the move, ANZ, Australia's third-largest lender by assets, said 11 staff across Melbourne, Sydney, Singapore, London and Shanghai will be leave the bank as a result of exiting trading in those commodities. The bank said it will maintain its focus on precious metals, agriculture and energy. Last year it shut down lending to small and mid-sized enterprises in five Asian countries, cutting around 100 jobs.
- *[Reuters]* Workers at Freeport-McMoRan's Cerro Verde mine started an indefinite strike that halted output of about 40,000 tonnes per month at Peru's top copper mine. The stoppage comes amid ongoing supply disruptions at the world's two biggest copper mines, Escondida in Chile and Grasberg in Indonesia, and could put more pressure on global prices of the metal. At Cerro Verde, the union initially scheduled a five-day strike but voted to down tools indefinitely to push for family health benefits and a bigger share of the mine's profits. Freeport-McMoRan owns a 53.56% stake in Cerro Verde, which more than doubled its production to nearly 500,000 tonnes of copper last year because of an expansion.
- *[La Tercera]* The strike at BHP Billiton Group's Escondida copper project is set to become the longest protest at the mine and the most expensive in the history of mining in Chile, according to La Tercera. The report states that the company had lost US\$544 million by March 5, when the strike reached 25 days. The mine's losses are expected to reach US\$650 million on March 12, day 32 of the strike, equaling the losses of the previous longest strike at Escondida in 2006, which lasted 25 days. BHP Billiton will be allowed to forward individual offers to the union members after 30 days of strikes. If more than half of its workers accept the company's proposals, the union would be forced to end the work stoppage. In early March, the strike reportedly turned violent when a group of protesters illegally blocked an access road to the mine and triggered clashes with the police. Escondida has lost US\$20 million per day since the start of the strike in February.
- *[Bloomberg]* Three of the world's top copper mines face simultaneous disruptions, but the situation is slightly different when talking to big users of the metal. Supply of both refined copper cathode and scrap metal has

increased, according to Nexans SA, the second largest producer of electric cables. Scrap in particular has flooded into the market as dealers rushed to cash in on rallying prices, according to the company purchasing manager for non-ferrous metals. The increased supply adds to already conflicting signals for copper, as traders weigh the impact of interruptions at mines in Chile, Indonesia and Peru against slowing Chinese demand growth. While last week's surge in stockpiles tracked by the London Metal Exchange suggested an excess of the metal used in pipes and wires, orders to withdraw copper from storage also rose sharply. Aurubis AG, the world's largest copper recycler, processed 36 percent more scrap in the three months through December compared with a year earlier, as availability increased. The company uses old metal to make copper cathode used in copper wire rod, tubes and brass. For Nexans, metal availability and purchasing terms are the most favorable they've been in years. According to the company, While some copper dealers need to sell scrap continually to generate cash, others can wait for higher prices.

Precious Metals

In recent weeks gold prices remained in 1220 – 1250 USD/troz price range. In the first week the metal continued consolidation than finally rebound. The most prominent event was Fed's decision to hike rate that unexpectedly made gold rally. It appears that other than macroeconomic factors weighed on precious metals valuation and there is plenty: Trump's policy uncertainty, geopolitical risks in middle east and Europe's issues with Brexit.

One man's trash is another man's treasure

Indian billionaire Anil Agarwal said he wants to buy a 2 billion pound stake in Anglo American, a company that is key to palladium and platinum production. After precious metals prices slumped in 2013 - 2016 the company was in trouble, had to lay off some workers and make additional cuts to spending and expansion. Nonetheless last year, Anglo American's shares gained nearly 300 percent, making it the best performer on the London FTSE as the mining industry recovered from a slump in commodity prices. Agarwal, who has majority control of Hindustan Zinc Ltd through Vedanta Ltd, will make the investment via his family trust Volcan. The billionaire, who has four decades of experience as an entrepreneur, founded the Vedanta Group in 1979. It has copper operations in Zambia and a zinc mine in South Africa, Anglo American's heartland so additional palladium operation would be complementary and exhibit diversification for the investor. Some mining sector analysts say however, that the plan to take over may be too early because the sector haven't stabilised yet after the crisis. Many analysts do not expect M&A's until next year.

Palladium demand makes Nornickel to draw on Russian reserves

A fund created by Nornickel buys palladium from Russia's central bank reserves to help meet demand from its customers. Demand from Nornickel's customers is higher than its production of palladium, a metal used mainly in emissions-curbing auto catalysts. The central bank enables the firm to close this deficit. Nornickel created the fund in 2016 to develop relations with holders of existing metal stockpiles, with a commitment for potential transactions of up to \$200 million. The size of its palladium stock is a state secret.

Global economies | Foreign exchange markets

Fed raises benchmark rate to 0,75-1,00%

The Federal Reserve raised its benchmark lending rate a quarter point and continued to project two more increases this year, signaling more vigilance as inflation approaches its target.

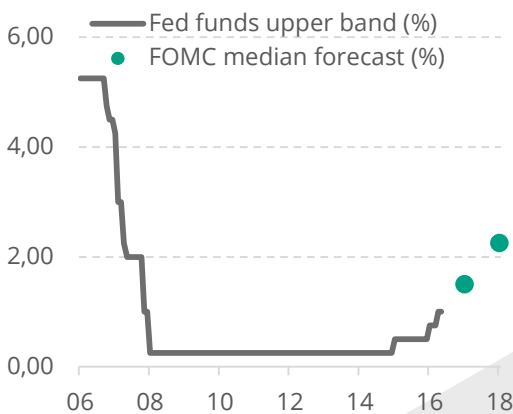
Source: Bloomberg

Investors had almost fully expected the increase to a range of 0.75 to 1% following unusually clear signals from policy makers including Chair Janet Yellen who said that FOMC's decision to make another gradual reduction in the amount of policy accommodation reflects the economy's continued progress. The U.S. economy has mostly met the central bank's goals of full employment and stable prices, and may get further support if President Donald Trump delivers promised fiscal stimulus. For now, officials stuck with their "gradual" approach to tightening monetary policy, while removing the word "only" when a previous statement called the approach "only gradual".

According to FOMC dots median two more hikes in 2017 are on the table; discussion about balance sheet reinvestment policy has been raised but no further action taken

Central bankers left unchanged their median projections for three quarter percentage-point increases in 2018, while the median fed funds rate estimate for 2019 rose to 3 percent from 2.9 percent. They also repeated a commitment to maintain their balance sheet reinvestment policy until rate increases were well under way. Yellen said officials had discussed the process of reducing the balance sheet gradually, but had made no decisions and would continue to debate the topic. The FOMC made several changes to their language on inflation. The committee described job gains as "solid" and said business investment "appears to have firmed somewhat". Inflation, the statement said, is "moving close" to the committee's 2% target.

Fed hikes rate and wishes to drive the rates to over 2,00% in the next two years



Source: Bloomberg, KGHM Polska Miedź

The third rate hike since the 2007-2009 recession was well telegraphed, following comments in recent weeks from officials including Vice Chairman Stanley Fischer and New York Fed chief William Dudley, who called the case for a March move "a lot more compelling". The Atlanta Fed's model for GDP predicts an expansion of 0.9 percent in the first quarter, less than a third the pace Trump is aiming for. Yet some Fed officials have already upgraded their forecasts in anticipation of some form of boost to the economy from the new administration.

Macroeconomic calendar

Important macroeconomic data releases

Weight	Date	Event	For	Reading ¹	Previous	Consensus ²	
China 							
⊕	07-Mar	Foreign reserves (USD bn)	Feb	3 005 ▲	2 998	2 969	▲
⊕⊕	08-Mar	Trade balance (USD bn)‡	Feb	- 9.2 ▼	51.3	27.0	●
⊕⊕	08-Mar	Exports (yoy)	Feb	-1.3% ▼	7.9%	14.0%	●
⊕⊕⊕⊕	09-Mar	Consumer inflation CPI (yoy)	Feb	0.8% ▼	2.5%	1.7%	●
⊕⊕	09-Mar	Producer inflation PPI (yoy)	Feb	7.8% ▲	6.9%	7.7%	▲
⊕	09-Mar	New yuan loans (CNY bn)	Feb	1 170 ▼	2 030	950	▲
⊕⊕	14-Mar	Fixed assets investments (ytd, yoy)	Feb	8.9% ▲	8.1%	8.3%	▲
Poland 							
⊕⊕⊕⊕⊕	08-Mar	NBP base rate decision	Mar	1.50% -	1.50%	1.50%	○
⊕⊕⊕⊕	14-Mar	Consumer inflation CPI (yoy)‡	Feb	2.2% ▲	1.7%	2.1%	▲
⊕	14-Mar	M3 money supply (yoy)	Feb	8.2% ▼	8.5%	8.5%	●
⊕⊕⊕⊕	15-Mar	Core CPI (excluding food and energy, yoy)	Feb	0.3% ▲	0.2%	0.4%	●
⊕⊕	16-Mar	Average gross salary (yoy)	Feb	4.0% ▼	4.3%	4.0%	○
⊕⊕	16-Mar	Trade balance (EUR mn)	Jan	225 ▲	- 151	377	●
⊕⊕	16-Mar	Exports (EUR mn)	Jan	14 976 ▲	14 615	15 195	●
⊕⊕	16-Mar	Current account balance (EUR mn)	Jan	2 457 ▲	- 533	332	▲
⊕	16-Mar	Employment (yoy)	Feb	4.6% ▲	4.5%	4.5%	▲
⊕⊕⊕⊕	17-Mar	Sold industrial production (yoy)‡	Feb	1.2% ▼	9.1%	2.7%	●
⊕⊕⊕	17-Mar	Retail sales (yoy)	Feb	7.3% ▼	11.4%	8.3%	●
⊕⊕	17-Mar	Producer inflation PPI (yoy)‡	Feb	4.4% ▲	4.0%	4.6%	●
US 							
⊕⊕	06-Mar	Durable goods orders - final data‡	Jan	2.0% ▼	2.3%	1.0%	▲
⊕⊕	10-Mar	Change in non-farm payrolls (ths)‡	Feb	235 ▼	238	200	▲
⊕⊕	10-Mar	Underemployment rate (U6)	Feb	9.2% ▼	9.4%	--	
⊕⊕	10-Mar	Unemployment rate	Feb	4.7% ▼	4.8%	4.7%	○
⊕	10-Mar	Average hourly earnings (yoy)‡	Feb	2.8% ▲	2.6%	2.8%	○
⊕⊕⊕⊕⊕	15-Mar	FOMC base rate decision - upper bound (Fed)	Mar	1.00% ▲	0.75%	1.00%	○
⊕⊕⊕⊕⊕	15-Mar	FOMC base rate decision - lower bound (Fed)	Mar	0.75% ▲	0.50%	0.75%	○
⊕⊕⊕⊕	15-Mar	Consumer inflation CPI (mom)	Feb	0.1% ▼	0.6%	0.0%	▲
⊕⊕⊕⊕	15-Mar	Consumer inflation CPI (yoy)	Feb	2.7% ▲	2.5%	2.7%	○
⊕⊕	15-Mar	Retail sales (excluding autos, mom)‡	Feb	0.2% ▼	1.2%	0.1%	▲
⊕⊕	16-Mar	Philadelphia Fed business outlook	Mar	32.8 ▼	43.3	30.0	▲
⊕⊕⊕⊕	17-Mar	Industrial production (mom)‡	Feb	0.0% ▲	-0.1%	0.2%	●
⊕⊕	17-Mar	University of Michigan confidence index - preliminary data	Mar	97.6 ▲	96.3	97.0	▲
⊕	17-Mar	Capacity utilization‡	Feb	75.4% ▼	75.5%	75.5%	●

Weight	Date	Event	For	Reading ¹	Previous	Consensus ²	
Eurozone							
⊕⊕⊕⊕⊕	07-Mar	GDP (sa, yoy) - final data	4Q	1.7% -	1.7%	1.7%	⊙
⊕⊕⊕⊕⊕	07-Mar	GDP (sa, qoq) - final data	4Q	0.4% -	0.4%	0.4%	⊙
⊕⊕⊕	07-Mar	Gross fixed capital (qoq)‡	4Q	0.6% ▲	-0.7%	0.6%	⊙
⊕⊕⊕	07-Mar	Households consumption (qoq)	4Q	0.4% ▲	0.3%	0.5%	◡
⊕⊕⊕⊕⊕	09-Mar	ECB main refinancing rate	Mar	0.00% -	0.00%	0.00%	⊙
⊕⊕⊕⊕⊕	09-Mar	ECB deposit facility rate	Mar	-0.4% -	-0.4%	-0.4%	⊙
⊕⊕⊕⊕	14-Mar	Industrial production (sa, mom)‡	Jan	0.9% ▲	-1.2%	1.3%	◡
⊕⊕⊕⊕	14-Mar	Industrial production (wda, yoy)‡	Jan	0.6% ▼	2.5%	0.9%	◡
⊕	14-Mar	ZEW survey expectations	Mar	25.6 ▲	17.1	--	
⊕⊕⊕⊕	16-Mar	Consumer inflation CPI (yoy) - final data	Feb	2.0% -	2.0%	2.0%	⊙
⊕⊕⊕⊕	16-Mar	Core CPI (yoy) - final data	Feb	0.9% -	0.9%	0.9%	⊙
⊕	17-Mar	Trade balance (EUR mn)‡	Jan	-0.6 ▼	27.9	--	
Germany							
⊕⊕⊕	07-Mar	Factory orders (wda, yoy)‡	Jan	-0.8% ▼	8.0%	4.3%	◡
⊕⊕⊕⊕	08-Mar	Industrial production (wda, yoy)‡	Jan	0.0% ▲	-0.1%	-0.6%	◡
⊕⊕⊕⊕	14-Mar	Harmonized consumer inflation HICP (yoy) - final data	Feb	2.2% -	2.2%	2.2%	⊙
⊕⊕⊕⊕	14-Mar	Consumer inflation CPI (yoy) - final data	Feb	2.2% -	2.2%	2.2%	⊙
France							
⊕⊕⊕⊕	10-Mar	Industrial production (yoy)‡	Jan	-0.4% ▼	0.9%	0.4%	◡
⊕⊕⊕⊕	15-Mar	Harmonized consumer inflation HICP (yoy) - final data	Feb	1.4% -	1.4%	1.4%	⊙
⊕⊕⊕⊕	15-Mar	Consumer inflation CPI (yoy) - final data	Feb	1.2% -	1.2%	1.2%	⊙
Italy							
⊕⊕⊕⊕	13-Mar	Industrial production (wda, yoy)‡	Jan	-0.5% ▼	6.8%	3.2%	◡
⊕⊕⊕⊕	15-Mar	Harmonized consumer inflation HICP (yoy) - final data	Feb	1.6% -	1.6%	1.6%	⊙
UK							
⊕⊕⊕⊕	10-Mar	Industrial production (yoy)	Jan	3.2% ▼	4.3%	3.2%	⊙
⊕⊕	15-Mar	Unemployment rate (ILO, 3-months)	Jan	4.7% ▼	4.8%	4.8%	◡
⊕⊕⊕⊕⊕	16-Mar	BoE base rate decision	Mar	0.25% -	0.25%	0.25%	⊙
⊕⊕⊕⊕	16-Mar	BoE asset purchase target (GBP bn)	Mar	435 -	435	435	⊙
Japan							
⊕⊕⊕⊕⊕	08-Mar	GDP (annualized, qoq) - final data	4Q	1.2% ▲	1.0%	1.5%	◡
⊕⊕⊕⊕⊕	08-Mar	GDP (qoq, sa) - final data	4Q	0.3% ▲	0.2%	0.4%	◡
⊕⊕⊕⊕	15-Mar	Industrial production (yoy) - final data	Jan	3.7% ▲	3.2%	--	
Chile							
⊕⊕⊕⊕	06-Mar	Economic activity (yoy)‡	Jan	1.4% ▲	0.6%	1.0%	◡
⊕⊕⊕	07-Mar	Copper exports (USD mn)	Feb	2 037 ▼	2 319	--	
⊕⊕	07-Mar	Nominal wages (yoy)	Jan	4.4% ▼	4.7%	4.4%	⊙
⊕⊕⊕⊕	08-Mar	Consumer inflation CPI (yoy)	Feb	2.7% ▼	2.8%	2.8%	◡
⊕⊕⊕⊕⊕	16-Mar	BCCh overnight rate target	Mar	3.00% ▼	3.25%	3.00%	⊙
Canada							
⊕⊕⊕	09-Mar	Capacity utilization‡	4Q	82.2% ▲	81.6%	82.5%	◡
⊕⊕⊕	10-Mar	Net change in employment (ths)	Feb	15.3 ▼	48.3	-5.0	◡

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

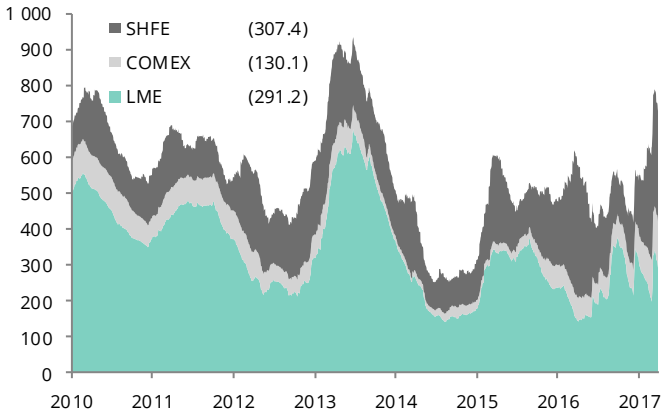
(as of: 17-Mar-17)

	Price	Price change °					From year beginning ²		
		2W	QTD	YTD	1Y	Average	Min	Max	
LME (USD/t)									
Copper	5 889.00	▼ -0.4%	▲ 7.1%	▲ 7.1%	▲ 17.1%	5 839.23	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	10 200.00	▼ -6.4%	▲ 1.9%	▲ 1.9%	▲ 18.0%	10 332.64	9 380.00	11 045.00	
Aluminum	1 901.00	▼ -0.4%	▲ 10.9%	▲ 10.9%	▲ 26.4%	1 839.15	1 701.00	1 934.00	
Tin	20 450.00	▲ 5.3%	▼ -3.1%	▼ -3.1%	▲ 20.1%	20 008.18	18 760.00	21 300.00	
Zinc	2 847.00	▲ 1.8%	▲ 11.1%	▲ 11.1%	▲ 58.7%	2 775.95	2 530.00	2 971.00	
Lead	2 260.00	▲ 0.6%	▲ 13.9%	▲ 13.9%	▲ 24.7%	2 270.91	2 007.00	2 442.00	
LBMA (USD/troz)									
Silver	17.40	▼ -1.5%	▲ 7.1%	▲ 7.1%	▲ 10.6%	17.36	15.95	18.34	
Gold ¹	1 229.60	▲ 0.3%	▲ 6.1%	▲ 6.1%	▼ -2.9%	1 214.58	1 151.00	1 257.20	
LPPM (USD/troz)									
Platinum ¹	960.00	▼ -2.7%	▲ 5.8%	▲ 5.8%	▼ -2.8%	982.38	929.00	1 033.00	
Palladium ¹	778.00	▲ 2.9%	▲ 15.1%	▲ 15.1%	▲ 32.1%	762.00	706.00	793.00	
FX ³									
EURUSD	1.0737	▲ 1.6%	▲ 1.9%	▲ 1.9%	▼ -5.1%	1.0628	1.0385	1.0808	
EURPLN	4.3013	▼ -0.2%	▼ -2.8%	▼ -2.8%	▲ 0.1%	4.3316	4.2821	4.4002	
USDPLN	3.9917	▼ -2.5%	▼ -4.5%	▼ -4.5%	▲ 4.9%	4.0748	3.9821	4.2271	
USDCAD	1.3369	▼ -0.4%	▼ -0.4%	▼ -0.4%	▲ 3.0%	1.3221	1.3004	1.3505	
USDCNY	6.9034	▲ 0.1%	▼ -0.6%	▼ -0.6%	▲ 6.6%	6.8890	6.8450	6.9640	
USDCLP	661.20	▲ 1.1%	▼ -0.9%	▼ -0.9%	▼ -3.9%	654.43	638.35	673.36	
Money market									
3m LIBOR USD	1.152	▲ 0.05	▲ 0.15	▲ 0.15	▲ 0.53	1.058	0.999	1.156	
3m EURIBOR	-0.329	- 0.00	▼ -0.01	▼ -0.01	▼ -0.10	-0.328	-0.330	-0.319	
3m WIBOR	1.730	- 0.00	- 0.00	- 0.00	▲ 0.06	1.730	1.730	1.730	
5y USD interest rate swap	2.125	▼ 0.00	▲ 0.15	▲ 0.15	▲ 0.82	2.023	1.872	2.239	
5y EUR interest rate swap	0.263	▲ 0.07	▲ 0.19	▲ 0.19	▲ 0.22	0.158	0.078	0.321	
5y PLN interest rate swap	2.545	▲ 0.04	▲ 0.15	▲ 0.15	▲ 0.76	2.535	2.390	2.625	
Fuel									
WTI Cushing	48.78	▼ -8.5%	▼ -9.2%	▼ -9.2%	▲ 21.3%	52.26	47.72	54.10	
Brent	51.22	▼ -6.9%	▼ -7.6%	▼ -7.6%	▲ 26.3%	54.51	50.66	56.46	
Diesel NY (ULSD)	150.10	▼ -5.1%	▼ -11.6%	▼ -11.6%	▲ 19.8%	159.80	148.07	167.82	
Others									
VIX	11.28	▲ 0.32	▼ -2.76	▼ -2.76	▼ -3.16	11.59	10.58	12.92	
BBG Commodity Index	85.14	▼ -2.3%	▼ -2.7%	▼ -2.7%	▲ 4.7%	87.34	83.90	89.36	
S&P500	2 378.25	▼ -0.2%	▲ 6.2%	▲ 6.2%	▲ 16.5%	2 321.38	2 257.83	2 395.96	
DAX	12 095.24	▲ 0.6%	▲ 5.3%	▲ 5.3%	▲ 22.3%	11 766.55	11 509.84	12 095.24	
Shanghai Composite	3 237.45	▲ 0.6%	▲ 4.3%	▲ 4.3%	▲ 11.5%	3 191.54	3 101.30	3 268.94	
WIG 20	2 296.97	▲ 2.9%	▲ 17.9%	▲ 17.9%	▲ 18.1%	2 131.87	1 989.64	2 296.97	
KGHM	127.00	▼ -0.5%	▲ 37.3%	▲ 37.3%	▲ 67.7%	120.73	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

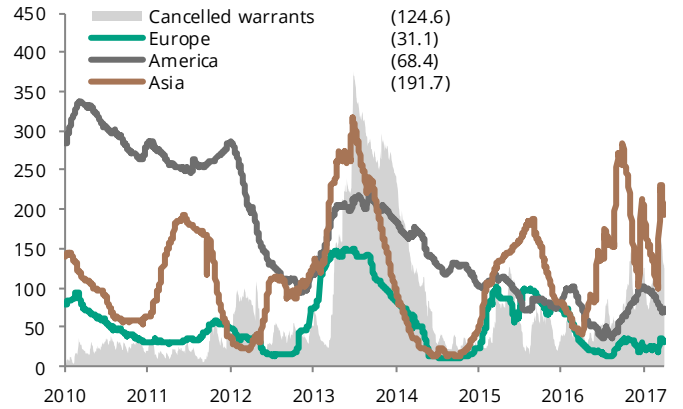
Source: Bloomberg, KGHM

Copper: official exchange stocks (thousand tonnes)



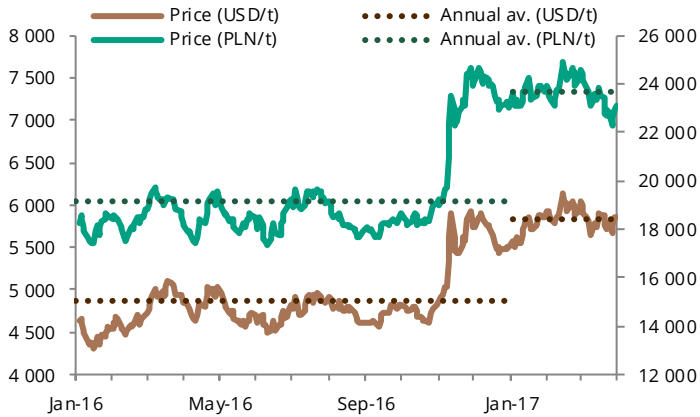
Note: Latest values in brackets. Source: Bloomberg, KGHM

Copper: official LME stocks (thousand tonnes)



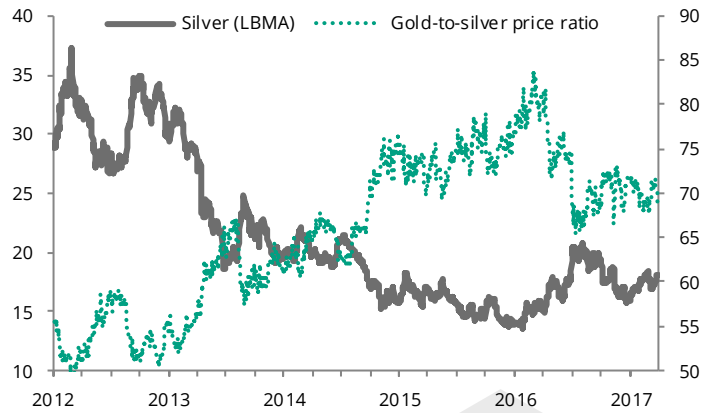
Note: Latest values in brackets. Source: Bloomberg, KGHM

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



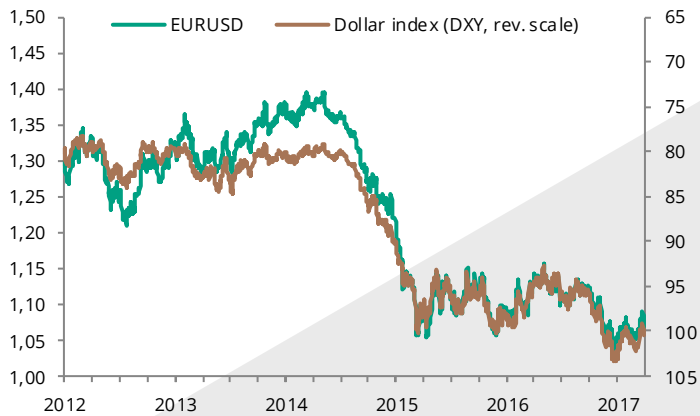
Source: Bloomberg, KGHM

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



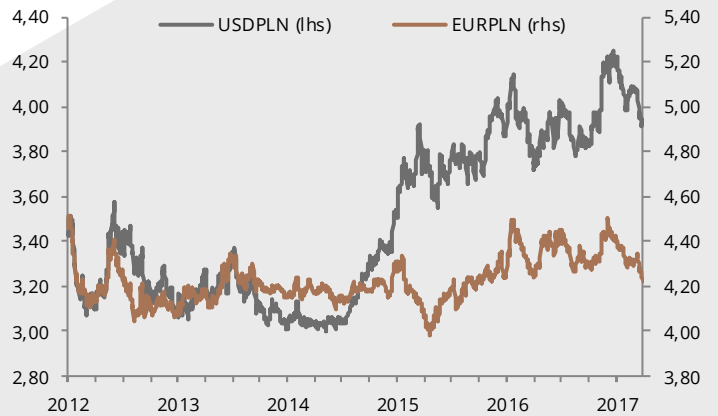
Source: Bloomberg, KGHM

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:
6th – 19th March 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, , also: Bloomberg and 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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