

# Market Overview



as of: 12<sup>th</sup> June 2017


- **Copper:** The disruptions on the supply side of copper market are much lower comparing to those seen in Q1 2017, but the tensions are far from being resolved and the risk of further cuts of production is still significant (page 2).
- **Precious metals:** In recent two weeks gold continued falling after it marked its monthly heights of around 1300 USD/troz. Investors remained cautious ahead of a two-day U.S. Federal Reserve meeting that is likely to provide hints on the central bank's interest rate policy for the remainder of the year. The Fed is widely expected to hike interest rates. The focus is on whether the Fed thinks the U.S. economy is robust enough to withstand further rate increases through 2017 (page 3).
- **China:** The key event in China's political calendar is now just a few months away. At the close of the Communist Party's 19th Congress, to be held at a still unspecified date in the fall, a new group of top leaders will walk out to greet the media. The lineup of officials who join top leader Xi Jinping in the ruling Politburo Standing Committee (PBSC) will reveal a lot about China's political future (page 5).

## Key market prices

	Close price	2w chng.
<b>LME (USD/t)</b>		
▲ Copper	5 739.00	1.2%
▼ Nickel	8 805.00	-2.2%
<b>LBMA (USD/troz)</b>		
▲ Silver	17.35	0.3%
▲ Gold (PM)	1 266.55	0.1%
<b>FX</b>		
▼ EURUSD	1.1176	-0.2%
▲ EURPLN	4.1877	0.2%
▲ USDPLN	3.7465	0.6%
▼ USDCAD	1.3453	0.0%
▼ USDCLP	666.28	-0.5%
<b>Stocks</b>		
▲ KGHM	114.50	3.4%

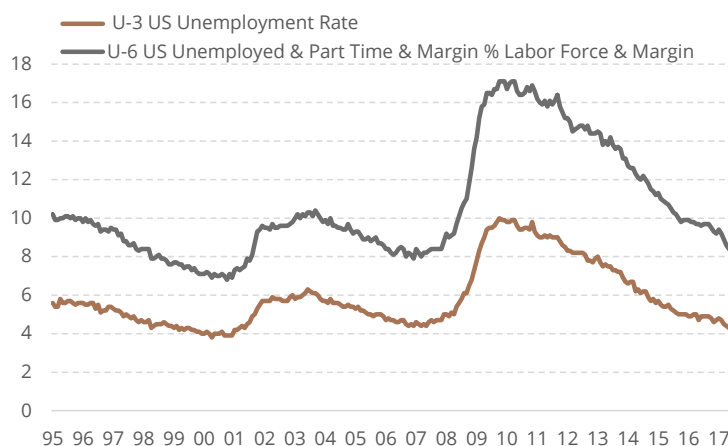
Source: Bloomberg, KGHM Polska Miedź; (more on page 8)

## Important macroeconomic data

	Release	For	
	ISM Manufacturing	May	54.9 ▲
	Official manuf. PMI	May	51.2 -
	GDP (yoy)	1Q	4.0% -
	Manufacturing PMI (sa)	May	56.7 ▼
	Copper production (mt)	Apr	429 241 ▲

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

## The unemployment rate in the U.S. has fallen to 4.3%, below pre-2008-crisis levels



Source: Bloomberg, KGHM Polska Miedź

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## Base and precious metals | Other commodities

### Copper

**The disruptions on the supply side of copper market are much lower comparing to those seen in Q1 2017, but the tensions are far from being resolved and the risk of further cuts of production is still significant.**

**The first wrap up of the negotiations between Freeport and Indonesian government is expected in October**

#### Talks between Freeport and Indonesian government

The government kicked off negotiations with Freeport, which operates in Indonesia through its local arm Freeport Indonesia, on May 4. On the table were several unresolved issues, including legal certainty for the miner's planned \$17 billion investment beyond 2021 — when its existing contract expires, tax rates, the government's requirement for the US mining giant to divert a 51 percent stake in its local unit and another requirement for the company to build a smelter in the country to add value to its gold and copper ores. The miner needs to convert the existing contract it has had since 1967 to operate it into a special mining permit which will give the company fewer privileges. Teguh Pamudi, the secretary general of the Ministry of Energy and Mineral Resources and the leader of the government's negotiating team, said discussions with Freeport Indonesia are still ongoing and the government expects to see some compromises in October before it seals Freeport's fate. Freeport plans to sink \$17 billion in investment to transition the Grasberg complex from an open pit into an underground mining operation starting in late 2017. "Investment certainty is what we need," Freeport Indonesia spokesman Riza Pratama said, adding that production peak from the underground mine is expected to happen in 2022. Meanwhile, fulfilling the government's request to develop a second smelter in the country may take four to five years, which means the company needs certainty that it can secure contract extension beyond 2021.

**Ramp up of the Grasberg production in trouble as workers went on strike.**

Freeport resumed its copper concentrate exports from Grasberg in April after a 15-week outage caused by the dispute with government. The ramp up of production — which was cut by around two-thirds during the outage - has been additionally struck by escalating labor tensions. The strike situation has hurt mining and milling rates and has recently led to firing of 3,000 striking workers that have failed to report for work. The workers were protesting against layoffs and furloughs.

**Disruptions ease, but producers are forced to cut annual production guidance.**

Situation in Grasberg - world's no 2 copper mine - affected the supply side of the market in Q4 2016 and Q1 2017. The level of global disruption of supply were additionally increased by strike in BHP Billiton's Escondida mine - the force majeure on shipments was eventually lifted on 1st of June, but BHP was forced to cut guidance for full-year copper output as much as 18 percent after 44-day strike.

### Other important information on copper market:

- *[source: Reuters]* Orders to withdraw copper from warehouses tracked by the London Metal Exchange climbed to the highest level in three years, led by a surge in Asia. Copper canceled warrants, as the orders are known, rose 2.4 percent to 161,700 metric tons, the highest since February 2014 and a seventh straight gain. Bookings in Malaysia jumped 36 percent, while those in South Korea and Singapore increased more than 4 percent. The rise in orders may help provide a counterweight to rising inventories and concerns over Chinese demand that have eroded gains in copper this year. Also undergirding the outlook are risks to supply. Glencore Plc said costs threaten the viability of Australia copper operations, indicating possible closures, while a strike clouds the production outlook at Freeport-McMoRan Inc.'s Grasberg mine in Indonesia.
- *[source: Reuters]* Peruvian miners plan to begin an indefinite nation-wide strike on July 19 to protest "anti-labor" government proposals, according to the National Federation of Miners, Metallurgists and Steelworkers. The federation, which groups 110 unions representing 40,000 workers at various mines in Peru, had approved the strike in May but did not set a date. Peru is the world's second-largest producer of copper, zinc and silver, and the sixth-largest producer of gold.

## Precious Metals

**In recent two weeks gold continued falling after it marked its monthly heights of around 1300 USD/troz. Investors remained cautious ahead of a two-day U.S. Federal Reserve meeting that is likely to provide hints on the central bank's interest rate policy for the remainder of the year. The Fed is widely expected to hike interest rates. The focus is on whether the Fed thinks the U.S. economy is robust enough to withstand further rate increases through 2017.**

### Shadon Gold Mining plans to acquire new gold mine

Shandong Gold Mining Co Ltd plans to apply for loans worth up to \$1.26 billion via its unit to fund the acquisition of a stake in Barrick Gold Corp's mine in Argentina, the Chinese precious metal producer said recently. The Chinese producer's unit Shandong Gold Mining (Hong Kong) Co Ltd would apply for the loans from offshore units of two Chinese state-owned banks, it said in a statement. Out of the total borrowing, \$960 million would be used to fund the acquisition of a 50 percent stake in Canadian firm Barrick's Veladero gold mine in Argentina, while the remaining \$300 million would be allocated as working capital. In April, Shandong Gold Mining said it would acquire the stake in the Veladero mine owned by Barrick, the world's largest gold producer. Chinese firms have been seeking resources overseas to expand their global footprint.

### Sibanye Gold's issue heavily oversubscribed

Sibanye Gold's \$1 billion rights issue, aimed at raising capital to help fund its acquisition of U.S. platinum producer Stillwater, was oversubscribed by almost five-fold, the company said recently. Such capital raising efforts are comparatively rare at the moment in South Africa's troubled mining sector, which is beset by a range of challenges including policy uncertainty and labor and social unrest. But Sibanye, which has built a reputation on its dividend flow, is diversifying away from its home base with its Stillwater acquisition, reducing its exposure to the risks associated with doing business in South Africa. "Approximately 97 percent of shareholders subscribed for 1.2 billion new Sibanye shares in terms of the rights offer resulting in excess applications were received for an additional 5.9 billion new shares. Offered at a discount of 60 percent to its closing price on May 17, the funds raised will repay a portion of a \$2.65 billion loan facility it used to acquire Stillwater. Sibanye's dividend yield is 5.64 percent, well above the 2.16 average of its South African peers, Reuters data shows.

## Global economies | Foreign exchange markets

### China: The Party Congress is coming

**The key event in China's political calendar is now just a few months away. At the close of the Communist Party's 19th Congress, to be held at a still unspecified date in the fall, a new group of top leaders will walk out to greet the media. The lineup of officials who join top leader Xi Jinping in the ruling Politburo Standing Committee (PBSC) will reveal a lot about China's political future.**

**Source: Gavekal Dragonomics**

The results will be watched even more closely than usual because of widespread speculation that Xi is preparing to maintain political influence even after the end of his second term in 2022, and will bend or break convention to do so. Looking at the lineup of the PBSC is the main way outsiders will be able to judge to what extent this has happened.

**One-man rule or institutional succession?**


























According to Gavekal Dragonomics analysts, there are four major institutional questions that will be settled at the Congress. First, will the current retirement age for top leaders be abandoned? Second, will Xi avoid having an obvious successor join him in the PBSC? Third, will the size of the PBSC shrink from the current seven members? Fourth, will new members of the PBSC be mostly Xi's cronies? The more of these questions to which the answer is 'yes', the more the Party will shift toward one-man rule and away from institutionalized succession, and the more likely Xi is to be able to continue exerting power after the end of his second term. And by the same token, the greater the risk there would be of opposition from those who feel Xi is going too far, and of greater instability when Xi does pass from the scene.






**This is not about next year's economic policy but rather about the top leadership work for the next decade**

While making firm predictions about what exactly the elite of the Party will decide at the Congress is foolhardy, it is useful to examine different possible scenarios in order to prepare for the final result. There is a wide variety of potential outcomes, and nothing is set in stone. But the common element in all my scenarios is the unchallenged preeminence of Xi Jinping for at least the next five years. All the evidence suggests that he is in firm control of the Party and government. There is therefore little reason to expect dramatic changes in his governance style or policy direction after the Party Congress. Xi has already been designated the "core" of the leadership, and does not require further validation at the Congress in order to pursue his priorities. The questions that will be settled this fall are not about next year's economic policy, but about how the top leadership will work for the next decade.

## Macroeconomic calendar

### Important macroeconomic data releases

Weight	Date	Event	For	Reading <sup>1</sup>	Previous	Consensus <sup>2</sup>
<b>China</b> 						
🔴🔴🔴	31-May	Official manufacturing PMI	May	51.2 -	51.2	51.0 
🔴🔴🔴	01-Jun	Caixin's manufacturing PMI	May	49.6 ▼	50.3	50.1 
🔴	07-Jun	Foreign reserves (USD bn)	May	3 054 ▲	3 030	3 046 
🔴🔴	08-Jun	Trade balance (USD bn)‡	May	40.8 ▲	38.0	47.8 
🔴🔴	08-Jun	Exports (yoy)	May	8.7% ▲	8.0%	7.2% 
🔴🔴🔴🔴	09-Jun	Consumer inflation CPI (yoy)	May	1.5% ▲	1.2%	1.5% 
🔴🔴	09-Jun	Producer inflation PPI (yoy)	May	5.5% ▼	6.4%	5.6% 
<b>Poland</b> 						
🔴🔴🔴🔴🔴	31-May	GDP (yoy) - final data	1Q	4.0% -	4.0%	--
🔴🔴🔴🔴🔴	31-May	GDP (qoq) - final data	1Q	1.1% ▲	1.0%	--
🔴🔴🔴🔴	31-May	Consumer inflation CPI (yoy) - preliminary data	May	1.9% ▼	2.0%	2.0% 
🔴🔴🔴	01-Jun	Manufacturing PMI	May	52.7 ▼	54.1	54.5 
🔴🔴🔴🔴🔴	07-Jun	NBP base rate decision	Jun	1.50% -	1.50%	1.50% 
<b>US</b> 						
🔴🔴🔴🔴	30-May	Consumer spending inflation PCE (mom)	Apr	0.2% ▲	-0.1%	0.1% 
🔴🔴🔴🔴	30-May	Consumer spending inflation PCE (yoy)	Apr	1.5% ▼	1.6%	1.5% 
🔴🔴	30-May	Personal income (sa, mom)	Apr	0.4% ▲	0.2%	0.4% 
🔴🔴	30-May	Personal spending (sa, mom)‡	Apr	0.4% ▲	0.3%	0.4% 
🔴	30-May	Dallas Fed manufacturing activity	May	17.2 ▲	16.8	15.0 
🔴	30-May	S&P/CaseShiller home price index‡	Mar	195 ▲	194	--
🔴🔴🔴	01-Jun	Manufacturing PMI - final data	May	52.7 ▲	52.5	52.5 
🔴🔴	01-Jun	ISM Manufacturing	May	54.9 ▲	54.8	54.8 
🔴🔴	02-Jun	Change in non-farm payrolls (ths)‡	May	138 ▼	174	182 
🔴🔴	02-Jun	Underemployment rate (U6)	May	8.4% ▼	8.6%	--
🔴🔴	02-Jun	Unemployment rate	May	4.3% ▼	4.4%	4.4% 
🔴	02-Jun	Average hourly earnings (yoy)	May	2.5% -	2.5%	2.6% 
🔴🔴🔴	05-Jun	Composite PMI - final data‡	May	53.6 -	53.6	--
🔴🔴🔴	05-Jun	PMI services - final data	May	53.6 ▼	54.0	54.0 
🔴🔴	05-Jun	Durable goods orders - final data	Apr	-0.8% ▼	-0.7%	-0.6% 

Weight	Date	Event	For	Reading <sup>1</sup>	Previous	Consensus <sup>2</sup>	
<b>Eurozone</b>							
⊕	29-May	M3 money supply (yoy)	Apr	4.9% ▼	5.3%	5.2%	☹
⊕	30-May	Economic confidence‡	May	109 ▼	110	110	☹
⊕	30-May	Industrial confidence	May	2.8 ▲	2.6	3.1	☹
⊕	30-May	Consumer confidence - final data	May	-3.3 -	-3.3	-3.3	⊕
⊕	30-May	Business climate indicator‡	May	0.9 ▼	1.1	1.1	☹
⊕⊕⊕⊕	31-May	Core CPI (yoy) - estimation	May	0.9% ▼	1.2%	1.0%	☹
⊕⊕⊕⊕	31-May	CPI estimate (yoy)	May	1.4% ▼	1.9%	1.5%	☹
⊕⊕	31-May	Unemployment rate‡	Apr	9.3% ▼	9.4%	9.4%	☹
⊕⊕⊕	01-Jun	Manufacturing PMI - final data	May	57.0 -	57.0	57.0	⊕
⊕⊕	02-Jun	Producer inflation PPI (yoy)	Apr	4.3% ▲	3.9%	4.5%	☹
⊕⊕⊕	05-Jun	Composite PMI - final data	May	56.8 -	56.8	56.8	⊕
⊕⊕⊕	05-Jun	Services PMI - final data	May	56.3 ▲	56.2	56.2	▲
⊕⊕	06-Jun	Retail sales (yoy)‡	Apr	2.5% -	2.5%	2.1%	▲
⊕⊕⊕⊕⊕⊕	08-Jun	ECB main refinancing rate	Jun	0.00% -	0.00%	0.00%	⊕
⊕⊕⊕⊕⊕⊕	08-Jun	ECB deposit facility rate	Jun	-0.4% -	-0.4%	-0.4%	⊕
⊕⊕⊕⊕⊕⊕	08-Jun	GDP (sa, yoy) - final data	1Q	1.9% ▲	1.7%	1.7%	▲
⊕⊕⊕⊕⊕⊕	08-Jun	GDP (sa, qoq) - final data	1Q	0.6% ▲	0.5%	0.5%	▲
⊕⊕⊕	08-Jun	Gross fixed capital (qoq)‡	1Q	1.3% ▼	3.4%	0.8%	▲
⊕⊕⊕	08-Jun	Households consumption (qoq)	1Q	0.3% ▼	0.4%	0.4%	☹
<b>Germany</b>							
⊕⊕⊕⊕	30-May	Harmonized consumer inflation HICP (yoy) - preliminary data	May	1.4% ▼	2.0%	1.5%	☹
⊕⊕⊕⊕	30-May	Consumer inflation CPI (yoy) - preliminary data	May	1.5% ▼	2.0%	1.6%	☹
⊕⊕⊕	31-May	Retail sales (yoy)‡	Apr	-0.9% ▼	2.9%	2.2%	☹
⊕⊕	31-May	Unemployment rate	May	5.7% ▼	5.8%	5.7%	⊕
⊕⊕⊕	01-Jun	Manufacturing PMI - final data	May	59.5 ▲	59.4	59.4	▲
⊕⊕⊕	05-Jun	Composite PMI - final data	May	57.4 ▲	57.3	57.3	▲
⊕⊕⊕	07-Jun	Factory orders (wda, yoy)‡	Apr	3.5% ▲	2.5%	4.7%	☹
⊕⊕⊕⊕	08-Jun	Industrial production (wda, yoy)‡	Apr	2.9% ▲	2.2%	2.1%	▲
<b>France</b>							
⊕⊕⊕⊕⊕⊕	30-May	GDP (yoy) - preliminary data	1Q	1.0% ▲	0.8%	0.8%	▲
⊕⊕⊕⊕⊕⊕	30-May	GDP (qoq) - preliminary data	1Q	0.4% ▲	0.3%	0.3%	▲
⊕⊕⊕⊕	31-May	Harmonized consumer inflation HICP (yoy) - preliminary data	May	0.9% ▼	1.4%	1.1%	☹
⊕⊕⊕⊕	31-May	Consumer inflation CPI (yoy) - preliminary data	May	0.8% ▼	1.2%	0.9%	☹
⊕⊕⊕	01-Jun	Manufacturing PMI - final data	May	53.8 ▼	54.0	54.0	☹
⊕⊕⊕	05-Jun	Composite PMI - final data	May	56.9 ▼	57.6	57.6	☹
⊕⊕⊕⊕	09-Jun	Industrial production (yoy)‡	Apr	0.6% ▼	2.5%	1.2%	☹
<b>Italy</b>							
⊕⊕⊕⊕	31-May	Harmonized consumer inflation HICP (yoy) - preliminary data	May	1.5% ▼	2.0%	1.5%	⊕
⊕⊕	31-May	Unemployment rate - preliminary data‡	Apr	11.1% ▼	11.5%	11.6%	☹
⊕⊕⊕⊕⊕⊕	01-Jun	GDP (wda, yoy) - final data‡	1Q	1.2% -	1.2%	0.8%	▲
⊕⊕⊕⊕⊕⊕	01-Jun	GDP (wda, qoq) - final data‡	1Q	0.4% -	0.4%	0.2%	▲
⊕⊕⊕	01-Jun	Manufacturing PMI	May	55.1 ▼	56.2	56.0	☹
⊕⊕⊕	05-Jun	Composite PMI	May	55.2 ▼	56.8	55.7	☹
<b>UK</b>							
⊕⊕⊕	01-Jun	Manufacturing PMI (sa)	May	56.7 ▼	57.3	56.5	▲
⊕⊕⊕	05-Jun	Composite PMI	May	54.4 ▼	56.2	55.5	☹

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

<sup>2</sup> 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

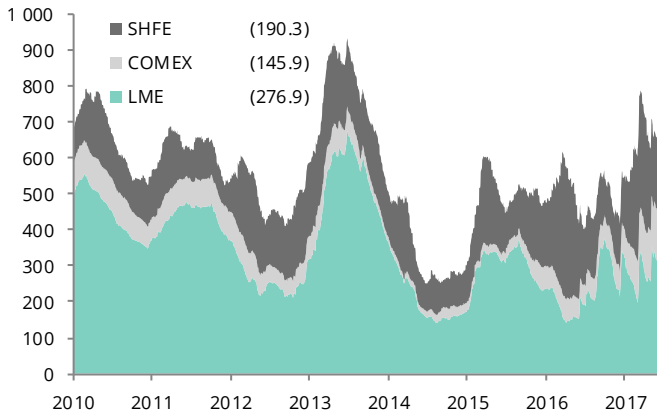
<i>(as of: 09-Jun-17)</i>		Price change °					From year beginning <sup>2</sup>		
	Price	2W	QTD	YTD	1Y	Average	Min	Max	
<b>LME (USD/t)</b>									
Copper	5 739.00	▲ 1.2%	▼ -1.9%	▲ 4.3%	▲ 26.2%	5 749.79	5 466.00	6 145.00	
Molybdenum	17 500.00	- 0.0%	▲ 14.8%	▲ 14.8%	▲ 14.4%	15 697.73	15 250.00	17 500.00	
Nickel	8 805.00	▼ -2.2%	▼ -10.8%	▼ -12.0%	▼ -1.6%	9 866.14	8 715.00	11 045.00	
Aluminum	1 901.50	▼ -2.5%	▼ -2.3%	▲ 11.0%	▲ 19.5%	1 879.97	1 701.00	1 962.00	
Tin	19 150.00	▼ -6.6%	▼ -4.7%	▼ -9.2%	▲ 10.7%	20 053.23	18 760.00	21 300.00	
Zinc	2 480.00	▼ -5.4%	▼ -10.9%	▼ -3.2%	▲ 20.0%	2 700.85	2 434.50	2 971.00	
Lead	2 097.00	▲ 0.3%	▼ -9.2%	▲ 5.6%	▲ 20.5%	2 229.39	2 007.00	2 442.00	
<b>LBMA (USD/troz)</b>									
Silver	17.35	▲ 0.3%	▼ -3.9%	▲ 6.8%	▲ 1.8%	17.40	15.95	18.56	
Gold <sup>1</sup>	1 266.55	▲ 0.1%	▲ 1.7%	▲ 9.3%	▲ 0.2%	1 235.61	1 151.00	1 293.50	
<b>LPPM (USD/troz)</b>									
Platinum <sup>1</sup>	939.00	▼ -2.3%	▼ -0.1%	▲ 3.5%	▼ -5.4%	964.49	897.00	1 033.00	
Palladium <sup>1</sup>	896.00	▲ 14.9%	▲ 12.3%	▲ 32.5%	▲ 61.2%	782.45	706.00	896.00	
<b>FX <sup>3</sup></b>									
EURUSD	1.1176	▼ -0.2%	▲ 4.5%	▲ 6.0%	▼ -1.5%	1.0779	1.0385	1.1258	
EURPLN	4.1877	▲ 0.2%	▼ -0.8%	▼ -5.3%	▼ -3.4%	4.2758	4.1737	4.4002	
USDPLN	3.7465	▲ 0.6%	▼ -5.0%	▼ -10.4%	▼ -1.7%	3.9692	3.7066	4.2271	
USDCAD	1.3453	▼ 0.0%	▲ 1.1%	-	-	1.3361	1.3016	1.3743	
USDCNY	6.7980	▼ -0.8%	▼ -1.3%	▼ -2.1%	▲ 3.6%	6.8827	6.7952	6.9640	
USDCLP	666.28	▼ -0.5%	▲ 0.5%	▼ -0.2%	▼ -1.0%	659.60	638.35	679.05	
<b>Money market</b>									
3m LIBOR USD	1.236	▲ 0.03	▲ 0.09	▲ 0.24	▲ 0.58	1.117	0.999	1.236	
3m EURIBOR	-0.331	▼ 0.00	▼ 0.00	▼ -0.01	▼ -0.07	-0.329	-0.332	-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	1.849	▼ -0.03	▼ -0.20	▼ -0.13	▲ 0.66	1.975	1.797	2.239	
5y EUR interest rate swap	0.130	▼ -0.05	▼ -0.05	▲ 0.06	▲ 0.15	0.174	0.078	0.321	
5y PLN interest rate swap	2.225	▼ -0.08	▼ -0.13	▼ -0.17	▲ 0.26	2.444	2.225	2.625	
<b>Fuel</b>									
WTI Cushing	45.83	▼ -8.0%	▼ -9.4%	▼ -14.7%	▼ -9.4%	50.65	45.52	54.10	
Brent	47.55	▼ -8.1%	▼ -9.8%	▼ -14.2%	▼ -5.6%	52.85	47.09	56.46	
Diesel NY (ULSD)	142.12	▼ -9.1%	▼ -9.6%	▼ -16.3%	▼ -8.0%	156.22	140.12	167.82	
<b>Others</b>									
VIX	10.70	▲ 0.89	▼ -1.67	▼ -3.34	▼ -3.94	11.68	9.75	15.96	
BBG Commodity Index	82.42	▼ -1.9%	▼ -3.4%	▼ -5.8%	▼ -8.3%	85.65	81.96	89.36	
S&P500	2 431.77	▲ 0.7%	▲ 2.9%	▲ 8.6%	▲ 15.0%	2 352.41	2 257.83	2 439.07	
DAX	12 815.72	▲ 1.7%	▲ 4.1%	▲ 11.6%	▲ 27.0%	12 101.43	11 509.84	12 822.94	
Shanghai Composite	3 158.40	▲ 1.6%	▼ -2.0%	▲ 1.8%	▲ 7.9%	3 176.70	3 052.79	3 288.97	
WIG 20	2 330.72	▲ 0.2%	▲ 7.1%	▲ 19.7%	▲ 28.5%	2 215.39	1 989.64	2 413.53	
KGHM	114.50	▲ 3.4%	▼ -1.1%	▲ 23.8%	▲ 88.7%	119.07	94.00	135.50	

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

Source: Bloomberg, KGHM

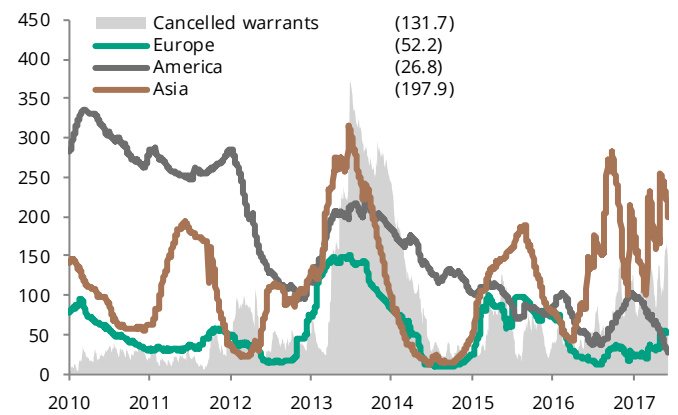


**Copper: official exchange stocks (thousand tonnes)**



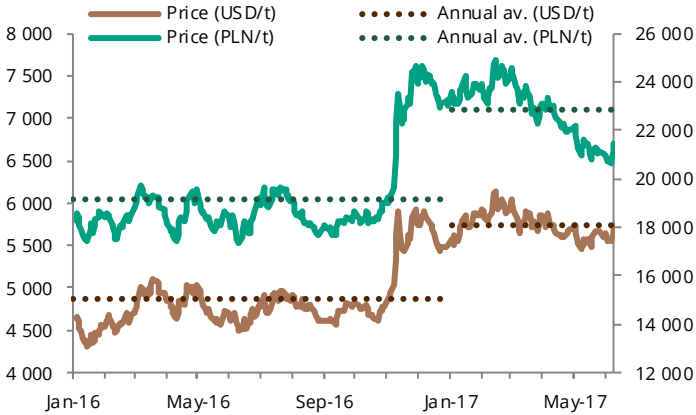
Note: Latest values in brackets. Source: Bloomberg, KGHM

**Copper: official LME stocks (thousand tonnes)**



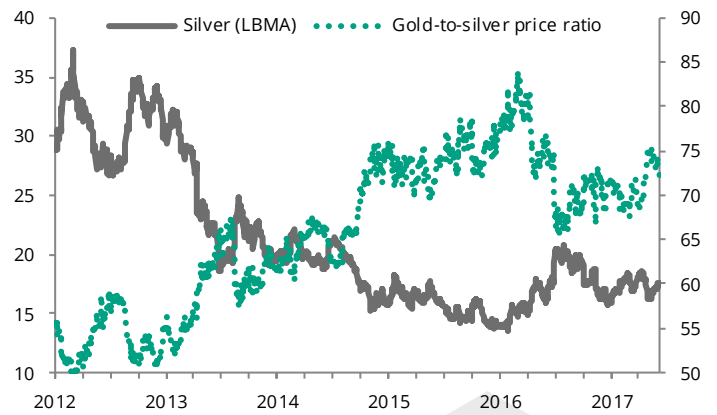
Note: Latest values in brackets. Source: Bloomberg, KGHM

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



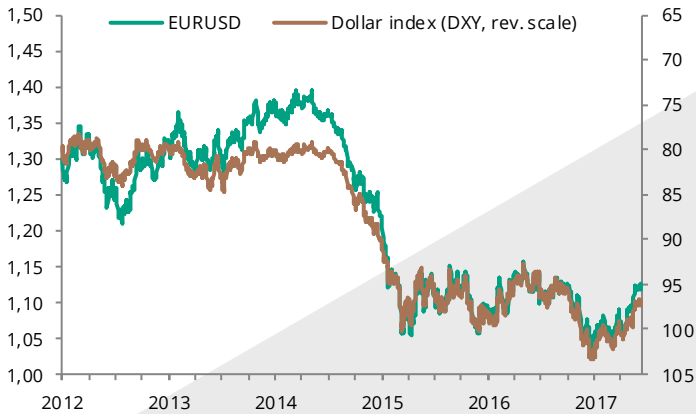
Source: Bloomberg, KGHM Polska Miedź

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



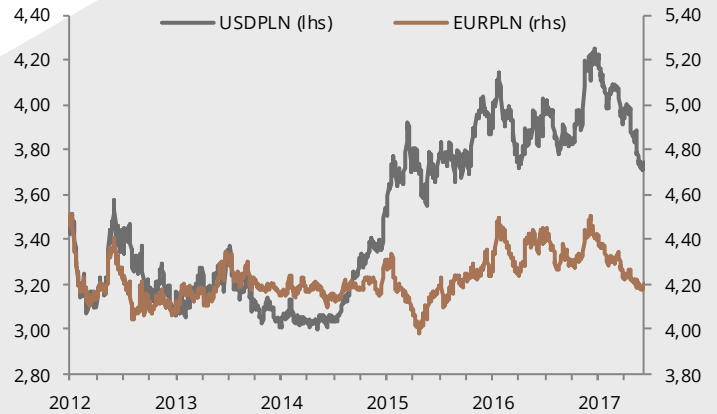
Source: Bloomberg, KGHM Polska Miedź

**USD: dollar index (lhs) and ECB-based EURUSD (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:  
**29<sup>th</sup> May – 12<sup>th</sup> June 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.

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

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