

Market Overview



as of: 10th July 2017


- **Metals outlook:** In the recent weeks KGHM Market Risk team has discussed the shape of commodities market, with the top market analysts covering – among other industrial and precious metals markets – copper, nickel and molybdenum (*page 2*).
- **Copper:** Major Chinese copper smelters have set a third quarter price floor for the purchase of copper concentrate in the spot market at \$86 per tonne and 8.6 cents per lb. The red metal market is facing another round of potential labor strikes in Chile and Peru, while the price has stepped back from the top of the range in which it has been trading for the last months (*page 3*).
- **Precious metals:** In recent two weeks gold continued falling and reached the lowest in nearly four months. The cause was stronger than expected United States jobs data; that showed firm numbers and increased the likelihood of another U.S. interest rate increase. In the meantime recent rally in palladium lost momentum as investors worried that the metal is likely to be pressured due to struggling car sales in the United States and China, the world's two biggest markets (*page 4*).
- **European Central Bank:** The European Central Bank (ECB) will have to be prudent to gradually adjust its monetary stimulus to the economic recovery, according to Mario Draghi, the president of ECB whose speech has been interpreted by economists as the initiation of quantitative easing tapering (*page 6*).

Key market prices

	Close price	2w chng.
LME (USD/t)		
▲ Copper	5 809.00	0.6%
▼ Nickel	8 950.00	-2.4%
LBMA (USD/troz)		
▼ Silver	15.84	-5.2%
▼ Gold (PM)	1 215.65	-3.2%
FX		
▲ EURUSD	1.1412	2.1%
▲ EURPLN	4.2337	0.2%
▼ USDPLN	3.7068	-2.0%
▼ USDCAD	1.2887	-2.9%
▲ USDCLP	666.22	0.3%
Stocks		
▼ KGHM	108.60	-0.2%

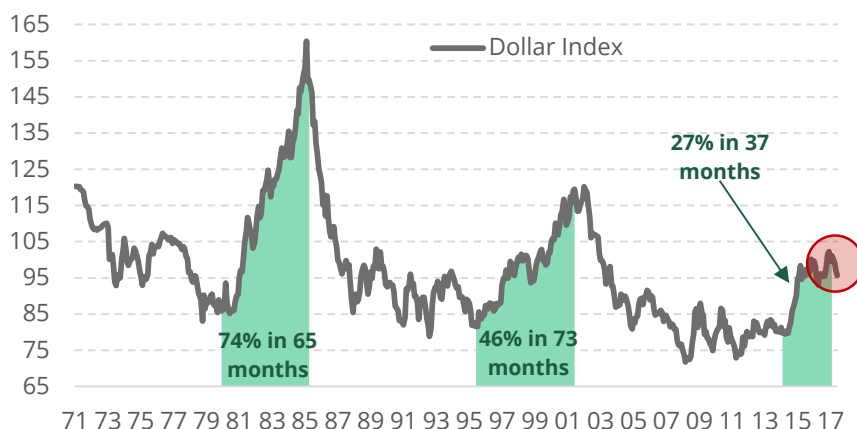
Source: Bloomberg, KGHM Polska Miedź; (*more on page 9*)

Important macroeconomic data

Release	For		
 GDP (annlzd., qoq)	1Q	1.4%	▲
 PCE inflation (yoy)	May	1.4%	▼
 Official manuf. PMI	Jun	51.7	▲
 Manufacturing PMI	Jun	53.1	▲
 Manufacturing PMI	Jun	59.6	-

Source: Bloomberg, KGHM Polska Miedź; (*more on page 7*)

After several months of recent US dollar index appreciation, the upward bias of trade weighted index seems to be losing steam



Source: Bloomberg, KGHM Polska Miedź

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Base and precious metals | Other commodities

Metals outlook

In the recent weeks KGHM Market Risk team has discussed the shape of commodities market, with the top market analysts covering – among other industrial and precious metals markets – copper, nickel and molybdenum.

Better time for metals?

The interviews performed by KGHM Market Risk team with key analysts of commodities market showed mixed opinions, but generally positive outlook for metals. Multiple years of commodities weakness, on the back of a strong dollar, are showing solid signs of 2H reversal. Crude oil's dip to 20% below 2017's high was declared a bear market – it should feed the bulls. Led by a late-June rally in copper, metals appear to be gaining confidence in the potential for a longer-term dollar peak, supported by multiyear highs in demand vs. supply. According to market sources, a soft US dollar outlook, a favorable volatility environment amid stronger crude oil spreads, and low cross-commodity correlations should buttress investor inflows during 2H2017, especially should petroleum prices rebound off the YTD lows.

USD weakness should be bullish for metal prices

Copper – the best performing metal since the beginning of 2017

Copper has been one of the best performing commodity YTD. Good shape of fundamentals supports price increase. On the demand side, still the key factor is the shape of Chinese consumption responsible for around 50% of demand. Latest readings from Chinese economy showed stable and high dynamics of GDP growth and key industry performance indicators. This influenced the consumption of metals, including copper, particularly in infrastructure and housing sectors. The official exchange and bonded stocks of refined copper, which increased in the period of low prices environment, have been significantly reduced lately. The majority of opinions tell that Chinese political events during Q4 2017 will determine the efforts to keep economy growing without any major downside risks. Only some of the analysts brought into consideration, that with a GDP growth readings much above planned 6,5% for 2017, the government may stronger fight against rising debt by tightening monetary policy, which as a result could influence the industrial growth and consumption of metals during second half of the year. On the supply side, during first half of the year we saw the large inflow of copper scrap to the market, which in addition to high refined stocks of copper, helped to keep the market balanced and muted the price increase. Currently the increased supply of scrap seems to be over, which can be proved by falling price discounts and rapid destocking of refined material. In a mining area, the disruptions seen in the first half of the year (strike at Chilean Escondida mine and dispute over export permit and license to operate of Indonesian Grasberg mine) seems to be temporarily overcome. However market expects the dispute between Freeport and Indonesian government to be difficult later this year and there are still some main labor negotiations planned for next few years, which may affect the global production. Overall, the market consensus is that the

High stocks of nickel and overproduction of stainless steel may affect nickel price in a mid-term

market balance moves toward structural deficit within next few years, which shall positively impact copper price

Worse news come from the nickel market, where prices are not expected to rebound strongly within next 18 months. The depressing shape of the market has its basis in high inventories of nickel (22 weeks of consumption) which were built during years of oversupply. Additionally, stainless steel sector, which is the main demand factor responsible for 65-75% nickel usage, is in a depressed shape too. In 2016 production of stainless steel grew by around 9%, when demand growth was not more than 4%. The overproduction in China during last months may mean that even in the situation of expected deficit of nickel during next few years, the prices will remain low on high inventories of both nickel and stainless steel. The upside risks to mentioned base case scenario are the supply disruptions (as seen over last few years in Indonesia and Philippines) and dynamic growth of nickel consumption in the production of batteries.

Balanced moly market during next few years.

Molybdenum is generally correlated with copper and nickel price as it is often the by-product of copper and nickel output. The market is well-balanced at the moment and general consensus predicts that such shape will continue until 2020. Then, if there is no dynamic progress in ramp-up of new copper mining projects, the molybdenum market will move towards deficit. The fundamental situation determines the stability of the prices in the mid-term, but short-terms spikes are possible, having in mind previous events when even small supply stories created a big response (for example strike at Molymet in Belgium).

Other important information on copper market:

- *[source: Metal Bulletin]* Major Chinese copper smelters have set a third quarter price floor for the purchase of copper concentrate in the spot market at \$86 per tonne and 8.6 cents per lb. The new price represents a 7.5% increase from the second quarter price floor of \$80 per tonne and 8 cents per lb. The price was set during the quarterly gathering of the Chinese Smelters Purchase Team (CSPT) in Shandong and was widely within market expectations – market participants had predicted a third quarter price floor of \$85/8.5 cents. Spot treatment and refining charges have stabilised since mid-May following the resolution of disruptions at several large-scale copper mines. According to Metal Bulletin, due to the uncertainty regarding supply during the second half of this year, some smelters have already secured shipments for the third and fourth quarters, which means demand in the spot market will be reduced.
- *[source: Reuters & Bloomberg]* Chilean mining company Antofagasta Minerals, one of the biggest global copper producers, has been recently facing potential strikes from workers at its Zaldívar mine and by supervisors at Centinela as contract talks continue. The labor union at Antofagasta's Zaldívar copper mine called on workers to reject the company's contract proposal, while supervisors at Centinela mine have voted to strike although they expect a government mediation mechanism to extend negotiations for at least five

more days, a spokesman for Chile's mining federation said. If materialized, the strike would be the first ever faced by Antofagasta. The federation represents workers at some of Chile's biggest mines. The combined annual production at both mines is 160,000 tonnes of copper.

- *[source: Platts]* The strike earlier this year at Chile's Escondida copper mine led to a 63% year-on-year drop in overall copper output to 97,103 mt in the first quarter, the mine's operator said in statement. Minera Escondida, which operates the giant mine in northern Chile, said production of copper in concentrates fell 61% to 69,930 mt, while production of copper cathode from the open pit's hydro-metallurgical operations fell 68% to 27,172 mt. As a result, the mine posted a loss of \$184 million for Q1, down from a profit of \$265 million a year earlier. Although copper prices averaged \$2.65/lb during the quarter, up 25% on year, Escondida's sales fell 49% to \$695 million, according to BHP Billiton financial report. Last month, Daniel Malchuk, head of BHP Billiton's Minerals Americas division, confirmed that the mine had returned normal levels of production following the strike.

Precious Metals

In recent two weeks gold continued falling and reached the lowest in nearly four months. The cause was stronger than expected United States jobs data; that showed firm numbers and increased the likelihood of another U.S. interest rate increase. In the meantime recent rally in palladium lost momentum as investors worried that the metal is likely to be pressured due to struggling car sales in the United States and China, the world's two biggest markets.

Egypt awards gold mining tender to four companies

Four companies, including two foreign ones, have won Egypt's gold mining exploration tender for five concessions in the Eastern Desert and the Sinai Peninsula, Petroleum Minister said recently. Britain's Veritas Mining Limited, Ghassan Spain Investment, and Egypt's East Gas Company won a concession each while Resolute Egypt won two. Egypt is hoping that gold production can be a future source of growth for its struggling economy. It began accepting bids in January for five concessions in its first tender for new gold exploration since 2009. The level of interest from bidders was not expected to be very great because Egypt's commercial terms for mining have been criticized by investors for using an unprofitable model for exploration. Centamin, the operator of the country's only commercial gold mine, has previously said that the terms were not competitive enough to take part in the bidding. Egypt recently established a free economic zone dedicated to mining known as the Golden Triangle because of its location in an area of the Eastern Desert with gold mining potential. The country hopes this will attract global mining investors which have shunned Egypt until now because of the commercial terms.

New tax hike could dampen Indian gold demand in short term: WGC

An increase in taxes on gold sales in India could curb short-term demand from the world's No. 2 consumer of the metal, the World Gold Council (WGC) said. Faltering appetite in a country where gold is used in everything from investment to wedding gifts could further drag global prices, already trading near their lowest level in eight weeks. Small-scale artisans and retailers with varying degrees of tax compliance may struggle to adapt. As part of a new nationwide sales tax regime that kicked in on July 1, the goods and services tax (GST) on gold jumped to 3 percent from 1.2 percent previously. There have been fears the tax increase could stoke under-the-counter buying and spur appetite for precious metal smuggled into India. Longer term, the GST will have a positive effect by making the gold sector more transparent and improving the supply chain. The WGC also said a government move to ban cash transactions over 200,000 rupees (\$3,090) from April 1 could hurt gold demand in rural areas where farmers often purchase the metal using cash due to limited access to cheques and electronic payment systems. Two-thirds of India's gold demand comes from rural areas, where jewelry is a traditional store of wealth.

Global economies | Foreign exchange markets

ECB: Will M. Draghi taper QE this year?

The European Central Bank (ECB) will have to be prudent to gradually adjust its monetary stimulus to the economic recovery, according to Mario Draghi, the president of ECB, whose speech has been widely interpreted by economists as the initiation of quantitative easing tapering.

Monetary stimulus is still the base case as inflation dynamics

Speaking at the European Central Bank Forum in Sintra, Portugal, Draghi made it clear, however, that the current stimulus needs to remain in place as inflation dynamics remain "more muted than one would expect". ECB's president is confident that the current monetary policy is working and its full effects on inflation will gradually materialize. However, it needs to be persistent and ECB needs to be prudent in how to adjust its parameters to improving economic conditions.





As M. Draghi said: "The current context where global uncertainties remain elevated, there are strong grounds for prudence in the adjustment of monetary policy parameters, even when accompanying the recovery. Any adjustments to ECB's stance have to be made gradually, and only when the improving dynamics that justify them appear sufficiently secure. The central bank has been under growing pressure to start tightening its policy given that inflation figures have improved, economic growth has returned to the euro area and political uncertainty has dissipated. It seems that all the signs now point to a strengthening and broadening recovery in the euro area, as has been recognized by the ECB's expertise. However, M. Draghi argued that the inflation dynamics in the recent months have not been solid enough to exit the stimulus program.

Stimulus is expected to be adjusted once the reflationary forces are back to the agenda

Bond yields and the euro surged after M. Draghi said that potential renewed reflationary forces may provide room for "adjusting the parameters" of current stimulus while keeping the level of accommodation broadly unchanged. After this crucial comment, economics polled by Reuters expect the ECB to hike its deposit rate by 10 basis points in late 2018. Moreover, the reassessment on the risks to growth is one of the key reasons why the forward guidance on rates is now more symmetric as well. It is expected that the ECB is going to announce tapering of QE this September, starting from January 2018 and ending in mid-2018.

Macroeconomic calendar

Important macroeconomic data releases

Weight	Date	Event	For	Reading ¹	Previous	Consensus ²
China 						
☉☉	27-Jun	Industrial profits (yoy)	May	16.7% ▲	14.0%	--
☉☉☉	30-Jun	Official manufacturing PMI	Jun	51.7 ▲	51.2	51.0 ▲
☉☉☉	03-Jul	Caixin's manufacturing PMI	Jun	50.4 ▲	49.6	49.8 ▲
☉	07-Jul	Foreign reserves (USD bn)	Jun	3 057 ▲	3 054	3 061 ▼
Poland 						
☉☉	26-Jun	Unemployment rate	May	7.4% ▼	7.7%	7.4% ○
☉☉☉☉	30-Jun	Consumer inflation CPI (yoy) - preliminary data	Jun	1.5% ▼	1.9%	1.7% ▼
☉☉☉	03-Jul	Manufacturing PMI	Jun	53.1 ▲	52.7	53.7 ▼
☉☉☉☉☉	05-Jul	NBP base rate decision	Jul	1.50% -	1.50%	1.50% ○
US 						
☉☉	26-Jun	Durable goods orders - preliminary data‡	May	-1.1% ▼	-0.9%	-0.6% ▼
☉	26-Jun	Dallas Fed manufacturing activity	Jun	15.0 ▼	17.2	16.0 ▼
☉	27-Jun	Richmond Fed manufacturing index‡	Jun	7.0 ▲	3.0	5.0 ▲
☉	27-Jun	S&P/CaseShiller home price index‡	Apr	197 ▲	195	--
☉☉☉☉☉☉	29-Jun	GDP (annualized, qoq) -	1Q	1.4% ▲	1.2%	1.2% ▲
☉☉☉☉	30-Jun	Consumer spending inflation PCE (mom)‡	May	0.1% -	0.1%	0.1% ○
☉☉☉☉	30-Jun	Consumer spending inflation PCE (yoy)	May	1.4% ▼	1.5%	1.4% ○
☉☉	30-Jun	Personal income (sa, mom)‡	May	0.4% ▲	0.3%	0.3% ▲
☉☉	30-Jun	Personal spending (sa, mom)	May	0.1% ▼	0.4%	0.1% ○
☉☉	30-Jun	University of Michigan confidence index - final data	Jun	95.1 ▲	94.5	94.5 ▲
☉☉☉	03-Jul	Manufacturing PMI - final data‡	Jun	52.0 -	52.0	52.1 ▼
☉☉	03-Jul	ISM Manufacturing	Jun	57.8 ▲	54.9	55.3 ▲
☉☉	05-Jul	Durable goods orders - final data	May	-0.8% ▲	-1.1%	-0.8% ○
☉☉☉	06-Jul	Composite PMI - final data‡	Jun	53.0 ▼	53.9	--
☉☉☉	06-Jul	PMI services - final data‡	Jun	54.2 -	54.2	53.0 ▲
☉☉	07-Jul	Change in non-farm payrolls (ths)‡	Jun	222 ▲	152	178 ▲
☉☉	07-Jul	Underemployment rate (U6)	Jun	8.6% ▲	8.4%	--
☉☉	07-Jul	Unemployment rate	Jun	4.4% ▲	4.3%	4.3% ▲
☉	07-Jul	Average hourly earnings (yoy)‡	Jun	2.5% ▲	2.4%	2.6% ▼
Eurozone 						
☉	28-Jun	M3 money supply (yoy)	May	5.0% ▲	4.9%	5.0% ○
☉	29-Jun	Economic confidence	Jun	111 ▲	109	110 ▲
☉	29-Jun	Industrial confidence	Jun	4.5 ▲	2.8	2.8 ▲
☉	29-Jun	Consumer confidence - final data	Jun	- 1.3 -	- 1.3	- 1.3 ○
☉	29-Jun	Business climate indicator	Jun	1.2 ▲	0.9	0.9 ▲
☉☉☉☉	30-Jun	Core CPI (yoy) - estimation	Jun	1.1% ▲	0.9%	1.0% ▲
☉☉☉☉	30-Jun	CPI estimate (yoy)	Jun	1.3% ▼	1.4%	1.2% ▲
☉☉☉	03-Jul	Manufacturing PMI - final data‡	Jun	57.4 -	57.4	57.3 ▲
☉☉	03-Jul	Unemployment rate	May	9.3% -	9.3%	9.3% ○
☉☉	04-Jul	Producer inflation PPI (yoy)	May	3.3% ▼	4.3%	3.5% ▼
☉☉☉	05-Jul	Composite PMI - final data‡	Jun	56.3 -	56.3	55.7 ▲
☉☉☉	05-Jul	Services PMI - final data‡	Jun	55.4 -	55.4	54.7 ▲
☉☉	05-Jul	Retail sales (yoy)‡	May	2.6% -	2.6%	2.3% ▲

Weight	Date	Event	For	Reading ¹	Previous	Consensus ²	
Germany							
☺☺	26-Jun	IFO business climate	Jun	115 ▲	115	115	▲
☺☺☺☺	29-Jun	Harmonized consumer inflation HICP (yoy) - preliminary data	Jun	1.5% ▲	1.4%	1.3%	▲
☺☺☺☺	29-Jun	Consumer inflation CPI (yoy) - preliminary data	Jun	1.6% ▲	1.5%	1.4%	▲
☺☺	29-Jun	GfK consumer confidence	Jul	10.6 ▲	10.4	10.4	▲
☺☺☺	30-Jun	Retail sales (yoy)‡	May	4.8% ▲	-0.4%	2.8%	▲
☺☺	30-Jun	Unemployment rate	Jun	5.7% -	5.7%	5.7%	○
☺☺☺	03-Jul	Manufacturing PMI - final data‡	Jun	59.6 -	59.6	59.3	▲
☺☺☺	05-Jul	Composite PMI - final data‡	Jun	56.4 -	56.4	56.1	▲
☺☺☺	06-Jul	Factory orders (wda, yoy)‡	May	3.7% ▲	3.3%	4.5%	▼
☺☺☺☺	07-Jul	Industrial production (wda, yoy)‡	May	5.0% ▲	2.8%	4.0%	▲
France							
☺☺☺☺	30-Jun	Harmonized consumer inflation HICP (yoy) - preliminary data	Jun	0.8% ▼	0.9%	0.8%	○
☺☺☺☺	30-Jun	Consumer inflation CPI (yoy) - preliminary data	Jun	0.7% ▼	0.8%	0.7%	○
☺☺☺	03-Jul	Manufacturing PMI - final data‡	Jun	54.8 -	54.8	55.0	▼
☺☺☺	05-Jul	Composite PMI - final data‡	Jun	56.6 -	56.6	55.3	▲
☺☺☺☺	07-Jul	Industrial production (yoy)‡	May	3.2% ▲	0.1%	1.4%	▲
Italy							
☺☺☺☺	28-Jun	Harmonized consumer inflation HICP (yoy) - preliminary data	Jun	1.2% ▼	1.6%	1.4%	▼
☺☺☺	03-Jul	Manufacturing PMI	Jun	55.2 ▲	55.1	55.3	▼
☺☺	03-Jul	Unemployment rate - preliminary data‡	May	11.3% ▲	11.2%	11.2%	▲
☺☺☺	05-Jul	Composite PMI	Jun	54.5 ▼	55.2	54.9	▼
UK							
☺☺☺☺☺	30-Jun	GDP (yoy) - final data	1Q	2.0% -	2.0%	2.0%	○
☺☺☺☺☺	30-Jun	GDP (qoq) - final data	1Q	0.2% -	0.2%	0.2%	○
☺☺☺	03-Jul	Manufacturing PMI (sa)‡	Jun	54.3 ▼	56.3	56.3	▼
☺☺☺	05-Jul	Composite PMI‡	Jun	53.8 ▼	54.3	53.9	▼
☺☺☺☺	07-Jul	Industrial production (yoy)	May	-0.2% ▲	-0.8%	0.2%	▼
Japan							
☺☺☺☺	30-Jun	Consumer inflation CPI (yoy)	May	0.4% -	0.4%	0.5%	▼
☺☺☺☺	30-Jun	Industrial production (yoy) - preliminary data	May	6.8% ▲	5.7%	6.9%	▼
☺☺☺	03-Jul	Manufacturing PMI - final data	Jun	52.4 ▼	53.1	--	--
☺☺☺	05-Jul	Composite PMI	Jun	52.9 ▼	53.4	--	--
Chile							
☺☺☺	30-Jun	Total copper production (metric tons)	May	469 196 ▲	429 241	--	--
☺☺☺	30-Jun	Manufacturing (yoy)	May	1.9% ▲	-7.5%	0.3%	▲

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

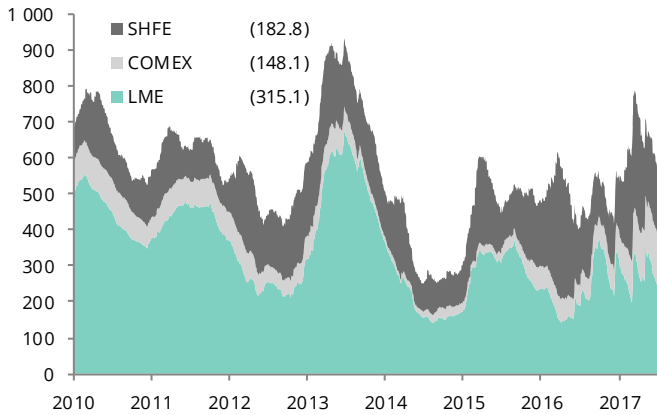
Key base & precious metal prices, exchange rates and other important market factors

(as of: 07-Jul-17)		Price change °					From year beginning ²		
	Price	2W	QTD	YTD	1Y	Average	Min	Max	
LME (USD/t)									
Copper	5 809.00	▲ 0.6%	▼ -1.7%	▲ 5.6%	▲ 22.9%	5 752.13	5 466.00	6 145.00	
Molybdenum	16 000.00	- 0.0%	- 0.0%	▲ 4.9%	▲ 4.9%	15 813.46	15 250.00	17 500.00	
Nickel	8 950.00	▼ -2.4%	▼ -3.6%	▼ -10.6%	▼ -8.8%	9 736.23	8 715.00	11 045.00	
Aluminum	1 920.00	▲ 2.8%	▲ 0.6%	▲ 12.1%	▲ 17.3%	1 880.90	1 701.00	1 962.00	
Tin	20 050.00	▲ 2.8%	▼ -0.7%	▼ -5.0%	▲ 13.0%	20 005.46	18 760.00	21 300.00	
Zinc	2 778.00	▲ 1.9%	▲ 0.9%	▲ 8.4%	▲ 31.6%	2 693.61	2 434.50	2 971.00	
Lead	2 270.00	▲ 3.8%	▼ -0.2%	▲ 14.4%	▲ 24.0%	2 222.57	2 007.00	2 442.00	
LBMA (USD/troz)									
Silver	15.84	▼ -5.2%	▼ -3.8%	▼ -2.5%	▼ -20.6%	17.27	15.84	18.56	
Gold ¹	1 215.65	▼ -3.2%	▼ -2.1%	▲ 4.9%	▼ -10.4%	1 237.02	1 151.00	1 293.50	
LPPM (USD/troz)									
Platinum ¹	911.00	▼ -1.7%	▼ -1.2%	▲ 0.4%	▼ -16.1%	957.69	897.00	1 033.00	
Palladium ¹	834.00	▼ -5.9%	▼ -0.8%	▲ 23.4%	▲ 37.2%	794.95	706.00	898.00	
FX ³									
EURUSD	1.1412	▲ 2.1%	- 0.0%	▲ 8.3%	▲ 3.0%	1.0854	1.0385	1.1413	
EURPLN	4.2337	▲ 0.2%	▲ 0.2%	▼ -4.3%	▼ -4.6%	4.2683	4.1737	4.4002	
USDPLN	3.7068	▼ -2.0%	▲ 0.0%	▼ -11.3%	▼ -7.4%	3.9368	3.7062	4.2271	
USDCAD	1.2887	▼ -2.9%	▼ -0.7%	-	-	1.3331	1.2887	1.3743	
USDCNY	6.8057	▼ -0.5%	▲ 0.4%	▼ -2.0%	▲ 1.9%	6.8709	6.7809	6.9640	
USDCLP	666.22	▲ 0.3%	▲ 0.5%	▼ -0.2%	▲ 0.3%	660.14	638.35	679.05	
Money market									
3m LIBOR USD	1.305	▲ 0.01	▲ 0.01	▲ 0.31	▲ 0.64	1.143	0.999	1.305	
3m EURIBOR	-0.331	- 0.00	- 0.00	▼ -0.01	▼ -0.04	-0.329	-0.332	-0.319	
3m WIBOR	1.730	- 0.00	- 0.00	- 0.00	▲ 0.02	1.730	1.730	1.730	
5y USD interest rate swap	2.017	▲ 0.20	▲ 0.06	▲ 0.04	▲ 1.06	1.962	1.797	2.239	
5y EUR interest rate swap	0.326	▲ 0.19	▲ 0.04	▲ 0.25	▲ 0.49	0.177	0.078	0.326	
5y PLN interest rate swap	2.425	▲ 0.20	▲ 0.06	▲ 0.03	▲ 0.62	2.419	2.165	2.625	
Fuel									
WTI Cushing	44.23	▲ 3.3%	▼ -3.9%	▼ -17.7%	▼ -2.0%	49.75	42.31	54.10	
Brent	46.53	▲ 3.0%	▼ -3.5%	▼ -16.0%	▲ 3.7%	51.92	44.21	56.46	
Diesel NY (ULSD)	144.07	▲ 5.9%	▼ -2.5%	▼ -15.2%	▲ 3.8%	154.11	135.85	167.82	
Others									
VIX	11.19	▲ 1.17	▲ 0.01	▼ -2.85	▼ -3.57	11.56	9.75	15.96	
BBG Commodity Index	81.80	▲ 2.7%	▼ -1.0%	▼ -6.5%	▼ -4.4%	84.98	79.36	89.36	
S&P500	2 425.18	▼ -0.5%	▲ 0.1%	▲ 8.3%	▲ 15.6%	2 364.16	2 257.83	2 453.46	
DAX	12 388.68	▼ -2.7%	▲ 0.5%	▲ 7.9%	▲ 31.5%	12 183.34	11 509.84	12 888.95	
Shanghai Composite	3 217.96	▲ 1.9%	▲ 0.8%	▲ 3.7%	▲ 6.7%	3 175.40	3 052.79	3 288.97	
WIG 20	2 295.82	▼ -0.4%	▼ -0.2%	▲ 17.9%	▲ 34.0%	2 229.74	1 989.64	2 413.53	
KGHM	108.60	▼ -0.2%	▼ -1.9%	▲ 17.4%	▲ 60.0%	117.70	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

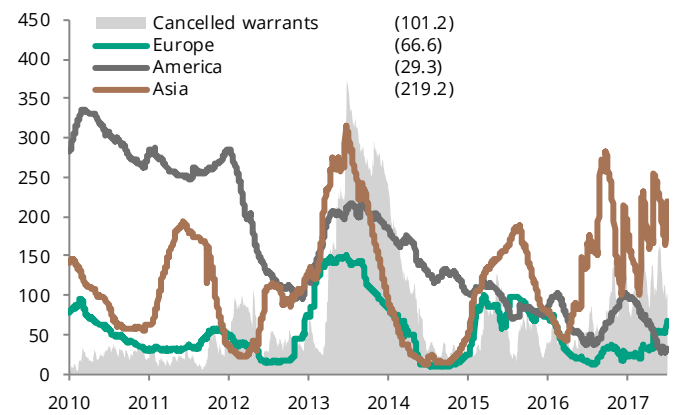
Source: Bloomberg, KGHM

Copper: official exchange stocks (thousand tonnes)



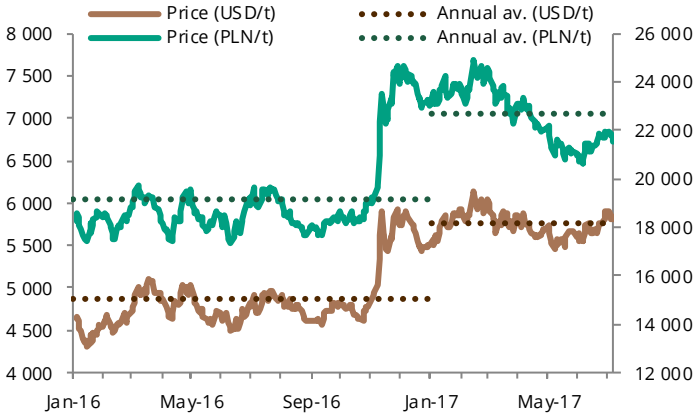
Note: Latest values in brackets. Source: Bloomberg, KGHM

Copper: official LME stocks (thousand tonnes)



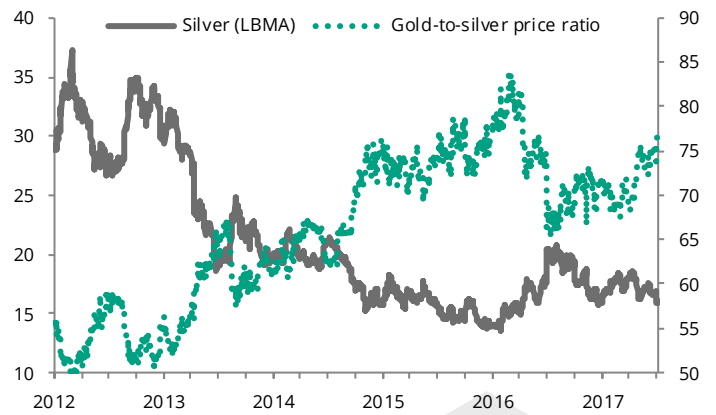
Note: Latest values in brackets. Source: Bloomberg, KGHM

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



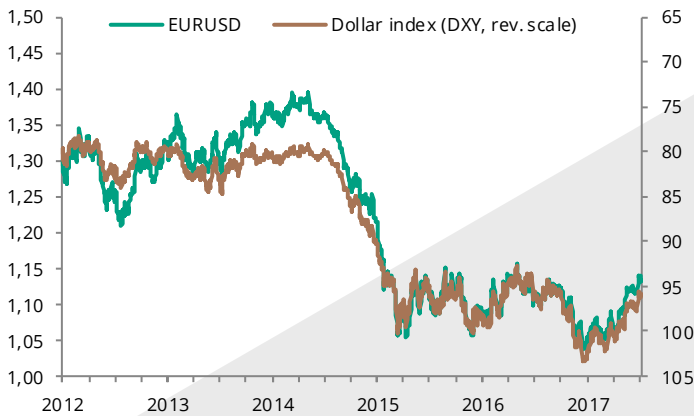
Source: Bloomberg, KGHM Polska Miedź

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



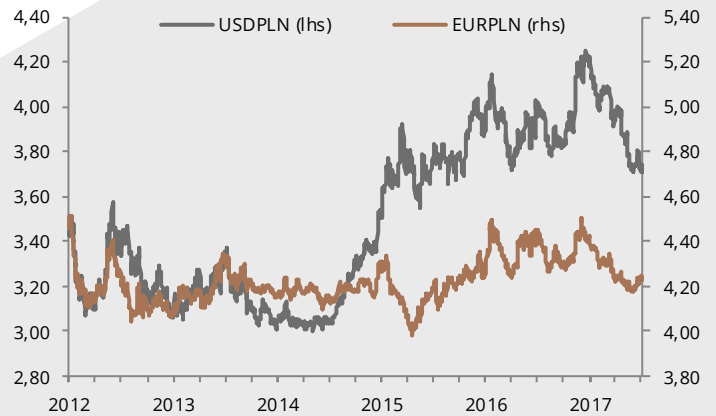
Source: Bloomberg, KGHM Polska Miedź

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:
26th June – 9th July 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 (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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