

Market Overview

 as of: 26th March 2018






- Copper:** With rapidly growing copper production, government of Democratic Republic of Congo, Africa's top copper producer, introduced a new industry code, which will raise taxes and other costs for operators in country and remove a measure protecting mining-license holders from complying with changes to the fiscal and customs regime. Difficulties affected also producers in other African countries - First Quantum Minerals Ltd confirmed it was hit with an \$7.9 billion tax bill by Zambia (*page 2*).
- Precious metals:** After sudden U.S. Secretary of State Rex Tillerson's dismissal and the FOMC's decision to hike the policy rates gold prices had traded sideways before the renewed trade war discussions and another rounds of retaliation acts between United States and the rest of the world (mainly China and EU) appeared in the financial markets agenda (*page 4*).
- Global economy:** New Trump's trade tariffs aimed at Chinese goods fuel trade war fears, driving down stocks. China has already announced retaliatory measures (*page 6*).
- Fed:** The Federal Reserve has risen Fed Funds by 25 bps for the sixth time since the policymaking Federal Open Market Committee began raising rates off near-zero in December 2015 (*page 7*).

Key market prices

| | Close price | 2w chng. |
|------------------------|-------------|----------|
| LME (USD/t) | | |
| ▼ Copper | 6 658.00 | -2.9% |
| ▼ Nickel | 13 050.00 | -4.9% |
| LBMA (USD/troz) | | |
| ▲ Silver | 16.53 | 0.5% |
| ▲ Gold (PM) | 1 346.60 | 2.1% |
| FX | | |
| ▲ EURUSD | 1.2346 | 2.7% |
| ▲ EURPLN | 4.2295 | 1.5% |
| ▼ USDPLN | 3.4319 | -0.9% |
| ▲ USDCAD | 1.2856 | 2.6% |
| ▼ USDCLP | 607.76 | -0.3% |
| Stocks | | |
| ▼ KGHM | 90.96 | -16.9% |

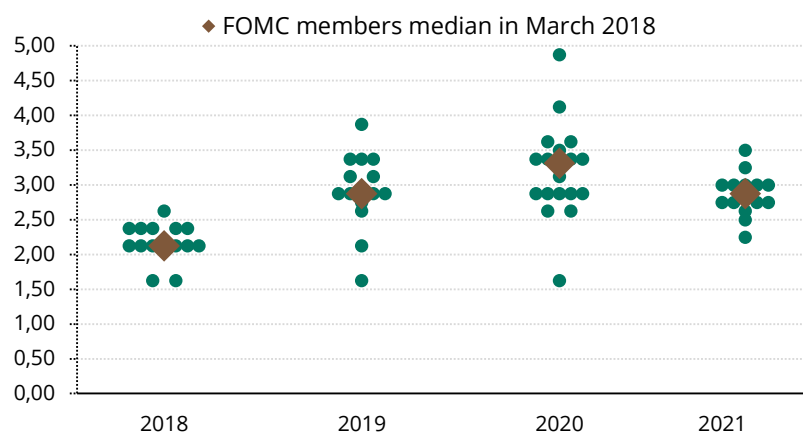
 Source: Bloomberg, KGHM Polska Miedź; (*more on page 10*)

Important macroeconomic data

| Release | For | |
|--|-----|---------|
|  Fed upper rate | Mar | 1.75% ▲ |
|  FAI (ytd, yoy) | Feb | 7.9% ▲ |
|  Industrial prod. (yoy) | Feb | 7.4% ▼ |
|  Industrial prod. (mom) | Feb | 1.1% ▲ |
|  GDP (yoy) | 4Q | 3.3% ▲ |

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

FOMC has hiked the rates by 25 bps and changed the expectations to a more hawkish view in the mid-term; two more hikes in 2018



Source: Fed, Bloomberg, KGHM Polska Miedź

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Base and precious metals | Other commodities

Copper

With rapidly growing copper production, government of Democratic Republic of Congo, Africa's top copper producer, introduced a new industry code, which will raise taxes and other costs for operators in country and remove a measure protecting mining-license holders from complying with changes to the fiscal and customs regime. Difficulties affected also producers in other African countries - First Quantum Minerals Ltd confirmed it was hit with an \$7.9 billion tax bill by Zambia.

Congo tamps down miners' expectations of concessions on new code

Revised code removed a measure protecting miners from complying with changes to the fiscal and customs regime

Miners operating in the Democratic Republic of Congo won't secure substantial concessions in talks with the state about changes to the industry code, a senior mining official said. Mining companies including Glencore Plc and Randgold Resources Ltd. are pressing the government to row back on some of the reforms President Joseph Kabila signed into law this month. The modifications will raise taxes and other costs for operators in Congo, Africa's top copper producer and the world's main source of cobalt. "There can be no renegotiation on any point once the code has been promulgated," Albert Yuma, chairman of state-owned mining company Gecamines, said in an emailed response to questions on March 17. Kabila met top executives from major foreign investors on March 7 to discuss their objections to the new law, which was approved by parliament in January. The president signed the code March 9, but assured miners that "their worries will be taken into account" in talks with the government. Representatives of Glencore, Randgold, China Molybdenum Co., Ivanhoe Mines Ltd., MMG Ltd., Zijin Mining Group Co. and

AngloGold Ashanti Ltd. attended the meeting. The revised code removed a measure protecting mining-license holders from complying with changes to the fiscal and customs regime for 10 years. That means all mines face higher royalty payments and new taxes. The new law also introduces a 50 percent tax on so-called super profits and hikes royalty rates on metals including copper, cobalt and gold. It also allows the government to raise royalty payments on cobalt five-fold to 10 percent if it opts to categorize the mineral as a "strategic substance." "The taxes and royalties to be paid have been fixed in the code by law," said Yuma, who participated in the March 7 meeting. "No one can any longer change or remove them, or create new ones." The companies that met Kabila sent a team to the Congolese capital, Kinshasa, ahead of the talks with the Mining Ministry, according to a joint statement on March 15. The ministry is required to produce regulations within 90 days of the law's promulgation, which will dictate how the code is implemented. The companies said Kabila assured the industry their

questions would be resolved through “transitional arrangements” and the regulations.

The miners expect the negotiations “will give priority to the recognition” of the decade-long stability clause contained in previous legislation, which was adopted in 2002, the statement said. This provision “formed the basis of many investment decisions” taken by the companies. They also said they confirmed to Kabila “their willingness to negotiate additional royalties and changes to other taxes” during the talks. Such wide-ranging reversals aren’t up for discussion, according to Yuma. “The mining regulations do not have the vocation or the power to modify the articles of the code,” he said. After Kabila met the executives, Mines Minister Martin Kabwelulu told reporters the government “will take the measures of the code and put them in the regulations,” and that “the law cannot be contradicted.” Kabwelulu didn’t immediately respond to a request for clarification about what issues will be on the table in the upcoming talks. His chief of staff, Valery Mukasa, declined to comment before the discussions have started.

DRC is considering adding copper to its list of strategic minerals

The Democratic Republic of Congo is considering adding copper to its list of strategic minerals in a move that would extract higher fees from mining companies, an adviser to the prime minister said. “Copper is something we are discussing as being on the list with the others,” Jean Nkunza told Reuters, referring to minerals that will be declared strategic including cobalt, germanium, lithium and coltan. Minerals declared “strategic” could see royalty fees increase to 10 percent from around 2 percent previously. Under the new code, mining companies will pay a royalty of 3.5 percent on copper and other minerals if they are not designated strategic. Mines Minister Martin Kabwelulu said the companies’ concerns would be considered on a case-by-case basis. Miners said the new code will deter investment. The government considers minerals with the “strategic” designation important for the economic, social and industrial future of the country.

Other important information on copper market:

- First Quantum Minerals Ltd. plunged the most in almost two years after the miner confirmed it was hit with an \$7.9 billion tax bill by Zambia, which accounts for 84 percent of its revenue. “The company unequivocally refutes this assessment which does not appear to have any discernible basis of calculation and will continue working with the ZRA, as it normally does, to resolve the issue,” First Quantum said Tuesday in a statement. Bloomberg reported that the Zambian Revenue Authority was announcing a preliminary assessment for a “prominent mining company.” Shares of First Quantum fell as much as 13 percent intraday and were down 12 percent when the stock was halted. Last year Zambia cut power to mines, including the Kansanshi pit owned by First Quantum, and two operations held by Glencore, after a fight escalated over tariffs. First Quantum isn’t the first miner to be hit with a massive tax bill for operations in Africa. Last summer, Tanzania sent Acacia Mining Plc a tax bill equal to almost two centuries worth of the miner’s revenue.

- The global world refined copper market showed a 17,000 tonnes surplus in December, compared with a 41,000 tonnes deficit in November, the International Copper Study Group (ICSG) said in its latest monthly bulletin. In whole 2017 the market was in a 163,000 tonnes deficit compared with a 150,000 tonnes deficit in a year earlier, the ICSG said. World refined copper output in December was 2.13 million tonnes, while consumption was 2.11 million tonnes. Bonded stocks of copper in China showed a 7,000 tonnes surplus in December compared with a 26,000 tonnes deficit in November.
- The Cobre Panama copper project in Panama "is currently experiencing industrial action which has reduced the level of work being performed on the project," project owner First Quantum Minerals said Wednesday. The action was started by a small number of personnel and their outside union leadership on March 9, the company said, adding that the dominant union, which represents the majority of workers, is not involved in the action. "Currently, development activity is continuing in two of the four main construction areas," First Quantum said, adding that the project's security team is working with the authorities to ensure the safety of its employees and assets. "Cobre Panama has received significant support from the government including visits from senior ministers to assist in reaching a resolution. These efforts are continuing," the company said. The open-pit Cobre Panama project is expected to start phased commissioning during 2018, continue to ramp up over 2019 and reach an 85 million mt/year throughput rate by 2020, First Quantum said last month. Over this period, contained copper production is estimated at a minimum of 150,000 mt in 2019, between 270,000 mt and 300,000 mt in 2020 and up to 350,000 mt in 2021. In a research note Wednesday, US investment bank Jefferies said that "based on the current industrial action as well as general growing pains for development of a new, large-scale copper project in a new region, we believe the risk to this production guidance is to the downside."

Precious Metals

After sudden U.S. Secretary of State Rex Tillerson's dismissal and the FOMC's decision to hike the policy rates gold prices had traded sideways before the renewed trade war discussions and another rounds of retaliation acts between United States and the rest of the world (mainly China and EU) appeared in the financial markets agenda.

Venezuela gold reserve value falls 14% in 2017

Gold held by Venezuela's central bank fell 14% in value in 2017 compared with the previous year, according to the bank's financial statement. Gold represents just under 70% of the bank's international reserves, which at the end of 2017 totaled \$9.665 billion. The value of Venezuela's monetary gold stood at \$6.626 billion as of December 2017, according to the most recent official information.

The fall comes amid a major economic crisis in Venezuela, with millions suffering food shortages and the government struggling to import basic products. The central bank valued its reserves at \$1,272.42 per ounce at the end of 2016 and \$1,271.03 per ounce at the end of last year. The volume of gold fell 16% to 5.2 million troy ounces at the end of 2017. In 2014, the central bank began swapping monetary gold in order to obtain liquidity with which to curb a sharp economic crisis. In October, Venezuela allowed a \$1.7 billion gold swap with Germany's Deutsche Bank to lapse, according to an opposition legislator.

Global economies | Foreign exchange markets

International trade

New Trump's trade tariffs aimed at Chinese goods fuel trade war fears, driving down stocks. China has already announced retaliatory measures.

US new tariffs aimed at China and motivated by intellectual property theft

President Donald Trump took the biggest economic gamble of his presidency, ordering tariffs on Chinese goods in a move that could escalate already tense trade relations between the world's two biggest economies. The president instructed U.S. Trade Representative Robert Lighthizer to levy tariffs on at least \$50 billion in Chinese imports. Within 15 days, United States Trade Representative Office will come up with a proposed list of products that will face higher tariffs. The prospect of a trade war sent markets plummeting, with the Dow Jones Industrial Average down 724 points, almost 3 percent, its biggest drop in six weeks. The U.S. will impose 25 percent duties on targeted Chinese products to compensate for the harm caused to the American economy from China's policies, according to a fact sheet released by USTR. The proposed product list will include items in aerospace, information and communication technology and machinery. USTR will announce the proposed list in the next "several days," according to the fact sheet. "This has been long in the making," Trump said, adding that the tariffs could affect as much as \$60 billion in goods. "We have a tremendous intellectual property theft situation going on" with China affecting hundreds of billions of dollars in trade each year, he said. As he signed the tariffs order, Trump told reporters, "This is the first of many."

China has already announced retaliatory measures

The move prompted a sharp rebuke from China. "We don't want a trade war but we are not afraid of it," said China's ambassador to the U.S., Cui Tiankai. "If somebody tries to impose a trade war on us, we will certainly fight back and retaliate. If people want to play tough, we will play tough with them and see who will last longer." In response to the actions of the United States, the Chinese Ministry of Commerce has created a list of 128 US goods (including pork, wine, fresh fruit, dried fruit, nuts, steel pipes, ginseng) for which tariffs will be applied. The authorities in Beijing have announced the introduction of customs duties in two stages against US goods, if they cannot reach an agreement with the Americans. The first part is 15% duty on 120 categories of goods (including fresh and dried fruit, nuts, steel pipes, ginseng and other products), and the second is a 25% tax on pork and processed aluminum products. The goods qualified for tariffs had an import value of USD 3 billion in 2017 (the first part of USD 977 million and the other USD 1.992 billion). China indicated that they can take retaliatory measures in line with WTO rules, explaining that their actions are based on the requirements of national security. Policy makers across the world are warning of a brewing trade war that could undermine the broadest global recovery in years. Meanwhile, business groups representing companies ranging from Walmart Inc. to Amazon.com Inc. are warning U.S. tariffs could raise prices for consumers and sideswipe stock prices.

Federal Reserve: rate hike delivered; GDP forecasts up

The Federal Reserve has risen Fed Funds by 25 bps for the sixth time since the policymaking Federal Open Market Committee began raising rates off near-zero in December 2015.

Fed rises rate for the sixth time since Dec 2015

Central bankers, led by Jerome Powell in his first meeting as chairman, approved the widely expected quarter-point hike that puts the new benchmark funds rate at a target of 1.5% to 1.75%. Along with the increase came another upgrade in the Fed's economic forecast, and a hint that the path of rate hikes could be more aggressive. The market currently expects three hikes for 2018, and that remained the baseline forecast, but at least one more increase was added in the following two years.






Altogether, it is expected that three or four hikes are going to materialize this year

"The economic outlook has strengthened in recent months," the committee said in its post-meeting statement, a sentence that had not been in previous releases. The language came even though the committee said earlier in the statement that "economic activity has been rising at a moderate rate," a seeming downgrade from January's characterization of a "solid" rate. The pace of growth is critical to how the Fed will proceed on monetary policy. According to the summary of economic projections that the FOMC releases each quarter, three rate hikes is still the baseline. However, had one more member indicated a higher funds rate, the forecast likely would have gone to four.

Wall Street economists increasingly have been predicting a fourth move in 2018, and the fed funds futures market was indicating a 38 percent chance of it just before the committee statement was released. The decision to increase the funds rate came unanimously even though some members have questioned why the Fed is moving absent more inflationary pressures. Fed officials raised their forecast for 2018 GDP growth from 2.5 percent in December to 2.7 percent, and increased the 2019 expectation from 2.1 percent to 2.4 percent. However, growth is likely to cool after, with the 2020 forecast holding at 2 percent and the longer-run measure still at 1.8 percent.

Macroeconomic calendar

Important macroeconomic data releases

| Weight | Date | Event | For | Reading ¹ | Previous | Consensus ² | |
|---|--------|--|-----|----------------------|----------|------------------------|---|
| China  | | | | | | | |
| ☆☆ | 14-Mar | Fixed assets investments (ytd, yoy) | Feb | 7.9% ▲ | 7.2% | 7.0% | ▲ |
| Poland  | | | | | | | |
| ☆☆☆☆ | 15-Mar | Consumer inflation CPI (yoy) | Feb | 1.4% ▼ | 1.9% | 1.8% | ▼ |
| ☆☆☆☆ | 16-Mar | Core CPI (excluding food and energy, yoy) | Feb | 0.8% ▼ | 1.0% | 1.0% | ▼ |
| ☆☆ | 16-Mar | Average gross salary (yoy) | Feb | 6.8% ▼ | 7.3% | 7.2% | ▼ |
| ☆☆ | 16-Mar | Trade balance (EUR mn) | Jan | -204 ▲ | -1 268 | -35.0 | ▼ |
| ☆☆ | 16-Mar | Exports (EUR mn) | Jan | 16 853 ▲ | 15 232 | 16 986 | ▼ |
| ☆☆ | 16-Mar | Current account balance (EUR mn) | Jan | 2 005 ▲ | -1 152 | 965 | ▲ |
| ☆ | 16-Mar | Employment (yoy) | Feb | 3.7% ▼ | 3.8% | 3.7% | ○ |
| ☆☆☆☆ | 19-Mar | Sold industrial production (yoy)‡ | Feb | 7.4% ▼ | 8.7% | 8.1% | ▼ |
| ☆☆ | 19-Mar | Producer inflation PPI (yoy) | Feb | -0.2% ▼ | 0.2% | 0.1% | ▼ |
| ☆☆ | 21-Mar | Retail sales (yoy) | Feb | 7.9% ▼ | 8.2% | 8.2% | ▼ |
| ☆ | 22-Mar | M3 money supply (yoy)‡ | Feb | 4.9% ▲ | 4.8% | 5.0% | ▼ |
| ☆☆ | 23-Mar | Unemployment rate | Feb | 6.8% ▼ | 6.9% | 6.8% | ○ |
| US  | | | | | | | |
| ☆☆☆☆ | 13-Mar | Consumer inflation CPI (mom) | Feb | 0.2% ▼ | 0.5% | 0.2% | ○ |
| ☆☆☆☆ | 13-Mar | Consumer inflation CPI (yoy) | Feb | 2.2% ▲ | 2.1% | 2.2% | ○ |
| ☆☆ | 14-Mar | Retail sales (excluding autos, mom)‡ | Feb | 0.2% ▲ | 0.1% | 0.4% | ▼ |
| ☆☆ | 15-Mar | Philadelphia Fed business outlook | Mar | 22.3 ▼ | 25.8 | 23.0 | ▼ |
| ☆☆☆☆ | 16-Mar | Industrial production (mom)‡ | Feb | 1.1% ▲ | -0.2% | 0.4% | ▲ |
| ☆☆ | 16-Mar | University of Michigan confidence index - preliminary data | Mar | 102 ▲ | 99.7 | 99.3 | ▲ |
| ☆ | 16-Mar | Capacity utilization‡ | Feb | 78.1% ▲ | 77.0% | 77.7% | ▲ |
| ☆☆☆☆☆ | 21-Mar | FOMC base rate decision - upper bound (Fed) | Mar | 1.75% ▲ | 1.50% | 1.75% | ○ |
| ☆☆☆☆☆ | 21-Mar | FOMC base rate decision - lower bound (Fed) | Mar | 1.50% ▲ | 1.25% | 1.50% | ○ |
| ☆☆ | 22-Mar | Composite PMI - preliminary data | Mar | 54.3 ▼ | 55.8 | -- | ▼ |
| ☆☆ | 22-Mar | Manufacturing PMI - preliminary data | Mar | 55.7 ▲ | 55.3 | 55.5 | ▲ |
| ☆☆ | 22-Mar | PMI services - preliminary data | Mar | 54.1 ▼ | 55.9 | 56.0 | ▼ |
| ☆☆ | 23-Mar | Durable goods orders - preliminary data‡ | Feb | 3.1% ▲ | -3.5% | 1.6% | ▲ |
| Eurozone  | | | | | | | |
| ☆☆☆☆ | 14-Mar | Industrial production (sa, mom) | Jan | -1.0% ▼ | 0.4% | -0.5% | ▼ |
| ☆☆☆☆ | 14-Mar | Industrial production (wda, yoy)‡ | Jan | 2.7% ▼ | 5.3% | 4.4% | ▼ |
| ☆☆☆☆ | 16-Mar | Consumer inflation CPI (yoy) - final data‡ | Feb | 1.1% ▼ | 1.3% | 1.2% | ▼ |
| ☆☆☆☆ | 16-Mar | Core CPI (yoy) - final data | Feb | 1.0% - | 1.0% | 1.0% | ○ |
| ☆☆ | 16-Mar | Labour costs (yoy) | 4Q | 1.5% ▼ | 1.6% | -- | ▼ |
| ☆ | 19-Mar | Trade balance (EUR mn) | Jan | 3.3 ▼ | 25.4 | -- | ▼ |
| ☆ | 20-Mar | ZEW survey expectations | Mar | 13.4 ▼ | 29.3 | -- | ▼ |
| ☆ | 20-Mar | Consumer confidence - estimation | Mar | 0.1 - | 0.1 | 0.0 | ▲ |
| ☆☆ | 22-Mar | Composite PMI - preliminary data | Mar | 55.3 ▼ | 57.1 | 56.8 | ▼ |
| ☆☆ | 22-Mar | Manufacturing PMI - preliminary data | Mar | 56.6 ▼ | 58.6 | 58.1 | ▼ |
| ☆☆ | 22-Mar | Services PMI - preliminary data | Mar | 55.0 ▼ | 56.2 | 56.0 | ▼ |
| Germany  | | | | | | | |
| ☆☆☆☆ | 14-Mar | Harmonized consumer inflation HICP (yoy) - final data | Feb | 1.2% - | 1.2% | 1.2% | ○ |
| ☆☆☆☆ | 14-Mar | Consumer inflation CPI (yoy) - final data | Feb | 1.4% - | 1.4% | 1.4% | ○ |
| ☆☆ | 22-Mar | Composite PMI - preliminary data | Mar | 55.4 ▼ | 57.6 | 57.0 | ▼ |
| ☆☆ | 22-Mar | Manufacturing PMI - preliminary data | Mar | 58.4 ▼ | 60.6 | 59.8 | ▼ |

| Weight | Date | Event | For | Reading ¹ | Previous | Consensus ² |
|---------------|--------|---|-----|----------------------|----------|------------------------|
| France | | | | | | |
| 🔴🔴🔴🔴 | 15-Mar | Harmonized consumer inflation HICP (yoy) - final data | Feb | 1.3% - | 1.3% | 1.3% ○ |
| 🔴🔴🔴🔴 | 15-Mar | Consumer inflation CPI (yoy) - final data | Feb | 1.2% - | 1.2% | 1.2% ○ |
| 🔴🔴🔴 | 22-Mar | Composite PMI - preliminary data | Mar | 56.2 ▼ | 57.3 | 57.0 ◡ |
| 🔴🔴🔴 | 22-Mar | Manufacturing PMI - preliminary data | Mar | 53.6 ▼ | 55.9 | 55.5 ◡ |
| Italy | | | | | | |
| 🔴🔴🔴🔴 | 16-Mar | Harmonized consumer inflation HICP (yoy) - final data | Feb | 0.5% ▼ | 0.7% | 0.7% ◡ |
| 🔴🔴🔴🔴 | 19-Mar | Industrial production (wda,yoy)‡ | Jan | 4.0% ▼ | 5.4% | 4.5% ◡ |
| UK | | | | | | |
| 🔴🔴🔴🔴 | 20-Mar | Consumer inflation CPI (yoy) | Feb | 2.7% ▼ | 3.0% | 2.8% ◡ |
| 🔴🔴 | 21-Mar | Unemployment rate (ILO, 3-months) | Jan | 4.3% ▼ | 4.4% | 4.4% ◡ |
| 🔴🔴🔴🔴🔴 | 22-Mar | BoE base rate decision | Mar | 0.50% - | 0.50% | 0.50% ○ |
| 🔴🔴🔴🔴 | 22-Mar | BoE asset purchase target (GBP bn) | Mar | 435 - | 435 | 435 ○ |
| Japan | | | | | | |
| 🔴🔴🔴🔴 | 16-Mar | Industrial production (yoy) - final data | Jan | 2.5% ▼ | 2.7% | -- |
| 🔴🔴🔴 | 22-Mar | Manufacturing PMI - preliminary data | Mar | 53.2 ▼ | 54.1 | -- |
| 🔴🔴🔴🔴 | 23-Mar | Consumer inflation CPI (yoy) | Feb | 1.5% ▲ | 1.4% | 1.5% ○ |
| Chile | | | | | | |
| 🔴🔴🔴🔴🔴 | 19-Mar | GDP (yoy)‡ | 4Q | 3.3% ▲ | 2.5% | 2.9% ◡ |
| 🔴🔴🔴🔴🔴 | 20-Mar | BCCCh overnight rate target | Mar | 2.50% - | 2.50% | 2.50% ○ |
| Canada | | | | | | |
| 🔴🔴🔴🔴 | 23-Mar | Consumer inflation CPI (yoy) | Feb | 2.2% ▲ | 1.7% | 1.9% ◡ |

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

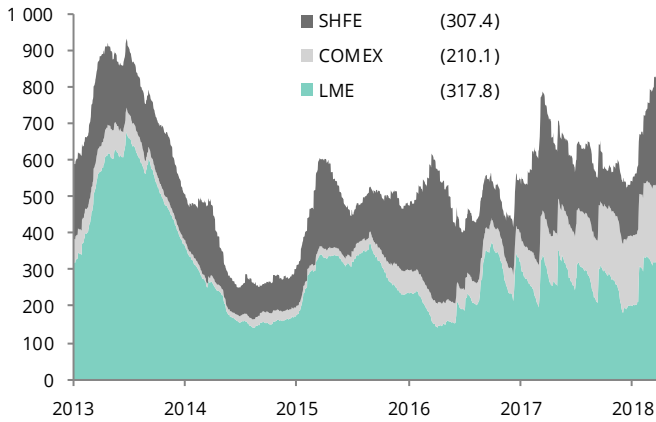
Key base & precious metal prices, exchange rates and other important market factors

| (as of: 23-Mar-18) | | Price change ¹ | | | | | From year beginning ² | | |
|---------------------------|-----------|---------------------------|----------|----------|----------|-----------|----------------------------------|-----------|--|
| | Price | 2W | QTD | YTD | 1Y | Average | Min | Max | |
| LME (USD/t) | | | | | | | | | |
| Copper | 6 658.00 | ▼ -2.9% | ▼ -7.0% | ▼ -7.0% | ▲ 15.0% | 6 984.50 | 6 658.00 | 7 202.50 | |
| Molybdenum | 24 500.00 | ▲ 32.4% | ▲ 53.1% | ▲ 53.1% | ▲ 60.7% | 17 220.34 | 16 000.00 | 24 500.00 | |
| Nickel | 13 050.00 | ▼ -4.9% | ▲ 6.4% | ▲ 6.4% | ▲ 31.6% | 13 293.73 | 12 415.00 | 14 150.00 | |
| Aluminum | 2 049.00 | ▼ -2.3% | ▼ -8.6% | ▼ -8.6% | ▲ 7.1% | 2 168.84 | 2 049.00 | 2 266.00 | |
| Tin | 20 850.00 | ▼ -3.0% | ▲ 4.9% | ▲ 4.9% | ▲ 2.3% | 21 202.46 | 19 960.00 | 22 105.00 | |
| Zinc | 3 215.00 | ▼ -1.4% | ▼ -2.8% | ▼ -2.8% | ▲ 14.2% | 3 429.14 | 3 215.00 | 3 618.00 | |
| Lead | 2 359.50 | ▲ 0.5% | ▼ -5.4% | ▼ -5.4% | ▼ -0.1% | 2 531.37 | 2 345.50 | 2 683.00 | |
| LBMA (USD/troz) | | | | | | | | | |
| Silver | 16.53 | ▲ 0.5% | ▼ -2.0% | ▼ -2.0% | ▼ -5.8% | 16.79 | 16.25 | 17.52 | |
| Gold ² | 1 346.60 | ▲ 2.1% | ▲ 3.9% | ▲ 3.9% | ▲ 7.9% | 1 328.73 | 1 307.75 | 1 354.95 | |
| LPPM (USD/troz) | | | | | | | | | |
| Platinum ² | 954.00 | ▼ -0.4% | ▲ 2.9% | ▲ 2.9% | ▼ -0.9% | 980.19 | 936.00 | 1 020.00 | |
| Palladium ² | 986.00 | - 0.0% | ▼ -6.6% | ▼ -6.6% | ▲ 22.8% | 1 039.97 | 969.00 | 1 129.00 | |
| FX³ | | | | | | | | | |
| EURUSD | 1.2346 | ▲ 0.4% | ▲ 2.9% | ▲ 2.9% | ▲ 14.5% | 1.2286 | 1.1932 | 1.2493 | |
| EURPLN | 4.2295 | ▲ 0.8% | ▲ 1.4% | ▲ 1.4% | ▼ -1.1% | 4.1777 | 4.1423 | 4.2416 | |
| USDPLN | 3.4319 | ▲ 0.7% | ▼ -1.4% | ▼ -1.4% | ▼ -13.5% | 3.4003 | 3.3173 | 3.4999 | |
| USDCAD | 1.2856 | ▲ 0.2% | ▲ 2.5% | ▲ 2.5% | ▼ -3.6% | 1.2630 | 1.2288 | 1.3088 | |
| USDCNY | 6.3160 | ▼ -0.2% | ▼ -2.9% | ▼ -2.9% | ▼ -8.3% | 6.3662 | 6.2778 | 6.5297 | |
| USDCLP | 607.76 | ▲ 0.7% | ▼ -1.2% | ▼ -1.2% | ▼ -8.3% | 601.79 | 588.28 | 614.75 | |
| Money market | | | | | | | | | |
| 3m LIBOR USD | 2.292 | ▲ 0.18 | ▲ 0.60 | ▲ 0.60 | ▲ 1.14 | 1.899 | 1.696 | 2.292 | |
| 3m EURIBOR | -0.329 | ▼ 0.00 | - 0.00 | - 0.00 | ▲ 0.00 | -0.328 | -0.329 | -0.327 | |
| 3m WIBOR | 1.700 | ▼ -0.01 | ▼ -0.02 | ▼ -0.02 | ▼ -0.03 | 1.717 | 1.700 | 1.720 | |
| 5y USD interest rate swap | 2.751 | ▼ -0.04 | ▲ 0.51 | ▲ 0.51 | ▲ 0.68 | 2.622 | 2.283 | 2.841 | |
| 5y EUR interest rate swap | 0.390 | ▼ -0.05 | ▲ 0.08 | ▲ 0.08 | ▲ 0.12 | 0.427 | 0.292 | 0.509 | |
| 5y PLN interest rate swap | 2.398 | ▼ -0.06 | ▼ -0.10 | ▼ -0.10 | ▼ -0.01 | 2.541 | 2.393 | 2.740 | |
| Fuel | | | | | | | | | |
| WTI Cushing | 65.83 | ▲ 7.3% | ▲ 9.0% | ▲ 9.0% | ▲ 40.1% | 62.74 | 59.19 | 66.14 | |
| Brent | 69.86 | ▲ 7.9% | ▲ 4.5% | ▲ 4.5% | ▲ 39.9% | 66.86 | 62.33 | 70.42 | |
| Diesel NY (ULSD) | 201.04 | ▲ 8.4% | ▼ -2.6% | ▼ -2.6% | ▲ 35.5% | 197.72 | 183.32 | 212.60 | |
| Others | | | | | | | | | |
| VIX | 24.87 | ▲ 9.09 | ▲ 13.83 | ▲ 13.83 | ▲ 11.75 | 17.06 | 9.15 | 37.32 | |
| BBG Commodity Index | 87.44 | ▼ -0.3% | ▼ -0.8% | ▼ -0.8% | ▲ 3.4% | 88.29 | 85.64 | 90.80 | |
| S&P500 | 2 588.26 | ▼ -7.0% | ▼ -3.2% | ▼ -3.2% | ▲ 10.3% | 2 740.79 | 2 581.00 | 2 872.87 | |
| DAX | 11 886.31 | ▼ -4.3% | ▼ -8.0% | ▼ -8.0% | ▼ -1.3% | 12 692.05 | 11 886.31 | 13 559.60 | |
| Shanghai Composite | 3 152.76 | ▼ -5.2% | ▼ -4.7% | ▼ -4.7% | ▼ -2.9% | 3 355.52 | 3 129.85 | 3 559.47 | |
| WIG 20 | 2 257.22 | ▼ -5.1% | ▼ -8.3% | ▼ -8.3% | ▲ 1.0% | 2 445.67 | 2 248.53 | 2 630.37 | |
| KGHM | 90.96 | ▼ -11.3% | ▼ -18.2% | ▼ -18.2% | ▼ -25.1% | 107.34 | 90.96 | 115.00 | |

^o 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

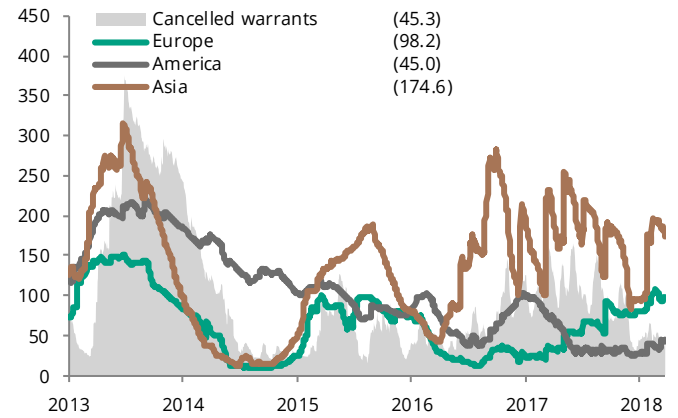
Source: Bloomberg, KGHM

Copper: official exchange stocks (thousand tonnes)



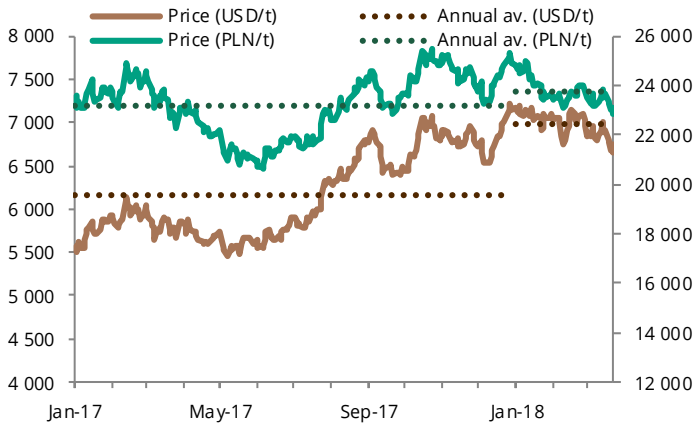
Note: Latest values in brackets. Source: Bloomberg, KGHM

Copper: official LME stocks (thousand tonnes)



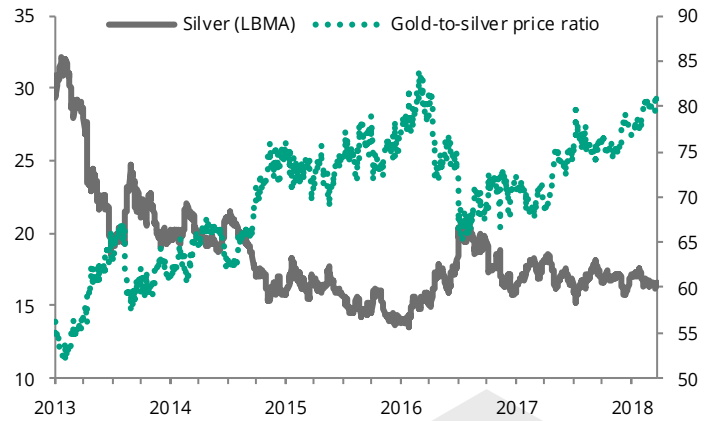
Note: Latest values in brackets. Source: Bloomberg, KGHM

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



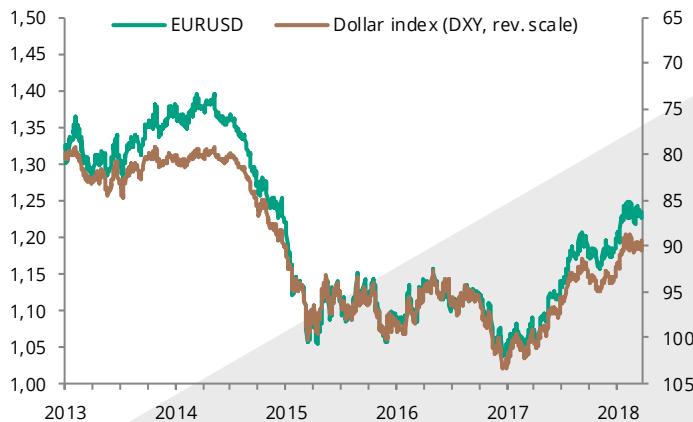
Source: Bloomberg, KGHM Polska Miedź

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



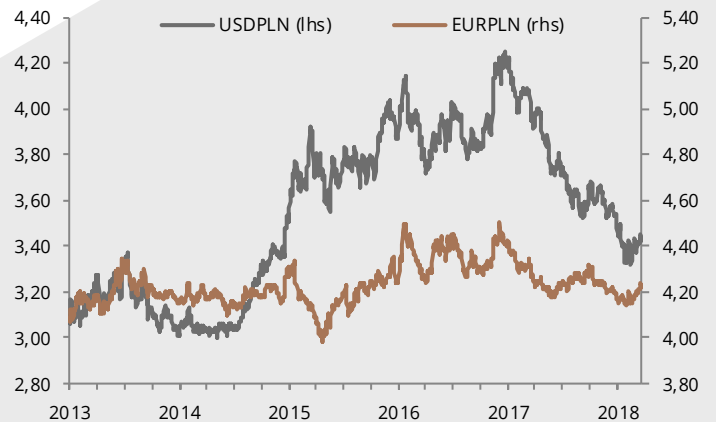
Source: Bloomberg, KGHM Polska Miedź

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:
12th March – 25th March 2018.

- 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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