

Market Overview

as of: 16th July 2018




- **Copper:** After six years conflict over the Grasberg mine, Freeport-McMoRan decided to sell its majority stake to the Indonesian government for far lower than market price. Major Chinese brokerage Gelin Dahua cuts its long position at the turn of 2018/19 which leads to sudden copper price drop (*page 2*).
- **Precious metals:** The ongoing revolution in green technologies, driven by the exponential growth of new energy vehicles (NEVs) and continued investment in solar photovoltaic energy, should further boost global industrial demand for silver over the next decade and beyond. These sectors, along with silver demand in nuclear power, are explored in a new report, *The Role of Silver in the Green Revolution*, released recently by the Silver Institute (*page 4*).
- **Fed minutes:** In the U.S. economic forecast prepared for the June FOMC meeting, the staff continued to project that the economy would expand at an above-trend pace. Real GDP appeared to be rising at a much faster pace in the second quarter than in the first, and it was forecast to increase at a solid rate in the second half of this year (*page 6*).

Key market prices

	Close price	2w chng.
LME (USD/t)		
▼ Copper	6 166.00	-6.5%
▼ Nickel	13 870.00	-4.8%
LBMA (USD/troz)		
▼ Silver	15.81	-1.1%
▼ Gold (PM)	1 241.70	-0.5%
FX		
▲ EURUSD	1.1643	0.0%
▼ EURPLN	4.3302	-1.4%
▼ USDPLN	3.7244	-1.2%
▲ USDCAD	1.3171	0.0%
▼ USDCLP	648.05	-0.5%
Stocks		
▲ KGHM	88.70	0.9%

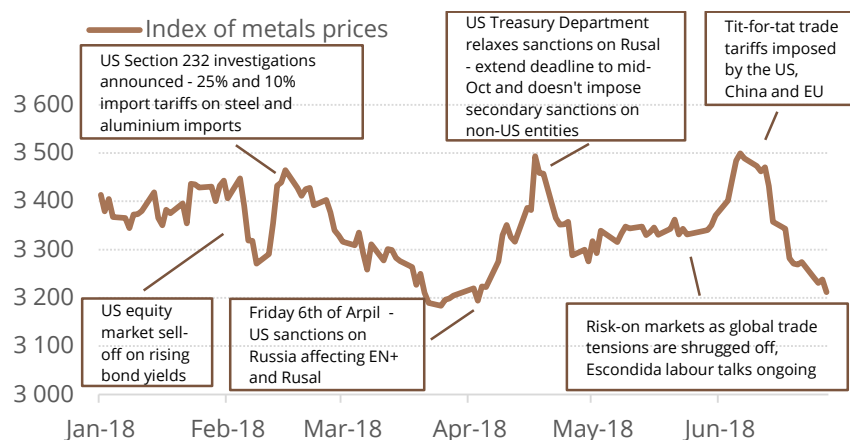
Source: Bloomberg, KGHM Polska Miedź; (*more on page 10*)

Important macroeconomic data

Release	For		
 Industr. prod. (wda, yoy)	May	2.4%	▲
 Non-farm payrolls chng.	Jun	213	▼
 Manufacturing PMI	Jun	54.2	▲
 Econom. activity (yoy)	May	4.9%	▼
 New yuan loans	Jun	1 840	▲

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

The summary of year-to-date events on the base metals market



Source: SocGen, Bloomberg, KGHM Polska Miedź

Market Risk Unit

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Base and precious metals | Other commodities

Copper

After six years of conflict over the Grasberg mine, Freeport-McMoRan decided to sell its majority stake to the Indonesian government for far lower than market price. Major Chinese brokerage Gelin Dahua cuts its long position at the turn of 2018/19 which leads to sudden copper price drop.

Freeport to cede control of Indonesian copper mine in \$3.9B deal

It's not clear if the agreement will be binding

Freeport-McMoRan Inc said on Thursday it will sell a majority stake in the world's second-biggest copper mine to the Indonesian government, seemingly ending a long-running dispute via a series of complex deals worth \$3.85 billion. The agreement, which could still collapse, will see Freeport give up majority control but remain the operator of the Grasberg mine, located in the country's eastern province of Papua, as Jakarta seeks to gain greater control over its mineral wealth. Freeport accepted far less than it could have gotten for its majority Grasberg stake, highlighting the company's desire to end an acrimonious chapter that had weighed on its shares for more than six years. The company risked getting nothing had the case moved to arbitration. It was not immediately clear if the agreement would be binding. While Freeport and Rio both said the agreement was non-binding, Jakarta said it was a binding deal. The transactions will be completed this month, said State-Owned Enterprises Minister Rini Soemarno.

After series of transactions, Indonesia will hold a total of 51.38 percent in Freeport Indonesia

Under the agreement, Indonesian state-owned miner PT Inalum plans to acquire the Indonesian unit of Rio Tinto, which holds a 40 percent participating interest in Grasberg, for \$3.5 billion. That interest would then be transferred to Freeport's local unit, PT Freeport Indonesia, and converted into a 40 percent equity holding in the unit via a rights issuance that would then be given to Inalum. A subsequent purchase of the share of Grasberg held by Freeport unit PT Indocopper Investama, valued at \$350 million, would give Indonesia a total holding of 51.38 percent in Freeport Indonesia. Freeport, which will hold about 49 percent of Grasberg when the agreement is set, has also agreed to build a smelter in Indonesia within five years of the deal being signed, Adkerson said. The two sides had agreed in principle last August to a deal. Thursday's agreement hammers out most of the specifics. Rio for its part said it hoped for binding agreements by the end of the year, adding in a statement "there is no certainty that a transaction will be completed."

Other important information on copper market:

- Chinese brokerage Gelin Dahua slashed its long position on the January 2019 Shanghai copper contract SCFc7 by almost half on Thursday, according to exchange data. Gelin Dahua, owned by Shanxi Securities Co., cut the position

to 6,008 lots from 11,899 lots on Wednesday. It piled into forward copper contracts on the ShFE last year, amassing by far the biggest long position among futures brokerages. It also cut positions on November and December contracts on Thursday, and, after being the top position holder for those months until Wednesday, is now no longer in the top 20. The move comes a day before the Trump administration is due to impose tariffs on \$34 billion in Chinese exports to the United States. Top copper consumer China has vowed to respond. Shanghai's most-traded August copper contract ended down 2.8 percent on Thursday, its lowest close in 11 months, amid volatile trade ahead of the tariffs. Gelin Dahua remains by far the top long position holder for the January and May 2019 contracts, according to the ShFE website, which did not provide data for February-April.

- Zambia agreed to give First Quantum Minerals Ltd. more time to complete its analysis of what the company might owe the southern African nation after it was slapped with a \$7.9 billion tax bill, according to the finance minister. The Vancouver-based company is challenging the assessment from Zambia's revenue agency, which claims First Quantum incorrectly declared imports for one of its two mines in Africa's second-biggest copper producer. The government has audited major mining companies operating in the country, which include Vedanta Resources Plc and Glencore Plc. Copper accounts for more than 70 percent of exports in a nation that's battling to contain ballooning external debt after spending on projects to boost infrastructure. Higher copper prices have helped support the economy after a slump from 2014 curbed income, added to debt and prompted the government to ask for assistance from the International Monetary Fund. The government is seeking to expand revenue collection as it moves to keep its budget deficit to gross domestic product ratio under 10 percent, while ensuring it maintains its obligations to businesses, Mwanakatwe, said. While the Zambian Chamber of Mines says the government owes mining companies more than \$350 million in value-added tax refunds, the revenue authority has warned it won't pay out where liabilities are outstanding. First Quantum estimated it's owed \$368 million in unpaid VAT refunds.
- The union for Chile's Escondida copper mine on Thursday rejected a contract offer by the company and threatened to strike unless changes were made. The mine, controlled by BHP, is in the middle of labor negotiations after workers extended the current contract last year, following a 44-day strike that shook the global copper market and caused huge economic losses in Chile. The offer by Escondida, the world's largest copper mine, included a signing bonus of about \$23,000 and a salary readjustment linked to inflation, which was below the guild's initial demand. "This proposal is unacceptable and if there is no substantial change, the union will be forced to vote for a strike," the union said in a statement. Union officials said the proposed signing bonus was too low. In its proposal in early June, the union asked for a bonus equal to 4 percent of profits in 2017, or up to almost about \$40,000 per worker. It also demanded a 5 percent increase in salaries.

- Shrugging off the recent slump in copper prices, Chile's government joined the mounting optimism over economic growth in the Latin American nation and raised its forecast to 3.8 percent. Anticipating a rebound in copper prices later this year, Finance Minister Felipe Larrain increased the growth estimate from 3.5 percent. Chile is the world's largest exporter of the red metal, which accounts for about half of exports. President Sebastian Pinera's administration, which came to office in March, has pledged to more than double economic growth during its four years in office to between 3.5 percent and 4 percent, from the previous four years. They couldn't have got off to a better start. The economy expanded a faster-than-expected 4.9 percent in May from the year earlier, even though there was one less working day compared with the same month in 2017. Domestic demand will rise 4.8 percent this year, Larrain forecast, up from the previous estimate of 4.1 percent. Rising investment and consumer demand led economists to raise their growth forecast for this year to 4 percent in July, according to the central bank's latest survey, up from 3.8 percent the month earlier. As growth picks up, Larrain also cut his estimate for the fiscal deficit this year to 1.7 percent of gross domestic product from 1.9 percent. S&P Global Ratings and Fitch Ratings both cut Chile's credit rating last year, citing increased spending pressures and sluggish economic growth.
- Chile produced 498,423 mt of copper in May, up 6.4% from the same month of last year, government data showed Friday. Statistics agency INE said the sharp increase reflected the impact of last year's strike at the BHP-controlled Escondida copper mine, the world's largest, as well as adverse weather conditions in the north of the country. Production during the first five months of 2018 totaled 2.385 million mt, up 13.4% from the same period of last year. Although the Escondida strike ended in March last year, it took several weeks for the open pit operations to return to normal levels of production. Chile is the world's largest producer of copper, accounting for more than a quarter of global mine output. Chile produced 5,203 mt of molybdenum in May, down 9.3% from a year ago. The metal is a byproduct in several of Chile's largest copper mine. Production during the first five months of the year totalled 25,769 mt, up 3.0% from 12 months earlier. Gold production in May rose 2.4% to 2,963 kg, but fell 2.5% during the first five months of the year to 13,897 kg. Meanwhile, production of silver rose 7.8% in May to 104,212 kg and increased 7.8% during the first five months of 2018 to 505,707 kg.

Precious Metals

The ongoing revolution in green technologies, driven by the exponential growth of new energy vehicles (NEVs) and continued investment in solar photovoltaic energy, should further boost global industrial demand for silver over the next decade and beyond. These sectors, along with silver demand in nuclear power, are explored in a new report, *The Role of Silver in the Green Revolution*, released recently by the Silver Institute.

Over 1.5 bn troz of silver forecast to be consumed in crucial green technologies through 2030

The cost of installing and providing solar photovoltaic (PV) systems has fallen rapidly relative to other electrical energy sources over the past two decades. This is expected to continue over the medium-term, leading to an ever-increasing share in renewable energy generation and investment for PV, led by both macroeconomic/cost considerations and public policy. Silver's importance to solar energy is well documented and the metal will continue to play a substantial role in this technology. It is estimated that roughly 820 million ounces (Moz) of silver will be utilized by global solar energy applications through 2030.

Recognizing an opportunity to curb pollution in urban areas, governments across the globe have provided financial incentives, as well as new regulations, that favor the development of electric and hybrid vehicles into their broader strategies to tackle climate change. China, the largest car market in the world, is gradually moving from incentivizing consumers to buy electric vehicles to penalizing manufacturers who fail to offer NEV models. Other nations have also made longer-term commitments to EVs, including Norway, Germany, India, the Netherlands, the U.K, France, and seven U.S states.

Spurred on by this policy support, as well as falling costs, new energy vehicles such as battery electric vehicles and plug-in hybrids will account for an ever-increasing proportion of global vehicle sales. A potential game changer for transportation is the use of inductively coupled power transfer technology to wirelessly charge vehicles using silver-plated induction coils. Though current market penetration remains low, improvements in performance and cost can open significant opportunities for wireless charger adoption in the coming years. When combined, these efforts are projected to account for approximately 725 Moz of total silver demand through 2030.

An often-overlooked application for silver is nuclear power, where silver is used in combination with other metals to produce the reactors' control rods. The rod cluster control assemblies are inserted into the reactor to control the rate of fission, and as such must be made of a material that is capable of absorbing neutrons without undergoing nuclear fission itself, has a high mechanical strength, and is resistant to corrosion. One of the most common materials used is an alloy that is 80% silver, 15% indium and 5% cadmium. Though small in terms of expected offtake at 19 Moz of total silver demand through 2030, demand for silver in this area could rise with future growth of nuclear reactors globally.

Global economies | Foreign exchange markets

Fed minutes: view on the economic outlook

In the U.S. economic forecast prepared for the June FOMC meeting, the staff continued to project that the economy would expand at an above-trend pace. Real GDP appeared to be rising at a much faster pace in the second quarter than in the first, and it was forecast to increase at a solid rate in the second half of this year.

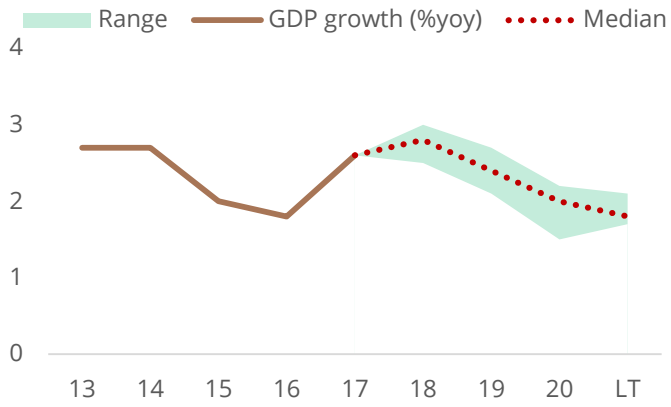
According to the Fed estimates, the economy is forecast to grow above its potential

Over the 2018-20 period, output was projected to rise further above the staff's estimate of its potential, and the unemployment rate was projected to decline further below the staff's estimate of its longer-run natural rate. Relative to the forecast prepared for the May meeting, the projection for real GDP growth beyond the first half of 2018 was revised down a little in response to a higher assumed path for the exchange value of the dollar. In addition, the staff continued to anticipate that supply constraints might restrain output growth somewhat. With real GDP rising a little less, on balance, over the forecast period, the projected decline in the unemployment rate over the next few years was a touch smaller than in the previous forecast.

The staff forecast for total PCE price inflation from 2018 to 2020 was not revised materially. Total consumer price inflation over the first half of 2018 appeared to be a little lower than in the previous projection, mainly because of slightly softer incoming data on nonmarket prices, but the forecast for the second half of the year was a little higher, reflecting an upward revision to projected consumer energy prices over the next couple of quarters. The staff continued to project that total PCE inflation would remain near the Committee's 2 percent objective over the medium term and that core PCE price inflation would run slightly higher than total inflation over that period because of a projected decline in consumer energy prices in 2019 and 2020.

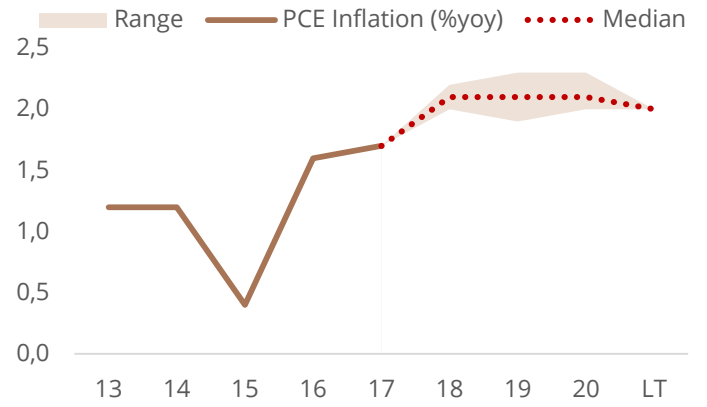
The staff viewed the uncertainty around its projections for real GDP growth, the unemployment rate, and inflation as similar to the average of the past 20 years. The staff saw the risks to the forecasts for real GDP growth and the unemployment rate as balanced. On the upside, recent fiscal policy changes could lead to a greater expansion in economic activity over the next few years than the staff projected. On the downside, those fiscal policy changes could yield less impetus to the economy than the staff expected if, for example, the marginal propensities to consume for groups most affected by the tax cuts are lower than the staff had assumed. Risks to the inflation projection also were seen as balanced. The upside risk that inflation could increase more than expected in an economy that was projected to move further above its potential was counterbalanced by the downside risk that longer-term inflation expectations may be lower than was assumed in the staff forecast.

Federal Reserve USA GDP growth forecast (Jun'18)



Source: Federal Reserve, KGHM Polska Miedź





Federal Reserve USA PCE inflation forecast (Jun'18)









Source: Federal Reserve, KGHM Polska Miedź

Macroeconomic calendar

Important macroeconomic data releases

Weight	Date	Event	For	Reading ¹	Previous	Consensus ²	
China							
🔴🔴🔴	18-Feb	Caixin's manufacturing PMI	Jun	51.0 ▼	51.1	51.1	🔴
🔴	18-Sep	Foreign reserves (USD bn)	Jun	3 112 ▲	3 111	3 102	🟢
🔴🔴🔴🔴	18-Oct	Consumer inflation CPI (yoy)	Jun	1.9% ▲	1.8%	1.9%	🟡
🔴🔴	18-Oct	Producer inflation PPI (yoy)	Jun	4.7% ▲	4.1%	4.5%	🟢
🔴🔴	13-Jul	Trade balance (USD bn)‡	Jun	41.6 ▲	24.2	27.7	🟢
🔴🔴	13-Jul	Exports (yoy)‡	Jun	11.3% ▼	12.2%	9.5%	🟢
🔴	13-Jul	New yuan loans (CNY bn)	Jun	1 840 ▲	1 150	1 535	🟢
Poland							
🔴🔴🔴	18-Feb	Manufacturing PMI	Jun	54.2 ▲	53.3	53.0	🟢
🔴🔴🔴🔴	18-Feb	Consumer inflation CPI (yoy) - preliminary data	Jun	1.9% ▲	1.7%	2.0%	🔴
🔴🔴🔴🔴🔴	18-Nov	NBP base rate decision	Jul	1.50% -	1.50%	1.50%	🟡
🔴🔴🔴🔴	13-Jul	Consumer inflation CPI (yoy) - final data	Jun	2.0% ▲	1.9%	--	
US							
🔴🔴🔴	18-Feb	Manufacturing PMI - final data	Jun	55.4 ▲	54.6	54.6	🟢
🔴🔴	18-Feb	ISM Manufacturing	Jun	60.2 ▲	58.7	58.5	🟢
🔴🔴	18-Mar	Durable goods orders - final data	May	-0.4% ▲	-0.6%	-0.5%	🟢
🔴🔴🔴	18-May	Composite PMI - final data	Jun	56.2 ▲	56.0	--	
🔴🔴🔴	18-May	PMI services - final data	Jun	56.5 -	56.5	56.5	🟡
🔴🔴	18-Jun	Change in non-farm payrolls (ths)‡	Jun	213 ▼	244	195	🟢
🔴🔴	18-Jun	Underemployment rate (U6)	Jun	7.8% ▲	7.6%	--	
🔴🔴	18-Jun	Unemployment rate	Jun	4.0% ▲	3.8%	3.8%	🟢
🔴	18-Jun	Average hourly earnings (yoy)	Jun	2.7% -	2.7%	2.8%	🔴
🔴🔴🔴🔴	18-Dec	Consumer inflation CPI (mom)	Jun	0.1% ▼	0.2%	0.2%	🔴
🔴🔴🔴🔴	18-Dec	Consumer inflation CPI (yoy)	Jun	2.9% ▲	2.8%	2.9%	🟡
🔴🔴	13-Jul	University of Michigan confidence index - preliminary data	Jul	97.1 ▼	98.2	98.0	🔴
Eurozone							
🔴🔴🔴	18-Feb	Manufacturing PMI - final data	Jun	54.9 ▼	55.0	55.0	🔴
🔴🔴	18-Feb	Unemployment rate‡	May	8.4% -	8.4%	8.5%	🔴
🔴🔴	18-Mar	Retail sales (yoy)‡	May	1.4% ▼	1.6%	1.6%	🔴
🔴🔴	18-Mar	Producer inflation PPI (yoy)‡	May	3.0% ▲	1.9%	2.7%	🟢
🔴🔴🔴	18-Apr	Composite PMI - final data	Jun	54.9 ▲	54.8	54.8	🟢
🔴🔴🔴	18-Apr	Services PMI - final data	Jun	55.2 ▲	55.0	55.0	🟢
🔴	18-Oct	ZEW survey expectations	Jul	- 18.7 ▼	- 12.6	--	
🔴🔴🔴🔴	18-Dec	Industrial production (sa, mom)‡	May	1.3% ▲	-0.8%	1.2%	🟢
🔴🔴🔴🔴	18-Dec	Industrial production (wda, yoy)	May	2.4% ▲	1.7%	2.4%	🟡
Germany							
🔴🔴🔴	18-Feb	Manufacturing PMI - final data	Jun	55.9 -	55.9	55.9	🟡
🔴🔴🔴	18-Apr	Composite PMI - final data	Jun	54.8 ▲	54.2	54.2	🟢
🔴🔴🔴	18-May	Factory orders (wda, yoy)‡	May	4.4% ▲	0.8%	1.7%	🟢
🔴🔴🔴🔴	18-Jun	Industrial production (wda, yoy)‡	May	3.1% ▲	1.4%	1.5%	🟢
🔴🔴🔴🔴	18-Dec	Harmonized consumer inflation HICP (yoy) - final data	Jun	2.1% -	2.1%	2.1%	🟡
🔴🔴🔴🔴	18-Dec	Consumer inflation CPI (yoy) - final data	Jun	2.1% -	2.1%	2.1%	🟡

Weight	Date	Event	For	Reading ¹	Previous	Consensus ²
France 						
🌟🌟🌟	18-Feb	Manufacturing PMI - final data	Jun	52.5 ▼	53.1	53.1 🌟
🌟🌟🌟	18-Apr	Composite PMI - final data	Jun	55.0 ▼	55.6	55.6 🌟
🌟🌟🌟🌟	18-Oct	Industrial production (yoy)‡	May	-0.9% ▼	1.9%	0.4% 🌟
🌟🌟🌟🌟	18-Dec	Harmonized consumer inflation HICP (yoy) - final data	Jun	2.3% ▼	2.4%	2.4% 🌟
🌟🌟🌟🌟	18-Dec	Consumer inflation CPI (yoy) - final data‡	Jun	2.0% -	2.0%	2.1% 🌟
Italy 						
🌟🌟🌟	18-Feb	Manufacturing PMI	Jun	53.3 ▲	52.7	52.5 🌟
🌟🌟	18-Feb	Unemployment rate - preliminary data‡	May	10.7% ▼	11.0%	11.1% 🌟
🌟🌟🌟	18-Apr	Composite PMI	Jun	53.9 ▲	52.9	53.2 🌟
🌟🌟🌟🌟	18-Oct	Industrial production (wda, yoy)	May	2.1% ▲	1.9%	2.8% 🌟
UK 						
🌟🌟🌟	18-Feb	Manufacturing PMI (sa)‡	Jun	54.4 ▲	54.3	54.0 🌟
🌟🌟🌟	18-Apr	Composite PMI	Jun	55.2 ▲	54.5	54.5 🌟
🌟🌟🌟🌟	18-Oct	Industrial production (yoy)‡	May	0.8% ▼	1.6%	1.9% 🌟
Japan 						
🌟🌟🌟	18-Feb	Manufacturing PMI - final data	Jun	53.0 ▼	53.1	--
🌟🌟🌟	18-Apr	Composite PMI	Jun	52.1 ▲	51.7	--
🌟🌟🌟🌟	13-Jul	Industrial production (yoy) - final data	May	4.2% -	4.2%	--
Chile 						
🌟🌟🌟🌟	18-May	Economic activity (yoy)	May	4.9% ▼	5.9%	4.0% 🌟
🌟🌟	18-May	Nominal wages (yoy)	May	3.2% ▲	3.0%	3.2% 🌟
🌟🌟🌟🌟	18-Jun	Consumer inflation CPI (yoy)	Jun	2.5% ▲	2.0%	2.6% 🌟
🌟🌟🌟	18-Sep	Copper exports (USD mn)	Jun	3 261 ▼	3 357	--
Canada 						
🌟🌟🌟	18-Jun	Net change in employment (ths)	Jun	31.8 ▲	- 7.5	20.0 🌟
🌟🌟🌟🌟	18-Nov	BoC base rate decision	Jul	1.50% ▲	1.25%	1.50% 🌟

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

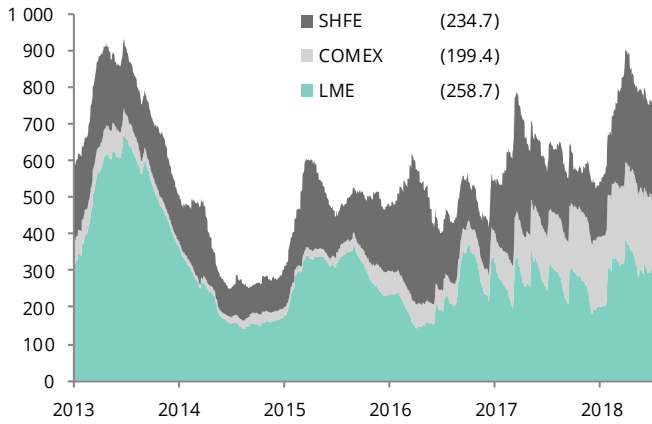
Key base & precious metal prices, exchange rates and other important market factors

(as of: 13-Jul-18)		Price change ¹					From year beginning ²		
	Price	2W	QTD	YTD	1Y	Average	Min	Max	
LME (USD/t)									
Copper	6 166.00	▼ -6.5%	▼ -7.2%	▼ -13.8%	▲ 4.5%	6 875.32	6 166.00	7 262.50	
Molybdenum	26 000.00	- 0.0%	- 0.0%	▲ 62.5%	▲ 62.5%	22 151.85	16 000.00	26 000.00	
Nickel	13 870.00	▼ -4.8%	▼ -7.0%	▲ 13.1%	▲ 51.0%	13 885.85	12 415.00	15 750.00	
Aluminum	2 102.00	▼ -2.4%	▼ -3.7%	▼ -6.2%	▲ 10.0%	2 202.72	1 967.00	2 602.50	
Tin	19 775.00	▼ -0.4%	▲ 0.5%	▼ -0.5%	▼ -1.1%	20 972.33	19 425.00	22 105.00	
Zinc	2 607.00	▼ -10.6%	▼ -11.6%	▼ -21.2%	▼ -7.7%	3 227.80	2 574.00	3 618.00	
Lead	2 162.00	▼ -9.8%	▼ -11.1%	▼ -13.3%	▼ -5.8%	2 444.66	2 140.00	2 683.00	
LBMA (USD/troz)									
Silver	15.81	▼ -1.1%	▼ -1.4%	▼ -6.3%	▼ -0.9%	16.60	15.81	17.52	
Gold ²	1 241.70	▼ -0.5%	▼ -0.7%	▼ -4.2%	▲ 1.9%	1 312.87	1 241.70	1 354.95	
LPPM (USD/troz)									
Platinum ²	831.00	▼ -1.0%	▼ -2.4%	▼ -10.4%	▼ -9.1%	933.64	831.00	1 020.00	
Palladium ²	944.00	▲ 0.3%	▼ -0.9%	▼ -10.6%	▲ 8.6%	1 003.04	909.00	1 129.00	
FX³									
EURUSD	1.1643	▲ 0.0%	▼ -0.1%	▼ -2.9%	▲ 2.0%	1.2073	1.1534	1.2493	
EURPLN	4.3302	▼ -1.4%	▼ -0.7%	▲ 3.8%	▲ 2.3%	4.2304	4.1423	4.3978	
USDPLN	3.7244	▼ -1.2%	▼ -0.5%	▲ 7.0%	▲ 0.3%	3.5052	3.3173	3.7759	
USDCAD	1.3171	▲ 0.0%	▲ 0.0%	▲ 5.0%	▲ 3.4%	1.2805	1.2288	1.3310	
USDCNY	6.6916	▲ 0.4%	▲ 1.1%	▲ 2.8%	▼ -1.4%	6.3931	6.2690	6.6916	
USDCLP	648.05	▼ -0.5%	▲ 0.0%	▲ 5.3%	▼ -2.3%	614.66	588.28	657.33	
Money market									
3m LIBOR USD	2.336	▼ -0.01	▲ 0.00	▲ 0.64	▲ 1.03	2.145	1.696	2.369	
3m EURIBOR	-0.321	- 0.00	- 0.00	▲ 0.01	▲ 0.01	-0.326	-0.329	-0.321	
3m WIBOR	1.700	- 0.00	- 0.00	▼ -0.02	▼ -0.03	1.707	1.700	1.720	
5y USD interest rate swap	2.866	▼ -0.04	▼ -0.02	▲ 0.62	▲ 0.91	2.770	2.283	3.036	
5y EUR interest rate swap	0.264	▲ 0.00	▼ -0.01	▼ -0.05	▼ -0.04	0.382	0.224	0.509	
5y PLN interest rate swap	2.478	▼ -0.01	▲ 0.02	▼ -0.02	▲ 0.12	2.475	2.280	2.740	
Fuel									
WTI Cushing	71.01	▼ -4.0%	▼ -4.2%	▲ 17.5%	▲ 54.1%	65.98	59.19	74.15	
Brent	74.25	▼ -3.5%	▼ -5.5%	▲ 11.1%	▲ 55.4%	71.21	62.33	79.18	
Diesel NY (ULSD)	213.09	▼ -1.1%	▼ -3.4%	▲ 3.2%	▲ 43.2%	207.29	183.32	229.33	
Others									
VIX	12.18	▼ -3.42	▼ -3.91	▲ 1.14	▲ 2.28	16.15	9.15	37.32	
BBG Commodity Index	83.83	▼ -2.2%	▼ -4.1%	▼ -4.9%	▲ 2.3%	88.46	83.44	91.57	
S&P500	2 801.31	▲ 2.7%	▲ 3.1%	▲ 4.8%	▲ 14.4%	2 721.12	2 581.00	2 872.87	
DAX	12 540.73	▲ 2.5%	▲ 1.9%	▼ -2.9%	▼ -0.8%	12 640.60	11 787.26	13 559.60	
Shanghai Composite	2 831.18	▲ 2.0%	▼ -0.6%	▼ -14.4%	▼ -12.0%	3 177.34	2 733.88	3 559.47	
WIG 20	2 157.14	▲ 1.8%	▲ 1.0%	▼ -12.4%	▼ -8.2%	2 322.58	2 098.75	2 630.37	
KGHM	88.70	▲ 0.9%	▲ 0.8%	▼ -20.2%	▼ -22.5%	98.22	84.20	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

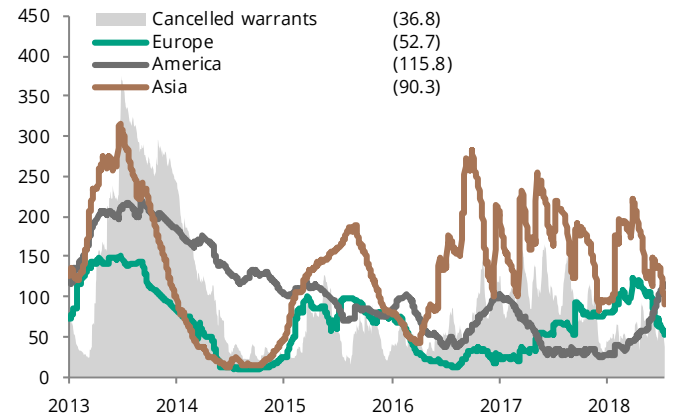
Source: Bloomberg, KGHM

Copper: official exchange stocks (thousand tonnes)



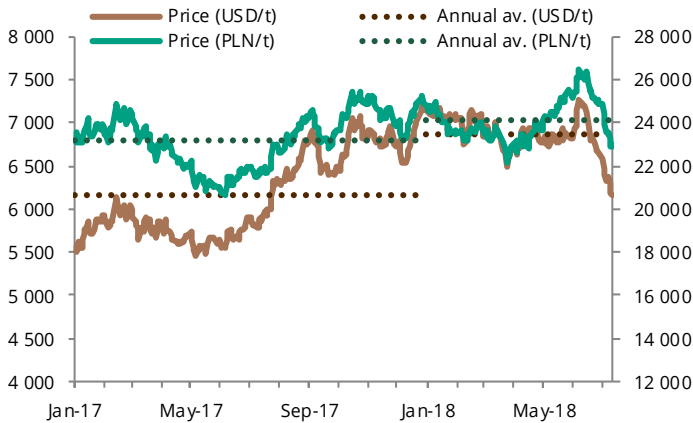
Note: Latest values in brackets. Source: Bloomberg, KGHM

Copper: official LME stocks (thousand tonnes)



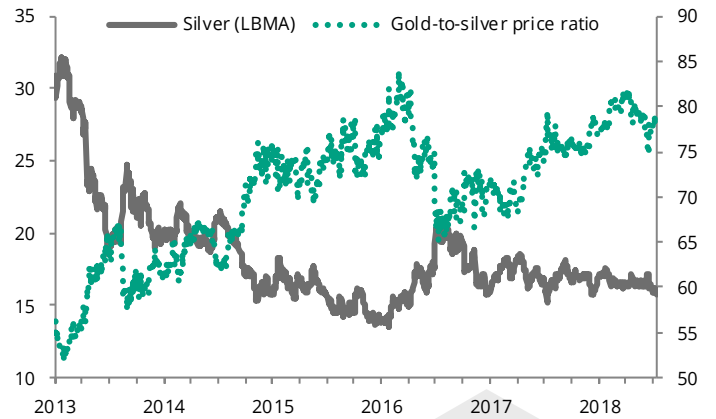
Note: Latest values in brackets. Source: Bloomberg, KGHM

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



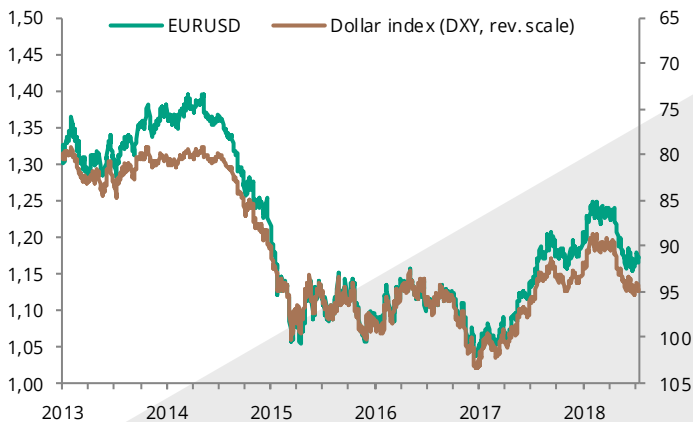
Source: Bloomberg, KGHM Polska Miedź

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



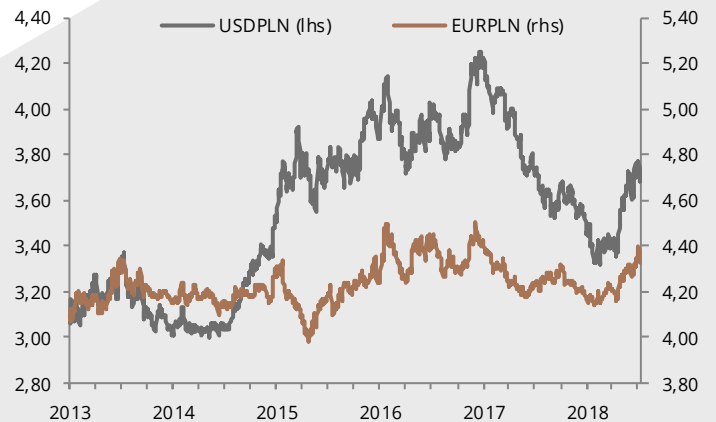
Source: Bloomberg, KGHM Polska Miedź

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:
2nd July – 15th July 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, ▪ Sharps Pixley.

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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