

Market Overview

as of: 10th September 2018

- **Copper:** Chinese appetite for copper mines eases concerns about demand for the metal in China, the world's largest consumer. Russian companies, which are not discouraged by difficult mining conditions, also invest in new projects in the country (*page 2*).
- **Precious metals:** Gold prices plunged recently amid a broad-based selloff in metals on concerns the U.S.-China trade war could take a turn for worse while a stronger dollar also caused selling pressure. As a result of silver weakness and underperformance versus gold prices, gold-to-silver ratio spiked to the highest level in 27 years. Worth noting is also the fact that non-commercial position is the lowest in the entire data collection history (12 years) for silver and lowest since 2002 for gold (*page 4*).
- **USA:** President Donald Trump threatens Canada auto tariffs, which he says would mean the "ruination" of the Canadian economy if no trade deal between those countries can be reached. The Trump administration gave notice of intent to sign a trade deal with Mexico, but U.S.-Canada talks look set to drag on (*page 6*).

Key market prices

	Close price	2w chng.
LME (USD/t)		
▼ Copper	6 120.00	-1.1%
▼ Nickel	13 635.00	-0.5%
LBMA (USD/troz)		
▼ Silver	15.38	-0.7%
▼ Gold (PM)	1 214.40	-0.8%
FX		
▼ EURUSD	1.1456	-2.0%
▲ EURPLN	4.2942	0.2%
▲ USDPLN	3.7481	2.2%
▲ USDCAD	1.3113	0.7%
▲ USDCLP	645.95	0.4%
Stocks		
▼ KGHM	90.30	-5.9%

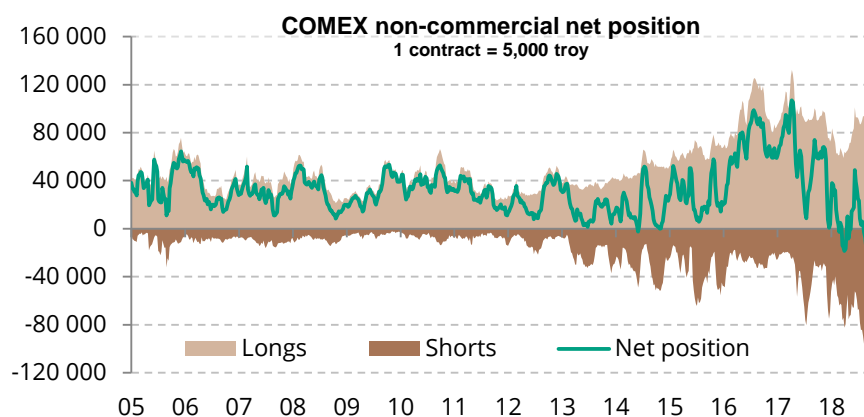
Source: Bloomberg, KGHM Polska Miedź; (*more on page 10*)

Important macroeconomic data

Release	For		
 GDP (sa, yoy)	2Q	2.1%	▼
 Manufacturing (yoy)	Jun	7.2%	▲
 Official manuf. PMI	Jul	51.2	▼
 ISM Manufacturing	Jul	58.1	▼
 BoE rate decision	Aug	0.75%	▲

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

COMEX non-commercial net position on silver is the lowest in the data collection history



Source: CFTC, Bloomberg, KGHM Polska Miedź

Market Risk Unit

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Base and precious metals | Other commodities

Concerns related to the escalation of the trade war negatively affected metal prices

Copper

Chinese appetite for copper mines eases concerns about demand for the metal in China, the world's largest consumer. Russian companies, which are not discouraged by difficult mining conditions, also invest in new projects in the country.

China's surging appetite for copper mines ends metal's rout

Zijin Mining Group Co.'s appetite for copper mines eases concerns about demand for the metal in China, the world's largest consumer, helping end the metal's four-day rout. On Wednesday, Zijin agreed to buy Nevsun Resources Ltd. for \$1.41 billion to add copper assets in Serbia and Eritrea. The deal also comes days after Zijin won a tender to buy Serbia's state-owned RTB Bor, offering to invest almost \$1.5 billion in Serbia's biggest mining and smelting company over six years, according to the country's energy and mining minister last week. Copper has tumbled 21 percent this year, dragging valuations of mining companies lower, amid mounting concerns an escalating U.S.- China trade war may derail global growth, hurting demand for metals. Signs of a Chinese economic slowdown compounded those worries, helping send the metal to a bear market in mid-August. The slump was followed by a flurry of deals involving companies including BHP Billiton Ltd., the world's biggest miner, and Glencore Plc.

"The copper market will eventually move into deficit," Nevsun Chief Executive Officer Peter Kukielski said in a telephone interview on Wednesday, after the deal was announced. "There's consensus that there's a strong future for the copper market. There are not many mines being built." Chinese companies have been on the hunt for mining assets overseas, with valuations looking competitive compared with the deals boom in 2008, Yi Zhu, a senior analyst at Bloomberg Intelligence, said in May. Zijin's \$1.41 billion, outbidding Lundin Mining Corp., represents a 57 percent premium to Nevsun's closing price on May 7, the day before Lundin publicly announced its intention to acquire the company. There are signs of tightening supplies that may be driving China's rush to secure the metal. Import premiums Chinese buyers pay to secure the metal are already near the highest level in almost two years. The combined inventories in warehouses tracked by exchanges in London, Shanghai and New York are at the lowest in more than seven months. Global production of the metal trailed consumption by 31,000 metric tons in May, according to the International Copper Study Group.

Other important information on copper market:

- A company owned by Russian billionaire Alisher Usmanov's holding company said on Tuesday it had started construction of a massive mining and metallurgical plant at the Udokan copper deposit in a remote region in

eastern Siberia. With total reserves of around 26.7 million tonnes of copper, Udokan is the largest undeveloped copper deposit in Russia and one of the biggest in the world. Copper at the deposit, first discovered in the 1940s, is hard to extract due to the characteristics of the ore and because it is located in a remote area with poor infrastructure, high seismic activity and permafrost ground conditions. Baikal Mining Company, owned by Usmanov's USM holding company, said the plant will have the capacity to process up to 12 million tonnes of ore per year after it launches in 2022, producing cathode copper and sulphide concentrate. The company may increase its annual capacity to process 48 million tonnes of ore per year. Usmanov, 64, is Russia's tenth richest businessman, according to the Russian edition of Forbes magazine, which estimates his wealth at \$12.5 billion. His portfolio includes a half of Russia's biggest iron producer, Metalloinvest, as well as telecoms and internet assets.

- Copper production at Codelco, Chile's state-owned copper mining company, rose 2 percent in the first half of 2018 to 813,000 tonnes, Chief Executive Nelson Pizarro said on Friday. The world's top copper miner benefited from rising prices, posting a pretax profit of \$1.235 billion in the same period, up 25 percent year-on-year, with a production cost per pound of copper of \$1.38, an increase of 4 percent year-on-year, Pizarro said. Total production of copper including from red metal mined in its other holdings totalled 875,000 tonnes. The company expects to produce around 1.7 million tonnes of copper in the whole of 2018, he added, and will invest \$39 billion over the next 10 years to extend the shelf life of its aging facilities. Pizarro said he was confident global demand for copper would remain robust despite short-term volatility caused by the U.S.-China trade war. In next years Codelco vows to remain disciplined and targets a 20% increase in productivity by 2020 amid growing costs, CEO Nelson Pizarro says at a seminar in Santiago. He described productivity push as essential to secure government funding needed to finance mine expansion program. About 40% of Codelco output will come from expansion projects by 2024; 60% by 2030.
- Copper output in Democratic Republic of Congo rose 7.9 percent year-on-year in the first half of 2018 to 597,249 tonnes and cobalt production jumped 37.6 percent to 52,491 tonnes, the central bank said on Thursday. Congo is Africa's top copper producer and the world's leading miner of cobalt, which is a key component in electric vehicles and other electronic products.
- China's Western Mining Co Ltd will start commercial production at its 100,000-tonne-per-year (tpy) copper smelter in northwestern Qinghai province in October and spend 8 billion yuan (\$1.17 billion) to expand its mine in Tibet, executives said on Thursday. The smelter project, which involved investment of 2.4-2.5 billion yuan, is currently undergoing test production and output will ramp up gradually after commercial launch, Western Mining Chairman Zhang Yongli said on the sidelines of the China International Copper Forum in Xining. State-run Western Mining is one of China's biggest copper concentrate producers, but also has smelting assets further downstream. Its Qinghai smelter accounts for around one-tenth of the

roughly 1 million tonnes per year of new copper smelting capacity that is scheduled to be commissioned in China, the world's largest copper consumer, in 2018.

Precious Metals

Gold prices plunged recently amid a broad-based selloff in metals on concerns the U.S.-China trade war could take a turn for worse while a stronger dollar also caused selling pressure. As a result of silver weakness and underperformance versus gold prices, gold-to-silver ratio spiked to the highest level in 27 years. Worth noting is also the fact that non-commercial position is the lowest in the entire data collection history (12 yrs) for silver and lowest since 2002 for gold.

Venezuela to offer gold ingot certificates as inflation skyrockets

Venezuelan President Nicolas Maduro said that the embattled country will start selling certificates backed by gold ingots from the coming month, in a bid to stimulate a new savings mechanism. The certificates will be backed by 1.5 grams and 2.5 grams of gold, as tools for pensioners and others to save money and as credit lines to purchase vehicles and other items, Maduro said in a televised statement.

As from 11 September, the certificates will be offered at roughly 3,500 sovereign bolivars (VEF) and VEF 5,800 as per the ingot's weight. Moreover, the Venezuelan president appointed the director of the country's pricing authority as the head of the newly established Interior Commerce Ministry, during his statement.

"We have found the formula to advance towards socialism, equality and the development of national productive forces," Maduro stated. The precious metal is meant as a more stable means for Venezuelans to preserve their plunging funds as the Latin American country run a more than 100,000% inflation rate.

Earlier this month, Maduro announced a 95% currency devaluation and raised the minimum wages by over 3,000%, along with a roll-out of new banknotes that slashed five zeros, in order to simplify transactions.

Mongolia's central bank purchases 12.2 tons of gold so far this year

The Bank of Mongolia said Thursday that it had purchased 12.2 tons of gold from legal entities and individuals in the first eight months of this year. The figure is the same as the amount of gold purchases in the first eight months of 2017, the central bank said in a statement. As of August, the bank's average gold purchase price was 95,042.34 Mongolian tugrik (about 38 U.S. dollars) per gram.

"The Bank of Mongolia has set a target to buy 22 tons of gold this year. If we reach this goal, the foreign exchange reserves will increase by at least 700 million U.S. dollars," Byadran Lkhagvasuren, vice chairman of the Bank of Mongolia, told reporters, adding "September and October are peak season for gold mining. So, we believe the goal will be fulfilled."

Gold miners submitted 20.01 tons of gold to the central bank in 2017, worth over 800 million dollars. Mongolia's annual gold production has remained below 21 tons since 2005, when it reached a record high at 25 tons.

Global economies | Foreign exchange markets

Trump threatens Canada 'ruination' on autos amid Nafta talks

President Donald Trump threatens Canada auto tariffs, which he says would mean the "ruination" of the Canadian economy if no trade deal between those countries can be reached. The Trump administration gave notice of intent to sign a trade deal with Mexico, but U.S.-Canada talks look set to drag on.

U.S.-Canada trade talks look set to drag on as President Donald Trump ratchets up pressure by threatening auto tariffs he says would mean the "ruination" of the Canadian economy. Trump, speaking Friday in North Dakota, said he believes Canada is ripping off the U.S. and repeated that, if a deal can't be reached, he'll apply a 20 percent tariff on cars. "In some countries, including Canada, a tax on cars would be the ruination of the country. That's how big it is. The ruination of the country," he said. "Nafta has been the worst trade deal ever."

He made the comments as talks to revise the North American Free Trade Agreement continued in Washington, with U.S. Trade Representative Robert Lighthizer meeting his Canadian counterpart, Chrystia Freeland, for the third consecutive day. The countries have struck a positive tone, but remain at loggerheads over a handful of issues. No deal will be reached by the countries Friday, a Canadian government official said, speaking on condition of anonymity. "We're really in a continuous negotiation phase and we're all working very hard," Freeland said Friday after meeting Lighthizer. She didn't say when they would next meet; he's due to be in Europe on Monday. "In a trade negotiation, nothing is done until everything is done," Freeland said.





The Trump administration gave notice Aug. 31 of intent to sign a trade deal with Mexico in the next 90 days, which could include Canada "if it's willing." The next deadline comes up at the end of the month, when the U.S. would need to publish text of an agreement in order to sign it before Mexico's president-elect takes office Dec. 1. White House Economic Adviser Larry Kudlow, speaking Friday on Fox Business, said Canada will have to make dairy concessions for a deal. "The word that continues to block the deal is m-i-l-k," Kudlow said. "The United States would rather have a trade deal with Canada, but it has to be a good deal." Speaking earlier in the day to reporters, Trump said talks with Canada are moving along. "We'll see what happens," he said. "Look, everybody wants to deal with us. We've never had a president that dealt." Canadian Prime Minister Justin Trudeau identified two "red lines" this week. One is keeping some kind of anti-dumping panels, currently provided by Nafta's Chapter 19. The other is to preserve an exemption for Canadian cultural industries.


"We are engaged in an exercise to try to save the best of Nafta and that's kind of unfortunate, but everybody knows what we are facing in the White House these days," John Manley, president of the Business Council of Canada and a former

federal cabinet minister, said by phone on Friday. "Being steady, workmanlike, consistent, not rising to any of the bait that's being thrown at us by the president is the right thing to do." In any deal, Canada needs assurances that it will be spared by U.S. national security investigations -- leading to tariffs so far on steel and aluminum, and possibly on autos -- and should dig in on Chapter 19, Manley said. "We do need Chapter 19." Canadian officials have opened the door to making dairy concessions, but would rather see the existing 1994 Nafta pact die than be forced to sign a bad deal to update it. Trump has regularly threatened auto tariffs if no deal can be reached.

Macroeconomic calendar

Important macroeconomic data releases

Weight	Date	Event	For	Reading ¹	Previous	Consensus ²
China 						
☉☉☉	31-Jul	Official manufacturing PMI	Jul	51.2 ▼	51.5	51.3 ◡
☉☉☉	01-Aug	Caixin's manufacturing PMI	Jul	50.8 ▼	51.0	50.9 ◡
☉	07-Aug	Foreign reserves (USD bn)	Jul	3 118 ▲	3 112	3 107 ◡
☉☉	08-Aug	Trade balance (USD bn)‡	Jul	28.1 ▼	41.5	38.9 ◡
☉☉	08-Aug	Exports (yoy)‡	Jul	12.2% ▲	11.2%	10.0% ◡
☉☉☉☉	09-Aug	Consumer inflation CPI (yoy)	Jul	2.1% ▲	1.9%	2.0% ◡
☉☉	09-Aug	Producer inflation PPI (yoy)	Jul	4.6% ▼	4.7%	4.5% ◡
Poland 						
☉☉☉☉	31-Jul	Consumer inflation CPI (yoy) - preliminary data	Jul	2.0% -	2.0%	2.0% ◯
☉☉☉	01-Aug	Manufacturing PMI	Jul	52.9 ▼	54.2	54.0 ◡
US 						
☉	30-Jul	Dallas Fed manufacturing activity	Jul	32.3 ▼	36.5	31.0 ◡
☉☉☉☉	31-Jul	Consumer spending inflation PCE (mom)	Jun	0.1% ▼	0.2%	0.1% ◯
☉☉☉☉	31-Jul	Consumer spending inflation PCE (yoy)‡	Jun	1.9% -	1.9%	2.0% ◡
☉☉	31-Jul	Personal income (sa, mom)	Jun	0.4% -	0.4%	0.4% ◯
☉☉	31-Jul	Personal spending (sa, mom)‡	Jun	0.4% ▼	0.5%	0.4% ◯
☉	31-Jul	S&P/CaseShiller home price index‡	May	212 ▲	210	--
☉☉☉☉☉	01-Aug	FOMC base rate decision - upper bound (Fed)	Aug	2.00% -	2.00%	2.00% ◯
☉☉☉☉☉	01-Aug	FOMC base rate decision - lower bound (Fed)	Aug	1.75% -	1.75%	1.75% ◯
☉☉☉	01-Aug	Manufacturing PMI - final data	Jul	55.3 ▼	55.5	55.5 ◡
☉☉	01-Aug	ISM Manufacturing	Jul	58.1 ▼	60.2	59.4 ◡
☉☉	02-Aug	Durable goods orders - final data	Jun	0.8% ▼	1.0%	--
☉☉☉	03-Aug	Composite PMI - final data	Jul	55.7 ▼	55.9	--
☉☉☉	03-Aug	PMI services - final data	Jul	56.0 ▼	56.2	56.2 ◡
☉☉	03-Aug	Change in non-farm payrolls (th)‡	Jul	157 ▼	248	193 ◡
☉☉	03-Aug	Underemployment rate (U6)	Jul	7.5% ▼	7.8%	--
☉☉	03-Aug	Unemployment rate	Jul	3.9% ▼	4.0%	3.9% ◯
☉	03-Aug	Average hourly earnings (yoy)	Jul	2.7% -	2.7%	2.7% ◯
☉☉☉☉	10-Aug	Consumer inflation CPI (mom)	Jul	0.2% ▲	0.1%	0.2% ◯
☉☉☉☉	10-Aug	Consumer inflation CPI (yoy)	Jul	2.9% -	2.9%	2.9% ◯
Eurozone 						
☉	30-Jul	Economic confidence	Jul	112 ▼	112	112 ◡
☉	30-Jul	Industrial confidence	Jul	5.8 ▼	6.9	6.7 ◡
☉	30-Jul	Consumer confidence - final data	Jul	-0.6 -	-0.6	-0.6 ◯
☉	30-Jul	Business climate indicator‡	Jul	1.3 ▼	1.4	1.4 ◡
☉☉☉☉☉	31-Jul	GDP (sa, yoy) - estimation	2Q	2.1% ▼	2.5%	2.2% ◡
☉☉☉☉☉	31-Jul	GDP (sa, qoq) - estimation	2Q	0.3% ▼	0.4%	0.4% ◡
☉☉☉☉	31-Jul	Core CPI (yoy) - estimation	Jul	1.1% ▲	0.9%	1.0% ◡
☉☉☉☉	31-Jul	CPI estimate (yoy)	Jul	2.1% ▲	2.0%	2.0% ◡
☉☉	31-Jul	Unemployment rate‡	Jun	8.3% -	8.3%	8.3% ◯
☉☉☉	01-Aug	Manufacturing PMI - final data	Jul	55.1 -	55.1	55.1 ◯
☉☉	02-Aug	Producer inflation PPI (yoy)	Jun	3.6% ▲	3.0%	3.5% ◡
☉☉☉	03-Aug	Composite PMI - final data	Jul	54.3 -	54.3	54.3 ◯
☉☉☉	03-Aug	Services PMI - final data	Jul	54.2 ▼	54.4	54.4 ◡
☉☉	03-Aug	Retail sales (yoy)‡	Jun	1.2% ▼	1.6%	1.4% ◡

Weight	Date	Event	For	Reading ¹	Previous	Consensus ²	
Germany 							
⊕⊕⊕⊕	30-Jul	Harmonized consumer inflation HICP (yoy) - preliminary data	Jul	2.1% -	2.1%	2.1%	⊕
⊕⊕⊕⊕	30-Jul	Consumer inflation CPI (yoy) - preliminary data	Jul	2.0% ▼	2.1%	2.1%	⊖
⊕⊕⊕	31-Jul	Retail sales (yoy)	Jun	3.0% ▲	-1.6%	1.5%	⊕
⊕⊕	31-Jul	Unemployment rate	Jul	5.2% -	5.2%	5.2%	⊕
⊕⊕⊕	01-Aug	Manufacturing PMI - final data	Jul	56.9 ▼	57.3	57.3	⊖
⊕⊕⊕	03-Aug	Composite PMI - final data	Jul	55.0 ▼	55.2	55.2	⊖
⊕⊕⊕	06-Aug	Factory orders (wda, yoy)	Jun	-0.8% ▼	4.4%	3.4%	⊖
⊕⊕⊕⊕	07-Aug	Industrial production (wda, yoy)‡	Jun	2.5% ▼	3.0%	3.0%	⊖
France 							
⊕⊕⊕⊕	31-Jul	Harmonized consumer inflation HICP (yoy) - preliminary data	Jul	2.6% ▲	2.3%	2.4%	⊕
⊕⊕⊕⊕	31-Jul	Consumer inflation CPI (yoy) - preliminary data	Jul	2.3% ▲	2.0%	2.2%	⊕
⊕⊕⊕	01-Aug	Manufacturing PMI - final data	Jul	53.3 ▲	53.1	53.1	⊕
⊕⊕⊕	03-Aug	Composite PMI - final data	Jul	54.4 ▼	54.5	54.5	⊖
⊕⊕⊕⊕	10-Aug	Industrial production (yoy)‡	Jun	1.7% ▲	-0.6%	1.4%	⊕
Italy 							
⊕⊕⊕⊕⊕	31-Jul	GDP (wda, yoy) - preliminary data	2Q	1.1% ▼	1.4%	1.3%	⊖
⊕⊕⊕⊕⊕	31-Jul	GDP (wda, qoq) - preliminary data	2Q	0.2% ▼	0.3%	0.2%	⊕
⊕⊕⊕⊕	31-Jul	Harmonized consumer inflation HICP (yoy) - preliminary data	Jul	1.9% ▲	1.4%	1.4%	⊕
⊕⊕	31-Jul	Unemployment rate - preliminary data	Jun	10.9% ▲	10.7%	10.8%	⊕
⊕⊕⊕	01-Aug	Manufacturing PMI	Jul	51.5 ▼	53.3	53.0	⊖
⊕⊕⊕⊕	03-Aug	Industrial production (wda, yoy)‡	Jun	1.7% ▼	2.2%	1.5%	⊕
⊕⊕⊕	03-Aug	Composite PMI	Jul	53.0 ▼	53.9	53.4	⊖
UK 							
⊕⊕⊕	01-Aug	Manufacturing PMI (sa)‡	Jul	54.0 ▼	54.3	54.2	⊖
⊕⊕⊕⊕⊕	02-Aug	BoE base rate decision	Aug	0.75% ▲	0.50%	0.75%	⊕
⊕⊕⊕⊕	02-Aug	BoE asset purchase target (GBP bn)	Aug	435 -	435	435	⊕
⊕⊕⊕	03-Aug	Composite PMI	Jul	53.6 ▼	55.2	54.9	⊖
⊕⊕⊕⊕⊕	10-Aug	GDP (yoy) - preliminary data	2Q	1.3% ▲	1.2%	1.3%	⊕
⊕⊕⊕⊕⊕	10-Aug	GDP (qoq) - preliminary data	2Q	0.4% ▲	0.2%	0.4%	⊕
⊕⊕⊕⊕	10-Aug	Industrial production (yoy)‡	Jun	1.1% ▼	1.2%	0.7%	⊕
Japan 							
⊕⊕⊕⊕	31-Jul	Industrial production (yoy) - preliminary data	Jun	-1.2% ▼	4.2%	0.6%	⊖
⊕⊕⊕	01-Aug	Manufacturing PMI - final data	Jul	52.3 ▲	51.6	--	
⊕⊕⊕	03-Aug	Composite PMI	Jul	51.8 ▼	52.1	--	
⊕⊕⊕⊕⊕	10-Aug	GDP (annualized, qoq) - preliminary data‡	2Q	1.9% ▲	-0.9%	1.4%	⊕
⊕⊕⊕⊕⊕	10-Aug	GDP (qoq, sa) - preliminary data	2Q	0.5% ▲	-0.2%	0.3%	⊕
Chile 							
⊕⊕⊕	31-Jul	Total copper production (metric tons)	Jun	479 094 ▼	498 423	--	
⊕⊕⊕	31-Jul	Manufacturing (yoy)‡	Jun	7.2% ▲	1.9%	4.5%	⊕
⊕⊕⊕⊕	06-Aug	Economic activity (yoy)	Jun	4.9% -	4.9%	5.3%	⊖
⊕⊕⊕	07-Aug	Copper exports (USD mn)	Jul	3 004 ▼	3 261	--	
⊕⊕	07-Aug	Nominal wages (yoy)	Jun	2.7% ▼	3.2%	3.2%	⊖
⊕⊕⊕⊕	08-Aug	Consumer inflation CPI (yoy)	Jul	2.7% ▲	2.5%	2.7%	⊕
Canada 							
⊕⊕⊕⊕⊕	31-Jul	GDP (yoy)	May	2.6% ▲	2.5%	2.3%	⊕
⊕⊕⊕	10-Aug	Net change in employment (th)	Jul	54.1 ▲	31.8	17.0	⊕

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

² Reading difference to consensus: ▲ = higher than consensus; ▼ = lower than consensus; ⊕ = equal to consensus.

mom = month-on-month; yoy = year-on-year; qoq = quarter on quarter; ytd year-to-date; sa = seasonally adjusted; wda = working days adjusted; ‡ = previous data after revision.

Source: Bloomberg, KGHM

Key market data

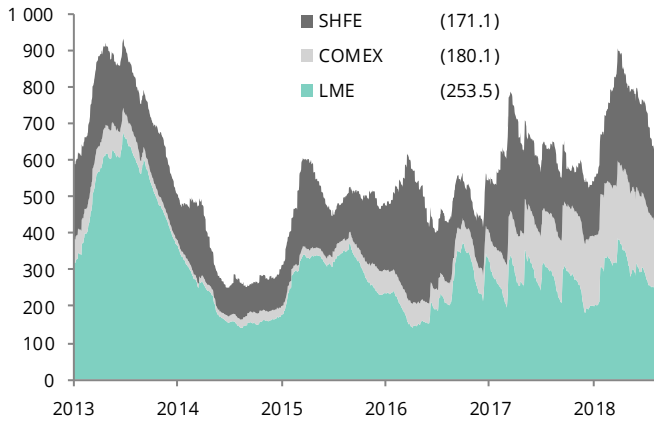
Key base & precious metal prices, exchange rates and other important market factors

<i>(as of: 10-Aug-18)</i>		Price change ¹				From year beginning ²		
	Price	2W	QTD	YTD	1Y	Average	Min	Max
LME (USD/t)								
Copper	6 120.00	▼ -1.1%	▼ -7.9%	▼ -14.5%	▼ -4.6%	6 781.10	5 982.00	7 262.50
Molybdenum	26 000.00	- 0.0%	- 0.0%	▲ 62.5%	▲ 62.5%	22 648.39	16 000.00	26 000.00
Nickel	13 635.00	▼ -0.5%	▼ -8.6%	▲ 11.2%	▲ 26.6%	13 842.52	12 415.00	15 750.00
Aluminum	2 039.00	▼ -0.7%	▼ -6.6%	▼ -9.0%	▲ 0.7%	2 184.24	1 967.00	2 602.50
Tin	19 560.00	▼ -2.2%	▼ -0.6%	▼ -1.6%	▼ -3.9%	20 813.77	19 405.00	22 105.00
Zinc	2 552.50	▼ -1.4%	▼ -13.4%	▼ -22.9%	▼ -13.0%	3 148.38	2 527.00	3 618.00
Lead	2 092.00	▼ -1.9%	▼ -14.0%	▼ -16.2%	▼ -11.3%	2 403.91	2 073.00	2 683.00
LBMA (USD/troz)								
Silver	15.38	▼ -0.7%	▼ -4.1%	▼ -8.8%	▼ -10.0%	16.46	15.26	17.52
Gold ²	1 214.40	▼ -0.8%	▼ -2.9%	▼ -6.3%	▼ -5.5%	1 301.13	1 209.55	1 354.95
LPPM (USD/troz)								
Platinum ²	828.00	▲ 0.2%	▼ -2.7%	▼ -10.7%	▼ -15.7%	919.90	798.00	1 020.00
Palladium ²	911.00	▼ -1.8%	▼ -4.4%	▼ -13.7%	▲ 0.8%	991.76	886.00	1 129.00
FX ³								
EURUSD	1.1456	▼ -2.0%	▼ -1.7%	▼ -4.5%	▼ -2.4%	1.2018	1.1456	1.2493
EURPLN	4.2942	▲ 0.2%	▼ -1.5%	▲ 3.0%	▲ 0.5%	4.2383	4.1423	4.3978
USDPLN	3.7481	▲ 2.2%	▲ 0.1%	▲ 7.7%	▲ 2.9%	3.5287	3.3173	3.7759
USDCAD	1.3113	▲ 0.7%	▼ -0.4%	▲ 4.5%	▲ 3.2%	1.2840	1.2288	1.3310
USDCNY	6.8463	▲ 0.5%	▲ 3.4%	▲ 5.2%	▲ 3.0%	6.4473	6.2690	6.8535
USDCLP	645.95	▲ 0.4%	▼ -0.3%	▲ 5.0%	▼ -0.5%	618.95	588.28	662.43
Money market								
3m LIBOR USD	2.319	▼ -0.02	▼ -0.02	▲ 0.62	▲ 1.01	2.171	1.696	2.369
3m EURIBOR	-0.319	- 0.00	▲ 0.00	▲ 0.01	▲ 0.01	-0.325	-0.329	-0.319
3m WIBOR	1.700	- 0.00	- 0.00	▼ -0.02	▼ -0.03	1.706	1.700	1.720
5y USD interest rate swap	2.878	▼ -0.10	▼ -0.01	▲ 0.63	▲ 1.02	2.793	2.283	3.036
5y EUR interest rate swap	0.274	▼ -0.05	▲ 0.00	▼ -0.04	▲ 0.08	0.372	0.224	0.509
5y PLN interest rate swap	2.458	▼ -0.04	▲ 0.00	▼ -0.04	▲ 0.08	2.472	2.280	2.740
Fuel								
WTI Cushing	67.63	▼ -3.6%	▼ -8.8%	▲ 11.9%	▲ 39.2%	66.36	59.19	74.15
Brent	72.06	▼ -3.3%	▼ -8.3%	▲ 7.8%	▲ 40.1%	71.40	62.33	79.18
Diesel NY (ULSD)	213.72	▼ -1.5%	▼ -3.2%	▲ 3.5%	▲ 31.2%	207.91	183.32	229.33
Others								
VIX	13.16	▼ -1.10	▼ -2.93	▲ 2.12	▼ -2.88	15.65	9.15	37.32
BBG Commodity Index	84.23	▼ -1.3%	▼ -3.6%	▼ -4.5%	▲ 0.8%	87.93	82.82	91.57
S&P500	2 833.28	▲ 1.1%	▲ 4.2%	▲ 6.0%	▲ 16.2%	2 734.70	2 581.00	2 872.87
DAX	12 424.35	▼ -2.9%	▲ 1.0%	▼ -3.8%	▲ 3.4%	12 643.15	11 787.26	13 559.60
Shanghai Composite	2 795.31	▼ -2.6%	▼ -1.8%	▼ -15.5%	▼ -14.3%	3 128.86	2 705.16	3 559.47
WIG 20	2 247.15	▼ -3.5%	▲ 5.2%	▼ -8.7%	▼ -5.7%	2 313.52	2 098.75	2 630.37
KGHM	90.30	▼ -5.9%	▲ 2.6%	▼ -18.8%	▼ -25.1%	97.63	84.20	115.00

° 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

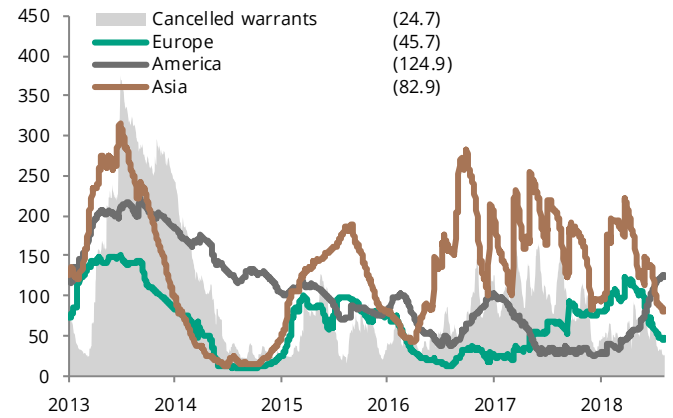
Source: Bloomberg, KGHM

Copper: official exchange stocks (thousand tonnes)



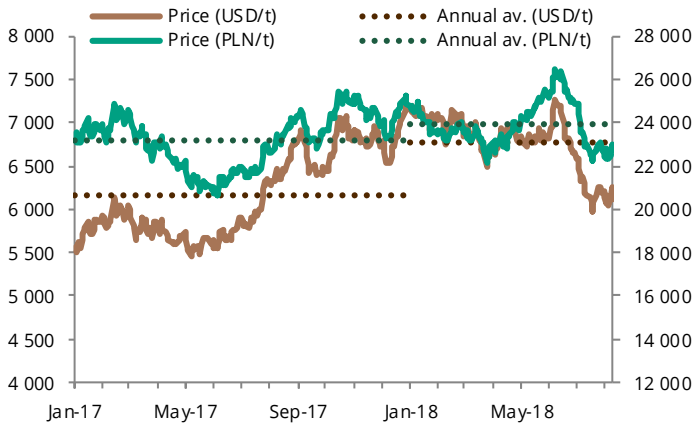
Note: Latest values in brackets. Source: Bloomberg, KGHM

Copper: official LME stocks (thousand tonnes)



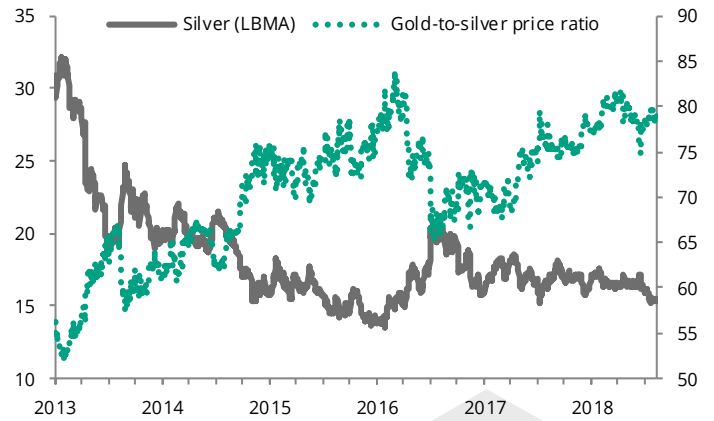
Note: Latest values in brackets. Source: Bloomberg, KGHM

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



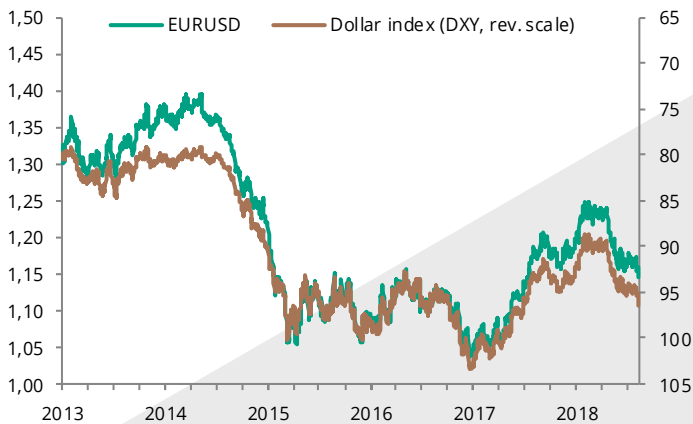
Source: Bloomberg, KGHM Polska Miedź

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



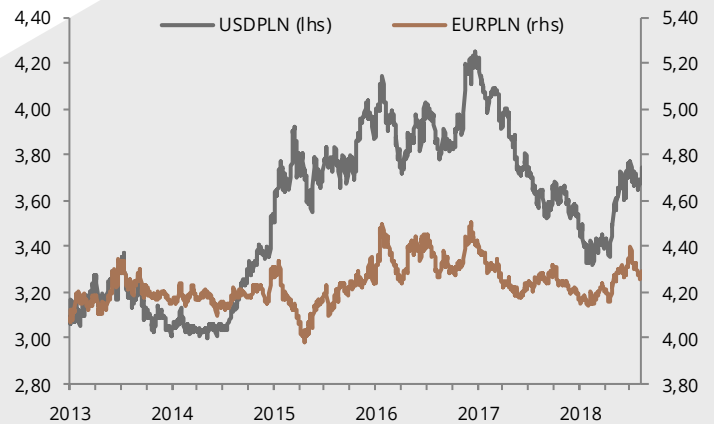
Source: Bloomberg, KGHM Polska Miedź

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:
27th August – 9th September 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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