

# Market Overview

- **Copper:** Many copper miners have postponed projects to shore up future production and profits, and analysts said these companies may be less willing to consider performance bonuses or other hard-won benefits for workers (*page 2*).
- **Precious metals:** The economic fallout from the coronavirus pandemic led dealers to sell gold in China at massive discounts versus the international spot prices (*page 5*).
- **USA:** The most recent U.S. Jobs-Report has shown that both rates were massively overestimated and are much more optimistic than expected. According to the report 2.5million of new jobs were reported compared to projection of a loss of 7.5 million jobs and unemployment rate has declined to 13.3% compared to expected level of 20% (*page 6*).
- **Europe:** European Central Bank (ECB) ramped up its Pandemic Emergency Purchase Programme (PEPP) to 1.35 trillion euros, extend it until June 2021 and pledged to reinvest the proceeds until at least the end of 2022 (*page 7*).



as of: 8<sup>th</sup> June 2020

## Key market prices

	Close price	2w chng.
<b>LME (USD/t)</b>		
▲ Copper	5 588.00	6.6%
▲ Nickel	12 785.00	5.5%
<b>LBMA (USD/troz)</b>		
▲ Silver	17.58	3.4%
▼ Gold (PM)	1 683.45	-2.9%
<b>FX</b>		
▲ EURUSD	1.1330	3.8%
▼ EURPLN	4.4443	-1.5%
▼ USDPLN	3.9217	-5.3%
▼ USDCAD	1.3429	-4.0%
▼ USDCPL	775.58	-3.7%
<b>Stocks</b>		
▲ KGHM	91.52	13.8%

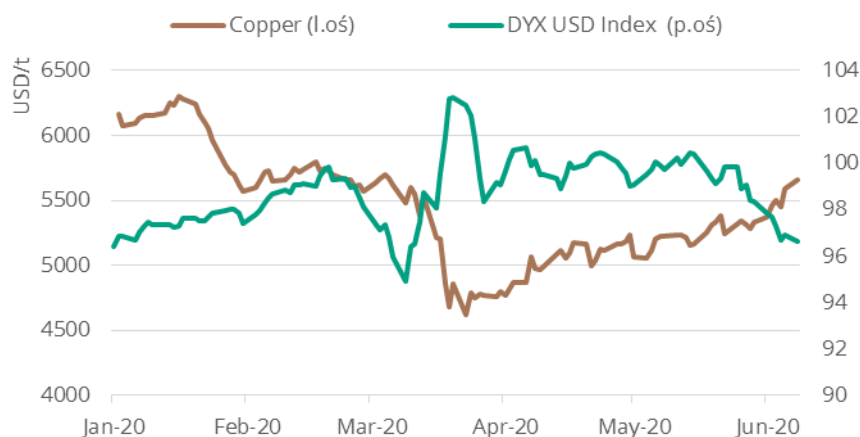
Source: Bloomberg, KGHM Polska Miedź S.A.; (*more on page 10*)

## Important macroeconomic data

Release	For		
 Non-farm payrolls chng.	May	2 509	▲
 CPI (yoy)	May	2.9%	▼
 Official manuf. PMI	May	50.6	▼
 Unemployment rate	Apr	5.8%	▲
 Econom. activity (yoy)	Apr	-14.1%	▼

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

## A weakening dollar is supporting the rise of copper price



Source: Bloomberg, KGHM Polska Miedź S.A.

## Market Risk Unit

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## Base and precious metals | Other commodities

### Copper

**Many copper miners have postponed projects to shore up future production and profits, and analysts said these companies may be less willing to consider performance bonuses or other hard-won benefits for workers.**

**Chilean mine workers argue they should be adequately compensated for working during the pandemic to keep pits open**

### Pandemic Saps Union Clout As Talks Loom With Chile Copper Miners

Chile's powerful copper unions are headed into contract talks with a hand weakened by the coronavirus pandemic, giving an edge to miners like Codelco, Glencore and Antofagasta in negotiations that could influence wages and benefits for years. Chile's generally well-paid copper mine workers argue they should be adequately compensated for working in a riskier environment to keep pits open during the pandemic. Their position has not found much support, even in a country that was already racked by protests over inequality before the coronavirus hit. Union leaders said it would be harder to achieve wage hikes, bonuses and benefit boosts now that the pandemic has swept through the global copper market and hit profits for miners in Chile. Even the timetables for talks, which differ for each miner and its unions, could slip as companies push to delay the renegotiation of expired contracts until the country emerges from coronavirus lockdown. Chile's miners, plagued by falling ore grades, were already looking to shave costs and boost efficiency during a prolonged period of floundering prices for the red metal. The coronavirus has hardened their resolve. The copper price plunged to a four-year low in March as demand fell from China, the country first hit by the pandemic. The sinking returns have weighed heavily on balance sheets. Prices have regained some ground as China begins to reopen. However, unions in Chile acknowledge they may not be able to get the usual contract sweeteners. In some recent negotiations, Codelco and others have been trying to reduce expensive perks such as pricey health care plans that often extend to retirement. Several copper miners have postponed projects to improve ore grades and shore up future production and profits, and analysts said these companies may be less willing to consider performance bonuses or maintain health coverage or other hard-won benefits for workers. "Low copper prices and reduced shifts have further complicated the scenario in a country already in crisis," said Alejandra Wood, executive director at Chilean think tank the Center for Copper and Mining Studies (CESCO). "Perhaps, for that reason, a space has opened up in which we won't see these several million (peso) bonuses anymore." Wider fears over increased levels of automation by miners keen to boost productivity has also put unions on the defensive. The talks may also get pushed back by the virus, with the industry firmly behind proposed legislation to delay talk on any contracts that expired during the quarantine until 60 days after the end of a state of catastrophe.

The workers are split over a delay. Opponents include the Mining Federation, which brings together most private mining unions, but other labor leaders say a delay could stop companies from using the "pandemic effect" as a negotiating tool. For now, the union resistance and a lack of political consensus are holding up the bill. Government leaders are keen for the two sides to reach an accord to prevent debilitating strikes like ones that crippled Chile's copper sector in the past.

### **Metal Inventories Pile Up In Factories, Smelters, Warehouses** **While overall stocks of metals have increased in warehouses that release data, the total amount of surpluses are much higher.**

Inventories of industrial metals are building up in factories, smelters and warehouses not linked to financial exchanges, giving a misleading picture of how the COVID-19 outbreak is hitting the sector. Global industrial activity plummeted after lockdowns forced wide swathes of companies to temporarily shut down, hitting demand for metals such as aluminium, zinc, nickel and copper. While overall stocks of metals have increased in warehouses that release data, the total amount of surpluses are much higher, especially in aluminium, analysts say. Aluminium inventories have already climbed and are forecast to surge by 5 million tonnes by the end of this year to 16 million, according to Eoin Dinsmore at consultancy CRU, but only a fraction of them will show up in warehouses registered with exchanges such as the London Metal Exchange. Most of the buildup is in Asia, where investors arrange lucrative financing deals to store the metal, widely used in transport and construction. "Aluminium is a classic case, you can't trust the inventory data, it's just the tip of the iceberg in terms of what's really going on," said analyst Oliver Nugent at Citi in London. "We think we saw a fair bit of involuntary stocking along the supply chain." For zinc, stocks have been piling up at smelters, said Colin Hamilton at BMO Capital. "I wouldn't be surprised if producers were holding a month's more of inventory than they were at this time last year." Total unreported zinc stocks are due to climb by 44% to 890,000 tonnes by the end of June, according to Helen O'Cleary at CRU. Hidden zinc stocks overwhelm those in exchange warehouses, currently at 208,795 tonnes. In nickel, the biggest growth in unreported stocks has been in alloys - ferronickel and nickel pig iron - used to make stainless steel. Analyst Jim Lennon at Macquarie said stocks of those products in China have quadrupled to 60,000 tonnes, although it was unclear whether this build-up was linked to the coronavirus. Unlike some other metals, about 50,000 tonnes of refined nickel have moved from unreported warehouses to LME sheds, he added.

### Other important information on copper market:

- The global world refined copper market showed a 131,000 tonnes surplus in February, compared with a 2,000 tonnes deficit in January, the International Copper Study Group (ICSG) said. For the first 2 months of the year, the market was in a 129,000 tonnes surplus compared with a 29,000 tonnes surplus in the same period a year earlier. World refined copper output in February was 1.80 million tonnes, while consumption was 1.67 million tonnes. Bonded stocks of copper in China showed a 161,000 tonnes surplus in February compared with a 58,000 tonnes surplus in January.
- In Peru authorities have cleared 91% of large mining operations to resume production after proving their pandemic safety credentials. Getting back to normal may take some time. MMG Ltd.'s Las Bambas mine said it's operating with "some fluctuations" as it struggles to keep its workforce at full capacity because of government restrictions on people movement. Teck Resources Ltd. said the Antamina mine will operate at about 80% capacity with a reduced workforce and won't get back to full speed until next quarter. Peru, the largest copper-mining nation after Chile, took a more cautious approach to the virus than its southern neighbor, shutting down much of the industry for two months. In mid-May, Peru's Institute of Mine Engineers estimated production would be back at full capacity by the end of June.
- South American mining giant Chile churned out more copper in April than the same month the previous year, according to government data released on Friday, even as measures to tame the coronavirus outbreak continued to hammer its economy. The world's largest producer of the red metal boosted production by 2.8% in April to 474,880 tonnes versus the same month a year ago, national statistics institute (INE) data showed. Chile's sprawling copper industry ranks among the least affected globally by the COVID-19 pandemic. The government has said it expects output to slide just 1%, crediting swift and strict sanitary measures with salvaging production. Chile's total production of copper in 2020 through April hit 1.8 million tonnes, up 4.1% from the first four months of 2019.
- Copper inventories in warehouses tracked by the Shanghai Futures Exchange (ShFE) fell for the third straight week to their lowest in more than four months, but the pace of withdrawal has slowed, exchange data showed on Friday (5th June). Copper inventories in ShFE warehouses in the week to June 5 fell 3.5% to 139,913 tonnes, their lowest level since Jan. 23, as economic activity picks up in China after it eased its coronavirus lockdown. The rate of decline this week, however, was far lower than the previous week's 17.5% drop.

## Precious Metals

**The economic fallout from the coronavirus pandemic led dealers to sell gold in China at massive discounts versus the international spot prices.**

### China reduces paperwork for gold exporters

China's central bank and customs authority said they would simplify procedures for companies exporting gold, following a slump in domestic demand for the metal. The economic fallout from the coronavirus pandemic led dealers to sell gold in China, the world's largest bullion consumer, at massive discounts versus the international spot prices. Companies applying to export gold no longer need to submit physical gold inventory certificates approved by the State Council, China's cabinet, or gold production capacity certificates, the central bank said. The People's Bank of China and the General Administration of Customs said in a statement the changes were aimed at reducing paperwork to make the process more convenient. Analysts said they were unlikely to have a significant impact on gold flows. China has strict controls on exporting gold, and typically consumes much more gold than it produces. But prices in the country in April fell as much as \$70 an ounce below international prices - the biggest discount since at least 2014 - and are now around \$20 below international rates. In April, China's exports of gold via Hong Kong exceeded its gold imports via the territory for the first time since at least 2011, and Switzerland, which usually sends tens of tonnes of gold to China every month, shipped no metal to the country at all.

### ETFs amassed more gold in 5 months than in any previous full year: WGC

Gold-backed exchange traded funds (ETFs) added 623 tonnes of the metal worth \$34 billion to their stockpile from January to May, exceeding in five months every full-year increase on record, the World Gold Council said lately. Many investors think gold is likely to hold or increase its value as the fallout from the coronavirus outbreak devalues other assets. Gold prices are up 13% this year at around \$1,700 an ounce. Though demand from investors has been strong, sales of jewellery and gold bars and coins in Asia have plunged, preventing prices from rising further. In May alone, the increase was 154 tonnes, it said. ETFs store gold on investors' behalf. The biggest annual increase in ETF holdings is during 2009, during the financial crisis, when they added 591 tonnes, the World Gold Council said. Its numbers show that by the end of May this year, gold-backed ETFs held 3,510 tonnes of gold worth \$195 billion.

## Global economies | Foreign exchange markets

### Economists Have Biggest Miss Ever in U.S. Jobs-Report Shocker

**The most recent U.S. Jobs-Report has shown that both rates were massively overestimated and are much more optimistic than expected. According to the report 2.5million of new jobs were reported compared to projection of a loss of 7.5 million jobs and unemployment rate has declined to 13.3% compared to expected level of 20%.**

The monthly U.S. jobs report can often surprise relative to projections, but forecasts have never been so spectacularly wrong as they were for May's data, raising the question of why this miss was so wide. A record 2.5 million workers were added by employers during the month, compared with a median projection for a loss of 7.5 million jobs. Of the 78 economists surveyed by Bloomberg, the most optimistic forecast called for an 800,000 decline. Their estimates also called for the unemployment rate to approach 20% -- the highest since the Great Depression in the 1930s -- when in fact it declined to 13.3%. Playing a huge role in economists' forecasts were floods of applications for jobless insurance and tens of millions of Americans still on benefit rolls. Moreover, economists' models probably failed to fully take into account the government's relief response, specifically the Paycheck Protection Program that provides firms funding to keep workers on staff. Before this year, the biggest single-month miss on the payrolls report was 318,000 in February 2003, according to Bloomberg survey data going back to 1996. The sudden nature of the downturn is putting a premium on real-time data to help produce more in-the-ballpark estimates for economic data. "No data set that economists are using has this kind of black swan event available to them," said David Gilbertson, vice president of strategy and operations at Kronos, a software and services company that tracks time-clock punches from clients that represent about 3.2 million U.S. workers. "There's nothing in this data that gives an indication of what happens in an economy when this many jobs are lost this quickly. There's nothing in their models to indicate what's going to happen." Gregory Daco, chief U.S. economist at Oxford Economics, acknowledged the difference between this economic downturn, which is sharp and swift due to Covid-19 pandemic-related shutdowns, and others in the post-World War II era. The May numbers are encouraging, but at the same time, the jobless rate remains elevated and it will take time to get back to a pre-virus labor market, he said. Forecasters "have to remain humble in the face of all the tremendous uncertainty," Daco said. Another issue is that some workers are being counted on payrolls even if their hours or pay are minimal, said Betsey Stevenson, a University of Michigan economist. "The problem is that Wall Street is used to predicting job loss due to a typical recession, not one in which people are temporarily sent home en masse," Stevenson said.



## ECB's Super Stimulus Salvo Sends Stocks, Euro Higher

**European Central Bank (ECB) ramped up its Pandemic Emergency Purchase Programme (PEPP) to 1.35 trillion euros, extend it until June 2021 and pledged to reinvest the proceeds until at least the end of 2022.**







World markets got another shot of energy on as the European Central Bank (ECB) ramped up its Pandemic Emergency Purchase Programme (PEPP) to 1.35 trillion euros. European equities, oil and euro markets had been lower before the ECB said it would raise the programme from 750 billion euros (\$843 billion), extend it until June 2021 at the earliest and pledged to reinvest the proceeds until at least the end of 2022. This was beyond what most analysts had predicted and hot on the heels of a huge domestic support package from Germany on Wednesday (3<sup>th</sup> June), hoisted the euro back above \$1.1250 and the main euro zone bourses back into positive territory. "This reflects the "we will do what it takes" mentality of central bankers," said Neil Birrell, Chief Investment Officer at Premier Miton. Italy led a fall in government bond yields with 10-year borrowing costs tumbling more than 15 basis points to 1.40% their lowest level since late March. The yield on the benchmark U.S. Treasury 10-year also drifted down after a 6 bps rise on Wednesday (3<sup>th</sup> June) to 0.77%. This was the largest one day rise in rates since May 18, and the highest closing level since April 14. Euro had risen around 0.3% against a basket of currencies before that point and had looked on course for its first rise in a week. Market optimism about the post-COVID 19 recovery has dented the dollar's safe-haven appeal as have widespread protests in the U.S. over the death of a black man in police custody. Hong Kong's stock market had still been hobbled by concerns about Beijing's new national security law. Chinese airline shares had also drooped after President Donald Trump's administration had said it would bar Chinese passenger carriers from flying to the United States from June 16. Oil prices, which have been on a tear in recent weeks, also dipped as doubts about supply cuts by major producers began to creep back in. Saudi Arabia and Russia, two of the world's biggest oil producers, have agreed to support an extension into July of the 9.7 million barrels per day (bpd) supply cuts backed in April. But they failed to agree on holding an OPEC+ meeting on Thursday to discuss the cuts, with OPEC sources saying it would be conditional on a deepening of cuts by countries that have not complied with their targets so far.

## Macroeconomic calendar

### Important macroeconomic data releases

Weight	Date	Event	For	Reading <sup>1</sup>	Previous	Consensus <sup>2</sup>
<b>China</b> 						
☆☆	27-May	Industrial profits (yoy)	Apr	-4.3% ▲	-34.9%	--
☆☆☆	31-May	Official manufacturing PMI	May	50.6 ▼	50.8	51.1 ◡
☆☆☆	01-Jun	Caixin's manufacturing PMI	May	50.7 ▲	49.4	49.6 ◢
☆☆	07-Jun	Trade balance (USD bn)‡	May	62.9 ▲	45.3	41.4 ◢
☆☆	07-Jun	Exports (yoy)	May	-3.3% ▼	3.5%	-6.5% ◢
☆	07-Jun	Foreign reserves (USD bn)	May	3 102 ▲	3 091	3 096 ◢
<b>Poland</b> 						
☆	25-May	M3 money supply (yoy)	Apr	14.0% ▲	11.8%	12.7% ◢
☆☆	26-May	Unemployment rate	Apr	5.8% ▲	5.4%	5.7% ◢
☆☆☆☆	28-May	NBP base rate decision	May	0.10% ▼	0.50%	0.50% ◡
☆☆☆☆	29-May	GDP (yoy) - final data	1Q	2.0% ▲	1.9%	--
☆☆☆☆	29-May	GDP (qoq) - final data	1Q	-0.4% ▲	-0.5%	--
☆☆☆☆	29-May	Consumer inflation CPI (yoy) - preliminary data	May	2.9% ▼	3.4%	3.0% ◡
☆☆	01-Jun	Manufacturing PMI	May	40.6 ▲	31.9	35.4 ◢
<b>US</b> 						
☆	26-May	Dallas Fed manufacturing activity	May	-49.2 ▲	-73.7	-61.0 ◢
☆	26-May	S&P/CaseShiller home price index‡	Mar	222 ▲	220	--
☆	27-May	Richmond Fed manufacturing index	May	-27.0 ▲	-53.0	-40.0 ◢
☆☆☆☆	28-May	GDP (annualized, qoq) -	1Q	-5.0% ▼	-4.8%	-4.8% ◡
☆☆	28-May	Durable goods orders - preliminary data‡	Apr	-17.2% ▼	-16.6%	-19.0% ◢
☆☆☆☆	29-May	Consumer spending inflation PCE (mom)‡	Apr	-0.4% ▼	0.0%	-0.3% ◡
☆☆☆☆	29-May	Consumer spending inflation PCE (yoy)	Apr	1.0% ▼	1.7%	1.1% ◡
☆☆	29-May	Personal income (sa, mom)‡	Apr	10.5% ▲	-2.2%	-5.9% ◢
☆☆	29-May	Personal spending (sa, mom)‡	Apr	-13.6% ▼	-6.9%	-12.8% ◡
☆☆	29-May	University of Michigan confidence index - final data	May	72.3 ▼	73.7	74.0 ◡
☆☆	01-Jun	Manufacturing PMI - final data	May	39.8 -	39.8	40.0 ◡
☆☆	01-Jun	ISM Manufacturing	May	43.1 ▲	41.5	43.8 ◡
☆☆	03-Jun	Composite PMI - final data	May	37.0 ▲	36.4	--
☆☆	03-Jun	PMI services - final data	May	37.5 ▲	36.9	37.3 ◢
☆☆	05-Jun	Change in non-farm payrolls (ths)‡	May	2 509 ▲	-20 687	-7 500 ◢
☆☆	05-Jun	Underemployment rate (U6)	May	21.2% ▼	22.8%	--
☆☆	05-Jun	Unemployment rate	May	13.3% ▼	14.7%	19.0% ◡
☆	05-Jun	Average hourly earnings (yoy)‡	May	6.7% ▼	8.0%	8.5% ◡



Weight	Date	Event	For	Reading <sup>1</sup>	Previous	Consensus <sup>2</sup>	
<b>Eurozone</b> 							
⊛	28-May	Economic confidence‡	May	67.5 ▲	64.9	70.6	☹
⊛	28-May	Industrial confidence‡	May	-27.5 ▲	-32.5	-26.5	☹
⊛	28-May	Consumer confidence - final data	May	-18.8 =	-18.8	--	
⊛⊛⊛⊛	29-May	Core CPI (yoy) - preliminary data	May	0.9% =	0.9%	0.8%	☺
⊛⊛⊛⊛	29-May	CPI estimate (yoy)	May	0.1% ▼	0.4%	0.1%	⊙
⊛	29-May	M3 money supply (yoy)	Apr	8.3% ▲	7.5%	8.2%	☺
⊛⊛⊛	01-Jun	Manufacturing PMI - final data	May	39.4 ▼	39.5	39.5	☹
⊛⊛⊛	03-Jun	Composite PMI - final data	May	31.9 ▲	30.5	30.5	☺
⊛⊛⊛	03-Jun	Services PMI - final data	May	30.5 ▲	28.7	28.7	☺
⊛⊛	03-Jun	Unemployment rate‡	Apr	7.3% ▲	7.1%	8.2%	☹
⊛⊛	03-Jun	Producer inflation PPI (yoy)	Apr	-4.5% ▼	-2.8%	-4.2%	☹
⊛⊛⊛⊛⊛	04-Jun	ECB main refinancing rate	Jun	0.00% =	0.00%	0.00%	⊙
⊛⊛⊛⊛⊛	04-Jun	ECB deposit facility rate	Jun	-0.5% =	-0.5%	-0.5%	⊙
⊛⊛	04-Jun	Retail sales (yoy)‡	Apr	-19.6% ▼	-8.8%	-20.6%	☺
<b>Germany</b> 							
⊛⊛⊛⊛⊛	25-May	GDP (yoy) - final data	1Q	-1.9% =	-1.9%	-1.9%	⊙
⊛⊛⊛⊛⊛	25-May	GDP (sa, qoq) - final data	1Q	-2.2% =	-2.2%	-2.2%	⊙
⊛⊛	25-May	IFO business climate‡	May	79.5 ▲	74.2	78.5	☺
⊛⊛	26-May	GfK consumer confidence‡	Jun	-18.9 ▲	-23.1	-18.0	☹
⊛⊛⊛⊛	28-May	Harmonized consumer inflation HICP (yoy) - preliminary data	May	0.5% ▼	0.8%	0.4%	☺
⊛⊛⊛⊛	28-May	Consumer inflation CPI (yoy) - preliminary data	May	0.6% ▼	0.9%	0.6%	⊙
⊛⊛⊛	29-May	Retail sales (yoy)‡	Apr	-6.5% ▼	-1.2%	-14.0%	☺
⊛⊛⊛	01-Jun	Manufacturing PMI - final data	May	36.6 ▼	36.8	36.8	☹
⊛⊛⊛	03-Jun	Composite PMI - final data	May	32.3 ▲	31.4	31.4	☺
⊛⊛	03-Jun	Unemployment rate	May	6.3% ▲	5.8%	6.2%	☺
⊛⊛⊛	05-Jun	Factory orders (wda, yoy)‡	Apr	-36.6% ▼	-15.4%	-29.7%	☹
⊛⊛⊛⊛	08-Jun	Industrial production (wda, yoy)‡	Apr	-25.3% ▼	-11.3%	-24.8%	☹
<b>France</b> 							
⊛⊛⊛⊛⊛	29-May	GDP (yoy) - final data	1Q	-5.0% ▲	-5.4%	-5.4%	☺
⊛⊛⊛⊛⊛	29-May	GDP (qoq) - final data	1Q	-5.3% ▲	-5.8%	-5.8%	☺
⊛⊛⊛⊛	29-May	Harmonized consumer inflation HICP (yoy) - preliminary data	May	0.2% ▼	0.4%	0.3%	☹
⊛⊛⊛⊛	29-May	Consumer inflation CPI (yoy) - preliminary data	May	0.2% ▼	0.3%	0.3%	☹
⊛⊛⊛	01-Jun	Manufacturing PMI - final data	May	40.6 ▲	40.3	40.3	☺
⊛⊛⊛	03-Jun	Composite PMI - final data	May	32.1 ▲	30.5	30.5	☺
<b>Italy</b> 							
⊛⊛⊛⊛⊛	29-May	GDP (wda, yoy) - final data	1Q	-5.4% ▼	-4.8%	-4.8%	☹
⊛⊛⊛⊛⊛	29-May	GDP (wda, qoq) - final data	1Q	-5.3% ▼	-4.7%	-4.7%	☹
⊛⊛⊛⊛	29-May	Harmonized consumer inflation HICP (yoy) - preliminary data	May	-0.2% ▼	0.1%	-0.1%	☹
⊛⊛⊛	01-Jun	Manufacturing PMI	May	45.4 ▲	31.1	36.8	☺
⊛⊛⊛	03-Jun	Composite PMI	May	33.9 ▲	10.9	28.5	☺
⊛⊛	03-Jun	Unemployment rate - preliminary data‡	Apr	6.3% ▼	8.0%	9.3%	☹
<b>UK</b> 							
⊛⊛⊛	01-Jun	Manufacturing PMI (sa) - final data	May	40.7 ▲	40.6	40.8	☹
⊛⊛⊛	03-Jun	Composite PMI - final data	May	30.0 ▲	28.9	29.1	☺
<b>Japan</b> 							
⊛⊛⊛⊛	29-May	Industrial production (yoy) - preliminary data	Apr	-14.4% ▼	-5.2%	-10.6%	☹
⊛⊛⊛	01-Jun	Manufacturing PMI - final data	May	38.4 =	38.4	--	
⊛⊛⊛	03-Jun	Composite PMI - final data	May	27.8 ▲	27.4	--	
⊛⊛⊛⊛⊛	08-Jun	GDP (annualized, qoq) - final data	1Q	-2.2% ▲	-3.4%	-2.1%	☹
⊛⊛⊛⊛⊛	08-Jun	GDP (qoq, sa) - final data	1Q	-0.6% ▲	-0.9%	-0.5%	☹

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

<sup>2</sup> Reading difference to consensus: ☺ = higher than consensus; ☹ = lower than consensus; ⊙ = equal to consensus.

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

Source: Bloomberg, KGHM Polska Miedź

## Key market data

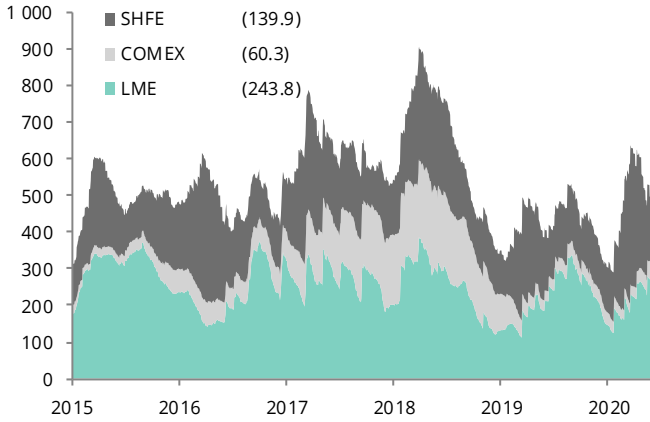
### Key base & precious metal prices, exchange rates and other important market factors

<i>(as of: 05-Jun-20)</i>		Price change <sup>1</sup>					From year beginning <sup>2</sup>		
	Price	2W	QTD	YTD	1Y	Average	Min	Max	
<b>LME (USD/t; Mo in USD/lbs)</b>									
Copper	5 588.00	▲ 6.6%	▲ 16.5%	▼ -9.2%	▼ -3.7%	5 449.34	4 617.50	6 300.50	
Molybdenum	8.22	▼ -3.9%	▼ -2.5%	▼ -10.7%	▼	9.19	7.90	10.90	
Nickel	12 785.00	▲ 5.5%	▲ 13.8%	▼ -8.7%	▲ 9.2%	12 436.84	11 055.00	14 290.00	
Aluminum	1 553.50	▲ 5.5%	▲ 4.3%	▼ -13.7%	▼ -10.8%	1 598.56	1 421.50	1 810.50	
Tin	16 425.00	▲ 6.0%	▲ 14.1%	▼ -2.5%	▼ -14.1%	15 888.42	13 400.00	17 775.00	
Zinc	2 038.50	▲ 3.8%	▲ 9.2%	▼ -11.1%	▼ -22.7%	2 050.35	1 773.50	2 466.50	
Lead	1 749.50	▲ 9.1%	▲ 2.2%	▼ -9.0%	▼ -10.1%	1 762.78	1 576.50	2 027.00	
<b>LBMA (USD/troz)</b>									
Silver	17.58	▲ 3.4%	▲ 26.2%	▼ -2.6%	▲ 17.6%	16.49	12.01	18.78	
Gold <sup>2</sup>	1 683.45	▼ -2.9%	▲ 4.6%	▲ 10.5%	▲ 26.1%	1 630.84	1 474.25	1 748.30	
<b>LPPM (USD/troz)</b>									
Platinum <sup>2</sup>	823.00	▼ -1.4%	▲ 13.2%	▼ -15.2%	▲ 2.6%	851.50	593.00	1 017.00	
Palladium <sup>2</sup>	1 925.00	▲ 0.5%	▼ -16.6%	▲ 0.3%	▲ 43.5%	2 161.78	1 557.00	2 781.00	
<b>FX <sup>3</sup></b>									
EURUSD	1.1330	▲ 3.8%	▲ 3.4%	▲ 0.9%	▲ 0.6%	1.0982	1.0707	1.1456	
EURPLN	4.4443	▼ -1.5%	▼ -2.4%	▲ 4.4%	▲ 3.9%	4.4092	4.2279	4.6044	
USDPLN	3.9217	▼ -5.3%	▼ -5.4%	▲ 3.3%	▲ 3.0%	4.0174	3.7861	4.2654	
USDCAD	1.3429	▼ -4.0%	▼ -5.3%	▲ 3.4%	▲ 0.4%	1.3665	1.2970	1.4496	
USDCNY	7.0834	▼ -0.7%	▲ 0.0%	▲ 1.7%	▲ 2.5%	7.0295	6.8598	7.1671	
USDCLP	775.58	▼ -3.7%	▼ -8.4%	▲ 4.2%	▲ 11.9%	815.63	748.74	867.83	
<b>Money market</b>									
3m LIBOR USD	0.313	▼ -0.06	▼ -1.14	▼ -1.60	▼ -2.14	1.195	0.313	1.900	
3m EURIBOR	-0.353	▼ -0.08	▲ 0.01	▲ 0.03	▼ -0.03	-0.350	-0.489	-0.161	
3m WIBOR	0.270	▼ -0.41	▼ -0.90	▼ -1.44	▼ -1.45	1.229	0.270	1.710	
5y USD interest rate swap	0.509	▲ 0.13	▼ -0.01	▼ -1.22	▼ -1.40	0.866	0.333	1.693	
5y EUR interest rate swap	-0.237	▲ 0.05	▼ 0.00	▼ -0.13	▼ -0.10	-0.257	-0.453	-0.090	
5y PLN interest rate swap	0.690	▼ -0.05	▼ -0.18	▼ -1.09	▼ -1.16	1.172	0.485	2.050	
<b>Fuel</b>									
WTI Cushing	39.55	▲ 17.9%	▲ 93.1%	▼ -35.2%	▼ -24.8%	36.39	-37.63	63.27	
Brent	41.13	▲ 17.5%	▲ 91.6%	▼ -38.1%	▼ -35.0%	40.90	17.32	69.02	
Diesel NY (ULSD)	112.31	▲ 17.4%	▲ 8.8%	▼ -44.6%	▼ -36.9%	126.36	60.67	206.01	
<b>Others</b>									
VIX	24.52	▼ -3.64	▼ -29.02	▲ 10.74	▲ 8.59	32.92	12.10	82.69	
BBG Commodity Index	64.69	▲ 3.1%	▲ 4.6%	▼ -20.0%	▼ -16.1%	68.34	59.48	81.64	
S&P500	3 193.93	▲ 8.1%	▲ 23.6%	▼ -1.1%	▲ 12.3%	2 976.14	2 237.40	3 386.15	
DAX	12 847.68	▲ 12.8%	▲ 29.3%	▼ -3.0%	▲ 7.5%	11 654.33	8 441.71	13 789.00	
Shanghai Composite	2 930.80	▲ 4.0%	▲ 6.6%	▼ -3.9%	▲ 3.6%	2 900.67	2 660.17	3 115.57	
WIG 20	1 842.47	▲ 12.0%	▲ 21.8%	▼ -14.3%	▼ -18.5%	1 791.80	1 305.73	2 200.10	
KGHM	91.52	▲ 13.8%	▲ 53.0%	▼ -4.2%	▼ -3.4%	79.63	49.40	101.00	

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

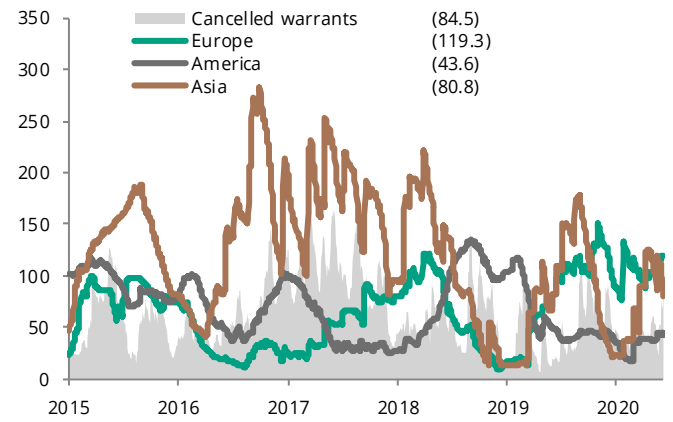
Source: Bloomberg, KGHM Polska Miedź

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



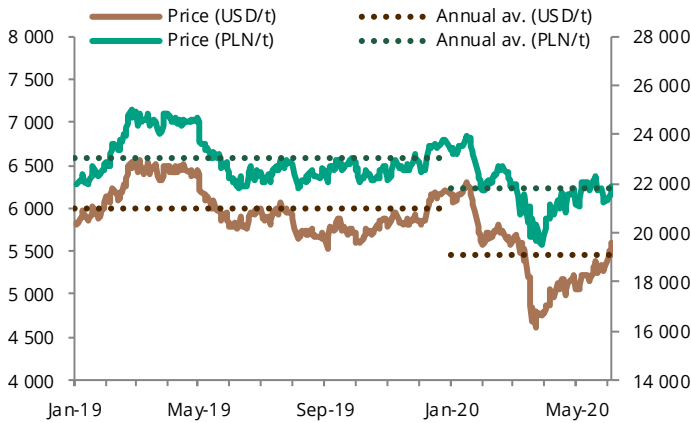
Note: Latest values in brackets. Source: Bloomberg, KGHM

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



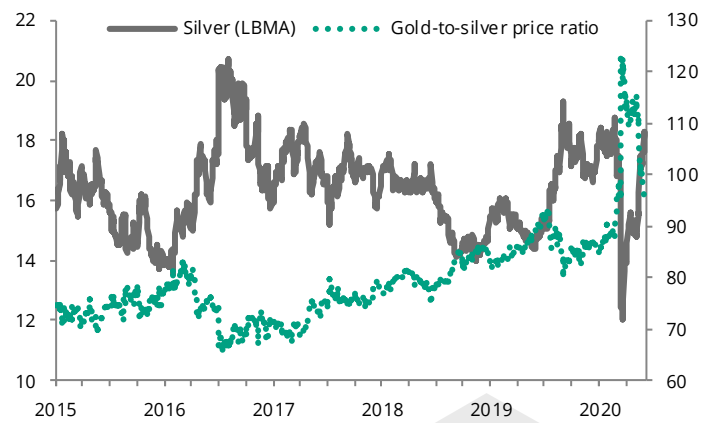
Note: Latest values in brackets. Source: Bloomberg, KGHM

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



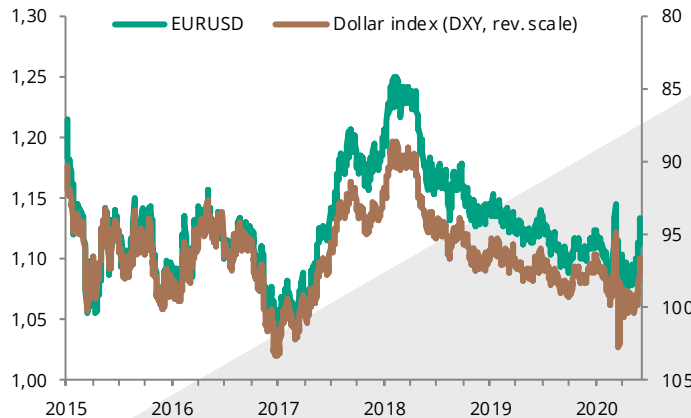
Source: Bloomberg, KGHM Polska Miedź

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



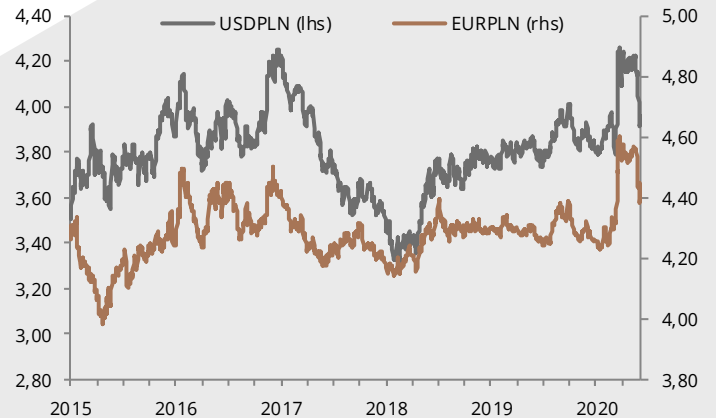
Source: Bloomberg, KGHM Polska Miedź

**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:  
**25 May – 7 June 2020.**

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

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