

Market Overview

- Copper:** The latest TC/RC floor levels in China's smelters have been lifted for the fourth quarter. The price was set 9,4% higher comparing to the last quarter, but 12% lower in the same period last year. The levels are higher than the spot market which points out that smelters see market improving in the future (*page 2*).
- Precious metals:** Merger of Northern Star Resources and Saracen Mineral Holdings would create a roughly \$11.5 billion company, the 8th biggest gold miner in the world by market capitalization. The combined Northern Star-Saracen firm aims for 2 million ounces of gold production by 2027 which would move it to the top seven globally over that time (*page 4*).
- Crude oil:** Through Sunday (October 11), a cumulative total of 8.8 million barrels per of crude oil production and 8.3 billion cubic feet of natural gas output from the Gulf of Mexico has been shut because of Hurricane Delta (*page 6*).
- World:** The letter K has joined the sequence of characters describing the possible path of economic recovery. The idea of K-shaped recovery is that upper-income households will experience a rapid and strong recovery, while those with lower incomes keep losing ground. The evidence suggests that this bifurcated recovery is already in progress, at least to some extent (*page 7*).





as of: 12th October 2020

Key market prices

	Close price	2w chng.
LME (USD/t)		
▲ Copper	6 740.50	2.6%
▲ Nickel	14 990.00	4.0%
LBMA (USD/troz)		
▲ Silver	24.32	6.2%
▲ Gold (PM)	1 923.25	3.2%
FX		
▲ EURUSD	1.1795	1.1%
▼ EURPLN	4.4745	-1.7%
▼ USDPLN	3.7913	-3.0%
▼ USDCAD	1.3136	-1.8%
▲ USDCPL	797.25	1.3%
Stocks		
▼ KGHM	119.95	-1.2%

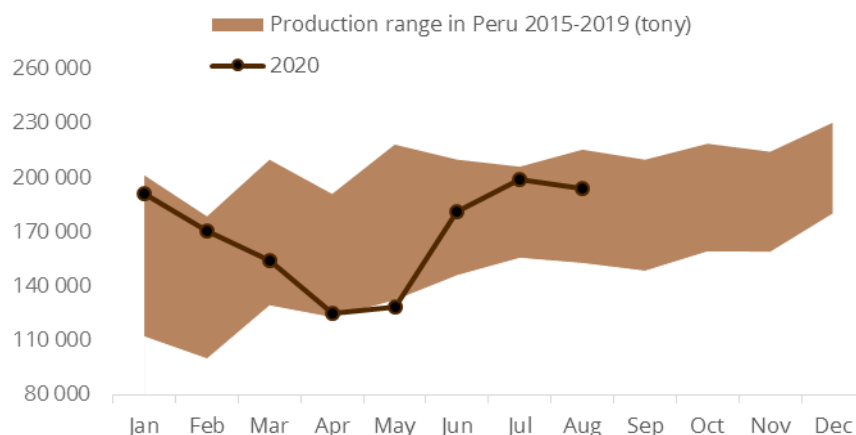
Source: Bloomberg, KGHM Polska Miedź S.A.; (*more on page 11*)

Important macroeconomic data

Release	For		
 GDP (annlzd., qoq)	2Q	-31.4%	▲
 CPI estimate (yoy)	Sep	-0.3%	▼
 Industr. prod. (wda, yoy)	Aug	-9.6%	▲
 CPI (yoy)	Sep	3.2%	▲
 CPI (yoy)	Sep	-0.2%	▼

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

Peruvian copper production has clearly felt the impact of Covid-19



Source: Peruvian Ministry of Energy and Mining, KGHM Polska Miedź S.A.

Market Risk Unit

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Base and precious metals | Other commodities

Copper

The latest TC/RC floor levels in China's smelters have been lifted for the fourth quarter. The price was set 9,4% higher comparing to the last quarter, but 12% lower in the same period last year. The levels are higher than the spot market which points out that smelters see market improving in the future.

China Copper Smelters Lift Treatment Charges

China's copper smelters raised the floor levels of fourth-quarter treatment and refining charges (TC/RCs) by 9.4% from the prior three months. The floor price set by the biggest smelters of the world's largest copper consuming nation paves the way for a discussion later this year on the 2021 benchmark TCs/RCs level. The benchmark is referenced in term supply contracts and partially determines the profitability of both smelters and miners. The 12 members of the China Smelters Purchase Team (CSPT) set the floor at \$58 per tonne and 5.8 cents per pound. That compared to a \$53-per-tonne and 5.3 cents-per-pound floor in the third quarter and \$66-per-tonne and 6.6 cents-a-pound in the same quarter last year. The prices are "also much higher than the current spot market, which means the smelters believe there will be improved supply of concentrate in the future," said Sifang Liu, a senior consultant at Wood Mackenzie. "We do see improved supply of concentrate coming through next year and are forecasting a 7% increase in global copper concentrate production in 2021. We are also expecting a recovery in TC/RC, both spot terms and annual benchmark," Liu added. The smelters typically raise the TC/RC floor for the final three months of the year ahead of negotiations with miners on the annual TC/RC benchmark. The 2020 TC benchmark was agreed at \$62 per tonne but spot TCs in China have languished around \$51.50 since late July - the lowest in eight years - as Chinese copper demand recovered from the coronavirus outbreak but fears over mine supply grew.

Workers Strike At Lundin's Candelaria Copper Mine

Workers at Lundin Mining's Candelaria copper mine in northern Chile have begun an indefinite strike after weeks of pay talks ended without a deal, the company said. In a statement, Minera Candelaria said that it expected employees and contractors who were not members of the union to continue working. The Candelaria complex, which combines open pit and underground operations, produced 111,400 mt of copper last year. Lundin owns 80% of the Candelaria mine while Japan's Sumitomo Corp owns a 20% stake. After regulated negotiations ended without a deal at the end of last month, the company had sought five days of government-mediated talks, giving more time for an agreement to be reached. However, last weekend, members of the 350-strong Candelaria workers union voted 94.1% in favor of rejecting the latest offer from management over the weekend, paving the way for the strike. The company said

that it remained "ready and available to continue conversations with the union to reach a mutual agreement."

Other important information on copper market:

- Chilean exports of copper slid in the third quarter, as mining companies stepped up measures to protect workers from coronavirus, customs data showed Oct. 7. Chile, the world's largest producer of the red metal, exported 3.1 million mt of copper concentrates in Q3, down 10.3% from the prior quarter. Shipments of refined copper reached 587,100 mt in the three-month period, down 12%. Chile's mines, which produce more than a quarter of the world's copper, have largely continued to operate during the coronavirus outbreak in the country. To shield workers, staffing levels were slashed by around 40% with many auxiliary activities, such as exploration and mine development, halted. However, mining companies stepped up efforts in June following a spike in infections among mineworkers. Codelco halted its Chuquicamata smelter and refinery and halted two major construction projects for about a month starting in late June. The fall in concentrates shipments mirrored a 10.6% drop in shipments to China (to 1.9 million mt), the world's largest copper consumer. Shipments of refined copper to China were stable in Q3 at 350,374 mt. However, shipments to South Korea fell by almost half to 31,942 mt, and shipments to the US by 18% to 89,992 mt. Chile's copper production fell 6.2% year on year in August to 481,700 tonnes, however, the January-August output of 3.78 million tonnes was up 0.4%.
- Peru's copper, tin and silver export shipments showed signs of recovery in July as miners gradually reopened following a three-month coronavirus lockdown, government statistics showed Sept. 28. Zinc, lead, molybdenum and gold deliveries were all down. Total metals export revenue was down 13.5% from a year earlier to \$2.1 billion, the central bank said in a statement posted on its website. Copper shipments climbed 2.7% to 207,700 mt from 202,300 mt a year earlier. Freeport-McMoRan, China Minmetals, Antamina, Chinalco and Hudbay Minerals began reopening operations in mid-May after a two-month shutdown. Tin shipments from Minsur's San Rafael were up 5.7% to 1,700 mt from 1,600 mt as the company restarted operations in early June. Silver shipments rose 8.4% to 400,000 oz as producers including Pan American Silver, Sierra Metals, Nexa Resources, Volcan, Buenaventura and Hochschild Mining reopened. Gold exports plunged 43% to 308,700 oz from 540,400 oz a year ago. Zinc shipments dropped 7% to 83,700 mt from 90,100 mt a year earlier. Lead exports declined 26.8% to 57,000 mt from 77,800 mt. Molybdenum deliveries fell 16.7% to 1,700 mt. Peru is the world's second-largest copper, zinc and silver producer, fourth-ranked in lead and tin and No. 5 in gold..
- China's factory activity expanded at a faster pace in September, beating analysts' expectations and bolstering the economic recovery from the coronavirus shock. The official manufacturing Purchasing Manager's Index (PMI) rose to 51.5 in September from 51.0 in August, data from the National Bureau of Statistics (NBS) showed on Wednesday, and remained above the

50-point mark that separates growth from contraction. Analysts had expected it to pick up slightly to 51.2. China's vast industrial sector is steadily returning to the levels seen before the pandemic paralysed huge swathes of the economy, as pent-up demand, stimulus-driven infrastructure expansion and surprisingly resilient exports propel a recovery. Retail sales also returned to growth in August, snapping a seven-month fall following the relaxation of nationwide containment measures.

Precious Metals

Saracen agree to create \$11.5 bln player

Merger of Northern Star Resources and Saracen Mineral Holdings would create a roughly \$11.5 billion company, the 8th biggest gold miner in the world by market capitalization. The combined Northern Star-Saracen firm aims for 2 million ounces of gold production by 2027 which would move it to the top seven globally over that time.

The prospective deal catapulted shares in each firm 10% higher

Australian gold miner Northern Star Resources on Tuesday offered to buy smaller peer Saracen Mineral Holdings in an agreed A\$5.76 billion (\$4.14 billion). In a joint statement, the boards of both companies backed the shares and cash proposal. It would create a roughly \$11.5 billion company, the 8th biggest gold miner in the world by market capitalization. It comes after the price of gold hit a record above \$2,000 an ounce in August in a scramble for safe-haven assets as the coronavirus pandemic triggered global economic fears, with growing interest in the sector from major institutional investors. The prospective deal - recommended to investors by both boards in the absence of a superior offer - catapulted shares in each firm 10% higher. It would see Saracen shareholders receive 0.3763 new fully paid ordinary shares in Northern Star for each share held, plus a special dividend of 3.8 Australian cents per share. Northern Star will own 64% of the combined entity and Saracen will own the remaining 36%, the two companies said. A shareholder meeting to formally approve the proposal will be held in January 2021. The combined company, with mines in both Australia and Alaska, will be aiming for 2 million ounces of gold production by 2027 - a 30% increase in production from 1.6 million ounces currently. By production, the combined Northern Star-Saracen firm aims to rise to the top seven globally over that time. The pair already have strong links through a major joint venture, having last year acquired a 50% stake each in the Super Pit gold mine in Western Australia, the country's largest open cut gold mine. "This deal gives the scale and liquidity to attract both gold and generalist investors," said Bill Beament, Executive Chair of Northern Star who will retain the same position in the new entity until July 1, 2021. A combined, strong balance sheet, he said, would allow the new company to better access "accretive M&A opportunities". The miner will split itself into three production centres: Kalgoorlie, based around the super pit in central Australia; Yandal, which will consolidate both miners' small mines and mills in the nearby desert region; and North American operations that hinge on

Northern Star's Pogo mine in Alaska. "The pre-tax synergies alone are expected to be worth in order of A\$1.5 billion to A\$2.0 billion over the next 10 years," said Saracen managing director Raleigh Finlayson, who will take over the same role in the combined group. Other synergies include cutting costs on procurement, as well as being able to use haulage roads around central Australia to ensure ore from each mine goes to the mill best suited to it.

Perth Mint's September gold sales dip; silver hits five-month high

In September, sales of gold products fell in the Perth Mint for the first time in three months. However, due to the drop in price, the demand for silver significantly increased, causing its sales to reach the highest level since April.

The Perth Mint's sales of gold products in September fell for the first time in three months, while silver sales were highest since April as a drop in prices perked up demand. Sales of gold coins and minted bars were down 7.2% month on month to 62,637 ounces last month, the mint said in a blog post. "The drop in gold price during September may have left stockists perhaps waiting for further falls before re-ordering," said Cameron Alexander, an analyst at Refinitiv-owned metals consultancy GFMS. Despite a slight decline in gold sales last month, demand on a yearly basis is very strong, reflecting the safe-haven buying, Alexander added. Total gold sold by the mint in September as coins and minted bars was 33.7% higher versus a year earlier. Benchmark gold price XAU= registered its biggest monthly decline in nearly four years in September, weighed down by a rebound in dollar, but posted an eighth straight quarterly gain. Driven by investor appetite for safe-haven assets as the coronavirus pandemic upended economic activity, gold prices have gained over 24% so far this year. Meanwhile, silver sales rose to their highest level in five months in September as investors took advantage of a recent drop in prices to stock up the white metal. Sales of silver coins rose 17.2% month on month to 1,677,383 ounces and were up 24.2% from a year earlier. Silver prices XAG= lost nearly 18% last month, its biggest monthly decline since September 2011. The Perth Mint, owned by the government of Western Australia, refines more than 90% of the newly mined gold in Australia, one of the world's top gold producers.

Crude oil

Through Sunday (October 11), a cumulative total of 8.8 million barrels per of crude oil production and 8.3 billion cubic feet of natural gas output from the Gulf of Mexico has been shut because of Hurricane Delta.

U.S. energy companies begin restoring oil and gas output after hurricane

On Thursday (8th October) oil producers withdrew workers from 279 offshore facilities and moved 15 drilling rigs away from Delta's winds. They have shut 1.69 million barrels per day of oil, or 92% of the region's offshore oil, and 1.67 billion cubic feet per day, or nearly 62% of its natural gas output. On Sunday (11th October), two days after Hurricane Delta barreled through the area, U.S. energy companies were restarting operations at storm-swept production facilities along the U.S. Gulf Coast. Chevron Corp, Royal Dutch Shell Plc and BHP Group all said workers were headed back to production platforms in the U.S.-regulated northern Gulf of Mexico. It can take several days after a storm passes for energy producers to evaluate facilities for damage, return workers and restore offshore production. The companies that operate oil and gas pipelines and process the offshore output also shut ahead of the storm. On Sunday(11th October), The U.S. Bureau of Safety and Environmental Enforcement (BSEE) said 91% of offshore crude oil production remains shut in the U.S.-regulated northern Gulf of Mexico following Hurricane Delta. In addition, 62.2% of natural gas output remains shut in the Gulf following the storm that made landfall near Creole, Louisiana. Through Sunday, a cumulative total of 8.8 million barrels per of crude oil production and 8.3 billion cubic feet of natural gas output from the Gulf has been shut because of Hurricane Delta. The area produces about 17% of total daily U.S. oil production and 5% of daily natural gas production. As for Sunday evening, still remaining shut were the ports of Lake Charles and Cameron, Louisiana, near where Delta made landfall. The ports of Beaumont and Port Arthur, Texas, including the Sabine Pass, which serve major oil and liquefied natural gas processing plants, were reopened with restrictions on Sunday, the U.S. Coast Guard said.

Global economies | Foreign exchange markets

K-Shaped Recoveries End Well for Everybody

The letter K has joined the sequence of characters describing the possible path of economic recovery. The idea of K-shaped recovery is that upper-income households will experience a rapid and strong recovery, while those with lower incomes keep losing ground. The evidence suggests that this bifurcated recovery is already in progress, at least to some extent.





There's a lot of chatter about which letter of the alphabet will represent the shape of the eventual recovery from the pandemic recession. Hopeful politicians predict a V, representing a rebound as robust as the downturn was calamitous. Pessimists forecast a U, in which the U.S. economy would wallow in terrible shape for some time. A recovery followed by a second slump would look like a W. K has emerged as a leading contender. The idea is that upper-income households will experience a rapid and strong recovery, while those with lower incomes keep losing ground. The evidence suggests that this bifurcated recovery is already in progress, at least to some extent. But that's often the case in recessions and recoveries. And the first stages of economic expansions don't necessarily tell the full story. Lower-income households fare better as recoveries strengthen. That's likely to happen this time, too. Unemployment spiked for workers in all education groups in the spring as the coronavirus and lockdown orders sent the labor market into a free fall. But it rose considerably more for workers with less education. As the coronavirus started pounding the U.S. economy in the two months between February and April, the unemployment rate for workers over the age of 25 who did not graduate from high school increased by 15.5 percentage points. The rate for workers of the same age but with advanced degrees increased by much less, 4.6 percentage points. The soaring productivity growth and rapidly rising wages seen this spring were driven by changes in the labor force, with lower-wage, less-productive workers bearing the brunt of layoffs. This pattern is not unusual. The growth rate of average wages rose by around 70 basis points at its peak during the deep 2008-2009 downturn, in part reflecting the same dynamic the U.S. is experiencing now. During that Great Recession, an additional eight out of every 100 workers without high school diplomas were added to the unemployment rolls, while only an additional three out of every 100 college graduates became unemployed. But economic outcomes for different groups of workers and households tend to rebalance as the economy stops contracting and begins expanding. And as the slow and steady recovery from the Great Recession continued, lower-income and vulnerable workers saw their pace of improvement quicken. The Great Recession officially ended in the summer of 2009, but it took four or five more years for unemployment rates to return to their pre-recession, longer-run averages. In the final years of that expansion, the job market for workers without a high school diploma was tighter than for college graduates.






Euro-Area Investor Sentiment Slips For First Time In Five Months

Investor confidence in the euro-zone economy slipped for the first time in five months, with weaker expectations reflecting concerns that the recovery might ebb in the face of resurgent infections. Sentix's sentiment gauge for the 19-nation region fell to -8.3 in October. While that's less of a drop than economists predicted, the data add to evidence that the region has lost some momentum. Services activity is contracting again, particularly in southern Europe where tourism is suffering from new travel restrictions. Countries relying on manufacturing have fared better recently. Confidence in the German economy improved also this month.

Macroeconomic calendar

Important macroeconomic data releases

Weight	Date	Event	For	Reading ¹	Previous	Consensus ²
China 						
☆☆	27-Sep	Industrial profits (yoy)	Aug	19.1% ▼	19.6%	--
☆☆☆	30-Sep	Official manufacturing PMI	Sep	51.5 ▲	51.0	51.3 ▲
☆☆☆	30-Sep	Caixin's manufacturing PMI	Sep	53.0 ▼	53.1	53.1 ◐
☆	07-Oct	Foreign reserves (USD bn)	Sep	3 143 ▼	3 165	3 157 ◐
Poland 						
☆☆☆☆	01-Oct	Consumer inflation CPI (yoy) - preliminary data	Sep	3.2% ▲	2.9%	3.0% ▲
☆☆☆	01-Oct	Manufacturing PMI	Sep	50.8 ▲	50.6	52.5 ◐
☆☆☆☆☆	07-Oct	NBP base rate decision	Oct	0.10% -	0.10%	0.10% ◐
US 						
☆	28-Sep	Dallas Fed manufacturing activity	Sep	13.6 ▲	8.0	9.5 ▲
☆	29-Sep	S&P/CaseShiller home price index‡	Jul	227 ▲	225	--
☆☆☆☆☆	30-Sep	GDP (annualized, qoq) -	2Q	-31.4% ▲	-31.7%	-31.7% ▲
☆☆☆☆	01-Oct	Consumer spending inflation PCE (mom)‡	Aug	0.3% ▼	0.4%	0.3% ◐
☆☆☆☆	01-Oct	Consumer spending inflation PCE (yoy)‡	Aug	1.6% ▲	1.4%	1.4% ▲
☆☆☆	01-Oct	Manufacturing PMI - final data	Sep	53.2 ▼	53.5	53.5 ◐
☆☆	01-Oct	ISM Manufacturing	Sep	55.4 ▼	56.0	56.5 ◐
☆☆	01-Oct	Personal income (sa, mom)‡	Aug	-2.7% ▼	0.5%	-2.5% ◐
☆☆	01-Oct	Personal spending (sa, mom)‡	Aug	1.0% ▼	1.5%	0.8% ▲
☆☆	02-Oct	Change in non-farm payrolls (ths)‡	Sep	661 ▼	1 489	859 ◐
☆☆	02-Oct	Durable goods orders - final data	Aug	0.5% ▲	0.4%	0.4% ▲
☆☆	02-Oct	Underemployment rate (U6)	Sep	12.8% ▼	14.2%	--
☆☆	02-Oct	Unemployment rate	Sep	7.9% ▼	8.4%	8.2% ◐
☆☆	02-Oct	University of Michigan confidence index - final data	Sep	80.4 ▲	78.9	79.0 ▲
☆	02-Oct	Average hourly earnings (yoy)‡	Sep	4.7% ▲	4.6%	4.8% ◐
☆☆☆	05-Oct	Composite PMI - final data	Sep	54.3 ▼	54.4	--
☆☆☆	05-Oct	PMI services - final data	Sep	54.6 -	54.6	54.6 ◐
Eurozone 						
☆	29-Sep	Economic confidence‡	Sep	91.1 ▲	87.5	89.0 ▲
☆	29-Sep	Industrial confidence‡	Sep	- 11.1 ▲	- 12.8	- 10.0 ◐
☆	29-Sep	Consumer confidence - final data	Sep	- 13.9 -	- 13.9	--
☆☆☆	01-Oct	Manufacturing PMI - final data	Sep	53.7 -	53.7	53.7 ◐
☆☆	01-Oct	Unemployment rate‡	Aug	8.1% ▲	8.0%	8.1% ◐
☆☆	01-Oct	Producer inflation PPI (yoy)‡	Aug	-2.5% ▲	-3.1%	-2.7% ▲
☆☆☆☆	02-Oct	Core CPI (yoy) - preliminary data	Sep	0.2% ▼	0.4%	0.4% ◐
☆☆☆☆	02-Oct	CPI estimate (yoy)	Sep	-0.3% ▼	-0.2%	-0.2% ◐
☆☆☆	05-Oct	Composite PMI - final data	Sep	50.4 ▲	50.1	50.1 ▲
☆☆☆	05-Oct	Services PMI - final data	Sep	48.0 ▲	47.6	47.6 ▲
☆☆	05-Oct	Retail sales (yoy)‡	Aug	3.7% ▲	-0.1%	2.2% ▲

Weight	Date	Event	For	Reading ¹	Previous	Consensus ²	
Germany 							
🔔🔔🔔	29-Sep	Harmonized consumer inflation HICP (yoy) - preliminary data	Sep	-0.4% ▼	-0.1%	-0.1%	🔴
🔔🔔🔔	29-Sep	Consumer inflation CPI (yoy) - preliminary data	Sep	-0.2% ▼	0.0%	0.0%	🔴
🔔🔔	30-Sep	Retail sales (yoy)‡	Aug	3.7% ▼	5.0%	4.2%	🔴
🔔🔔	30-Sep	Unemployment rate	Sep	6.3% ▼	6.4%	6.4%	🔴
🔔🔔	01-Oct	Manufacturing PMI - final data	Sep	56.4 ▼	56.6	56.6	🔴
🔔🔔	05-Oct	Composite PMI - final data	Sep	54.7 ▲	53.7	53.7	🟢
🔔🔔	06-Oct	Factory orders (wda, yoy)‡	Aug	-2.2% ▲	-6.9%	-3.8%	🟢
🔔🔔🔔	07-Oct	Industrial production (wda, yoy)	Aug	-9.6% ▲	-10.0%	-8.7%	🔴
France 							
🔔🔔🔔	30-Sep	Harmonized consumer inflation HICP (yoy) - preliminary data	Sep	0.0% ▼	0.2%	0.2%	🔴
🔔🔔🔔	30-Sep	Consumer inflation CPI (yoy) - preliminary data	Sep	0.1% ▼	0.2%	0.2%	🔴
🔔🔔	01-Oct	Manufacturing PMI - final data	Sep	51.2 ▲	50.9	50.9	🟢
🔔🔔	05-Oct	Composite PMI - final data	Sep	48.5 -	48.5	48.5	⚪
🔔🔔🔔	09-Oct	Industrial production (yoy)‡	Aug	-6.2% ▲	-8.4%	-5.7%	🔴
Italy 							
🔔🔔🔔	30-Sep	Harmonized consumer inflation HICP (yoy) - preliminary data	Sep	-0.9% ▼	-0.5%	-0.4%	🔴
🔔🔔	01-Oct	Manufacturing PMI	Sep	53.2 ▲	53.1	53.5	🔴
🔔🔔	01-Oct	Unemployment rate - preliminary data‡	Aug	9.7% ▼	9.8%	10.2%	🔴
🔔🔔	05-Oct	Composite PMI	Sep	50.4 ▲	49.5	49.2	🟢
🔔🔔🔔	09-Oct	Industrial production (wda, yoy)‡	Aug	-0.3% ▲	-8.3%	-6.4%	🟢
UK 							
🔔🔔🔔🔔	30-Sep	GDP (yoy) - final data	2Q	-21.5% ▲	-21.7%	-21.7%	🟢
🔔🔔🔔🔔	30-Sep	GDP (qoq) - final data	2Q	-19.8% ▲	-20.4%	-20.4%	🟢
🔔🔔	01-Oct	Manufacturing PMI (sa) - final data	Sep	54.1 ▼	54.3	54.3	🔴
🔔🔔	05-Oct	Composite PMI - final data	Sep	56.5 ▲	55.7	55.7	🟢
🔔🔔🔔	09-Oct	Industrial production (yoy)‡	Aug	-6.4% ▲	-7.4%	-4.7%	🔴
Japan 							
🔔🔔🔔	30-Sep	Industrial production (yoy) - preliminary data	Aug	-13.3% ▲	-15.5%	-13.4%	🟢
🔔🔔	01-Oct	Manufacturing PMI - final data	Sep	47.7 ▲	47.3	--	
🔔🔔	05-Oct	Composite PMI - final data	Sep	46.6 ▲	45.5	--	
Chile 							
🔔🔔	30-Sep	Total copper production (metric tons)	Aug	489 461 ▲	467 913	--	
🔔🔔	30-Sep	Manufacturing (yoy)	Aug	-8.2% ▼	-7.2%	-5.4%	🔴
🔔🔔🔔	01-Oct	Economic activity (yoy)	Aug	-11.3% ▼	-10.7%	-8.5%	🔴
🔔🔔	07-Oct	Copper exports (USD mn)	Sep	3 053 ▲	2 761	--	
🔔	07-Oct	Nominal wages (yoy)	Aug	2.9% ▲	2.8%	--	
Canada 							
🔔🔔🔔🔔	30-Sep	GDP (yoy)	Jul	-5.0% ▲	-7.8%	-5.3%	🟢
🔔🔔	09-Oct	Net change in employment (ths)	Sep	378 ▲	246	150	🟢

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 Polska Miedź

Key market data

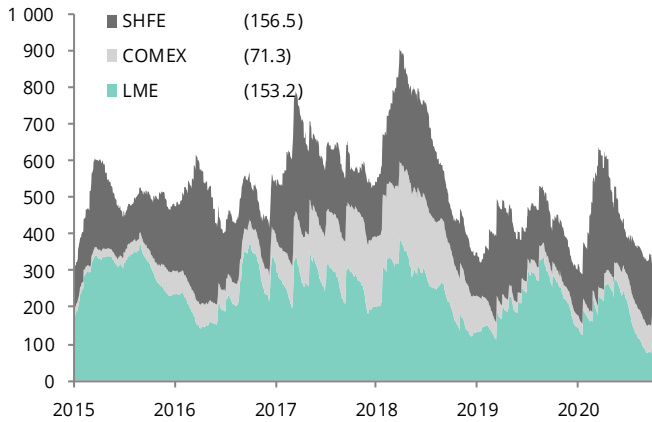
Key base & precious metal prices, exchange rates and other important market factors

<i>(as of: 09-Oct-20)</i>		Price change ¹					From year beginning ²		
	Price	2W	QTD	YTD	1Y	Average	Min	Max	
LME (USD/t; Mo in USD/lbs)									
Copper	6 740.50	▲ 2.6%	▲ 2.0%	▲ 9.5%	▲ 18.3%	5 878.34	4 617.50	6 837.00	
Molybdenum	8.49	▲ 4.8%	▲ 4.2%	▼ -7.7%	▼	8.56	7.00	10.90	
Nickel	14 990.00	▲ 4.0%	▲ 4.2%	▲ 7.1%	▼ -15.5%	13 132.13	11 055.00	15 660.00	
Aluminum	1 805.50	▲ 3.9%	▲ 3.9%	▲ 0.3%	▲ 3.9%	1 637.84	1 421.50	1 829.50	
Tin	18 210.00	▲ 5.8%	▲ 4.3%	▲ 8.1%	▲ 11.0%	16 659.85	13 400.00	18 420.00	
Zinc	2 415.50	▲ 0.9%	▲ 0.1%	▲ 5.3%	▲ 0.6%	2 153.91	1 773.50	2 554.00	
Lead	1 779.50	▼ -1.4%	▼ -1.2%	▼ -7.5%	▼ -17.7%	1 799.20	1 576.50	2 027.00	
LBMA (USD/troz)									
Silver	24.32	▲ 6.2%	▲ 2.5%	▲ 34.7%	▲ 37.0%	19.44	12.01	28.89	
Gold ²	1 923.25	▲ 3.2%	▲ 1.9%	▲ 26.3%	▲ 28.7%	1 742.34	1 474.25	2 067.15	
LPPM (USD/troz)									
Platinum ²	892.00	▲ 3.5%	▲ 0.9%	▼ -8.1%	▲ 0.1%	866.33	593.00	1 017.00	
Palladium ²	2 450.00	▲ 8.6%	▲ 4.9%	▲ 27.6%	▲ 44.6%	2 151.35	1 557.00	2 781.00	
FX³									
EURUSD	1.1795	▲ 1.1%	▲ 0.7%	▲ 5.0%	▲ 6.9%	1.1271	1.0707	1.1987	
EURPLN	4.4745	▼ -1.7%	▼ -1.2%	▲ 5.1%	▲ 3.5%	4.4268	4.2279	4.6044	
USDPLN	3.7913	▼ -3.0%	▼ -1.9%	▼ -0.2%	▼ -3.3%	3.9324	3.6707	4.2654	
USDCAD	1.3136	▼ -1.8%	▼ -1.5%	▲ 1.1%	▼ -1.2%	1.3531	1.2970	1.4496	
USDCNY	6.6947	▼ -1.7%	▼ -1.4%	▼ -3.9%	▼ -5.9%	6.9901	6.6947	7.1671	
USDCLP	797.25	▲ 1.3%	▲ 1.6%	▲ 7.1%	▲ 10.1%	802.01	748.74	867.83	
Money market									
3m LIBOR USD	0.224	▲ 0.00	▼ -0.01	▼ -1.68	▼ -1.76	0.770	0.218	1.900	
3m EURIBOR	-0.509	▼ -0.02	▼ -0.01	▼ -0.13	▼ -0.09	-0.399	-0.511	-0.161	
3m WIBOR	0.220	-	0.00	▼ -1.49	▼ -1.50	0.782	0.220	1.710	
5y USD interest rate swap	0.414	▲ 0.08	▲ 0.07	▼ -1.32	▼ -1.06	0.630	0.243	1.693	
5y EUR interest rate swap	-0.443	▼ -0.01	▼ -0.02	▼ -0.33	▼ -0.10	-0.312	-0.453	-0.090	
5y PLN interest rate swap	0.545	▲ 0.04	▲ 0.04	▼ -1.24	▼ -1.12	0.907	0.480	2.050	
Fuel									
WTI Cushing	40.60	-	0.0%	▲ 0.9%	▼ -33.5%	▼ -24.2%	38.18	-37.63	63.27
Brent	41.54	▼ -0.6%	▲ 1.4%	▼ -37.5%	▼ -30.1%	41.41	17.32	69.02	
Diesel NY (ULSD)	119.71	▲ 4.7%	▲ 4.4%	▼ -40.9%	▼ -38.2%	122.98	60.67	206.01	
Others									
VIX	25.00	▼ -1.19	▼ -1.37	▲ 11.22	▲ 7.43	30.34	12.10	82.69	
BBG Commodity Index	73.25	▲ 3.2%	▲ 3.4%	▼ -9.4%	▼ -6.0%	68.67	59.48	81.64	
S&P500	3 477.13	▲ 3.7%	▲ 3.4%	▲ 7.6%	▲ 18.3%	3 116.78	2 237.40	3 580.84	
DAX	13 051.23	▲ 1.4%	▲ 2.3%	▼ -1.5%	▲ 7.3%	12 158.26	8 441.71	13 789.00	
Shanghai Composite	3 272.08	▲ 1.7%	▲ 1.7%	▲ 7.3%	▲ 11.0%	3 057.08	2 660.17	3 451.09	
WIG 20	1 698.91	▼ -2.3%	▼ -0.8%	▼ -21.0%	▼ -20.0%	1 788.43	1 305.73	2 200.10	
KGHM	119.95	▼ -1.2%	▲ 1.7%	▲ 25.5%	▲ 54.4%	96.92	49.40	139.35	

° 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

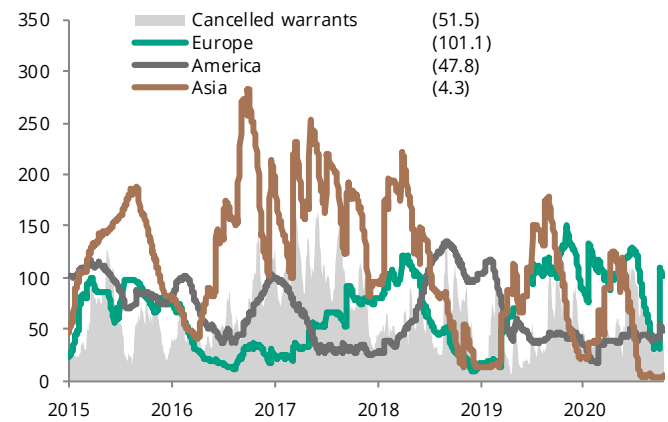
Source: Bloomberg, KGHM Polska Miedź

Copper: official exchange stocks (thousand tonnes)



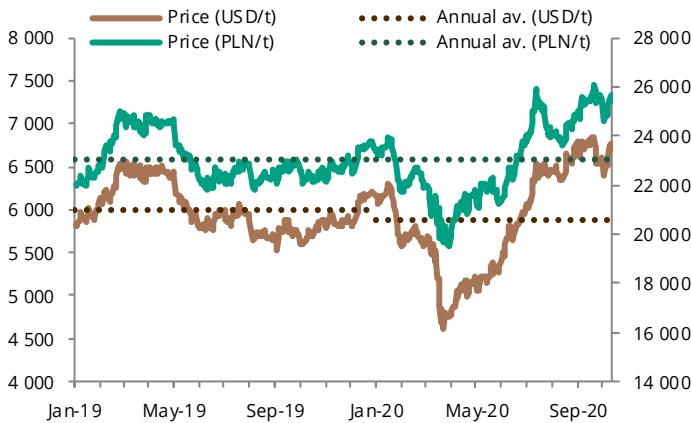
Note: Latest values in brackets. Source: Bloomberg, KGHM

Copper: official LME stocks (thousand tonnes)



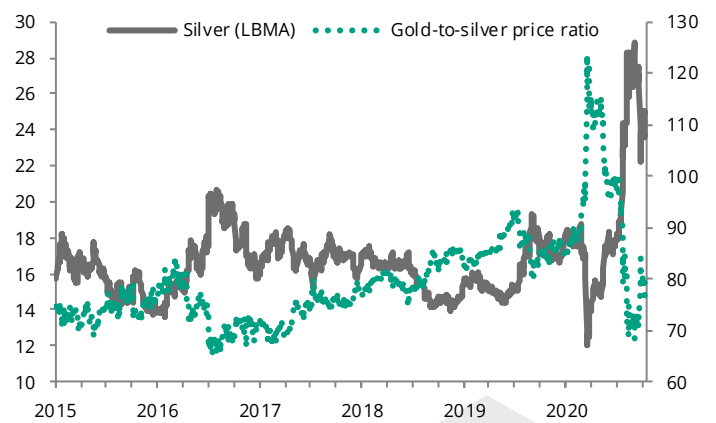
Note: Latest values in brackets. Source: Bloomberg, KGHM

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



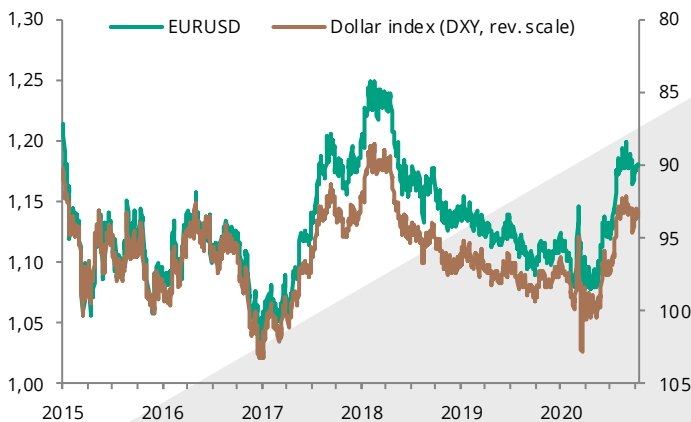
Source: Bloomberg, KGHM Polska Miedź

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



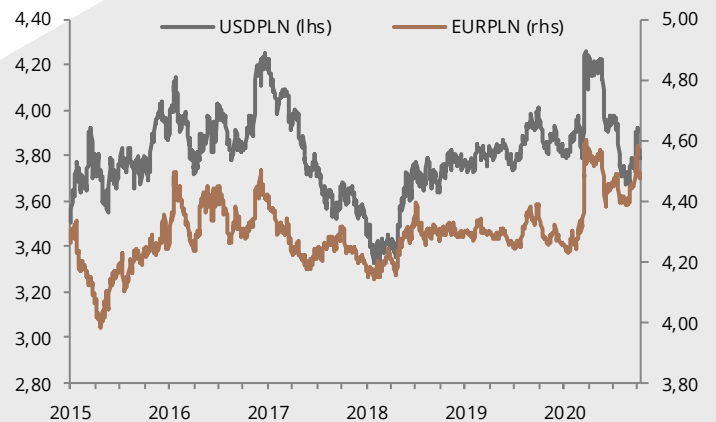
Source: Bloomberg, KGHM Polska Miedź

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:
28 September - 11 October 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 (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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