

Market Overview



as of: 1st March 2021




- **Copper:** Shanghai Dalu Futures, a brokerage on the Shanghai Futures Exchange, has amassed a \$1 billion long position in copper contracts within just four days, bourse data showed. The move comes as copper prices roughly doubled from levels seen less than a year ago thanks to a resurgence in global industrial activity and a slew of stimulus measures that look set to increase consumption, while supply remains tight (*page 2*).
- **Precious metals:** The Bank of England gold custody added 8,009,000 troy ounces amid the COVID-19 pandemic between December 2019 and December 2020. According to Metals Focus, the risk of short-term supply crunch in the required form and location may exist, but overall global physical silver shortage is extremely low (*page 6*).
- **Fed:** Federal Reserve Chair Jerome Powell emphasized his view that the economy has a long way to go in the recovery and signs of prices rising won't necessarily lead to persistently high inflation. Fed Chair Powell emphasized his view that the economy has a long way to go in the recovery (*page 8*).

Key market prices

	Close price	2w chng.
LME (USD/t)		
▲ Copper	9 172.50	10.9%
▲ Nickel	18 607.00	1.3%
LBMA (USD/troz)		
▼ Silver	26.69	-1.4%
▼ Gold (PM)	1 742.85	-4.0%
FX		
▲ EURUSD	1.2121	0.1%
▲ EURPLN	4.5175	0.3%
▲ USDPLN	3.7247	0.2%
▼ USDCAD	1.2685	-0.2%
▼ USDCPL	708.04	-2.0%
Stocks		
▼ KGHM	189.35	-0.1%

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

Important macroeconomic data

Release	For		
 GDP (annlzd., qoq)	4Q	4.1%	▲
 Official manuf. PMI	Feb	50.6	▼
 GDP (sa, yoy)	4Q	-5.0%	-
 Manufacturing PMI	Feb	50.6	▲
 Copper production (mt)	Jan	464 788	▼

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

10-year UST yield has come back to pre-covid levels, strengthening US dollar.



Source: Refinitiv, KGHM Polska Miedź S.A.

Market Risk Unit

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Base and precious metals | Other commodities

Copper

Shanghai Dalu Futures, a brokerage on the Shanghai Futures Exchange, has amassed a \$1 billion long position in copper contracts within just four days, bourse data showed. The move comes as copper prices roughly doubled from levels seen less than a year ago thanks to a resurgence in global industrial activity and a slew of stimulus measures that look set to increase consumption, while supply remains tight.

Chinese brokerage builds bullish \$1B copper bet in four days

Chinese Dalu Futures accumulated over \$1 bn dollar in a long copper position bet

Shanghai Dalu Futures, a brokerage on the Shanghai Futures Exchange, has amassed a \$1 billion long position in copper contracts within just four days, bourse data showed. The move comes as copper prices roughly doubled from levels seen less than a year ago thanks to a resurgence in global industrial activity and a slew of stimulus measures that look set to increase consumption, while supply remains tight. In the four trading days after the Lunar New Year holiday, the little-known brokerage boosted its copper long positions by more than 800% to emerge as the top long position holder of the May, June and July ShFE copper contracts, visible ShFE data showed. In doing so, it added 19,774 copper lots to its copper position in the April-July contracts, equivalent to 6.7 billion yuan (\$1.04 billion) based on the closing price of ShFE's most-active April contract on Tuesday. The brokerage provides investment consulting and a channel for clients to trade on futures exchange. On Feb. 10, before the holiday started, Dalu Futures held only 2,503 lots in the May contract, compared with 8,503 lots on Feb. 23. "Recently, copper prices have surged and Dalu Futures raised its long positions," the brokerage's analyst Li Xun told Reuters, adding that low inventories, large institutional investor interest and a cyclical industrial upturn were the three main factors driving its purchases. Dalu Futures' customers are relatively balanced in three main parts: industrial customers, including downstream fabricators and consumers, institutional investors and speculators, Li said. The brokerage's four-day buying binge coincided with a 14% surge in the price of ShFE April copper futures to a 9-1/2-year high of 68,790 yuan per tonne on Tuesday. In tandem with its copper play, Dalu has also – over the same period – amassed the second biggest long position in the ShFE May aluminium contract. The brokerage's controlling shareholder is Zhongshan Securities Co Ltd, a unit of Shenzhen-listed Guangdong Golden Dragon Development. Dalu's aggressive accumulation has caught the attention of other market participants. "The total volume is not small. If they suddenly leave (the market), it will impact prices," said a Shanghai-based metal trader, referring to Dalu Futures' positioning. Latest data showed that since Feb. 18, Dalu Futures added long positions worth 98,870 tonnes of copper, nearing the total level of ShFE inventories of 112,788 tonnes as of Feb. 19. While there is a risk of a price drop if Dalu Futures reverses course, many other brokerages share their upbeat outlook. The inflow of speculative

funds could increase price volatility, she added. "There is momentum building from different perspectives, whether it's inflation or carbon neutral emissions or electric vehicles, so this is becoming a hot topic and good story for copper," said Tiger Shi, managing director at broker BANDS Financial.

High copper prices are positive for the copper mining industry, however Chilean producers warn about the potential cost inflation

Chile's big copper producers cheer price spike; wary of costs

Mining firms in Chile, the world's No.1 copper producer, are cheering a rally in the price of the red metal that hit a 10-year high this week, but warned that costs could rise as labor unions and vendors also try to cash in on the trend. Benchmark copper on the London Metal Exchange climbed recently above \$9,000 a tonne for the first time since 2011. Analysts said they were bullish that surging demand from the power and construction industries will overwhelm supply. The price spike has prompted top financiers from JP Morgan to Goldman Sachs to predict a commodities "supercycle" similar to that of the early 2000s when demand boomed in emerging nations. A "supercycle" in commodity markets is a long boom in demand that drives up prices until they get so high that demand collapses, pulling prices down again. Chile's state-owned Codelco, the world's largest copper producer, called the latest price spike a "good opportunity" to generate cash for investments, but warned it could drive up costs from goods and service providers. High copper prices could give unionized workers leverage ahead of upcoming labor negotiations. BHP's Spence mine and Escondida, the world's largest copper deposit, are set for negotiations this year as are Antofagasta's Los Pelambres and Codelco's flagship El Teniente mine. "If negotiations get complex, this could lead to possible stoppages, hitting the copper supply," said Alejandra Wood, Santiago-based head of the Center for Copper Studies (CESCO). She added most firms were not likely to dramatically alter investment plans due to the rally, except perhaps fast-tracking some "marginal" projects. "The challenge they face is not falling into the trap of thinking this scenario will be something long-term, and thus abandoning the discipline of maintaining costs low just to increase production," she said. Chile's energy and mining minister Juan Carlos Jobet told Reuters that most major mining projects looked at long-term price forecasts, but said the recent spike may make some projects more attractive to investors. "If this trend continues, we may see (more) interest in accelerating or executing investments," Jobet said in a written statement in response to queries. Skyrocketing prices are a welcome shot in the arm for Chile's ailing coffers as the country looks to rebound after the coronavirus pandemic and rolls out a costly vaccination drive, the fastest in the region. The South American mining giant reaps an additional \$60 million in taxes and royalties for every penny the copper price rises, according to official calculations. The state-run Chilean Copper Commission, Cochilco, forecast in January that the metal would average \$3.30 per pound in 2021 and said the jump to over \$4 per pound does not "warrant extraordinary adjustments" to that prediction.

Other important information on copper market:

- Peru's copper and lead shipments dropped in December as companies battled a shortage of healthy workers during the coronavirus pandemic, government statistics showed Feb. 24. Zinc, tin, molybdenum and precious metals deliveries all rebounded along with prices for most metals. Copper deliveries dropped 25.8% to 210,400 mt from 283,600 mt a year earlier, while lead exports plunged 29.8% to 52,000 mt from 74,100 mt. Zinc shipments headed by Antamina, meanwhile, rose 6% to 129,300 mt from 122,000 mt a year earlier. Tin shipments from Peru's lone producer Minsur, which completed its \$180 million B2 tailings project in late 2019, climbed 1.7% to 2,000 mt. Molybdenum deliveries rose 1.2% to 3,400 mt from 3,300 mt. Copper shipments totaled 2.19 million mt (-13.7%) for the full year 2020, followed by 730,200 mt of lead (-10.5%), and 29,100 mt of molybdenum (-0.7%). Zinc deliveries climbed 0.2% to 1.19 million mt, while tin shipments rose 2.8% to 19,900 mt. Large-scale miners have struggled this year to operate at 100% due to worker contagion, according to the Energy & Mines Ministry.
- Zambia produced 882,061 tonnes of copper in 2020, up 10.8% from 796,430 tonnes produced in 2019, Mines Minister Richard Musukwa said on Tuesday, calling it a "historical high" for Africa's second-largest copper producer. Musukwa said Zambia aims to produce more than 900,000 tonnes of copper in 2021, and has a long-term goal of exceeding 1 million tonnes in annual production. A worldwide shift to electric cars, which use much more copper than cars using traditional combustion engines, is expected to boost production of the metal, Musukwa said. "The prospects for the mining sector look positive despite COVID-19," Musukwa said. Copper was discovered in Zambia in the late 19th century, and in the 1950s the Zambian copper belt dominated global production of the metal. Zambia's cobalt production, however, fell 21.8% in 2020, to 287 tonnes from the 367 tonnes produced in 2019. Musukwa put that drop down to reduced cobalt mineralisation and operational challenges at Konkola Copper Mine.
- The global refined copper market showed a 77,000 tonne deficit in November compared with a deficit of 145,000 tonnes deficit in October, the International Copper Study Group (ICSG) said in its latest monthly bulletin. Between January and November last year, the copper market saw a shortage of 589,000 tonnes compared with a 427,000 shortfall in the same period the previous year. World refined copper output in November was 2.12 million tonnes while consumption was 2.20 million tonnes. Global stocks of refined copper stood at 1.265 million tonnes at the end of November compared with 1.329 million tonnes at the end of October, according to the ICSG.
- China's carbon neutrality policy is expected to raise its average annual copper cathode demand by 850,000 mt over the country's 14th Five Year Plan, which spans over 2021-2025, according to a China Construction Bank copper report released Feb. 22. The bank expects domestic average annual installed wind power capacity to reach 50 million kW hours over 2021-2025, which translates

to an average annual consumption of 300,000 mt of copper. It has also forecast average annual installed photovoltaic capacity at 70 million kW hours, consuming an average annual 224,000 mt of copper. Moreover, the sector's conversion of coal to electricity is seen adding 34,000 mt of copper demand each year, while new energy vehicles will likely add 290,000 mt of copper demand. Overall, China's carbon neutrality goal will lift its copper demand by 850,000 mt/year over 2021-2025, the bank's data showed. Copper producer, Tongling Nonferrous Metals, also sees a rosy outlook for copper demand. It expects copper demand to quicken after the Lunar New Year, especially since the government had urged for restrained travel during the week-long holiday amid the COVID-19 pandemic. The company expects growth in copper demand from the air-conditioning, auto and real estate sectors to be stable in 2021. China's power sector, home appliances, transport, air-conditioning and construction sectors form 49%, 17%, 9%, 7% and 8% of copper demand, respectively, data by China International Capital Corp showed.

- Rio Tinto on Wednesday reported its best annual earnings since 2011 and declared a record final dividend as iron ore prices surged on strong demand from top consumer China's aggressive investments in infrastructure. China's infrastructure focus pushed its imports of the steel making commodity to a record high in 2020 and spurred a more than 50% jump in prices, while miners are now poised to benefit from an expected rebound in the global economy from the rollout of vaccines. "The COVID-19 pandemic had a disparate impact on iron ore demand in 2020, where solid growth in China's imports more than offset the contractions in all other regions," the company said. The global miner declared a record final dividend of \$3.09 per share, higher than the \$2.31 per share in 2019, and also announced a special dividend payout of 93 cents a share. Underlying earnings for the year ended Dec. 31 rose to \$12.45 billion from \$10.37 billion a year earlier, beating analysts' estimates of \$12.02 billion, according to Refinitiv IBES data. Rival BHP has recently reported its best first-half profit in seven years, declared a record interim dividend, and forecast continued strong Chinese demand into 2021.
- Global copper smelting activity fell in January, led by Europe and North America, as pandemic lockdowns dampened industrial activity, data from satellite surveillance of copper plants showed. Top producer China also dipped but from high levels, satellite service SAVANT and broker Marex Spectron said in a joint statement on Tuesday. "The primary driver of the global weakness in January was the large decline in European activity levels and continued weakness in North America. Clearly, this is pandemic-related," said Guy Wolf, global head of analytics at Marex, which helped to develop SAVANT. "The slowdown we saw in China towards the end of January followed a period of quite intense activity, suggesting a certain amount of re-stocking had been taking place ahead of the Chinese New Year holiday season." Earth-i global dispersion index fell to an average of 46.5 in January from 55.2 a month earlier. Under SAVANT's dispersion index, 50 points indicate smelters

are operating at the average level of the last 12 months. It also has a second index showing the percentage of active smelters. Europe saw a sharp drop in January to 41.3 from 59.9 a month before while North America remained depressed, slipping to 33.2 from 33.6 in December. China, the world's top refined copper producer, declined to 50.3 in January from 55.5.

Precious Metals

The Bank of England gold custody added 8,009,000 troy ounces amid the COVID-19 pandemic between December 2019 and December 2020.

Bank of England added 240 tons of gold amid pandemic

The Bank of England gold custody added 8,009,000 troy ounces amid the COVID-19 pandemic between December 2019 and December 2020, according to data researched by Trading Platforms UK. This translates to the biggest gold custody amount since 2013.

The analysis also overviewed the BoE's gold custody holding between 2011 and 2020, which has grown from 178,344,000 to 180,757,000 troy ounces. The current holdings of 180,757,000 troy ounces are the highest since December 2013, when the institution held 182,278,000 troy ounces in gold. Furthermore, BoE gold reserves have been on the rise since March 2016, when the haul stood at 150,873,000 troy ounces. "BoE's increasing gold reserves in 2020 was a direct side effect of the economic shock initiated by the coronavirus pandemic," the report said, explaining the drivers for increased gold accumulation in the BoE custody. "Historically, gold is the world's oldest safe asset, always thriving in times of uncertainty. Gold offered a hedge against inflation due to the government's response to the pandemic."

Faced with uncertainties from the health crisis, a shaky monetary policy, alongside unprecedented fiscal stimulus to economic consequences of lockdowns, most global currencies were poised to weaken, leaving gold as the primary hedge.

The risk of a significant silver supply crunch remains low

The silver market has been gaining a lot of attention recently but for all the wrong reasons, according to some analysts. While prices are expected to continue to rise through 2021, analysts at Metals Focus said that investors should expect the rally to be on the back of misconstrued information about a lack of physical supply in the marketplace. "It is important to stress that although the risk of short-term supplies of silver in the required form and location may exist, the risk of an overall global physical silver shortage is extremely low," said analysts at the precious metals research firm in a report.

The analyst noted that while supply chain issues could cause problems with specific investment-grade silver products, these short-term challenges can be

The current holdings of 180,757,000 troy ounces are the highest since December 2013

According to Metals Focus, the risk of short-term supply crunch in the required form and location may exist, but overall global physical silver shortage is extremely low

worked out. The U.K firm also said that higher prices could lead to funds and retail investors taking profits, releasing more supplies into the market. The comments from Metals Focus come as the silver market continues to see strong investment inflows into silver-backed exchange-traded products. The increase comes after the market saw record demand in 2020. While ETF demand is taking physical silver out of the market, Metals Focus said this will not be a long-term factor to drive the precious metal price higher.

Instead of looking at the silver supply, analysts at Metals Focus said that they remain bullish on silver as demand continues to grow, especially silver's industrial demand as the global economy continues to recover from the COVID-19 pandemic. "Optimism towards silver's industrial demand outlook may well encourage fresh inflows. This reflects a post-COVID bounce back and favorable structural factors, such as a shift to green energy and car electrification," the analysts said. "Even though such developments are unlikely to result in a material change in silver's overall fundamentals, they may continue to stoke investor interest in the metal."

Global economies | Foreign exchange markets

Powell pushes back on concerns of prices rising, overheating

Federal Reserve Chair Jerome Powell emphasized his view that the economy has a long way to go in the recovery and signs of prices rising won't necessarily lead to persistently high inflation. Fed Chair Powell emphasized his view that the economy has a long way to go in the recovery.

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Powell pushes back on concerns of prices rising, overheating

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"Our policy is accommodative because unemployment is high and the labor market is far from maximum employment," he has recently told the House Financial Services Committee, in his second day of testimony to Congress. "It's true that some asset prices are elevated by some measures." Powell pointed to the example of car prices rising because of a chip shortage and supply-chain constraints in the tech industry. "That doesn't necessarily lead to inflation because inflation is a process that repeats itself year over year over year," he said, rather than a one-time surge. In multiple questions from lawmakers about the risk of the economy overheating. - with additional government aid and continued support from the central bank -- the Fed chair reiterated his view that there's a long way still to go before returning to pre-pandemic strength.

U.S. stocks reversed losses and turned positive as he reaffirmed his view that the economy needs help. Government bond yields jumped along with oil prices. His remarks were echoed by officials speaking elsewhere on Wednesday. Fed Vice Chair Richard Clarida expressed cautious optimism on the outlook but said it would "take some time" to restore the economy to pre-pandemic levels. Governor Lael Brainard warned that inflation remained "very low" and the economy was still far from the Fed's goals. Powell acknowledged that the central bank does expect inflation to move up because of "base effects" and a surge in demand as the economy reopens from shutdowns during the virus outbreak. But he emphasized that central bank has "the tools to deal with it." Powell delivered his remarks as signs appear that the economy is strengthening and as optimism grows with the distribution of vaccines. Markets are also expecting further fiscal stimulus from President Joe Biden and Congress. That prospect is setting the stage for a shift away from historically low Treasury yields and energizing the global economic trade, driving up commodities prices and inflation expectations.




'During the hearing, Powell voiced confidence that the Fed would succeed in lifting inflation and getting it to average 2% over time. "I'm confident that we can and that we will, and we are committed to using our tools to achieving that," he said. "We live in a time where there is significant disinflationary pressures around the world and where essentially all major advanced economy's central banks







have struggled to get to 2%. We believe we can do it, we believe we will do it." Powell said that "it may take more than three years" to reach that goal but vowed to update the Fed's assessment on the issue every quarter.

The Fed chair was questioned by lawmakers about the central bank's views on digital currency. "This is going to be an important year," Powell said of the Fed's research on the issue. "This is going to be the year in which we engage with the public pretty actively – including pretty actively with some public events that we are working on." Powell also said that the central bank would be reaching out to Congress about digital currency in 2021. He was also quizzed repeatedly about the strain of the pandemic on poorer communities, including evidence that this was contributing to long lines at food pantries. "I think we've all been struck -- how could you not be struck -- by the uptake in the food area," he said. "It's a sign that support is needed and we really need to get the economy recovered as soon as possible."

Macroeconomic calendar

Important macroeconomic data releases

Weight	Date	Event	For	Reading ¹	Previous	Consensus ²
China 						
***	28-Feb	Official manufacturing PMI	Feb	50.6 ▼	51.3	51.0 ◡
Poland 						
****	15-Feb	Consumer inflation CPI (yoy)	Jan	2.7% ▲	2.4%	2.4% ▲
**	15-Feb	Trade balance (EUR mn)‡	Dec	333 ▼	1 872	722 ◡
**	15-Feb	Exports (EUR mn)‡	Dec	19 814 ▼	23 091	19 543 ▲
**	15-Feb	Current account balance (EUR mn)‡	Dec	430 ▼	2 116	1 000 ◡
**	17-Feb	Average gross salary (yoy)	Jan	4.8% ▼	6.6%	5.1% ◡
*	17-Feb	Employment (yoy)	Jan	-2.0% ▼	-1.0%	-1.3% ◡
****	18-Feb	Sold industrial production (yoy)	Jan	0.9% ▼	11.2%	1.0% ◡
**	18-Feb	Producer inflation PPI (yoy)‡	Jan	0.7% ▲	0.1%	0.5% ▲
***	19-Feb	Retail sales (yoy)	Jan	-6.0% ▼	-0.8%	-5.0% ◡
*	22-Feb	M3 money supply (yoy)	Jan	16.8% ▲	16.4%	16.6% ▲
**	23-Feb	Unemployment rate	Jan	6.5% ▲	6.2%	6.5% ○
*****	26-Feb	GDP (yoy) - final data	4Q	-2.8% -	-2.8%	--
*****	26-Feb	GDP (qoq) - final data	4Q	-0.7% -	-0.7%	--
US 						
****	17-Feb	Industrial production (mom)‡	Jan	0.9% ▼	1.3%	0.4% ▲
**	17-Feb	Retail sales (excluding autos, mom)‡	Jan	5.9% ▲	-1.8%	1.0% ▲
*	17-Feb	Capacity utilization‡	Jan	75.6% ▲	74.9%	74.8% ▲
**	18-Feb	Philadelphia Fed business outlook	Feb	23.1 ▼	26.5	20.0 ▲
***	19-Feb	Composite PMI - preliminary data	Feb	--	58.7	--
***	19-Feb	Manufacturing PMI - preliminary data	Feb	--	59.2	58.8
***	19-Feb	PMI services - preliminary data	Feb	--	58.3	58.0
*	22-Feb	Dallas Fed manufacturing activity	Feb	17.2 ▲	7.0	5.0 ▲
*	23-Feb	Richmond Fed manufacturing index	Feb	14.0 -	14.0	15.0 ◡
*****	25-Feb	GDP (annualized, qoq) -	4Q	4.1% ▲	4.0%	4.2% ◡
**	25-Feb	Durable goods orders - preliminary data‡	Jan	3.4% ▲	1.2%	1.1% ▲
****	26-Feb	Consumer spending inflation PCE (mom)	Jan	0.3% -	0.3%	0.1% ▲
****	26-Feb	Consumer spending inflation PCE (yoy)‡	Jan	1.5% ▲	1.4%	1.4% ▲
**	26-Feb	Personal income (sa, mom)	Jan	10.0% ▲	0.6%	9.5% ▲
**	26-Feb	Personal spending (sa, mom)‡	Jan	2.4% ▲	-0.4%	2.5% ◡
**	26-Feb	University of Michigan confidence index - final data	Feb	76.8 ▲	76.2	76.5 ▲

Weight	Date	Event	For	Reading ¹	Previous	Consensus ²
Eurozone 						
★★★★	15-Feb	Industrial production (sa, mom)‡	Dec	-1.6% ▼	2.6%	-0.8% ◡
★★★★	15-Feb	Industrial production (wda, yoy)	Dec	-0.8% ▼	-0.6%	-0.2% ◡
★	15-Feb	Trade balance (EUR mn)‡	Dec	29.2 ▲	25.7	--
★★★★★	16-Feb	GDP (sa, yoy) - preliminary data‡	4Q	-5.0% =	-5.0%	-5.1% ◢
★★★★★	16-Feb	GDP (sa, qoq) - preliminary data‡	4Q	-0.6% =	-0.6%	-0.7% ◢
★	16-Feb	ZEW survey expectations	Feb	69.6 ▲	58.3	--
★	18-Feb	Consumer confidence - estimation	Feb	-14.8 ▲	-15.5	-15.0 ◢
★★★	19-Feb	Composite PMI - preliminary data	Feb	--	47.8	48.0
★★★	19-Feb	Manufacturing PMI - preliminary data	Feb	--	54.8	54.3
★★★	19-Feb	Services PMI - preliminary data	Feb	--	45.4	45.9
★★★★	23-Feb	Consumer inflation CPI (yoy) - final data‡	Jan	0.9% ▲	-0.3%	0.9% ○
★★★★	23-Feb	Core CPI (yoy) - final data	Jan	1.4% =	1.4%	1.4% ○
★	25-Feb	M3 money supply (yoy)‡	Jan	12.5% ▲	12.4%	12.5% ○
★	25-Feb	Economic confidence	Feb	93.4 ▲	91.5	92.1 ◢
★	25-Feb	Industrial confidence‡	Feb	-3.3 ▲	-6.1	-5.0 ◢
★	25-Feb	Consumer confidence - final data	Feb	-14.8 =	-14.8	--
Germany 						
★★★	19-Feb	Composite PMI - preliminary data	Feb	--	50.8	50.5
★★★	19-Feb	Manufacturing PMI - preliminary data	Feb	--	57.1	56.5
★★	22-Feb	IFO business climate‡	Feb	92.4 ▲	90.3	90.5 ◢
★★★★★	24-Feb	GDP (yoy) - final data	4Q	-2.7% ▲	-2.9%	-2.9% ◢
★★★★★	24-Feb	GDP (sa, qoq) - final data	4Q	0.3% ▲	0.1%	0.1% ◢
★★	25-Feb	GfK consumer confidence‡	Mar	-12.9 ▲	-15.5	-14.0 ◢
France 						
★★★★	19-Feb	Harmonized consumer inflation HICP (yoy) - final data	Jan	0.8% =	0.8%	0.8% ○
★★★★	19-Feb	Consumer inflation CPI (yoy) - final data	Jan	0.6% =	0.6%	0.6% ○
★★★	19-Feb	Composite PMI - preliminary data	Feb	--	47.7	47.5
★★★	19-Feb	Manufacturing PMI - preliminary data	Feb	--	51.6	51.5
★★★★★	26-Feb	GDP (yoy) - final data	4Q	-4.9% ▲	-5.0%	-5.0% ◢
★★★★★	26-Feb	GDP (qoq) - final data	4Q	-1.4% ▼	-1.3%	-1.3% ◡
★★★★	26-Feb	Harmonized consumer inflation HICP (yoy) - preliminary data	Feb	0.7% ▼	0.8%	0.5% ◢
★★★★	26-Feb	Consumer inflation CPI (yoy) - preliminary data	Feb	0.4% ▼	0.6%	0.3% ◢
Italy 						
★★★★	19-Feb	Harmonized consumer inflation HICP (yoy) - final data‡	Jan	0.7% =	0.7%	0.5% ◢
UK 						
★★★★	17-Feb	Consumer inflation CPI (yoy)	Jan	0.7% ▲	0.6%	0.6% ◢
★★★	19-Feb	Manufacturing PMI (sa) - preliminary data	Feb	--	54.1	53.1
★★★	19-Feb	Composite PMI - preliminary data	Feb	--	41.2	42.6
★★	23-Feb	Unemployment rate (ILO, 3-months)	Dec	5.1% ▲	5.0%	5.1% ○
Japan 						
★★★★★	15-Feb	GDP (annualized, qoq) - preliminary data‡	4Q	12.7% ▼	22.7%	10.1% ◢
★★★★★	15-Feb	GDP (qoq, sa) - preliminary data	4Q	3.0% ▼	5.3%	2.4% ◢
★★★★	15-Feb	Industrial production (yoy) - final data‡	Dec	-2.6% =	-2.6%	--
★★★★	19-Feb	Consumer inflation CPI (yoy)	Jan	-0.6% ▲	-1.2%	-0.7% ◢
★★★	19-Feb	Composite PMI - preliminary data	Feb	47.6 ▲	47.1	--
★★★	19-Feb	Manufacturing PMI - preliminary data	Feb	50.6 ▲	49.8	--
★★★★	26-Feb	Industrial production (yoy) - preliminary data	Jan	-5.3% ▼	-2.6%	-5.4% ◡
Chile 						
★★★	26-Feb	Total copper production (metric tons)	Jan	464 788 ▼	506 891	--
★★★	26-Feb	Manufacturing (yoy)	Jan	-4.4% ▼	0.4%	-2.3% ◡

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

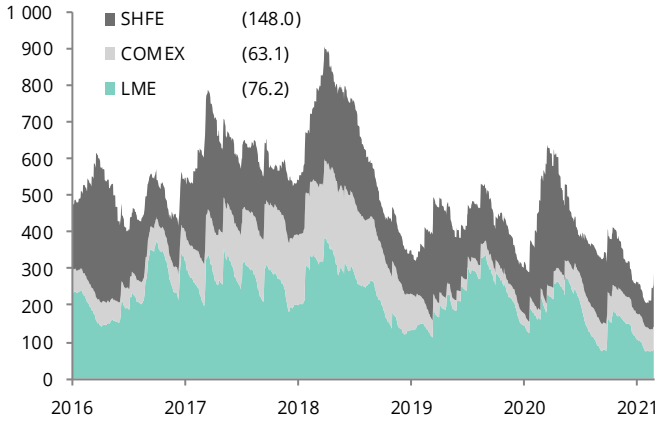
Key base & precious metal prices, exchange rates and other important market factors

<i>(as of: 26-Feb-21)</i>		Price change ¹					From year beginning ²		
	Price	2W	QTD	YTD	1Y	Average	Min	Max	
LME (USD/t; Mo in USD/lbs)									
Copper	9 172.50	▲ 10.9%	▲ 18.5%	▲ 18.5%	▲ 63.3%	8 215.38	7 755.50	9 614.50	
Molybdenum	12.40	▲ 3.8%	▲ 23.6%	▲ 23.6%	▲	11.07	9.95	12.50	
Nickel	18 607.00	▲ 1.3%	▲ 12.5%	▲ 12.5%	▲ 51.5%	18 207.83	17 164.00	19 689.00	
Aluminum	2 202.50	▲ 6.1%	▲ 11.3%	▲ 11.3%	▲ 31.8%	2 041.70	1 951.50	2 223.00	
Tin	27 500.00	▲ 8.7%	▲ 33.9%	▲ 33.9%	▲ 68.2%	24 336.38	20 965.00	29 560.00	
Zinc	2 821.00	▲ 1.0%	▲ 3.6%	▲ 3.6%	▲ 41.1%	2 725.45	2 539.00	2 894.50	
Lead	2 107.00	▼ -0.4%	▲ 6.8%	▲ 6.8%	▲ 12.7%	2 050.34	1 963.50	2 158.50	
LBMA (USD/troz)									
Silver	26.69	▼ -1.4%	▲ 0.8%	▲ 0.8%	▲ 47.8%	26.62	24.87	29.59	
Gold ²	1 742.85	▼ -4.0%	▼ -7.8%	▼ -7.8%	▲ 5.5%	1 837.58	1 742.85	1 943.20	
LPPM (USD/troz)									
Platinum ²	1 204.00	▼ -1.4%	▲ 12.0%	▲ 12.0%	▲ 32.0%	1 148.83	1 016.00	1 294.00	
Palladium ²	2 362.00	▲ 0.3%	▼ -0.3%	▼ -0.3%	▼ -14.3%	2 362.03	2 258.00	2 465.00	
FX³									
EURUSD	1.2121	▲ 0.1%	▼ -1.2%	▼ -1.2%	▲ 10.6%	1.2134	1.1983	1.2338	
EURPLN	4.5175	▲ 0.3%	▼ -2.1%	▼ -2.1%	▲ 4.8%	4.5162	4.4773	4.5497	
USDPLN	3.7247	▲ 0.2%	▼ -0.9%	▼ -0.9%	▼ -5.5%	3.7229	3.6656	3.7699	
USDCAD	1.2685	▼ -0.2%	▼ -0.4%	▼ -0.4%	▼ -5.1%	1.2712	1.2530	1.2828	
USDCNY	6.4737	▲ 0.2%	▼ -0.8%	▼ -0.8%	▼ -7.6%	6.4663	6.4283	6.4928	
USDCLP	708.04	▼ -2.0%	▼ -0.4%	▼ -0.4%	▼ -12.7%	723.09	696.18	741.40	
Money market									
3m LIBOR USD	0.188	▼ -0.01	▼ -0.05	▼ -0.05	▼ -1.39	0.207	0.175	0.241	
3m EURIBOR	-0.530	▲ 0.02	▲ 0.02	▲ 0.02	▼ -0.11	-0.544	-0.556	-0.530	
3m WIBOR	0.210	-	0.00	-	0.00	0.210	0.210	0.210	
5y USD interest rate swap	0.826	▲ 0.21	▲ 0.40	▲ 0.40	▼ -0.26	0.586	0.416	0.895	
5y EUR interest rate swap	-0.298	▲ 0.10	▲ 0.16	▲ 0.16	▲ 0.05	-0.410	-0.485	-0.257	
5y PLN interest rate swap	1.150	▲ 0.23	▲ 0.54	▲ 0.54	▼ -0.30	0.777	0.583	1.150	
Fuel									
WTI Cushing	61.50	▲ 3.4%	▲ 26.8%	▲ 26.8%	▲ 30.6%	55.58	47.62	63.57	
Brent	64.43	▲ 2.5%	▲ 25.9%	▲ 25.9%	▲ 26.8%	58.34	50.02	66.39	
Diesel NY (ULSD)	185.53	▲ 4.4%	▲ 25.6%	▲ 25.6%	▲ 24.7%	168.26	146.07	190.96	
Others									
VIX	27.95	▲ 7.98	▲ 5.20	▲ 5.20	▼ -11.21	24.03	19.97	37.21	
BBG Commodity Index	85.28	▲ 1.4%	▲ 9.3%	▲ 9.3%	▲ 17.5%	82.21	78.64	87.58	
S&P500	3 811.15	▼ -3.1%	▲ 1.5%	▲ 1.5%	▲ 27.9%	3 838.59	3 700.65	3 934.83	
DAX	13 786.29	▼ -1.9%	▲ 0.5%	▲ 0.5%	▲ 11.5%	13 887.21	13 432.87	14 109.48	
Shanghai Composite	3 509.08	▼ -4.0%	▲ 1.0%	▲ 1.0%	▲ 17.3%	3 570.93	3 483.07	3 696.17	
WIG 20	1 907.28	▼ -1.5%	▼ -3.9%	▼ -3.9%	▲ 3.1%	1 975.73	1 907.28	2 074.11	
KGHM	189.35	▼ -0.1%	▲ 3.5%	▲ 3.5%	▲ 147.3%	195.58	175.05	215.90	

° 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

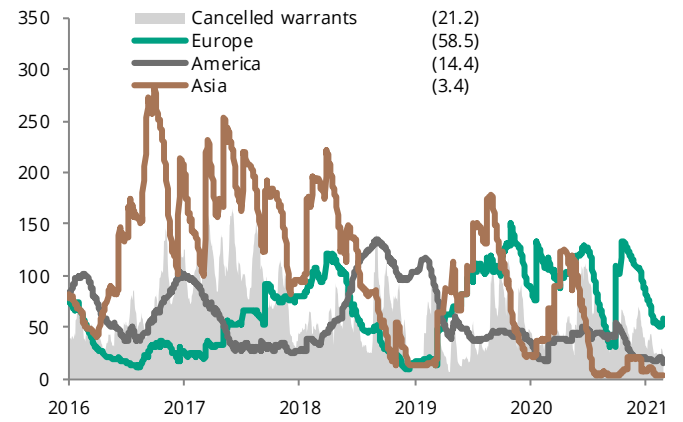
Source: Bloomberg, KGHM Polska Miedź

Copper: official exchange stocks (thousand tonnes)



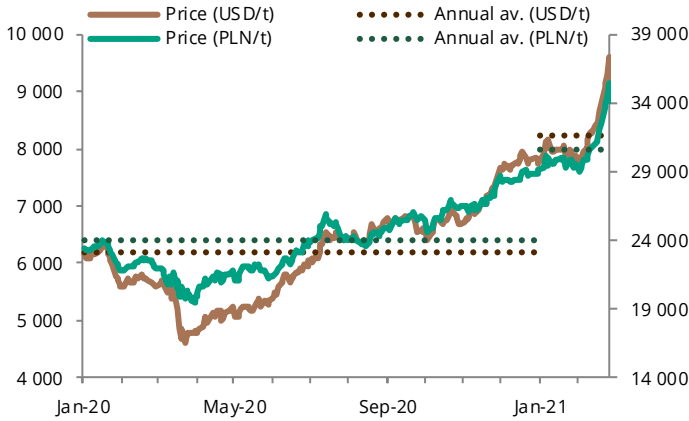
Note: Latest values in brackets. Source: Bloomberg, KGHM

Copper: official LME stocks (thousand tonnes)



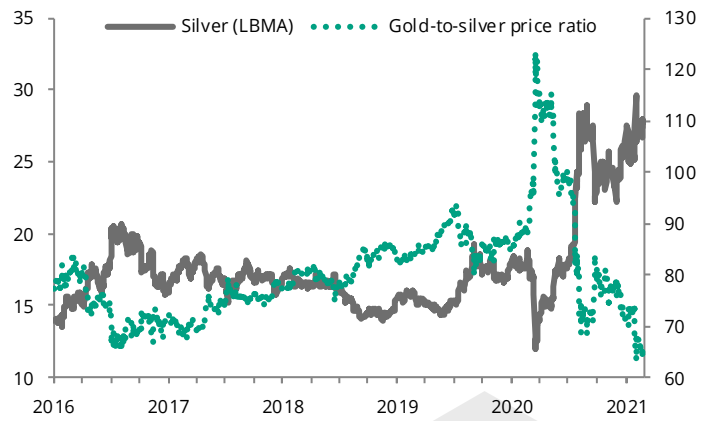
Note: Latest values in brackets. Source: Bloomberg, KGHM

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



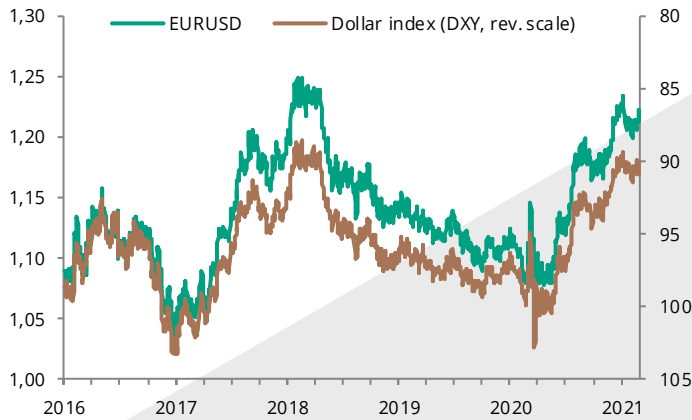
Source: Bloomberg, KGHM Polska Miedź

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



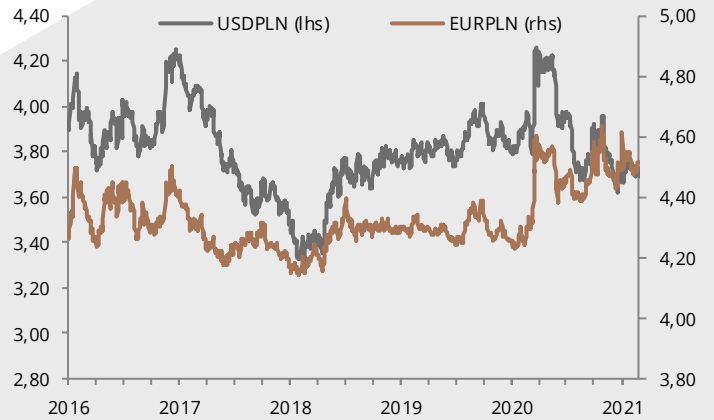
Source: Bloomberg, KGHM Polska Miedź

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:
15-28 February 2021.

- Barclays Capital, ▪ BofA Merrill Lynch, ▪ Citi Research, ▪ CRU Group, ▪ Deutsche Bank Markets Research, ▪ Gavekal Dragonomics, ▪ 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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