

Market Overview

- **Copper:** The world's largest copper producer, Codelco, increased output in 2020 despite COVID-19 related headwinds and expects to launch its Andina Traspaso project in Chile in the second-half of 2021 to help maintain the current level of production despite closure of the underground operation (*page 2*).
- **Precious metals:** According to analysts, in 2021, world silver production will increase by 8.1% to 918.3 million ounces, and by 2024 it is expected to reach over 1 billion ounces, which means an annual growth rate of 3.2% (*page 5*).
- **Global macro:** Global manufacturing activity is surging as government support programmes and low interest rates protect consumers' incomes while restrictions on leisure travel and other services divert spending into merchandise. Meanwhile, The nation's top banking regulator jolted markets recently with a warning about the need to reduce leverage amid the rising risk of bubbles globally and in the local property sector (*page 8*).

The recent sell-off on the nickel market is a sign that the further the market is detached from fundamentals, the correction is more likely



Source: Refinitiv, KGHM Polska Miedź S.A.


as of: 15th March 2021

Key market prices

	Close price	2w chng.
LME (USD/t)		
▼ Copper	9 052.50	-1.3%
▼ Nickel	16 158.00	-13.2%
LBMA (USD/troz)		
▼ Silver	25.48	-4.5%
▼ Gold (PM)	1 704.80	-2.2%
FX		
▼ EURUSD	1.1933	-1.6%
▲ EURPLN	4.5909	1.6%
▲ USDPLN	3.8521	3.4%
▼ USDCAD	1.2493	-1.5%
▲ USDCLP	718.40	1.5%
Stocks		
▲ KGHM	189.80	0.2%

Source: Bloomberg, KGHM Polska Miedź S.A.; (*more on page 13*)

Important macroeconomic data

Release	For		
 Caixin's manuf. PMI	Feb	50.9	▼
 New yuan loans	Feb	1 360	▼
 Manufacturing PMI	Feb	53.4	▲
 Manufacturing PMI	Feb	57.9	▲
 Copper exports (\$)	Feb	3 879	▲

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

Market Risk Unit

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Base and precious metals | Other commodities

Copper

The world's largest copper producer, Codelco, increased output in 2020 despite COVID-19 related headwinds and expects to launch its Andina Traspaso project in Chile in the second-half of 2021 to help maintain the current level of production despite closure of the underground operation.

The Chilean state mining firm also reduced its direct costs to 129.4 cents/lb, down 8.6% from 2019, thanks to increased production, higher capacity use, higher sales of by-products, especially gold and molybdenum, and the stronger dollar

Codelco's 2020 Copper Output 1.6M mt

Chile's state copper company saw output rise 1.9% year on year to 1.619 million mt in 2020, largely due to higher grades and ore throughput at its Ministro Hales and Andina divisions in Chile, the company said Feb. 26. Combined with production from third parties, copper sales reached 2.051 million mt, up 3.8% from 2019. Sales of molybdenum, a by-product in several Codelco operations, rose 20.8% year on year to 29,000 mt.

The Chilean state mining firm also reduced its direct costs to 129.4 cents/lb, down 8.6% from 2019, thanks to increased production, higher capacity use, higher sales of by-products, especially gold and molybdenum, and the stronger dollar. Codelco expects to launch its Andina Traspaso project at the Andina division during H2 2021. The \$1.5 billion venture will replace the current primary crushing and conveyor system allowing the mine to maintain its current level of production, despite closure of the underground operation. Meanwhile, Codelco's annual earnings rose 55% on the year to \$2.1 billion, boosted by the higher copper price, weaker local currency and stronger production, the company said. CEO Octavio Arandeda said that in a tremendously challenging year for Chile and the world, which meant operating with half our staff, and slowing and closing projects, Codelco managed to increase production and generate \$2.1 billion in profits.

Other important information on copper market:

- Spot treatment charges for copper concentrate in top copper consumer China slumped to their lowest in more than 10 years, according to data from Asian Metal, underscoring how tight the feedstock market is for smelters. The current TC of \$38.50 a tonne is the lowest daily assessment by the industry pricing and information provider since October 2010. It comes after bad weather disrupted concentrate shipments from top producer Chile and Chinese smelters snubbed Australian supply. Spot TCs in China had been languishing at eight-year lows for much of 2020 but a renewed slide has pushed them down another 24% this year to well below the 2021 benchmark of \$59.50 a tonne, squeezing smelters' margins. The annual benchmark, which is referenced in term supply contracts worldwide, was agreed between miner Freeport-McMoRan Inc and Chinese smelters in December.

- Chile produced 464,788 mt of copper in January, down 0.6% from the same month of last year, statistics agency INE said Feb. 26, attributing the decline to lower levels of activity at a major copper producer. The total was also down 8.3% from December, although the fall reflects a high base of comparison as mining companies frequently ramp up production in the final weeks of the year to meet annual production targets. For 2020, production reached 5.8 million mt, down 0.7% from 2019, as mining companies strived to maintain output despite restrictions imposed to control the spread of the COVID-19 pandemic. The Chilean Copper Commission forecasts that production will reach record levels just short of 6 mln mt this year as mine expansion projects are brought on stream. Production of molybdenum, a byproduct at many copper mines in Chile, reached 4,906 mt in January, down 12.8% from the previous month but up 5.7% from January 2020.
- Brazilian miner Vale has reduced its 2021 copper production estimates to 360,000 mt - 380,000 mt from the 390,000 mt previously forecast for the year, the company said in a statement released alongside its Q4 2020 earnings report. According to the company, the estimates presented involve market factors that are beyond Vale's control and, therefore, can be subject to new changes. With continued strength in Chinese demand and persisting supply issues, Vale said in its earnings report that it continues to have both positive near-term and long-term views on copper. For 2021, Vale sees the market relatively balanced, leaning towards a minor deficit. However, the concentrate market, which Vale mainly participates in, appears much tighter, with deficits forecasted for several years.
- Global copper smelting edged lower in February as industrial activity in top producer China declined during the Lunar New Year holiday, data from satellite surveillance of copper plants showed. The decline in China was partially offset by gains in Europe and North America, which had been hit the previous month by pandemic-linked lockdowns, satellite service SAVANT and broker Marex Spectron said in a joint statement. According to Guy Wolf, global head of analytics at Marex, the large decline in Chinese smelter activity was well anticipated due to the holiday period and should recover fairly quickly. If the improvements seen in most regions continue through March, combined with a resumption in Chinese activity, the next month could be the first time in many months where activity level trends are aligned across all major regions. SAVANT's global dispersion index fell to an average of 45.8 in February from 46.5 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. China, the world's top refined copper producer, declined to 42.0 in February from 50.3 in January. Europe saw only a modest bounce in February to 43.0 from 41.3 a month before while North America gained to 44.1 from 33.2 in January.
- After spooking the copper market with a slump in shipments in January, the top-producing nation surged back last month. Chile had a 42% jump in copper-export revenue in February from January, according to data released

by the central bank. While some of that gain is about higher prices -- futures averaged about 6% more -- most of it is volume based. January is typically a slow month for Chilean copper shipments. This year, the drop was exacerbated by high seas that disrupted ports and delayed cargoes. The lag meant February's copper revenue of almost \$3.9 billion was the best month since December 2017 and represented the steepest increase in seven years. So much Chilean copper en route to China is good news for smelters that were grappling with a shortage of semi-processed material, and may indicate the tightness that helped supercharge the metal's rally may be easing. Futures have slipped about 6% since hitting the highest in almost a decade last month. About a quarter of the world's copper supply comes from Chilean mines, which generate about half of Chile's exports.

- Peru's copper output could hit a record 2.5 million tonnes in 2021, well over the 2.15 million tonnes produced last year, Energy and Mines Minister Jaime Gálvez said recently. Gálvez said recent mine expansions would help the world's No. 2 copper producer boost output, as well as the opening in April or May of the \$1.6 billion Minas Justa project, owned by Minsur "This will compensate for the problems that still exist in the copper industry as a result of this second wave of the coronavirus," Gálvez said in a press conference call. Local copper production plummeted last year due to strict restrictions placed on mines when the coronavirus pandemic first struck the South American nation. Output has since gradually recovered. Peru's top copper producers last year were Southern Peru Copper and Antamina - controlled by BHP and Glencore, according to data from the Ministry of Energy and Mines. Gálvez said that Peru could produce up to 3 million tonnes in 2023, provided new projects continue to come online as expected. He noted that forecast would "depend a lot on the political stability of the country after the electoral process." Peru is slated to hold presidential elections on April 11 after a tumultuous year of political and coronavirus-related crisis that has badly dented the country's economy. The country's projections for increased production, however, coincide with a soaring copper price in 2021, as a nascent global economic recovery has prompted demand to boom for the commodity. The outlook for copper prices remained strong thanks to strong demand from China and the United States' stimulus bill, according to market analysts.
- Shanghai Dalu Futures, the Chinese brokerage that built up bullish bets worth more than \$1 billion on copper prices in just a few days last month, cut its long position on the May Shanghai copper contract by almost 25%, bourse data show. Shanghai Dalu, a previously little known firm that was rarely among the most active brokerages in base metals trading on the Shanghai Futures Exchange (ShFE), reduced its long position on May copper by 1,800 lots, or 24.3%, from a day earlier, to 5,588 lots. With Shanghai Dalu only providing a channel for clients to trade on futures exchanges in China, the copper market has been speculating as to the identity of the mystery bull behind the huge long position that emerged as the red metal was already scaling multi-year highs on optimism over coronavirus stimulus. Dalu

remains the top long position holder for the June and July ShFE contracts, having slightly increased those positions recently. Its total long position across the three months is currently at 19,904 lots, an equivalent to 99,520 tonnes of copper worth around 6.52 billion yuan (\$1 billion) at current prices. The brokerage is also the top long position holder in the May bonded copper futures on the Shanghai International Energy Exchange. Dalu's cut coincided with a 0.7% drop in Shanghai copper prices on Tuesday. The most active contract, for delivery in April, was down 1.3% at 65,750 yuan a tonne as of 1507 GMT in night trading and has shed 7% since hitting near a 10-year high of 70,740 yuan a tonne on Feb. 25.

Precious Metals

Silver production set to record first annual rise in half a decade

According to analysts, in 2021, world silver production will increase by 8.1% to 918.3 million ounces, and by 2024 it is expected to reach over 1 billion ounces, which means an annual growth rate of 3.2%.

Production in Mexico, Peru and China, the largest producer countries, is expected to increase from 393.9 million ounces expected in 2021 to 443.9 million ounces in 2024.

Silver, like just about everything else, saw a downturn in 2020 due to COVID-19 but experts are predicting a production boost this year. Global silver production is forecast to rise by 8.1% to 918.3 million ounces in 2021, according to data analysts GlobalData. It says global silver mine production fell by an estimated 2.4% in 2020, down to 850 million ounces, thanks to the impacts of the ongoing COVID-19 pandemic. The world's top three silver producers - Mexico, Peru and China - were all hit by the pandemic and suffered lockdowns and restrictions that impeded mining work. But GlobalData expects a significant increase in 2021 and says more than 1 billion ounces will be produced by 2024, a 3.2% compound annual growth rate. The three aforementioned countries are expected to lead the silver revival, with combined production in Mexico, Peru and China alone expected to increase from a forecast of 393.9 million ounces in 2021 to 443.9 million ounces by 2024. GlobalData associate Vinneth Bajaj says several major projects in these countries are expected to lead the charge. "Projects with potential to commence operations during the forecast period include the Corani project in Peru " he says. "It has received all the regulatory approvals and permissions, with construction scheduled to commence in the second quarter of 2021 and production in 2024. "In addition, the Fenix Gold Project in Mexico, is currently undergoing a definitive feasibility study, with construction work scheduled to start by the end of 2021, and operations to begin in 2022." Eight of the top 10 silver producers reported a collective 13.9% year-on-year fall in their output due to COVID-19, Bajaj says. "In Mexico, output was estimated to have fallen by 1.8% in 2020, with mining activities suspended for almost two months." Production in Peru fell more significantly, down by an estimated 16% over the course of 2020. The Uchucchacua mine, owned by Buenaventura, was the biggest contributor towards this decline and silver output dropped by around

4 million ounces in the first nine months of 2020 versus the same period of 2019. "Further, operational suspensions at Pan American's Huaron and Morococha mines between May and September also contributed towards the decline." Also contributing to the silver industry's concerns are slowly depleting ore reserves. A 2014 study estimated that around half of the world's silver supplies have already been mined, with peak production looming in 2034, and complete, worldwide silver supply exhaustion by 2240. According to Statista, a company that aggregates market data, the three countries with the largest silver deposits are Peru, Australia and Poland.

Gold, silver and other precious metals poured in to the U.S. as purchases of other overseas items dropped

The value of imported precious metals last year hit a 19-year high at \$ 55 billion, which doubled the 2019 volume.

Last May, US \$ 8.8 billion of non-monetary gold was imported to the US, more than 10 times the 2019 monthly average.

At a time when America's purchases of other overseas goods have ebbed, imports of gold, silver and other precious metals are surging, according to a USA TODAY analysis of the latest census trade data. The value of precious metals pouring into the country hit a 19-year high last year, a \$55 billion influx that doubled the volume of 2019. Analysts and traders say the trend reflects rising demand among purchasers that range from Wall Street investment funds to ordinary people buying up bullion. Hot items include bullion coins such as American Eagle coins, made by the U.S. Mint, and Canadian Maple Leaf coins, made by the Royal Canadian Mint, he said. "Nonmonetary gold" – a category that excludes gold bars owned by central banks – accounted for about two-thirds of total U.S. imports of precious metals in 2020. The Census Bureau's count for other precious metals includes silver, platinum, palladium but also ruthenium and iridium. In just the first three months after the United States entered lockdown, the nation imported \$23 billion in precious metals, blowing past the total for all of 2019. Although that rate slid later in the year, imports remained higher than pre-pandemic levels every month. Imports of most other categories of goods declined during the year as the pandemic recession set in, data show. Total U.S. imports of goods fell by about 7% from the year before. Experts say the surge in imports of precious metals in 2020 reflects people's lack of confidence in the government's response to the pandemic, resulting in an increase in risk aversion. According to a survey done by the Pew Research Center late last year, public trust in the federal government remained so low that only 1 in 5 Americans said they trust the federal government to do what is right either just about always or most of the time. Investments in precious metals, especially gold, have a long history of retaining their values and can be collected in coins and bars or held in "physically backed" exchange-traded funds, according to Suki Copper, precious metals analyst at Standard Chartered Bank. The earliest months of COVID-19's rapid growth in the United States brought the biggest burst in shipments of gold, census monthly trade data shows. It's concentrated very much in the spring of 2020 when uncertainty was at the maximum. Last May, \$8.8 billion of nonmonetary gold shipped to the U.S. from the rest of the world,

more than 10 times the monthly average for 2019, according to census data. Some of the growth in import value was linked to gold prices, which rose 17% in the first half of 2020. But the sheer physical volume of metals arriving from overseas played an essential role. In the first five months of last year, Switzerland shipped about 286 tons of gold to the U.S. – more than it had in all of the preceding 10 years combined, according to Standard Chartered Bank. Cooper, the precious metals analysts, said Swiss exporters shifted their focus from China, India and Turkey, where demand for jewelry was down because of the pandemic, to a more lucrative market.

Global economies | Foreign exchange markets

Global manufacturing surge accelerates goods inflation

Global manufacturing activity is surging as government support programmes and low interest rates protect consumers' incomes while restrictions on leisure travel and other services divert spending into merchandise.

The twin-speed upturn could complicate decisions about interest rates and government income subsidies if it persists for a significant length of time

The result is a twospeed recovery in which manufacturers are struggling to keep up with booming demand, especially for long-lived durable goods, while many services firms are stuck in a slump. In the United States, for example, prices for durable items intended to last three years or more were up by 3.5% in January compared with the same month a year earlier, compared with inflation of just 1.3% for services. The twin-speed upturn could complicate decisions about interest rates and government income subsidies if it persists for a significant length of time. But as the epidemic is brought under control and restrictions on travel and other service sector businesses are relaxed, some expenditure is likely to be directed away from the goods sector and back towards services. The altered flow of consumer and business spending should ease some of the strong inflationary pressure building up in the goods sector, probably in the second half of the year and into the early part of 2022. If merchandise inflation persists, however, OECD governments and central banks will be forced to review whether providing so much macroeconomic stimulus remains appropriate. U.S. manufacturers reported one of the most widespread improvements in business conditions for 30 years last month, the monthly survey conducted by the Institute for Supply Management found. The composite purchasing managers' index rose to 60.8 in February, the highest level since February 2018, and before that May 2004. The index was far above the 50-point threshold that divides expanding activity from a contraction, and in the 98th percentile for all months since 1980. The manufacturing boom is likely to persist for at least several more months, with the new orders component at 64.8, which was in the 96th percentile for all months since 1980. New orders for non-defence capital goods were rising at an annual rate of more than 8% at the end of last year, data from the U.S. Census Bureau found. In many industries, production has been unable to keep up with consumption, leading to a rapid depletion of inventories throughout the supply chain, including raw materials, work in progress, and finished but unsold items. The ratio of manufacturers' inventories to sales fell to 1.39 in December, after seasonal adjustments, down from an epidemic-driven high of 1.70 in April, but also below the pre-pandemic level of 1.40 a year earlier. Production will need to continue increasing in the next few months to meet the influx of new orders and stabilise inventories at a manageable level. The boom in manufacturing activity is not restricted to the United States. Manufacturers in the eurozone reported a similarly broad upturn last month, with the local purchasing managers' index in the 96th percentile. China's manufacturers reported a steady expansion in February, in the 50th percentile, after a post-epidemic surge that peaked last

November, when the local index was in the 95th percentile. The manufacturing surge and associated freight boom is driving strong growth in worldwide consumption of diesel, helping to drain excess oil inventories and lift crude prices by two-thirds in just over three months. World trade volumes were back above prior-year levels by December and increasing at the fastest year-on-year rate for 21 months, the Netherlands Bureau for Economic Policy Analysis found. The manufacturing-led upturn is also lifting consumption and prices for a broad range of other commodities, from mineral ores and metals to forest products, fuelling talk about a “super-cycle”.

Semiconductor shortages have forced auto manufacturers to cut production schedules and are limiting the availability of some consumer electronics. But the economy should rebalance as restrictions on travel, tourism, hospitality and the entertainment sectors are progressively relaxed in the second quarter and especially in the second half of the year.

China's focus on bubble risks is a warning sign for stock market

The nation's top banking regulator jolted markets recently with a warning about the need to reduce leverage amid the rising risk of bubbles globally and in the local property sector.

After regulator's warning, China's largest stock has lost more than \$100 billion in nine days





For investors fretting about an end to the era of cheap and plentiful debt, China just provided another reason to worry. The nation's top banking regulator jolted markets recently with a warning about the need to reduce leverage amid the rising risk of bubbles globally and in the local property sector. The impact on Chinese stocks was swift: the CSI 300 Index fell as much as 2.1% to lead declines in Asia. China's largest stock has lost more than \$100 billion in nine days. Central banks around the world are facing the challenge of when and how to pare back stimulus as economies recover from the pandemic. Global bond markets plunged last week as traders pulled forward bets on interest rate increases, with the 10-year Treasury yield reaching the highest in a year. Deleveraging has particular resonance in China, where it is a key priority of President Xi Jinping due to the size of the nation's debt mountain. A crackdown on leverage in 2017 sent corporate and government bond yields to multi-year highs before officials halted the drive a year later amid the worsening trade war with the U.S. Guo Shuqing, chairman of the China Banking and Insurance Regulatory Commission and Party secretary of the central bank, didn't mince his words.








“From a banking and insurance industry's perspective, the first step is to reduce the high leverage within the financial system,” Guo said at a briefing in Beijing. Speculation in the property market is “very dangerous” and bubbles in U.S. and European financial markets may soon burst, he said. “His talk shows a willingness to tolerate higher rates,” said Zhiwei Zhang, chief economist at Pinpoint Asset Management in Hong Kong. “This is a confirmation of monetary-policy stance tightening. That's important.” A stronger economy and signs of excess have provoked stronger rhetoric from Beijing in recent weeks. The People's Bank of

China said in its latest monetary policy report it will balance the need to support growth and prevent risk. A front-page report in state media last week argued the economy is strong enough to withstand policy normalization. In January, the central bank engineered the biggest cash squeeze since 2015, after an adviser suggested a shift away from stimulus. Debt was about 280% of China's gross domestic product in November, the highest ratio since Bloomberg started compiling the data in 2014. The prospect that China will tighten funding conditions is derailing gains in the country's most popular stocks. Liquor makers like Moutai are hardest hit because they are widely owned and command some of the highest valuations. The CSI 300 Index which in February briefly topped its record close from 2007 has lost 7.9% since mainland markets reopened for the New Lunar Year. Authorities are juggling curbing leverage while maintaining economic growth before the Communist Party's 100-year anniversary this year. The central bank has successfully calmed interbank funding markets since January, when short-term rates spiked to the highest since 2015.

Macroeconomic calendar

Important macroeconomic data releases

Weight	Date	Event	For	Reading ¹	Previous	Consensus ²
China 						
⊕⊕⊕	01-Mar	Caixin's manufacturing PMI	Feb	50.9 ▼	51.5	51.4 ◡
⊕	07-Mar	Foreign reserves (USD bn)	Feb	3 205 ▼	3 211	3 200 ◡
⊕⊕⊕⊕	10-Mar	Consumer inflation CPI (yoy)	Feb	-0.2% ▲	-0.3%	-0.3% ◡
⊕⊕	10-Mar	Producer inflation PPI (yoy)	Feb	1.7% ▲	0.3%	1.5% ◡
⊕	10-Mar	New yuan loans (CNY bn)	Feb	1 360 ▼	3 580	950 ◡
Poland 						
⊕⊕⊕	01-Mar	Manufacturing PMI	Feb	53.4 ▲	51.9	52.9 ◡
⊕⊕⊕⊕⊕	03-Mar	NBP base rate decision	Mar	0.10% -	0.10%	0.10% ○
US 						
⊕⊕⊕	01-Mar	Manufacturing PMI - final data	Feb	58.6 ▲	58.5	58.5 ◡
⊕⊕	01-Mar	ISM Manufacturing	Feb	60.8 ▲	58.7	58.9 ◡
⊕⊕⊕	03-Mar	Composite PMI - final data	Feb	59.5 ▲	58.8	--
⊕⊕⊕	03-Mar	PMI services - final data	Feb	59.8 ▲	58.9	58.9 ◡
⊕⊕	04-Mar	Durable goods orders - final data	Jan	3.4% -	3.4%	3.4% ○
⊕⊕	05-Mar	Change in non-farm payrolls (ths)‡	Feb	379 ▲	166	200 ◡
⊕⊕	05-Mar	Underemployment rate (U6)	Feb	11.1% -	11.1%	--
⊕⊕	05-Mar	Unemployment rate	Feb	6.2% ▼	6.3%	6.3% ◡
⊕	05-Mar	Average hourly earnings (yoy)‡	Feb	5.3% -	5.3%	5.3% ○
⊕⊕⊕⊕	10-Mar	Consumer inflation CPI (mom)	Feb	0.4% ▲	0.3%	0.4% ○
⊕⊕⊕⊕	10-Mar	Consumer inflation CPI (yoy)	Feb	1.7% ▲	1.4%	1.7% ○
⊕⊕	12-Mar	University of Michigan confidence index - preliminary data	Mar	83.0 ▲	76.8	78.5 ◡
Eurozone 						
⊕⊕⊕	01-Mar	Manufacturing PMI - final data	Feb	57.9 ▲	57.7	57.7 ◡
⊕⊕⊕⊕	02-Mar	Core CPI (yoy) - preliminary data	Feb	1.1% ▼	1.4%	1.1% ○
⊕⊕⊕⊕	02-Mar	CPI estimate (yoy)	Feb	0.9% -	0.9%	0.9% ○
⊕⊕⊕	03-Mar	Composite PMI - final data	Feb	48.8 ▲	48.1	48.1 ◡
⊕⊕⊕	03-Mar	Services PMI - final data	Feb	45.7 ▲	44.7	44.7 ◡
⊕⊕	03-Mar	Producer inflation PPI (yoy)	Jan	0.0% ▲	-1.1%	0.1% ◡
⊕⊕	04-Mar	Retail sales (yoy)‡	Jan	-6.4% ▼	0.9%	-1.2% ◡
⊕⊕	04-Mar	Unemployment rate‡	Jan	8.1% -	8.1%	8.3% ◡
⊕⊕⊕⊕⊕	09-Mar	GDP (sa, yoy) - final data	4Q	-4.9% ▲	-5.0%	-5.0% ◡
⊕⊕⊕⊕⊕	09-Mar	GDP (sa, qoq) - final data	4Q	-0.7% ▼	-0.6%	-0.6% ◡
⊕⊕⊕	09-Mar	Gross fixed capital (qoq)‡	4Q	1.6% ▼	13.9%	0.7% ◡
⊕⊕⊕	09-Mar	Households consumption (qoq)‡	4Q	-3.0% ▼	14.1%	-3.0% ○
⊕⊕⊕⊕⊕	11-Mar	ECB main refinancing rate	Mar	0.00% -	0.00%	0.00% ○
⊕⊕⊕⊕⊕	11-Mar	ECB deposit facility rate	Mar	-0.5% -	-0.5%	-0.5% ○
⊕⊕⊕⊕	12-Mar	Industrial production (sa, mom)‡	Jan	0.8% ▲	-0.1%	0.5% ◡
⊕⊕⊕⊕	12-Mar	Industrial production (wda, yoy)‡	Jan	0.1% ▲	-0.2%	-1.9% ◡

Weight	Date	Event	For	Reading ¹	Previous	Consensus ²	
Germany							
⦿⦿⦿⦿	01-Mar	Harmonized consumer inflation HICP (yoy) - preliminary data	Feb	1.6% -	1.6%	1.6%	⦿
⦿⦿⦿⦿	01-Mar	Consumer inflation CPI (yoy) - preliminary data	Feb	1.3% ▲	1.0%	1.2%	▲
⦿⦿⦿	01-Mar	Manufacturing PMI - final data	Feb	60.7 ▲	60.6	60.6	▲
⦿⦿⦿	02-Mar	Retail sales (yoy)‡	Jan	-8.7% ▼	2.8%	1.7%	▼
⦿⦿	02-Mar	Unemployment rate	Feb	6.0% -	6.0%	6.0%	⦿
⦿⦿⦿	03-Mar	Composite PMI - final data	Feb	51.1 ▼	51.3	51.3	▼
⦿⦿⦿	05-Mar	Factory orders (wda, yoy)‡	Jan	2.5% ▼	6.1%	1.9%	▲
⦿⦿⦿⦿	08-Mar	Industrial production (wda, yoy)‡	Jan	-3.9% ▼	1.0%	-3.7%	▼
⦿⦿⦿⦿	12-Mar	Harmonized consumer inflation HICP (yoy) - final data	Feb	1.6% -	1.6%	1.6%	⦿
⦿⦿⦿⦿	12-Mar	Consumer inflation CPI (yoy) - final data	Feb	1.3% -	1.3%	1.3%	⦿
France							
⦿⦿⦿	01-Mar	Manufacturing PMI - final data	Feb	56.1 ▲	55.0	55.0	▲
⦿⦿⦿	03-Mar	Composite PMI - final data	Feb	47.0 ▲	45.2	45.2	▲
⦿⦿⦿⦿	10-Mar	Industrial production (yoy)‡	Jan	-0.2% ▲	-3.2%	-2.8%	▲
Italy							
⦿⦿⦿⦿	01-Mar	Harmonized consumer inflation HICP (yoy) - preliminary data	Feb	1.0% ▲	0.7%	0.7%	▲
⦿⦿⦿	01-Mar	Manufacturing PMI	Feb	56.9 ▲	55.1	56.8	▲
⦿⦿⦿⦿⦿	03-Mar	GDP (wda, yoy) - final data	4Q	-6.6% -	-6.6%	-6.6%	⦿
⦿⦿⦿⦿⦿	03-Mar	GDP (wda, qoq) - final data	4Q	-1.9% ▲	-2.0%	-2.0%	▲
⦿⦿⦿	03-Mar	Composite PMI	Feb	51.4 ▲	47.2	49.2	▲
⦿⦿⦿⦿	09-Mar	Industrial production (wda, yoy)‡	Jan	-2.4% ▼	-1.6%	-4.1%	▲
UK							
⦿⦿⦿	01-Mar	Manufacturing PMI (sa) - final data	Feb	55.1 ▲	54.9	54.9	▲
⦿⦿⦿	03-Mar	Composite PMI - final data	Feb	49.6 ▼	49.8	49.8	▼
⦿⦿⦿⦿	12-Mar	Industrial production (yoy)	Jan	-4.9% ▼	-3.3%	-4.4%	▼
Japan							
⦿⦿⦿	01-Mar	Manufacturing PMI - final data	Feb	51.4 ▲	50.6	--	
⦿⦿⦿	03-Mar	Composite PMI - final data	Feb	48.2 ▲	47.6	--	
⦿⦿⦿⦿⦿	09-Mar	GDP (annualized, qoq) - final data	4Q	11.7% ▼	12.7%	12.6%	▼
⦿⦿⦿⦿⦿	09-Mar	GDP (qoq, sa) - final data	4Q	2.8% ▼	3.0%	3.0%	▼
Chile							
⦿⦿⦿⦿	01-Mar	Economic activity (yoy)	Jan	-3.1% ▼	-0.4%	-1.3%	▼
⦿⦿	05-Mar	Nominal wages (yoy)	Jan	4.2% ▲	4.0%	--	
⦿⦿⦿	08-Mar	Copper exports (USD mn)	Feb	3 879 ▲	2 733	--	
Canada							
⦿⦿⦿⦿⦿	02-Mar	GDP (yoy)	Dec	-3.0% ▼	-2.8%	-3.0%	⦿
⦿⦿⦿⦿⦿	02-Mar	GDP (annualized, qoq)‡	4Q	9.6% ▼	40.6%	7.3%	▲
⦿⦿⦿⦿⦿	10-Mar	BoC base rate decision	Mar	0.25% -	0.25%	0.25%	⦿
⦿⦿⦿	12-Mar	Capacity utilization‡	4Q	79.2% ▲	77.4%	77.8%	▲
⦿⦿⦿	12-Mar	Net change in employment (ths)	Feb	259 ▲	-213	75.0	▲

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

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

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

Source: Bloomberg, KGHM Polska Miedź

Key market data

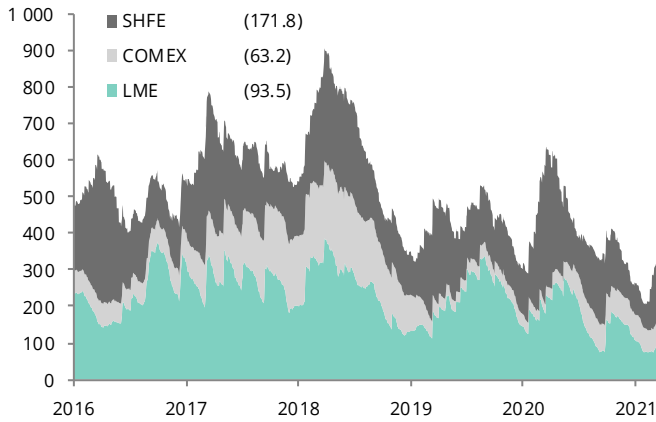
Key base & precious metal prices, exchange rates and other important market factors

<i>(as of: 12-Mar-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	9 052.50	▼ -1.3%	▲ 16.9%	▲ 16.9%	▲ 68.1%	8 380.84	7 755.50	9 614.50
Molybdenum	12.15	▼ -2.0%	▲ 21.1%	▲ 21.1%	▲	11.31	9.95	12.50
Nickel	16 158.00	▼ -13.2%	▼ -2.3%	▼ -2.3%	▲ 36.3%	17 929.94	15 907.00	19 689.00
Aluminum	2 139.00	▼ -2.9%	▲ 8.1%	▲ 8.1%	▲ 30.2%	2 065.93	1 951.50	2 223.00
Tin	30 900.00	▲ 12.4%	▲ 50.4%	▲ 50.4%	▲ 90.3%	24 881.00	20 965.00	30 995.00
Zinc	2 797.50	▼ -0.8%	▲ 2.7%	▲ 2.7%	▲ 45.2%	2 734.05	2 539.00	2 894.50
Lead	1 940.00	▼ -7.9%	▼ -1.6%	▼ -1.6%	▲ 10.9%	2 039.46	1 924.50	2 158.50
LBMA (USD/troz)								
Silver	25.48	▼ -4.5%	▼ -3.8%	▼ -3.8%	▲ 54.2%	26.49	24.87	29.59
Gold ²	1 704.80	▼ -2.2%	▼ -9.9%	▼ -9.9%	▲ 8.5%	1 812.60	1 687.05	1 943.20
LPPM (USD/troz)								
Platinum ²	1 186.00	▼ -1.5%	▲ 10.3%	▲ 10.3%	▲ 46.6%	1 153.86	1 016.00	1 294.00
Palladium ²	2 358.00	▼ -0.2%	▼ -0.5%	▼ -0.5%	▲ 15.6%	2 357.88	2 258.00	2 465.00
FX ³								
EURUSD	1.1933	▼ -1.6%	▼ -2.8%	▼ -2.8%	▲ 6.2%	1.2101	1.1866	1.2338
EURPLN	4.5909	▲ 1.6%	▼ -0.5%	▼ -0.5%	▲ 5.7%	4.5261	4.4773	4.5909
USDPLN	3.8521	▲ 3.4%	▲ 2.5%	▲ 2.5%	▼ -0.3%	3.7417	3.6656	3.8665
USDCAD	1.2493	▼ -1.5%	▼ -1.9%	▼ -1.9%	▼ -9.6%	1.2693	1.2493	1.2828
USDCNY	6.5084	▲ 0.5%	▼ -0.3%	▼ -0.3%	▼ -7.4%	6.4718	6.4283	6.5261
USDCLP	718.40	▲ 1.5%	▲ 1.0%	▲ 1.0%	▼ -14.0%	724.08	696.18	741.40
Money market								
3m LIBOR USD	0.190	▲ 0.00	▼ -0.05	▼ -0.05	▼ -0.55	0.202	0.175	0.241
3m EURIBOR	-0.539	▼ -0.01	▲ 0.01	▲ 0.01	▼ -0.05	-0.543	-0.556	-0.530
3m WIBOR	0.210	-	0.00	-	0.00	0.210	0.210	0.210
5y USD interest rate swap	0.930	▲ 0.10	▲ 0.50	▲ 0.50	▲ 0.30	0.643	0.416	0.937
5y EUR interest rate swap	-0.320	▼ -0.02	▲ 0.14	▲ 0.14	▲ 0.05	-0.394	-0.485	-0.257
5y PLN interest rate swap	1.193	▲ 0.04	▲ 0.58	▲ 0.58	▼ -0.12	0.858	0.583	1.280
Fuel								
WTI Cushing	65.61	▲ 6.7%	▲ 35.2%	▲ 35.2%	▲ 108.3%	57.27	47.62	66.09
Brent	68.87	▲ 6.9%	▲ 34.6%	▲ 34.6%	▲ 120.5%	60.00	50.02	69.39
Diesel NY (ULSD)	196.50	▲ 5.9%	▲ 33.0%	▲ 33.0%	▲ 68.3%	172.69	146.07	196.50
Others								
VIX	20.69	▼ -7.26	▼ -2.06	▼ -2.06	▼ -54.78	24.06	19.97	37.21
BBG Commodity Index	85.96	▲ 0.8%	▲ 10.1%	▲ 10.1%	▲ 29.9%	82.87	78.64	87.58
S&P500	3 943.34	▲ 3.5%	▲ 5.0%	▲ 5.0%	▲ 59.0%	3 844.73	3 700.65	3 943.34
DAX	14 502.39	▲ 5.2%	▲ 5.7%	▲ 5.7%	▲ 58.3%	13 960.58	13 432.87	14 569.39
Shanghai Composite	3 453.08	▼ -1.6%	▼ -0.6%	▼ -0.6%	▲ 18.1%	3 547.85	3 357.74	3 696.17
WIG 20	2 006.11	▲ 5.2%	▲ 1.1%	▲ 1.1%	▲ 53.6%	1 974.57	1 907.28	2 074.11
KGHM	189.80	▲ 0.2%	▲ 3.7%	▲ 3.7%	▲ 284.2%	194.44	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

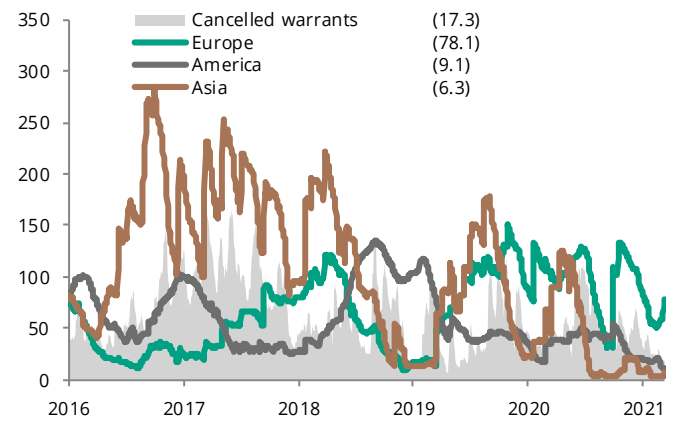
Source: Bloomberg, KGHM Polska Miedź

Copper: official exchange stocks (thousand tonnes)



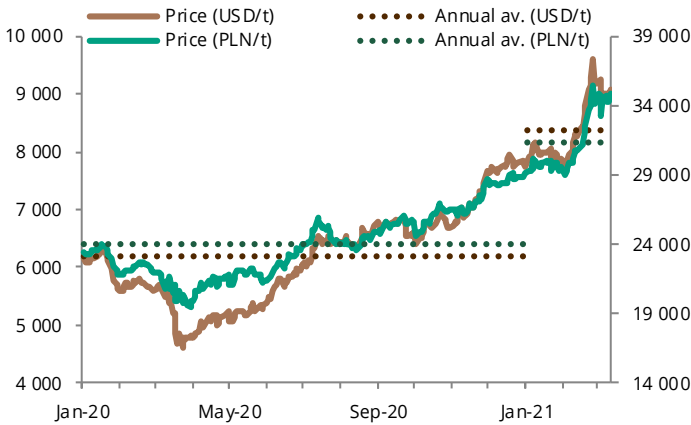
Note: Latest values in brackets. Source: Bloomberg, KGHM

Copper: official LME stocks (thousand tonnes)



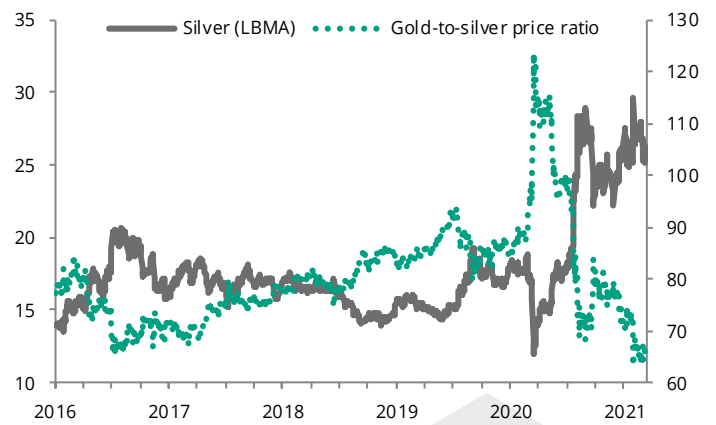
Note: Latest values in brackets. Source: Bloomberg, KGHM

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



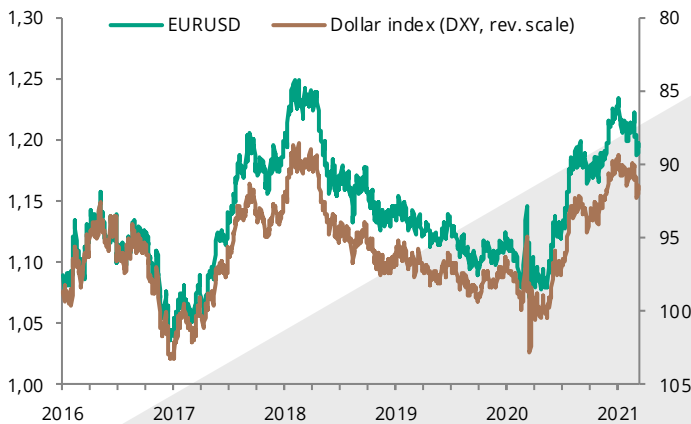
Source: Bloomberg, KGHM Polska Miedź

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



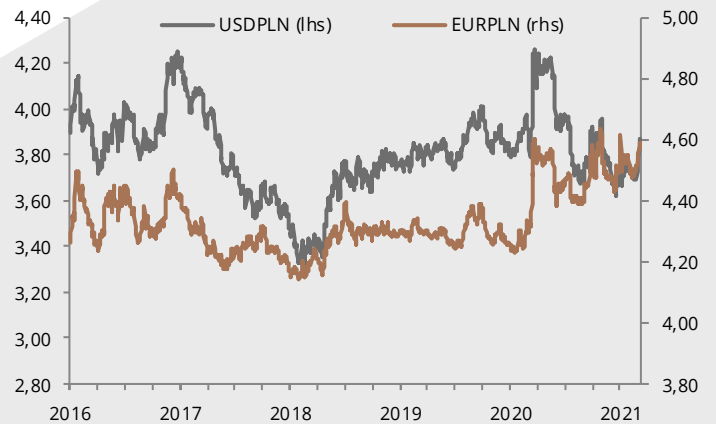
Source: Bloomberg, KGHM Polska Miedź

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:
1st-14th March 2021.

- 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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