

Market Overview

- Copper:** The last big rise in price will not lead to a rapid increase in supply. Due to the more difficult access to new deposits and the required technological advancement, as well as increasing social, political and environmental expectations, the commencement of production from new projects requires more time. The average period needed to start a new mine is almost 14 years, which is an extension of 4 years compared to the previous cycles of raw material price increases (page 2).
- Precious metals:** The world leading country with the largest gold reserves estimated at 10,000 tonnes is Australia, followed by Russia with 7,500 tonnes and the United States are far behind them with reserves of 3,000 tonnes (page 5).
- USA:** "We do expect that inflation will move up over the course of this year," Powell told, citing supply-chain bottlenecks and the comparison with very weak price pressures last year. He added that according to the baseline scenario, the impact on inflation will not be particularly large or permanent. "The strong bulk of the committee is not showing a rate increase during this forecast period," Powell added, saying also that the time to talk about reducing the central bank's asset purchases was "not yet" (page 7).

[tytuł wykresu/komentarz opisujący wykres; max. 2 linijki]



Source: Bloomberg, KGHM Polska Miedź S.A.




as of: 29th March 2021

Key market prices

	Close price	2w chng.
LME (USD/t)		
▼ Copper	8 929.00	-1.4%
▲ Nickel	16 255.00	0.6%
LBMA (USD/troz)		
▼ Silver	25.06	-1.6%
▲ Gold (PM)	1 731.80	1.6%
FX		
▼ EURUSD	1.1782	-1.3%
▲ EURPLN	4.6353	1.0%
▲ USDPLN	3.9307	2.0%
▲ USDCAD	1.2580	0.7%
▲ USDCLP	730.82	1.7%
Stocks		
▼ KGHM	176.80	-6.8%

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

Important macroeconomic data

Release	For		
 Manufacturing PMI	Mar	62.4	▲
 Trade balance	Jan	845	▲
 Industrial prod. (mom)	Feb	-2.2%	▼
 Durable goods orders	Feb	-1.1%	▼
 Retail sales (yoy)	Feb	-2.7%	▲

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

Market Risk Unit

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Base and precious metals | Other commodities

Copper

The World Will Need 10 Million Tons More Copper to Meet Demand

The last big rise in price will not lead to a rapid increase in supply. Due to the more difficult access to new deposits and the required technological advancement, as well as increasing social, political and environmental expectations, the commencement of production from new projects requires more time. The average period needed to start a new mine is almost 14 years, which is an extension of 4 years compared to the previous cycles of raw material price increases.

Meeting the expected increase in demand would require the construction of the equivalent of eight projects on the scale of the world's largest Escondida mine

Within a decade, the world may face a massive shortfall of what's arguably the most critical metal for global economies: copper. The copper industry needs to spend upwards of \$100 billion to close what could be an annual supply deficit of 4.7 million metric tons by 2030 as the clean power and transport sectors take off, according to estimates from CRU Group. The potential shortfall could reach 10 million tons if no mines get built, according to commodities trader Trafigura Group. Closing such a gap would require building the equivalent of eight projects the size of BHP Group's giant Escondida in Chile, the world's largest copper mine. If producers fail to address the deficit, prices will keep rising and present a challenge to the Biden administration and other world leaders counting on a worldwide energy transition to fight climate change. Higher copper prices may lead to more recycling and substitution with cheaper alternatives such as aluminum, which could ease shortfalls. To be sure, copper projects are in the pipeline. But producers are wary of repeating oversupply mistakes of past cycles by accelerating plans at a time that mines are getting a lot trickier and pricier to build -- one reason why copper prices are near decade highs at above \$4 a pound. "Increasing technical complexity and approval delays could lead to a dearth of shovel-ready projects in 2025-30," Bloomberg Intelligence analysts Grant Sporre and Andrew Cosgrove wrote in a report. New projects are being developed that may ease copper deficits between 2022 and 2025, according to the BI analysts. Stronger-for-longer prices should make some costlier projects more profitable, while expansions of existing operations normally mean less onerous approval processes than new sites. All eyes are on Indonesia this year, where Freeport-McMoRan Inc. is developing its underground mine at Grasberg. The ramp-up, which has been slower than expected, is set to be done by year end. Behind Grasberg is the Kamoa-Kakula project in the Democratic Republic of Congo. It's scheduled to come online in July, according to co-owner Ivanhoe Mines Ltd. Anglo American Plc's Quellaveco project in Peru may start producing next year as long as community relations don't sour, as they have done elsewhere from time to time in the South American country. The ability of producers to meet growing supply demands will also depend on Southern

Copper Corp., which wants to tap more of the industry's biggest reserves to almost double output by 2028. A chunk of next decade's new supply could come from the Reko Diq deposit in Pakistan, which has been fraught with political and legal uncertainties, as well as Tampakan in the Philippines. Companies are having to engage communities and governments much earlier in project development these days given rising social and environmental awareness and expectations. Partly as a result, the average lead time from first discovery to first metal has increased by four years from previous cycles to almost 14 years, according to BI. "Ironically, a keener focus on the environmental impact of mining activities has left the industry unable to respond quickly to market deficits through new supply, despite the price being well above an incentive price," Sporre and Cosgrove wrote. Freeport Chief Executive Officer Richard Adkerson told that even if copper soared to \$10 a pound tomorrow, it would take his company seven or eight years to get new production to the market.

In Copper Country, Lawmakers Want a Bigger Share of the Windfall

Chile's lower house of parliament approved the proposed royalty on copper and lithium sales. In the face of rising metal prices, the proposal initiated in 2018 by opposition parliamentarians gained a new impetus. However, parliamentarians from the ruling coalition are inclined to challenge the bill by presenting the so-called constitutional reservation.

Chile's lower house approved a proposed royalty on copper and lithium sales as lawmakers seek a bigger contribution from some of the world's top producers toward social and environmental projects. The proposal, which was introduced in 2018 by opposition lawmakers and has gained momentum amid rallying metal prices, will go back to committees after some representatives sought modifications. A 3% tax on copper and lithium produced by companies such as BHP Group and Albemarle Corp. would fund regional development projects, responding to the rising social and environmental standards of investors and supply chains. Countries around the region are also looking at new revenue sources to help citizens recover from the pandemic. "This is a landmark bill," Christian Democrat Deputy Ivan Flores said. "It's part of what our country needs -- greater economic and social justice and an end to privileges that big companies have had." Still, even if the royalty bill gets through senate, the government of President Sebastian Pinera could seek to block its passage via the constitutional court given it was introduced by the opposition. Ruling coalition lawmakers laid the groundwork for taking the bill to court by presenting a so-called constitutional reservation. The proposal is unnecessary and risks thwarting investment, according to government and industry representatives. Responding to criticism that Chile didn't tax producers enough in the last supercycle, Energy and Mining Minister Juan Carlos Jobet said the current royalty system will generate more after a surge in prices pushed up earnings. In his first term in office, Pinera introduced a complicated system of payments that now charges large producers a variable rate on operating profit of as much as 14%. A new tax on sales wouldn't bring in more than the current system, according to Diego Hernandez, head of mining society Sonami. Mining Council boss Joaquin Villarino

warned against rushing through legislation just because copper has traded above \$4 a pound for several weeks. While consensus is building that highly profitable sectors such as mining should help finance the pandemic recovery, a heavier tax burden would add to rising costs associated with labor and the environment, BTG Pactual raw-materials analyst Cesar Perez-Novoa said.

Other important information on copper market:

- China's copper smelters won't set a minimum level on their refining charges for the coming quarter, after their previous efforts to put a floor under the market failed to stop a collapse in fees. The floor price usually guides negotiations with the miners that supply smelters, which take copper concentrate and refine it into finished products. Supply disruptions at overseas mines and domestic capacity expansions have meant there's not enough concentrate to keep China's vast smelting industry fully employed. That's pushed the fees that smelters charge miners to their lowest level in over a decade, hurting their margins. At the same time, prices of the refined product have risen to 10-year highs.
- A blockage in the Suez Canal, one of the planet's most important waterways, is likely to exacerbate copper disruptions in China. More than a 10th of the world's trade has ground to a halt after a massive container ship got stuck in the Suez Canal. Even if the blockage is resolved in a few days, the backlog of vessels that needs to clear the canal could result in delays of a month in copper shipments from western countries to China. A global container shortage has already delayed these cargoes by one month. The delay in copper cargoes will also cause volatility in domestic spot premiums, which could spike in the short-term, according to analytics. In terms of volumes shipped through the canal, China last year imported 474,000 tons of copper concentrate from Mexico and 55,000 tons of copper anode from Belgium, according to Mysteel. It also shipped in 43,000 tons of copper scrap from the Netherlands and Germany, and 150,000 of copper cathode from Poland and Belgium. The shipments accounted for 2.2% to 5.4% of the country's total imports in those categories, it said.
- Freeport-McMoRan Inc will sign a \$2.8 billion deal with China's Tsingshan Holding Group on March 31 to build a copper smelter in Indonesia's Weda Bay, senior minister Luhut Panjaitan said on Wednesday. The smelter will have an input capacity of 2.4 million tonnes of copper concentrate and an output capacity of 600,000 tonnes, a slide presented by Luhut at a live broadcast on CNBC Indonesia showed. This will be part of the lithium battery production that the company is planning to do in 2023. Luhut said last month that the smelter will produce copper pipes and wires of which output can be worth \$10 billion or more. Indonesia is trying to attract more investments from battery and car companies to take advantage of the country's rich nickel ore resource, an important component in batteries used in electric vehicles.
- The copper scrap market will not be able to respond in time to stop a major drawdown in metal stockpiles over the next 6 months, according to Citigroup

Inc. Refinery scrap supply will increase this year by 700kt, compared with 2019 levels, in base case, analysts incl. Max Layton. Increase of about 1.4m tons is needed to balance copper market. Copper scrap supply faces logistical constraints. There tends to be 8-month lag between high prices and growth in copper scrap exports.

- Workers at the Los Pelambres copper mine in Chile accepted a wage offer in a deal that averts a strike at Antofagasta Plc's largest operation. Members of the main union voted in favor of the proposal after a lengthy negotiation including two weeks of government mediation. The new contract includes a 3.4% real pay rise and an after-tax signing bonus of 19.5 million pesos (\$27,000) per worker, the union said. A wage accord at a mine that accounts for about 6% of Chile's copper production will ease concerns over tight global supplies. Chile, which accounts for more than a quarter of mined copper, is facing a slew of collective bargaining this year at a time when high prices embolden unions and companies battle to keep costs in check. Antofagasta, owned by Chile's richest family, managed to escape strikes at two of its other mines last year. Another Los Pelambres union, representing 89 concentrator plant workers, is entering the final stage of mediated talks. The mine produced 372,100 metric tons of copper last year, Chile government data show.

Precious Metals

Australia ranks top with highest gold reserves in 2020, followed by Russia and the US a distant

The world leading country with the largest gold reserves estimated at 10,000 tonnes is Australia, followed by Russia with 7,500 tonnes and the United States are far behind them with reserves of 3,000 tonnes.

In 2020, a total of 3,200 tonnes of gold were produced worldwide

China, Australia and Russia cumulatively represent 31% of all the gold mined worldwide in 2020. Australia ranks as the top country with the highest gold reserves at an estimated 10,000 tonnes, followed by Russia with 7,500 tonnes and the US with a distant 3,000 tonnes in gold reserves, according to data by the US Geological Survey. Finbold said the amount of the remaining gold reserves varied as it might reduce due to increased mining or rise as more mining ores were discovered. According to data analysed by Finbold, China emerged as the top producer of gold in 2020, accounting for 380 tonnes or 11.9% of the share of global gold production. Finbold attributed this to China's control of the coronavirus pandemic and the return to normal economic activities in the country. Australia emerged as the second top gold producer, with 320 tonnes produced or 10% of the global share, with Russia coming in third with 9.4% or 300 tonnes. China, Australia and Russia cumulatively represent 31% of all the gold mine produced in 2020. In 2020, a total of 3,200 tonnes of gold were produced worldwide. The global gold mine production faced unprecedented challenges due to the coronavirus pandemic with most mining operations suspended following wide-scale lockdowns. However, once the lockdown

measures eased towards the third quarter, production resumed in most countries, Finbold noted. China topped the list in production mainly due to its handling of the pandemic, having successfully managed to control the health crisis and giving the green light for the resumption of economic activities, including mining. Production was also motivated by China's high demand for gold, especially gold jewellery and ornaments. Finbold also highlighted that the Chinese gold mining industry received increased foreign and domestic investment, with the country remaining in pole position despite the heavy and tighter national environmental policies. Despite the pandemic, gold hit a new all-time high, trading above US\$2,000 in August 2020, which in turn fuelled exploration and mining activity. The interest in gold was also boosted by investors seeking an investment alternative following the 2020 first-quarter stock market crash.

Global economies | Foreign exchange markets

Powell Expects Bump in Inflation, Says It Won't Get Out of Hand

"We do expect that inflation will move up over the course of this year," Powell told, citing supply-chain bottlenecks and the comparison with very weak price pressures last year. He added that according to the baseline scenario, the impact on inflation will not be particularly large or permanent.

Fed policy makers project that the economy will grow 6.5% in 2021

Federal Reserve Chairman Jerome Powell said prices would rise this year as the pandemic recedes and Americans are able to go out and spend, but he played down the risk that this would spur unwanted inflation. "We do expect that inflation will move up over the course of this year," Powell told the House Financial Services Committee, citing supply-chain bottlenecks and the comparison with very weak price pressures last year. "Our best view is that the effect on inflation will be neither particularly large nor persistent." Powell appeared before the committee along with Treasury Secretary Janet Yellen as part of Congressional oversight of the government's response to the pandemic. The economy is widely expected to surge in the coming months, thanks to more widespread vaccinations against Covid-19 and President Joe Biden's \$1.9 trillion stimulus package. The program, which passed without a single Republican vote in Congress, included additional help for unemployed workers and \$1,400 checks for many Americans and came on top of more than \$3 trillion in fiscal support approved on a bipartisan basis last year. In forecasts released last week, Fed policy makers projected that the economy will grow 6.5% in 2021. That would be the fastest pace since 1983 when measured fourth quarter over the same three months a year earlier and would follow a 2.4% contraction in 2020 as a result of the pandemic. Inflation, as calculated by the personal consumption expenditures price index, is seen in the Fed's median forecast as ending 2021 at 2.4%. It clocked in at 1.5% in January. The 10-year U.S. Treasury yield slid after Powell played down the risks that economic growth would spur unwanted inflation. He said the experience of a prolonged period of low inflation around the world was one of the things contributing to the inertia that will keep price pressures in check. "We have been living in a world of strong disinflationary pressures -- around the world really -- for a quarter of a century," he said. "We don't think a one-time surge in spending leading to temporary price increases would disrupt that." Under his forthcoming economic program, Biden plans higher taxes for those earning more than \$400,000 a year, highlighting the administration's plans to address inequality in part through levies on the wealthy. State governments accepting pandemic-relief money from Washington are allowed to cut taxes, but only if they don't use the federal aid to offset those reductions, the Biden administration has said in a response to concerns raised by Republicans. Yellen said Treasury is "working to provide guidelines" to say what sort of state-level tax decreases won't violate a provision in the stimulus law that says that states can't use federal grant money to pay for tax cuts.









































Powell Holds Dovish Line as Fed Signals Zero Rates Through 2023








“The strong bulk of the committee is not showing a rate increase during this forecast period,” Powell added, saying also that the time to talk about reducing the central bank’s asset purchases was “not yet.”

Federal Reserve Chair Jerome Powell and his colleagues continued to project near-zero interest rates at least through 2023 despite upgrading their U.S. economic outlook and the mounting inflation worries in financial markets. The decision, which came on a volatile day for investors with Treasury yields surging ahead of the announcement, masked a growing number of officials who saw liftoff before then -- though Powell stressed this remains a minority view. “The strong bulk of the committee is not showing a rate increase during this forecast period,” Powell told, adding that the time to talk about reducing the central bank’s asset purchases was “not yet.” Seven of 18 officials predicted higher rates by the end of 2023 compared with five of 17 at the December gathering, showing a slightly larger group who see an earlier start than peers to the withdrawal of ultra-easy monetary policy. “Indicators of economic activity and employment have turned up recently, although the sectors most adversely affected by the pandemic remain weak,” the FOMC said in its policy statement. “Inflation continues to run below 2%.” The Fed expects that a bump in inflation this year will be short-lived. Officials saw their preferred measure of price pressures slowing to 2% next year following a spike to 2.4% in 2021, according to the projections. Excluding food and energy, inflation is forecast to hit 2.2% this year and fall to 2% in 2022. Ten-year Treasury yields reversed their earlier rise as Powell spoke and U.S. stocks closed higher. Massive fiscal support and widening vaccinations that will help reopen the economy have buoyed investor expectations for rate increases and inflation, propelling Treasury yields higher. The target range of the benchmark federal funds rate was kept at zero to 0.25%, where it’s been since last March. Wednesday’s FOMC decision was unanimous. U.S. central bankers left asset purchases unchanged at \$120 billion a month and repeated that this pace would be maintained until “substantial further progress” is made on their employment and inflation goals. Powell told reporters that the Fed would signal well in advance when that threshold was on track to being achieved. Job gains picked up in February and President Joe Biden signed an additional \$1.9 trillion of pandemic aid into law on March 11. Vaccinations continue apace, allowing states to start easing lockdown restrictions that could release a torrent of consumer spending. The economy remains far from the Fed’s goals, though. Even with 379,000 jobs added to payrolls in February, 9.5 million fewer Americans have jobs compared with a year ago and inflation remains well below the Fed’s 2% target. Powell told that the economy still has a long way to go before there’s any risk of overheating. They also upgraded forecasts for economic growth and the labor market, with the median estimate for unemployment falling to 4.5% at the end of 2021 and 3.5% in 2023, while gross domestic product was seen expanding 6.5% this year, up from a prior projection of 4.2%.

Macroeconomic calendar

Important macroeconomic data releases

Weight	Date	Event	For	Reading ¹	Previous	Consensus ²	
China							
☆☆	15-Mar	Fixed assets investments (ytd, yoy)	Feb	35.0%	--	40.9%	
Poland							
☆☆☆☆	15-Mar	Consumer inflation CPI (yoy)‡	Feb	2.4% ▼	2.6%	2.6%	
☆☆☆☆	16-Mar	Core CPI (excluding food and energy, yoy)	Feb	3.7% ▼	3.9%	3.7%	
☆☆	16-Mar	Trade balance (EUR mn)	Jan	845 ▲	333	858	
☆☆	16-Mar	Exports (EUR mn)	Jan	19 149 ▼	19 814	20 335	
☆☆	16-Mar	Current account balance (EUR mn)	Jan	3 258 ▲	430	3 052	
☆☆	17-Mar	Average gross salary (yoy)	Feb	4.5% ▼	4.8%	4.9%	
☆	17-Mar	Employment (yoy)	Feb	-1.7% ▲	-2.0%	-1.9%	
☆☆☆☆	18-Mar	Sold industrial production (yoy)	Feb	2.7% ▲	0.9%	3.8%	
☆☆	18-Mar	Producer inflation PPI (yoy)‡	Feb	2.0% ▲	1.0%	1.5%	
☆☆☆	19-Mar	Retail sales (yoy)	Feb	-2.7% ▲	-6.0%	-2.5%	
☆	22-Mar	M3 money supply (yoy)	Feb	16.3% ▼	16.8%	16.4%	
☆☆	23-Mar	Unemployment rate	Feb	6.5% -	6.5%	6.5%	
US							
☆☆☆☆	16-Mar	Industrial production (mom)‡	Feb	-2.2% ▼	1.1%	0.3%	
☆☆	16-Mar	Retail sales (excluding autos, mom)‡	Feb	-2.7% ▼	8.3%	0.1%	
☆	16-Mar	Capacity utilization‡	Feb	73.8% ▼	75.5%	75.5%	
☆☆☆☆☆	17-Mar	FOMC base rate decision - upper bound (Fed)	Mar	0.25% -	0.25%	0.25%	
☆☆☆☆☆	17-Mar	FOMC base rate decision - lower bound (Fed)	Mar	0.00% -	0.00%	0.00%	
☆☆	18-Mar	Philadelphia Fed business outlook	Mar	51.8 ▲	23.1	23.3	
☆	23-Mar	Richmond Fed manufacturing index	Mar	17.0 ▲	14.0	16.0	
☆☆☆	24-Mar	Composite PMI - preliminary data	Mar	59.1 ▼	59.5	--	
☆☆☆	24-Mar	Manufacturing PMI - preliminary data	Mar	59.0 ▲	58.6	59.5	
☆☆☆	24-Mar	PMI services - preliminary data	Mar	60.0 ▲	59.8	60.1	
☆☆	24-Mar	Durable goods orders - preliminary data‡	Feb	-1.1% ▼	3.5%	0.5%	
☆☆☆☆☆	25-Mar	GDP (annualized, qoq) -	4Q	4.3% ▲	4.1%	4.1%	
☆☆☆☆	26-Mar	Consumer spending inflation PCE (mom)‡	Feb	0.1% ▼	0.2%	0.1%	
☆☆☆☆	26-Mar	Consumer spending inflation PCE (yoy)	Feb	1.4% ▼	1.5%	1.5%	
☆☆	26-Mar	Personal income (sa, mom)‡	Feb	-7.1% ▼	10.1%	-7.2%	
☆☆	26-Mar	Personal spending (sa, mom)‡	Feb	-1.0% ▼	3.4%	-0.8%	
☆☆	26-Mar	University of Michigan confidence index - final data	Mar	84.9 ▲	83.0	83.6	
Eurozone							
☆	16-Mar	ZEW survey expectations	Mar	74.0 ▲	69.6	--	
☆☆☆☆	17-Mar	Consumer inflation CPI (yoy) - final data‡	Feb	0.9% -	0.9%	0.9%	
☆☆☆☆	17-Mar	Core CPI (yoy) - final data	Feb	1.1% -	1.1%	1.1%	
☆☆	18-Mar	Labour costs (yoy)	4Q	3.0% ▲	1.6%	--	
☆	18-Mar	Trade balance (EUR mn)	Jan	6.3 ▼	29.2	--	
☆☆☆	24-Mar	Composite PMI - preliminary data	Mar	52.5 ▲	48.8	49.1	
☆☆☆	24-Mar	Manufacturing PMI - preliminary data	Mar	62.4 ▲	57.9	57.6	
☆☆☆	24-Mar	Services PMI - preliminary data	Mar	48.8 ▲	45.7	46.0	
☆	24-Mar	Consumer confidence - estimation	Mar	- 10.8 ▲	- 14.8	- 14.5	
☆	25-Mar	M3 money supply (yoy)	Feb	12.3% ▼	12.5%	12.5%	

Weight	Date	Event	For	Reading ¹	Previous	Consensus ²
Germany 						
🔊🔊🔊	24-Mar	Composite PMI - preliminary data	Mar	56.8 ▲	51.1	51.6 🟢
🔊🔊🔊	24-Mar	Manufacturing PMI - preliminary data	Mar	66.6 ▲	60.7	60.5 🟢
🔊🔊	25-Mar	GfK consumer confidence‡	Apr	-6.2 ▲	-12.7	-12.1 🟢
🔊🔊	26-Mar	IFO business climate‡	Mar	96.6 ▲	92.7	93.2 🟢
France 						
🔊🔊🔊🔊	16-Mar	Harmonized consumer inflation HICP (yoy) - final data	Feb	0.8% ▲	0.7%	0.7% 🟢
🔊🔊🔊🔊	16-Mar	Consumer inflation CPI (yoy) - final data‡	Feb	0.6% -	0.6%	0.4% 🟢
🔊🔊🔊	24-Mar	Composite PMI - preliminary data	Mar	49.5 ▲	47.0	47.2 🟢
🔊🔊🔊	24-Mar	Manufacturing PMI - preliminary data	Mar	58.8 ▲	56.1	56.3 🟢
Italy 						
🔊🔊🔊🔊	16-Mar	Harmonized consumer inflation HICP (yoy) - final data	Feb	1.0% -	1.0%	1.0% ○
UK 						
🔊🔊🔊🔊🔊	18-Mar	BoE base rate decision	Mar	0.10% -	0.10%	0.10% ○
🔊🔊🔊🔊	18-Mar	BoE asset purchase target (GBP bn)	Mar	875 -	875	875 ○
🔊🔊	23-Mar	Unemployment rate (ILO, 3-months)	Jan	5.0% ▼	5.1%	5.2% 🟡
🔊🔊🔊🔊	24-Mar	Consumer inflation CPI (yoy)	Feb	0.4% ▼	0.7%	0.8% 🟡
🔊🔊🔊	24-Mar	Manufacturing PMI (sa) - preliminary data	Mar	57.9 ▲	55.1	55.0 🟢
🔊🔊🔊	24-Mar	Composite PMI - preliminary data	Mar	56.6 ▲	49.6	51.4 🟢
Japan 						
🔊🔊🔊🔊	16-Mar	Industrial production (yoy) - final data	Jan	-5.2% ▲	-5.3%	--
🔊🔊🔊🔊	19-Mar	Consumer inflation CPI (yoy)	Feb	-0.4% ▲	-0.6%	-0.4% ○
🔊🔊🔊	24-Mar	Composite PMI - preliminary data	Mar	48.3 ▲	48.2	--
🔊🔊🔊	24-Mar	Manufacturing PMI - preliminary data	Mar	52.0 ▲	51.4	--
Chile 						
🔊🔊🔊🔊🔊	18-Mar	GDP (yoy)‡	4Q	0.0% ▲	-9.0%	-0.4% 🟢
Canada 						
🔊🔊🔊🔊	17-Mar	Consumer inflation CPI (yoy)	Feb	1.1% ▲	1.0%	1.3% 🟡

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

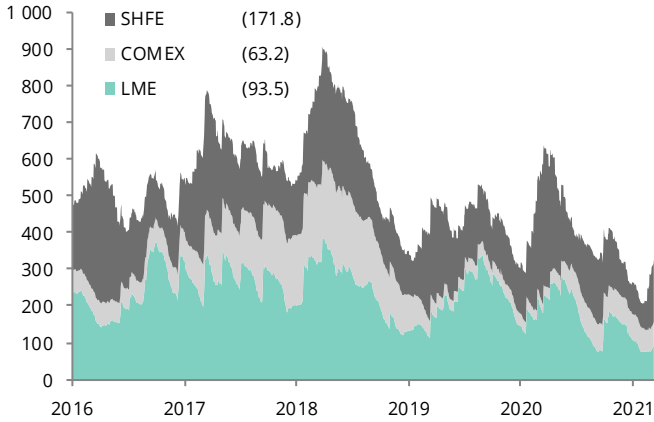
Key base & precious metal prices, exchange rates and other important market factors

<i>(as of: 26-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	8 929.00	▼ -1.4%	▲ 15.3%	▲ 15.3%	▲ 87.0%	8 485.80	7 755.50	9 614.50	
Molybdenum	11.74	▼ -3.4%	▲ 17.0%	▲ 17.0%	▲	11.41	9.95	12.50	
Nickel	16 255.00	▲ 0.6%	▼ -1.7%	▼ -1.7%	▲ 44.9%	17 637.10	15 907.00	19 689.00	
Aluminum	2 260.50	▲ 5.7%	▲ 14.3%	▲ 14.3%	▲ 50.0%	2 089.77	1 951.50	2 260.50	
Tin	28 775.00	▼ -6.9%	▲ 40.1%	▲ 40.1%	▲ 103.6%	25 349.22	20 965.00	30 995.00	
Zinc	2 808.00	▲ 0.4%	▲ 3.1%	▲ 3.1%	▲ 53.3%	2 746.63	2 539.00	2 894.50	
Lead	1 938.50	▼ -0.1%	▼ -1.7%	▼ -1.7%	▲ 16.8%	2 021.28	1 896.00	2 158.50	
LBMA (USD/troz)									
Silver	25.06	▼ -1.6%	▼ -5.4%	▼ -5.4%	▲ 73.8%	26.35	24.67	29.59	
Gold ²	1 731.80	▲ 1.6%	▼ -8.4%	▼ -8.4%	▲ 5.9%	1 799.03	1 687.05	1 943.20	
LPPM (USD/troz)									
Platinum ²	1 161.00	▼ -2.1%	▲ 8.0%	▲ 8.0%	▲ 56.5%	1 159.62	1 016.00	1 294.00	
Palladium ²	2 638.00	▲ 11.9%	▲ 11.3%	▲ 11.3%	▲ 16.4%	2 396.03	2 258.00	2 678.00	
FX ³									
EURUSD	1.1782	▼ -1.3%	▼ -4.0%	▼ -4.0%	▲ 7.3%	1.2063	1.1782	1.2338	
EURPLN	4.6353	▲ 1.0%	▲ 0.4%	▲ 0.4%	▲ 0.9%	4.5412	4.4773	4.6358	
USDPLN	3.9307	▲ 2.0%	▲ 4.6%	▲ 4.6%	▼ -6.4%	3.7657	3.6656	3.9307	
USDCAD	1.2580	▲ 0.7%	▼ -1.2%	▼ -1.2%	▼ -10.6%	1.2664	1.2455	1.2828	
USDCNY	6.5411	▲ 0.5%	▲ 0.2%	▲ 0.2%	▼ -7.5%	6.4799	6.4283	6.5463	
USDCLP	730.82	▲ 1.7%	▲ 2.8%	▲ 2.8%	▼ -13.4%	723.87	696.18	741.40	
Money market									
3m LIBOR USD	0.199	▲ 0.01	▼ -0.04	▼ -0.04	▼ -1.18	0.200	0.175	0.241	
3m EURIBOR	-0.537	▲ 0.00	▲ 0.01	▲ 0.01	▼ -0.19	-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	0.963	▲ 0.03	▲ 0.53	▲ 0.53	▲ 0.37	0.692	0.416	0.979	
5y EUR interest rate swap	-0.351	▼ -0.03	▲ 0.11	▲ 0.11	▼ -0.17	-0.385	-0.485	-0.257	
5y PLN interest rate swap	1.065	▼ -0.13	▲ 0.45	▲ 0.45	▲ 0.24	0.904	0.583	1.280	
Fuel									
WTI Cushing	60.97	▼ -7.1%	▲ 25.7%	▲ 25.7%	▲ 169.8%	58.01	47.62	66.09	
Brent	63.69	▼ -7.5%	▲ 24.5%	▲ 24.5%	▲ 143.0%	60.71	50.02	69.39	
Diesel NY (ULSD)	181.00	▼ -7.9%	▲ 22.5%	▲ 22.5%	▲ 71.3%	174.52	146.07	196.50	
Others									
VIX	18.86	▼ -1.83	▼ -3.89	▼ -3.89	▼ -42.14	23.37	18.86	37.21	
BBG Commodity Index	84.13	▼ -2.1%	▲ 7.8%	▲ 7.8%	▲ 32.9%	83.15	78.64	87.58	
S&P500	3 974.54	▲ 0.8%	▲ 5.8%	▲ 5.8%	▲ 51.1%	3 860.44	3 700.65	3 974.54	
DAX	14 748.94	▲ 1.7%	▲ 7.5%	▲ 7.5%	▲ 47.5%	14 072.35	13 432.87	14 775.52	
Shanghai Composite	3 418.33	▼ -1.0%	▼ -1.6%	▼ -1.6%	▲ 23.6%	3 524.31	3 357.74	3 696.17	
WIG 20	1 918.71	▼ -4.4%	▼ -3.3%	▼ -3.3%	▲ 28.6%	1 968.00	1 876.85	2 074.11	
KGHM	176.80	▼ -6.8%	▼ -3.4%	▼ -3.4%	▲ 197.8%	192.13	166.70	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

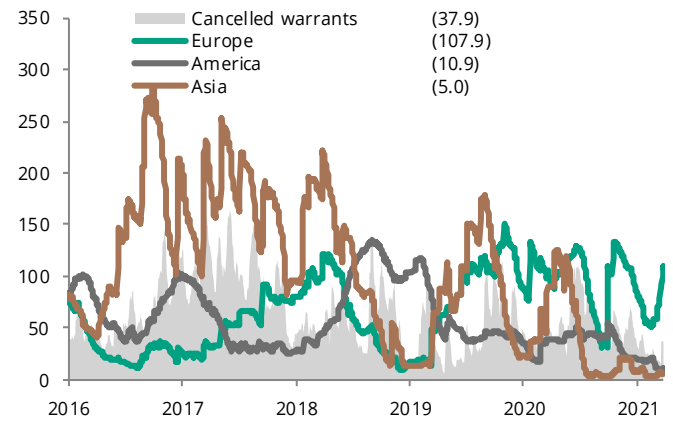
Source: Bloomberg, KGHM Polska Miedź

Copper: official exchange stocks (thousand tonnes)



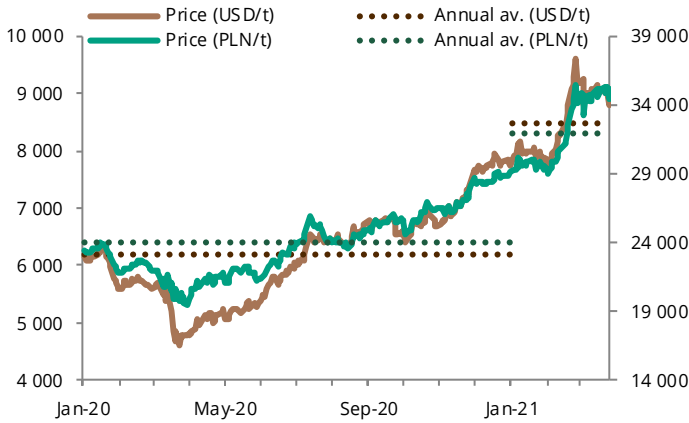
Note: Latest values in brackets. Source: Bloomberg, KGHM

Copper: official LME stocks (thousand tonnes)



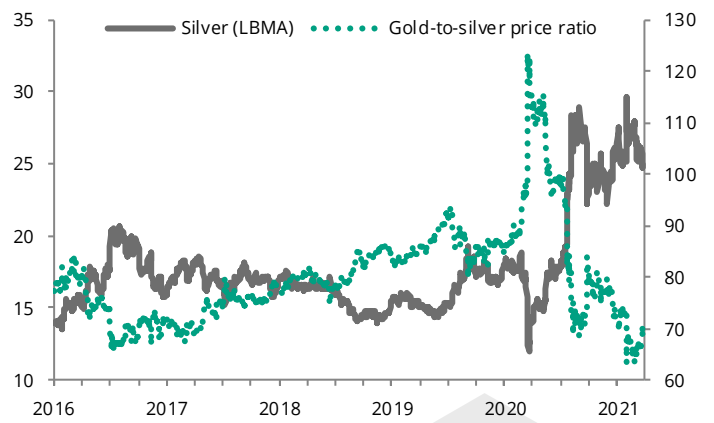
Note: Latest values in brackets. Source: Bloomberg, KGHM

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



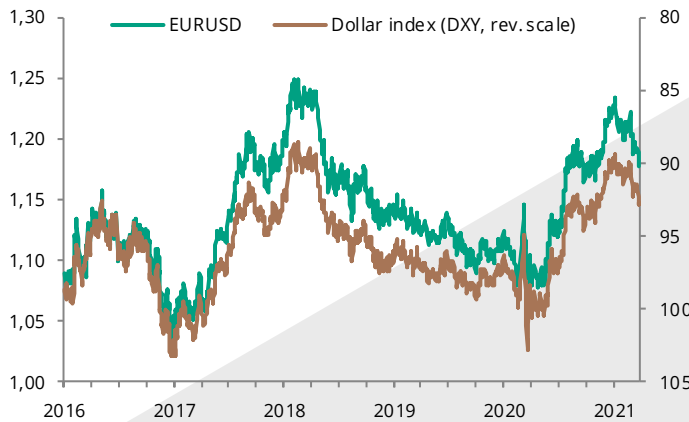
Source: Bloomberg, KGHM Polska Miedź

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



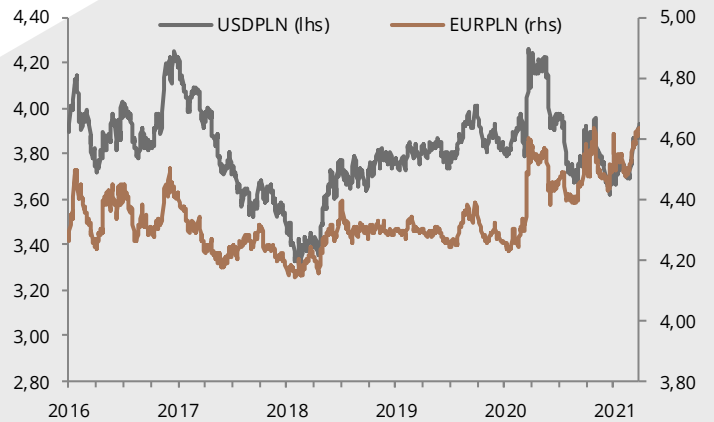
Source: Bloomberg, KGHM Polska Miedź

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 March 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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