

Market Overview



as of: 10th May 2021

- **Copper:** Lawmakers, who had already approved a bill to introduce a flat 3% on sales of both copper and lithium, voted to add a mechanism of marginal rates copper prices rise, with the highest bracket set at 75%. Opposed by the government, the bill now goes to senate (*page 2*).
- **Tin:** Parts of the world seem to have run out of tin, metal essential for circuit-board soldering. In such situation China is stepping up as the supplier of last resort, the country is flipping from net importer to net exporter. That changed in February and March with exports of 939 tonnes. Imports, meanwhile, have almost dried up (*page 5*).
- **Precious metals:** China, the world's biggest gold consumer, saw consumer demand in the first quarter of 2021 rise to 286.4 tonnes, a stark contrast from the trend of global gold demand which sank to a 13-year low (*page 7*).
- **USA:** The trade deficit increased 5.6% to an all-time high of \$74.4 billion in March. The bulk of imports in March came from China, boosting the politically-sensitive goods trade deficit with Beijing to \$27.69 billion from \$24.62 billion in February (*page 8*).
- **China:** According to the Financial Times, last year's census in China could reveal the first in five decades decline in the country's population. This will translate into a decline in the workforce, and thus into the dynamics of the economic pursuit of the USA (*page 9*).

Key market prices

	Close price	2w chng.
LME (USD/t)		
▲ Copper	10 361.00	8.5%
▲ Nickel	18 025.00	11.6%
LBMA (USD/troz)		
▲ Silver	27.38	4.8%
▲ Gold (PM)	1 836.55	3.1%
FX		
▼ EURUSD	1.2059	-0.1%
▲ EURPLN	4.5764	0.3%
▲ USDPLN	3.7861	0.0%
▼ USDCAD	1.2156	-2.7%
▼ USDCLP	701.27	-0.6%
Stocks		
▲ KGHM	220.20	9.6%

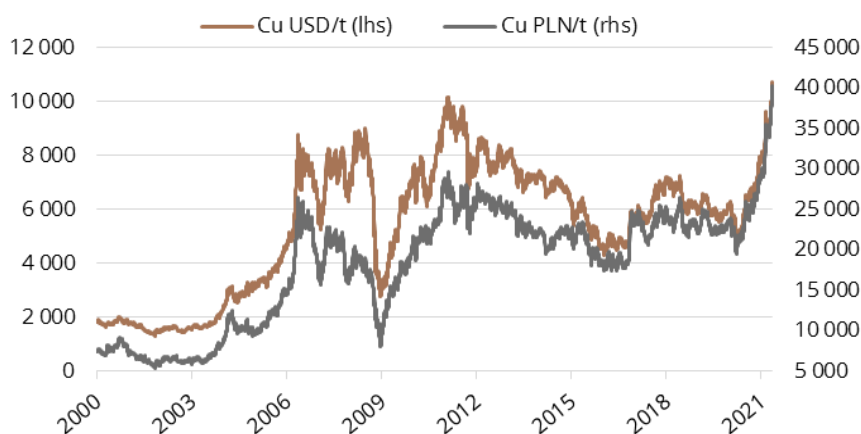
Source: Bloomberg, KGHM Polska Miedź S.A.; (*more on page 13*)

Important macroeconomic data

Release	For	
 GDP (annlzd., qoq)	2Q	-31.7% ▲
 Industrial prod. (yoy)	Jul	1.1% ▲
 Retail sales (yoy)	Jul	2.7% ▲
 Composite PMI	Aug	51.7 ▼
 GDP (yoy)	2Q	-14.1% ▼

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

The price of copper, both in US dollars and in Polish zlotys, reached all-time highs



Source: Bloomberg, KGHM Polska Miedź S.A.

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Base and precious metals | Other commodities

Copper

The World's Top Copper Nation Moves Closer to Giant Tax Hike

Lawmakers, who had already approved a bill to introduce a flat 3% on sales of both copper and lithium, voted to add a mechanism of marginal rates copper prices rise, with the highest bracket set at 75%. Opposed by the government, the bill now goes to senate.

Tax proponents, say the new mechanism would reap \$7 billion a year at a time when Chile is looking to resolve lingering problems

Chile's lower house approved introducing progressive taxes on copper sales in what could become one of the heaviest levies in global mining, potentially stalling investments and boosting prices. Lawmakers, who had already approved a bill to introduce a flat 3% on sales of both copper and lithium, voted to add a mechanism of marginal rates copper prices rise, with the highest bracket set at 75%. In doing so, the world's biggest copper industry now moves closer to what the local mining society describes as an "almost expropriatory" system. Its proponents, including Communist Party representative Daniel Nunez, said the new mechanism would reap \$7 billion a year at a time when Chile is looking to resolve lingering inequalities. Opposed by the government, the bill now goes to senate. Copper futures have rallied to the highest levels since the last supercycle a decade ago, benefiting from a recovering global economy and the clean-energy transformation. Surging prices have prompted politicians in some host nations to seek a bigger share of the windfall to fight poverty. For producers, the blow from steeper taxes may be partly offset by even higher prices as an investment slowdown inhibits their ability to meet future demand. In Chile, the modification adds marginal rates starting at 15% on sales derived from copper prices of between \$2 and \$2.50 a pound and as much as 75% when prices exceed \$4, although miners could discount refining costs. The government has estimated that the total tax burden for large miners would exceed 80%. Some opposition lawmakers have said the new system would replace an existing tax, meaning the total burden would be more like 50%. That would still be higher than other major copper-producing countries. Chilean mines account for 28% of global copper. But many large operations are mature, requiring heavy investments to maintain output levels. "This would at the very least delay any new capacity, extending the lengthy time-line to bring on a new mine," said Grant Sporre, an analyst at Bloomberg Intelligence. "Chile's output could start to fade." The government has indicated it could seek to block its passage via the Constitutional Court given it was introduced by the opposition. The new system wouldn't be introduced until 2024 after lawmakers voted to respect companies' stability agreements that expire in 2023. Both company and government representatives in Chile want the existing tax on profit, rather than sales, to be given a chance to operate at high prices of \$4-plus a pound. The initial royalty proposal, introduced in 2018 by opposition lawmakers, has gained momentum amid rallying metal prices and

surging profits. It would fund regional development projects, responding to the rising social and environmental standards of investors and supply chains. Countries around the world are also looking at new revenue sources to help citizens recover from the pandemic. In Chile, efforts to feed state coffers are being intensified by a process to draft a new constitution after a spate of protests over social and economic inequalities in the months before the pandemic.

Codelco Production, Earnings Jump In Q1 Amid Copper Price Rally

Profits jumped to \$1.6 billion for the three months of the year, up 3000% from \$54 million in the same period of last year.

Codelco has achieved its largest quarterly profits in a decade as copper prices soar to ten-year highs and production surges, the state-owned mining company said April 30. The company produced 413,000 mt of copper during the first three months of the year, up 6.7% from a year earlier, driven by a 73% jump in production at its Ministro Hales mine (to 52,000 mt). The rise reflected higher ore grades and a fall in the disruption to operations. Profits jumped to \$1.6 billion for the quarter, up 3000% from \$54 million in the same period of last year. The price of copper averaged \$3.86/lb during the first three months of this year, up from \$2.56/lb in the same period of 2020. "We produced more copper kept our direct costs low and improved management in all areas, which was supported by the good metal price," chairman Juan Benavides. Codelco warned that several of its major investment projects had suffered significant delays as a result of measures taken over the last year to shield workers from COVID-19. In particular, a portfolio of projects to extend the life of its El Teniente mine, its largest by production, could be delayed by up twelve months, while the ramp up of the new underground mine at its Chuquicamata division to its full capacity has also been delayed. This will partially offset by the extension of openpit minign at the site. "In any case, we expect a significant recovery in the development of all our projects during the second half of the year," said CEO Octavio Araneda. Araneda said Codelco remained focus on protecting workers from the Covid-19 disease while advancing plans to sustain the company over the next half century.

Other important information on copper market:

- China's copper imports in April fell from the previous month, customs data showed, as a rally in prices for the metal to the highest levels in a decade made purchases less appealing. Arrivals of unwrought copper and products into China, totalled 484,890 tonnes last month, that was down 12.2% from 552,317 tonnes in March and up 5.1% from April 2020. April copper imports, though lower from March, rose year-on-year as delays in shipping and logistics caused by a shortage of cargo containers and high shipping fees started to ease, said CRU Chinese copper analyst He Tianyu. He said shipments delayed from January-February were arriving in March and April, and May arrivals might remain high as well, with imports returning to 2019 levels from June. In April, activity in China's copper-

intensive manufacturing sector, grew at a slower pace than expected as rising costs weighed on production. Prices rose 11.8% in April, hitting a 10-year high over \$10,000 a tonne. April imports of copper concentrate, or partially processed copper ore, totalled 1.921 million tonnes, down from March's record 2.171 million tonnes, and down 5.3% from 2.029 million tonnes in April 2020.

- Peru's production of copper, zinc, tin and molybdenum rose in March as miners and ports ramped up operations, while lead output declined. Copper output rose 18.6% to 182,756 mt, from 154,048 mt a year ago. Production rose at Freeport-McMoRan's Cerro Verde mine by 68.7%; at Southern Copper by 3.5%; at Chinalco's Toromocho by 83.4%; and at Antamina by 0.6%. Zinc production increased by 26 % to 133,957 mt on gains at Volcan of 68.8%; at Nexa Resources of 34.7%; and at Glencore's Los Quenuales unit of 115%. Tin producer Minsur, doubled tin output to 2,385 mt, while molybdenum output rose 21.5% to 2,906 mt, the ministry said. Gold production climbed 3.5% to 8,202 kg from 7,921 kg a year ago, while silver production jumped 36% to 265,917 kg. Lead output slid 2.5% to 21,487 mt. Peru registered 531,060 mt of copper production in the first-quarter, up 3.2%; followed by 390,396 mt of zinc, up 11%; 64,053 mt of lead, down 8.6%; 6,435 mt of tin, up 29.3% and 8,109 mt of molybdenum, up 14%.
- Spot copper treatment charges (TCs) in China increased to \$32.50 a tonne as of April 25, data from industry information provider Asian Metal shows, marking the first time they have risen since August. The charges, paid by miners to smelters to process copper concentrate into refined metal, had fallen more than 35% from an already low \$50.50 in January to a 10-year trough of \$30.50 amid tight supply. Traders have been picking up concentrate from South America at TCs as low as \$10 in recent weeks to secure material. Smelters, for whom TCs are a key source of revenue, have to accept lower rates when supply is tight. The slight pickup comes after Chinese smelters set no floor TCs for the second quarter, saying they had enough concentrate, and look to alternative raw materials such as copper scrap and blister.
- According to Cochilco, copper production at most of Chile's mines was mixed in March because of strong output from state-miner Codelco and Collahuasi but a continued downturn in production at BHP's Escondida. Chilean state Copper Commission Cochilco reported that Codelco's production rose 0.7% this March compared to the same month the previous year to 148,700 tonnes, while Collahuasi - a joint venture by Glencore and Anglo American posted a 5.2% year-on-year uptick in its production, to 53,000 tonnes. However the world's largest copper mine, Escondida, saw a drop in production for the eight month running, with a decline of 11.7% year-on-year to 89,900 tonnes. Escondida has curtailed some operations since the outbreak of the coronavirus pandemic and imposition of restrictions, including reducing cathode production. The country's total production was down 1.2% year-on-year in March to 488,700 tonnes, Cochilco said.

- According to the International Copper Study Group (ICSG), the global copper market should see a surplus of 79,000 tonnes this year and of 109,000 tonnes in 2022.
- Global copper smelting rebounded in April from the lowest levels in at least five years in the previous month as a price rally spurred more activity, data from satellite surveillance of copper plants showed. The first half of April was still weak, but smelting activity increased throughout the rest of the month, satellite service SAVANT and broker Marex said in a joint statement on Wednesday. According to Guy Wolf, the margin pressures smelters faced from a shortage of concentrates was evident in the extremely weak readings that we saw in March. This is one of the reasons why copper prices have since rallied aggressively. The platform now suggests we are seeing the effect of that price rally with a strong increase in smelter activity in the latter part of April. Benchmark copper prices on the London Metal Exchange have jumped by 29% so far this year, breaking through \$10,000 a tonne for first time in a decade. Earth-i's global dispersion index rose to an average of 43.6 in April from 39.8 a month earlier. The March reading was the lowest ever monthly average in the dataset, which goes back to March 2016. Under SAVANT's dispersion index, 50 points indicate smelters are operating at the average level of the last 12 months. The dispersion index for China, the world's top refined copper producer, increased to 44.3 in April from 40.7 in March. Europe climbed to 37.7 in April from 32.4 a month before while North America edged up to 33.1 from 32.3 in March.

Tin

China ramps up tin exports as rest of the world runs dry

Parts of the world seem to have run out of tin, metal essential for circuit-board soldering. In such situation China is stepping up as the supplier of last resort, the country is flipping from net importer to net exporter. That changed in February and March with exports of 939 tonnes. Imports, meanwhile, have almost dried up.

On April 26 cash tin reached \$28,250 commanding a \$1,200-per ton premium over three-month metal (in February it was \$6,500)

The London Metal Exchange (LME) three-month tin price is hovering just below February's 10-year high of \$27,500 per tonne. Cash tin closed on Monday (April 26) valued at \$28,250, commanding a \$1,200-per tonne premium over three-month metal. The backwardation has been wider, flexing out to \$6,500 in February. Parts of the world seem to have run out of the metal essential for circuit-board soldering. China is now stepping up as the supplier of last resort, the country flipping from net importer to net exporter of refined tin. China is the world's largest tin producer but was a steady net importer over most of 2019 and all of 2020. That changed in February and March's exports of 939 tonnes were the highest monthly tally since April 2019. Cumulative exports over the first quarter were 2,151 tonnes, already almost half last year's count. Imports, meanwhile, have almost dried up. This may, as the International Tin Association

notes, reflect some demand suppression in China due to the current high price environment. But the most powerful driver is the premium commanded for spot tin in the rest of the world which has forced open an export-friendly arbitrage between the Shanghai Futures Exchange's (ShFE) tin contract and the LME. As long as that arbitrage window remains open, more exports can be expected to flow through it. Super-high prices have so far failed to generate a producer supply response outside of China. Shipments from Indonesia, the world's largest exporter of tin, slid 24% over the first three months of 2021, extending a downtrend that has been running since 2018. Parts of the physical supply chain appear to have almost totally seized up. Fastmarkets has been lifting its assessments of physical premiums since the start of this year and all regions are now at record highs. Need tin urgently in Europe? It'll cost you at least \$1,000 per tonne over the LME cash price and that's assuming you can find anyone to sell to you. If you need it in the United States, it's going to cost you at least \$2,000 over LME cash. Taiwanese premiums have also shot up recently to \$800-900 per tonne, even though Kaohsiung is one of the few LME warehouse locations still to hold metal, albeit only 145 tonnes. Indeed, the stress on physical supplies is preventing LME stocks from rebuilding. The high premium for LME delivery has enticed odd parcels of metal into exchange warehouses but what has arrived has turned around and departed just as quickly. LME inventory currently stands at just 1,290 tonnes, 570 tonnes lower than at the start of the year. Moreover, a third of that is earmarked for physical load-out, attesting to the continued strong demand for units across the physical supply chain. Low LME stocks are in turn keeping time-spreads tight and the cash price elevated, which will help keep Chinese exports flowing through the arbitrage gap. ShFE stocks currently total 7,512 tonnes, although they have fallen from a March high of 8,853 tonnes in line with the seasonal pattern. Chinese refined tin production is rising and supplies of raw material from Myanmar appear to be unaffected by the political upheaval in that country, so far at least. Indonesian exports may ramp up later this year but until they do Chinese exports are going to be the most significant route to alleviating the super-squeeze in the rest of the world.

Precious metals

China's 2021 gold demand seen reverting to pre-pandemic levels

China, the world's biggest gold consumer, saw consumer demand in the first quarter of 2021 rise to 286.4 tonnes, a stark contrast from the trend of global gold demand which sank to a 13-year low.

China's 2021 gold demand will see annual growth and will revert to pre-pandemic levels if there are no dramatic changes to the global economic and geo-political situation, a World Gold Council (WGC) official said. "For China we had better first quarter growth even compared to 2019 ... If things are stable, we are sure China can stay in such a positive growth," said Wang Lixin, WGC managing director in China, adding that the jewellery and investment segments would drive China's gold demand. "Chinese consumers are more confident today than even two years ago, before the pandemic. There was uncertainty over the trade war impact then." China, the world's biggest gold consumer, saw consumer demand in the first quarter of 2021 rise to 286.4 tonnes, the WGC said, a stark contrast from the trend of global gold demand which sank to a 13-year low. "The booming jewellery demand was underpinned by three main drivers: Improving economic conditions, lower gold prices and sales spree related to holidays. At 191.1 tonnes, first quarter jewellery demand marked the highest first quarterly level since 2015," said Wang, explaining that jewellery makes up over half of China's gold demand. China's 2020 gold consumption and imports plunged due to the coronavirus outbreak. But its appetite for the precious metal recovered in line with an economic rebound since the second half of last year. China's March net gold imports via Hong Kong surged to their highest since December 2019 after new import quotas were issued by the central bank due to improved demand. China has given commercial banks permission to import large amounts of gold into the country in efforts to support prices after months of declines, sources familiar with the matter said.

Global economies | Foreign exchange markets

Robust Domestic Demand Lifts U.S. Trade Deficit To Record High

The trade deficit increased 5.6% to an all-time high of \$74.4 billion in March. The bulk of imports in March came from China, boosting the politically-sensitive goods trade deficit with Beijing to \$27.69 billion from \$24.62 billion in February.

The U.S. trade deficit jumped to a record high in March amid roaring domestic demand, which is drawing in imports, and the gap could widen further as the nation's economic activity rebounds faster than its global rivals. Manufacturers lack the capacity to satisfy the surge in demand because of resource constraints and bottlenecks in the supply chain. Inventories are very lean. Demand is being driven by a rapidly improving public health situation and massive government aid to households and businesses to cushion the blow from the COVID-19 pandemic. "The widening of the trade gap will likely be a persistent feature of the economy this year as domestic demand outstrips the U.S. economy's productive capacity," said Conrad DeQuadros, senior economic advisor at Brean Capital in New York. The trade deficit increased 5.6% to an all-time high of \$74.4 billion in March, the Commerce Department said. Imports soared 6.3% to a historic \$274.5 billion in March. Goods imports shot up 7.0% to \$234.4 billion, also an all-time high. Imports of consumer goods were the highest on record, as were those for food and capital goods. The nation imported a range of goods including apparel, furniture, toys, semiconductors, motor vehicles, petroleum products and telecommunications equipment. But imports of civilian aircraft and cellphones fell.

The government has provided nearly \$6 trillion in pandemic relief over the past year. Demand during the pandemic shifted to goods from services, with Americans cooped up at home. The economic boom is also being boosted by the Federal Reserve's ultra-easy monetary policy stance. The bulk of imports in March came from China, boosting the politically-sensitive goods trade deficit with Beijing to \$27.69 billion from \$24.62 billion in February, reversing a tariffs-driven improvement during the Trump administration. Imports from Mexico hit a record high in March, as did those from South Korea.

Exports accelerated in March, but continued to lag the growth in imports. Exports surged 6.6% to \$200.0 billion. Exports of goods vaulted 8.9% to \$142.9 billion. They were led by industrial supplies and materials and capital and consumer goods. The pandemic remained a drag on trade services, especially travel. At \$17.1 billion in March, the services surplus was the smallest since August 2012. Exports are expected to pick up later this year as global economic growth gains steam, allowing foreigners to buy more American goods. The resumption of international travel and in-person learning at U.S. universities in the fall is likely to result in an improvement in services trade. "As vaccinations gain more momentum abroad and the global recovery gains pace, trade should begin to

normalize," said Jay Bryson, chief economist at Wells Fargo in Charlotte, North Carolina. "Export growth should begin to rival import growth, which will remain supported by a surge in domestic consumer and business demand."

Robust demand is boosting manufacturing. A separate report from the Commerce Department showed factory orders increased 1.1% in March after falling 0.5% in February. Business spending on equipment was also stronger than initially thought. Despite the widening of the trade deficit, the economy grew at a 6.4% annualized rate in the first quarter, the second-fastest gross domestic product growth pace since the third quarter of 2003, fueled by pent-up domestic demand. That followed a 4.3% growth pace in the fourth quarter. Most economists expect double-digit GDP growth this quarter, which would position the economy to achieve growth of at least 7% in 2021, which would be the fastest since 1984. The economy contracted 3.5% in 2020, its worst performance in 74 years.

China to report first population drop in five decades

According to the Financial Times, last year's census in China could reveal the first in five decades decline in the country's population. This will translate into a decline in the workforce, and thus into the dynamics of the economic pursuit of the USA.





United Nations predictions that the U.S. population will increase by 15% in 2050 from 2019 while China's population would fall 2.2%








China is poised to report its first population decline in five decades following a once-in-a-decade census, the Financial Times newspaper said. A population drop will add pressure on Beijing to roll out measures to encourage couples to have more children and avert an irreversible decline. The National Bureau of Statistics (NBS), which is due to release the results of the census conducted late last year, did not immediately respond to a Reuters request for comment. The population figure is very sensitive and will not be published until government departments have a consensus on the data and its implications, the Financial Times added on Tuesday, citing its sources. The consensus expects China's population to peak at 2027, based on the projection made by the United Nations. This would be much earlier than the market and policy makers expected. In recent months, China's state media have been saying the population may start to shrink in the next few years. In 2016, China scrapped a decades-long one-child policy in the hope of boosting the number of babies, replacing the measure with a two-child policy. At the time, it also set a target to boost its population to about 1.42 billion by 2020, from 1.34 billion in 2010. But the birth rate has continued to decline. That is partly because urban couples, particularly those born after 1990, value their independence and careers more than raising a family. Rising living costs in major cities have also deterred couples. Falling birth rates and a fast greying society will add pressure on the working-age population and hit productivity. "Our projections using the pre-census figures already suggested that the workforce would be declining by 0.5% each year by 2030, with a similar impact on GDP," Capital Economics wrote in a note. "Slower growth would make catching the United States economically harder. And there may be an intangible impact on China's global standing too." While the pace of aging is quickening in China, the U.S. population is showing positive changes, the Chinese central bank

said in a working paper published in March, citing United Nations predictions that the U.S. population will increase by 15% in 2050 from 2019 while China's population would fall 2.2%. China must recognise that its demographic situation has changed, the People's Bank of China warned. "Realise that education and technological progress cannot compensate for the decline in population," it said.

Macroeconomic calendar

Important macroeconomic data releases

Weight	Date	Event	For	Reading ¹	Previous	Consensus ²	
China							
⊕⊕	27-Apr	Industrial profits (yoy)	Mar	92.3%	--	--	
⊕⊕⊕	30-Apr	Official manufacturing PMI	Apr	51.1 ▼	51.9	51.8	🔴
⊕⊕⊕	30-Apr	Caixin's manufacturing PMI	Apr	51.9 ▲	50.6	50.9	🟢
⊕⊕	07-May	Trade balance (USD bn)	Apr	42.9 ▲	13.8	27.7	🟢
⊕⊕	07-May	Exports (yoy)	Apr	32.3% ▲	30.6%	24.1%	🟢
⊕	07-May	Foreign reserves (USD bn)	Apr	3 198 ▲	3 170	3 200	🔴
Poland							
⊕⊕	26-Apr	Unemployment rate	Mar	6.4% ▼	6.5%	6.4%	🟡
⊕⊕⊕⊕	30-Apr	Consumer inflation CPI (yoy) - preliminary data	Apr	4.3% ▲	3.2%	3.9%	🟢
⊕⊕⊕	04-May	Manufacturing PMI	Apr	53.7 ▼	54.3	55.3	🔴
⊕⊕⊕⊕⊕	05-May	NBP base rate decision	May	0.10% -	0.10%	0.10%	🟡
US							
⊕⊕	26-Apr	Durable goods orders - preliminary data‡	Mar	0.5% ▲	-0.9%	2.3%	🔴
⊕	26-Apr	Dallas Fed manufacturing activity	Apr	37.3 ▲	28.9	30.0	🟢
⊕	27-Apr	Richmond Fed manufacturing index	Apr	17.0 -	17.0	22.0	🔴
⊕⊕⊕⊕⊕	28-Apr	FOMC base rate decision - upper bound (Fed)	Apr	0.25% -	0.25%	0.25%	🟡
⊕⊕⊕⊕⊕	28-Apr	FOMC base rate decision - lower bound (Fed)	Apr	0.00% -	0.00%	0.00%	🟡
⊕⊕⊕⊕⊕	29-Apr	GDP (annualized, qoq) - estimation	1Q	6.4% ▲	4.3%	6.7%	🔴
⊕⊕⊕⊕	30-Apr	Consumer spending inflation PCE (mom)	Mar	0.4% ▲	0.1%	0.3%	🟢
⊕⊕⊕⊕	30-Apr	Consumer spending inflation PCE (yoy)	Mar	1.8% ▲	1.4%	1.8%	🟡
⊕⊕	30-Apr	Personal income (sa, mom)‡	Mar	21.1% ▲	-7.0%	20.3%	🟢
⊕⊕	30-Apr	Personal spending (sa, mom)	Mar	4.2% ▲	-1.0%	4.1%	🟢
⊕⊕	30-Apr	University of Michigan confidence index - final data	Apr	88.3 ▲	86.5	87.5	🟢
⊕⊕⊕	03-May	Manufacturing PMI - final data	Apr	60.5 ▼	60.6	60.7	🔴
⊕⊕	03-May	ISM Manufacturing	Apr	60.7 ▼	64.7	65.0	🔴
⊕⊕⊕	05-May	Composite PMI - final data	Apr	63.5 ▲	62.2	--	
⊕⊕⊕	05-May	PMI services - final data	Apr	64.7 ▲	63.1	63.1	🟢
⊕⊕	07-May	Change in non-farm payrolls (ths)‡	Apr	266 ▼	770	1 000	🔴
⊕⊕	07-May	Underemployment rate (U6)	Apr	10.4% ▼	10.7%	--	
⊕⊕	07-May	Unemployment rate	Apr	6.1% ▲	6.0%	5.8%	🟢
⊕	07-May	Average hourly earnings (yoy)	Apr	0.3% ▼	4.2%	-0.4%	🟢
Eurozone							
⊕	29-Apr	M3 money supply (yoy)‡	Mar	10.1% ▼	12.2%	10.2%	🔴
⊕	29-Apr	Economic confidence‡	Apr	110 ▲	101	102	🟢
⊕	29-Apr	Industrial confidence‡	Apr	10.7 ▲	2.1	4.0	🟢
⊕	29-Apr	Consumer confidence - final data	Apr	- 8.1 -	- 8.1	--	
⊕⊕⊕⊕⊕	30-Apr	GDP (sa, yoy) - estimation	1Q	-1.8% ▲	-4.9%	-2.0%	🟢
⊕⊕⊕⊕⊕	30-Apr	GDP (sa, qoq) - estimation	1Q	-0.6% ▲	-0.7%	-0.8%	🟢
⊕⊕⊕⊕	30-Apr	Core CPI (yoy) - preliminary data	Apr	0.8% ▼	0.9%	0.8%	🟡
⊕⊕⊕⊕	30-Apr	CPI estimate (yoy)	Apr	1.6% ▲	1.3%	1.6%	🟡
⊕⊕	30-Apr	Unemployment rate‡	Mar	8.1% ▼	8.2%	8.3%	🔴
⊕⊕⊕	03-May	Manufacturing PMI - final data‡	Apr	62.9 -	62.9	63.3	🔴
⊕⊕⊕	05-May	Composite PMI - final data	Apr	53.8 ▲	53.7	53.7	🟢
⊕⊕⊕	05-May	Services PMI - final data	Apr	50.5 ▲	50.3	50.3	🟢

Weight	Date	Event	For	Reading ¹	Previous	Consensus ²
Germany 						
🔊🔊	26-Apr	IFO business climate	Apr	96.8 ▲	96.6	97.8 📉
🔊🔊	28-Apr	GfK consumer confidence‡	May	-8.8 ▼	-6.1	-4.2 📉
🔊🔊🔊🔊	29-Apr	Harmonized consumer inflation HICP (yoy) - preliminary data	Apr	2.1% ▲	2.0%	2.0% 📈
🔊🔊🔊🔊	29-Apr	Consumer inflation CPI (yoy) - preliminary data	Apr	2.0% ▲	1.7%	1.9% 📈
🔊🔊	29-Apr	Unemployment rate	Apr	6.0% =	6.0%	6.0% 🟡
🔊🔊🔊🔊🔊	30-Apr	GDP (yoy) - preliminary data‡	1Q	-3.3% ▼	-2.3%	-3.6% 📈
🔊🔊🔊🔊🔊	30-Apr	GDP (sa, qoq) - preliminary data‡	1Q	-1.7% ▼	0.5%	-1.5% 📉
🔊🔊🔊	03-May	Manufacturing PMI - final data	Apr	66.2 ▼	66.4	66.4 📉
🔊🔊🔊	03-May	Retail sales (yoy)‡	Mar	11.0% ▲	-6.6%	-0.2% 📈
🔊🔊🔊	05-May	Composite PMI - final data	Apr	55.8 ▼	56.0	56.0 📉
🔊🔊🔊	06-May	Factory orders (wda, yoy)‡	Mar	27.8% ▲	5.8%	25.6% 📈
🔊🔊🔊🔊	07-May	Industrial production (wda, yoy)‡	Mar	5.1% ▲	-6.8%	5.7% 📉
France 						
🔊🔊🔊🔊🔊	30-Apr	GDP (yoy) - preliminary data‡	1Q	1.5% ▲	-4.8%	1.0% 📈
🔊🔊🔊🔊🔊	30-Apr	GDP (qoq) - preliminary data	1Q	0.4% ▲	-1.4%	0.0% 📈
🔊🔊🔊🔊	30-Apr	Harmonized consumer inflation HICP (yoy) - preliminary data	Apr	1.7% ▲	1.4%	1.6% 📈
🔊🔊🔊🔊	30-Apr	Consumer inflation CPI (yoy) - preliminary data	Apr	1.3% ▲	1.1%	1.3% 🟡
🔊🔊🔊	03-May	Manufacturing PMI - final data	Apr	58.9 ▼	59.2	59.2 📉
🔊🔊🔊	05-May	Composite PMI - final data	Apr	51.6 ▼	51.7	51.7 📉
🔊🔊🔊🔊	07-May	Industrial production (yoy)	Mar	13.7% ▲	-6.6%	15.2% 📉
Italy 						
🔊🔊🔊🔊🔊	30-Apr	GDP (wda, yoy) - preliminary data	1Q	-1.4% ▲	-6.6%	-1.6% 📈
🔊🔊🔊🔊🔊	30-Apr	GDP (wda, qoq) - preliminary data‡	1Q	-0.4% ▲	-1.8%	-0.5% 📈
🔊🔊🔊🔊	30-Apr	Harmonized consumer inflation HICP (yoy) - preliminary data	Apr	1.0% ▲	0.6%	0.9% 📈
🔊🔊	30-Apr	Unemployment rate - preliminary data	Mar	10.1% ▼	10.2%	10.3% 📉
🔊🔊🔊	03-May	Manufacturing PMI	Apr	60.7 ▲	59.8	61.0 📉
🔊🔊🔊	05-May	Composite PMI	Apr	51.2 ▼	51.9	53.0 📉
UK 						
🔊🔊🔊	04-May	Manufacturing PMI (sa) - final data‡	Apr	60.9 =	60.9	60.7 📈
🔊🔊🔊🔊🔊	06-May	BoE base rate decision	May	0.10% =	0.10%	0.10% 🟡
🔊🔊🔊🔊	06-May	BoE asset purchase target (GBP bn)	May	875 =	875	875 🟡
🔊🔊🔊	06-May	Composite PMI - final data	Apr	60.7 ▲	60.0	60.0 📈
Japan 						
🔊🔊🔊🔊	30-Apr	Industrial production (yoy) - preliminary data	Mar	4.0% ▲	-2.0%	-0.6% 📈
🔊🔊🔊	30-Apr	Manufacturing PMI - final data	Apr	53.6 ▲	53.3	--
🔊🔊🔊	07-May	Composite PMI - final data	Apr	51.0 ▲	50.2	--
Chile 						
🔊🔊🔊	30-Apr	Total copper production (metric tons)	Mar	491 720 ▲	430 100	--
🔊🔊🔊	30-Apr	Manufacturing (yoy)	Mar	3.9% ▲	-0.6%	2.0% 📈
🔊🔊🔊🔊	03-May	Economic activity (yoy)	Mar	6.4% ▲	-2.2%	4.5% 📈
🔊🔊	06-May	Nominal wages (yoy)	Mar	4.3% ▲	4.1%	--
🔊🔊🔊	07-May	Copper exports (USD mn)	Apr	4 541 ▲	4 191	--
Canada 						
🔊🔊🔊🔊🔊	30-Apr	GDP (yoy)	Feb	-2.2% ▲	-2.3%	-2.3% 📈
🔊🔊🔊	07-May	Net change in employment (ths)	Apr	-207 ▼	303	-150 📉

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

² Reading difference to consensus: 📈 = higher than consensus; 📉 = lower than consensus; 🟡 = equal to consensus.

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

Source: Bloomberg, KGHM Polska Miedź

Key market data

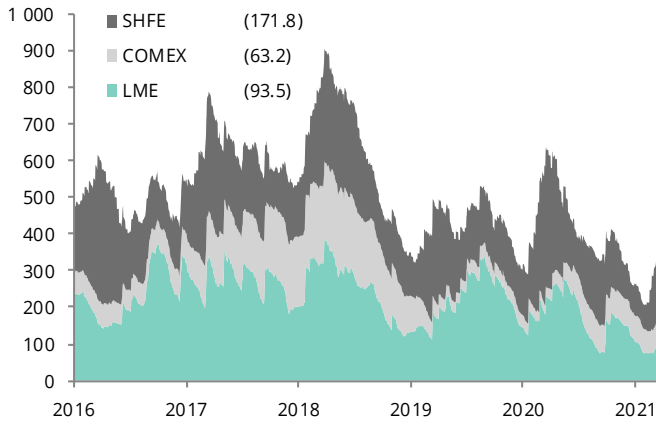
Key base & precious metal prices, exchange rates and other important market factors

<i>(as of: 07-May-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	10 361.00	▲ 8.5%	▲ 17.1%	▲ 33.8%	▲ 98.2%	8 767.58	7 755.50	10 361.00	
Molybdenum	11.74	▲ 5.8%	▲ 6.2%	▲ 17.0%	▲	11.30	9.95	12.50	
Nickel	18 025.00	▲ 11.6%	▲ 12.0%	▲ 9.0%	▲ 47.2%	17 337.22	15 907.00	19 689.00	
Aluminum	2 518.50	▲ 6.1%	▲ 13.8%	▲ 27.3%	▲ 73.7%	2 165.80	1 951.50	2 518.50	
Tin	33 562.00	▲ 21.1%	▲ 23.5%	▲ 63.4%	▲ 119.4%	26 512.39	20 965.00	34 462.00	
Zinc	2 973.00	▲ 6.1%	▲ 6.4%	▲ 9.2%	▲ 48.7%	2 776.56	2 539.00	2 973.00	
Lead	2 218.00	▲ 9.7%	▲ 13.4%	▲ 12.5%	▲ 37.0%	2 022.80	1 896.00	2 218.00	
LBMA (USD/troz)									
Silver	27.38	▲ 4.8%	▲ 14.1%	▲ 3.4%	▲ 82.7%	26.14	24.00	29.59	
Gold ²	1 836.55	▲ 3.1%	▲ 8.6%	▼ -2.9%	▲ 7.8%	1 787.19	1 683.95	1 943.20	
LPPM (USD/troz)									
Platinum ²	1 244.00	- 0.0%	▲ 5.2%	▲ 15.7%	▲ 64.1%	1 175.20	1 016.00	1 294.00	
Palladium ²	2 858.00	▼ -1.8%	▲ 8.9%	▲ 20.6%	▲ 57.9%	2 516.48	2 258.00	3 000.00	
FX³									
EURUSD	1.2059	▼ -0.1%	▲ 2.8%	▼ -1.7%	▲ 11.8%	1.2032	1.1725	1.2338	
EURPLN	4.5764	▲ 0.3%	▼ -1.8%	▼ -0.8%	▲ 0.6%	4.5525	4.4773	4.6603	
USDPLN	3.7861	▲ 0.0%	▼ -4.6%	▲ 0.7%	▼ -10.2%	3.7862	3.6656	3.9676	
USDCAD	1.2156	▼ -2.7%	▼ -3.3%	▼ -4.5%	▼ -13.3%	1.2598	1.2156	1.2828	
USDCNY	6.4332	▼ -1.0%	▼ -1.8%	▼ -1.4%	▼ -9.2%	6.4920	6.4283	6.5718	
USDCLP	701.27	▼ -0.6%	▼ -4.2%	▼ -1.4%	▼ -16.4%	719.35	696.18	741.40	
Money market									
3m LIBOR USD	0.160	▼ -0.02	▼ -0.03	▼ -0.08	▼ -0.27	0.195	0.160	0.241	
3m EURIBOR	-0.529	▲ 0.01	▲ 0.01	▲ 0.02	▼ -0.27	-0.541	-0.556	-0.529	
3m WIBOR	0.210	- 0.00	- 0.00	- 0.00	▼ -0.47	0.210	0.210	0.210	
5y USD interest rate swap	0.869	▼ -0.05	▼ -0.19	▲ 0.44	▲ 0.54	0.778	0.416	1.093	
5y EUR interest rate swap	-0.266	▲ 0.03	▲ 0.05	▲ 0.19	▲ 0.04	-0.358	-0.485	-0.249	
5y PLN interest rate swap	1.365	▲ 0.07	▲ 0.09	▲ 0.75	▲ 0.71	1.037	0.583	1.435	
Fuel									
WTI Cushing	64.90	▲ 4.4%	▲ 9.7%	▲ 33.8%	▲ 175.6%	59.39	47.62	66.09	
Brent	68.26	▲ 4.3%	▲ 9.4%	▲ 33.4%	▲ 151.4%	62.23	50.02	69.46	
Diesel NY (ULSD)	201.56	▲ 7.6%	▲ 13.8%	▲ 36.4%	▲ 160.6%	178.93	146.07	201.56	
Others									
VIX	16.69	▼ -0.64	▼ -2.71	▼ -6.06	▼ -14.75	21.53	16.25	37.21	
BBG Commodity Index	93.73	▲ 6.0%	▲ 12.3%	▲ 20.1%	▲ 51.2%	84.50	78.64	93.73	
S&P500	4 232.60	▲ 1.3%	▲ 6.5%	▲ 12.7%	▲ 46.9%	3 950.94	3 700.65	4 232.60	
DAX	15 399.65	▲ 0.8%	▲ 2.6%	▲ 12.3%	▲ 43.1%	14 429.14	13 432.87	15 459.75	
Shanghai Composite	3 418.87	▼ -1.6%	▼ -0.7%	▼ -1.6%	▲ 19.1%	3 500.68	3 357.74	3 696.17	
WIG 20	2 097.31	▲ 5.6%	▲ 8.2%	▲ 5.7%	▲ 32.1%	1 978.27	1 876.85	2 097.31	
KGHM	220.20	▲ 9.6%	▲ 15.8%	▲ 20.3%	▲ 192.9%	193.92	166.70	220.20	

° 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

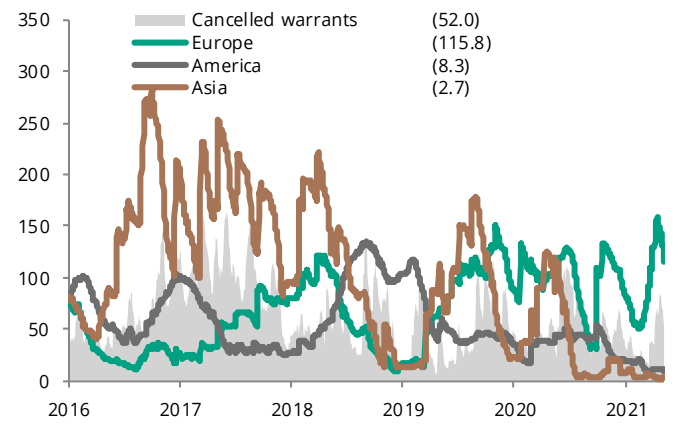
Source: Bloomberg, KGHM Polska Miedź

Copper: official exchange stocks (thousand tonnes)



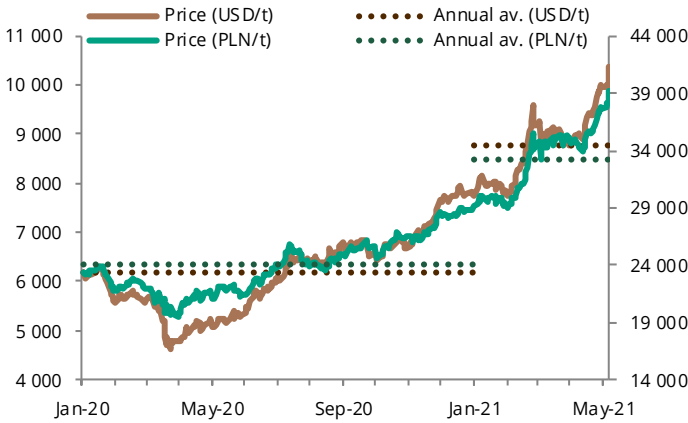
Note: Latest values in brackets. Source: Bloomberg, KGHM

Copper: official LME stocks (thousand tonnes)



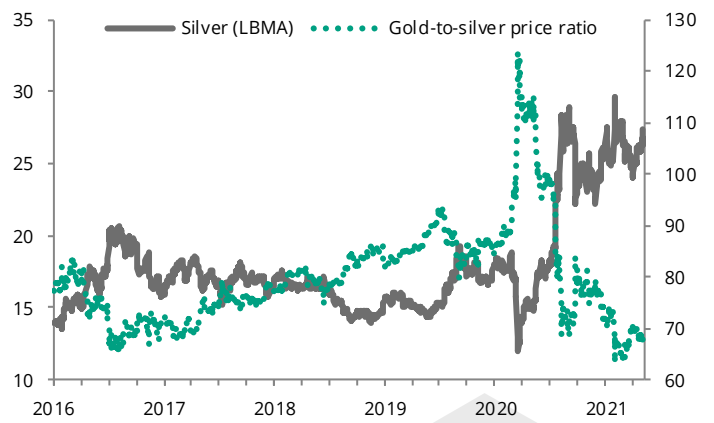
Note: Latest values in brackets. Source: Bloomberg, KGHM

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



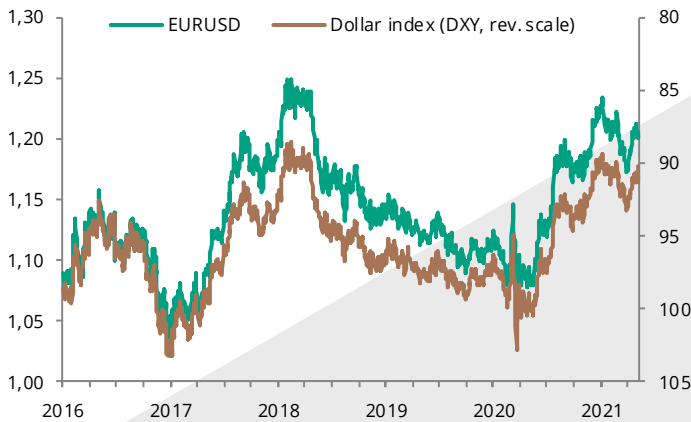
Source: Bloomberg, KGHM Polska Miedź

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



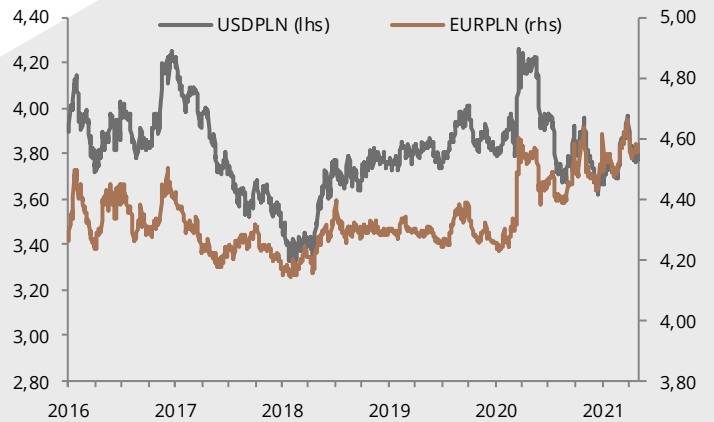
Source: Bloomberg, KGHM Polska Miedź

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:
26 April - 9 May 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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