

Market Overview

as of: 19th July 2020

- **Copper:** Jiangxi Copper Co, one of China's largest copper producers, will invest 11.4 billion yuan (US \$ 1.8 billion) in a unit producing 100,000 tons of copper foil for lithium batteries annually. The first production line with a capacity of 25,000 tones is to be launched by the end of 2023 (page 2).
- **Cobalt:** EGC, the state monopoly on the cobalt market in DRC, will introduce min price of at least 30,000. USD / t for metal purchased from artisanal mines. A fund would be created to insulate artisanal miners from price swings and supplement their pay if the cobalt prices falls below a min level (page 4).
- **Precious metals:** Unless gold prices move much higher and the investment environment improves, Sibanye is unlikely to exploit its Beatrix mine beyond about five years' time. Driefontein - once Africa's biggest gold mine and which now goes 4 kilometers underground - will run out around 2030, and Kloof about three years after that (page 5).
- **USA:** J. Powell said it's too early to scale monetary stimulus back, while acknowledging that inflation has risen faster than expected. According to Fed's chair, strong demand in sectors where production bottlenecks or other supply constraints have limited production has led to especially rapid price increases for some goods and services, which should partially reverse as the effects of the bottlenecks unwind (page 7).
- **China:** The People's Bank of China increased the cash supply to help small businesses which have had reduced credit availability. The main goal of lowering the reserve requirement ratio is to create a liquidity cushion rather than excessively loosen monetary policy (page 8).

Key market prices

	Close price	2w chng.
LME (USD/t)		
▲ Copper	9 396.50	1.1%
▲ Nickel	18 895.00	4.2%
LBMA (USD/troz)		
▼ Silver	26.11	-0.2%
▲ Gold (PM)	1 824.30	2.1%
FX		
▼ EURUSD	1.1802	-0.2%
▲ EURPLN	4.5865	1.3%
▲ USDPLN	3.8808	1.4%
▲ USDCAD	1.2593	1.9%
▲ USDCPL	754.17	2.2%
Stocks		
▼ KGHM	186.80	-2.3%

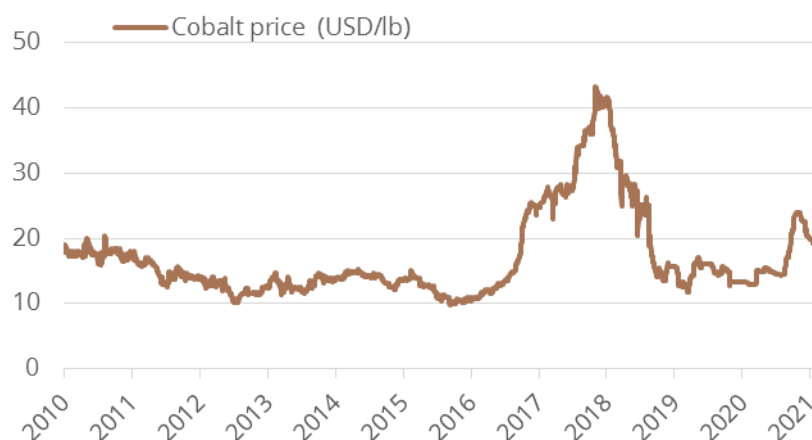
Source: Bloomberg, KGHM Polska Miedź S.A.; (more on page 11)

Important macroeconomic data

Release	For		
 Reserve req. ratio	Jul	12.0%	▼
 CPI (yoy)	Jun	5.4%	▲
 Factory orders (wda, yoy)	May	54.3%	▼
 CPI (yoy)	Jun	4.4%	-
 Retail sales (yoy)	May	9.0%	▼

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

The price of cobalt increased significantly in 2021, but it's just bit over 50% of last decade maximum level



Source: Bloomberg, KGHM Polska Miedź S.A.

Market Risk Unit

marketrisk@kghm.com

Base and precious metals | Other commodities

Copper

Jiangxi Copper To Invest \$1.8B In Making Foil For Batteries

Jiangxi Copper Co, one of China's largest copper producers, will invest 11.4 billion yuan (US \$ 1.8 billion) in a unit producing 100,000 tons of copper foil for lithium batteries annually. The first production line with a capacity of 25,000 tonnes is to be launched by the end of 2023.

Company flagged more than 300% year-on-year jump in net profits for the first half of the year

Jiangxi Copper Co, one of China's biggest copper producers, said it would invest 11.4 billion yuan (\$1.76 billion) in a project to make 100,000 tonnes per year of copper foil for lithium batteries. The investment commitment comes after the company flagged a more than 300% year-on-year jump in net profits for the first half. In a filing to the Shanghai Stock Exchange, Jiangxi Copper said the foil project would be located in Shangrao Economic and Technological Development Zone in province of Jiangxi. It will be divided into two 50,000 tonne phases, with the first 25,000 tonne line of Phase 1 due to start up by end-2023 before full production is reached a year later. The second phase is targeted for start-up by end-2028. "The first half of 2021 has seen a tidal wave of announcements of new electrodeposited copper foil mill projects, as well as second and third phase expansions at existing mills," consultancy Roskill said in a note last month. The foil is used as a current collector in lithium batteries and companies are investing in production to meet growing demand from the burgeoning electric-vehicle sector. Global foil capacity additions announced in January-May alone total 560,000 tonnes per year, equivalent to a 67% increase in the nameplate industry capacity at end-2020, Roskill said. Jiangxi Copper also said it would invest 800 million yuan in another project to make 220,000 tonnes per year of copper rods and 600 million yuan in a joint venture to make 30,000 tonnes per year of cast materials. That brings the total investment across the three projects to 12.8 billion yuan (\$1.98 billion). The copper rod project and first 15,000 tonnes phase of the cast materials project are due for launch by the end of 2022 and will also be in Shangrao, it said.

Metals Recycling To Be A Key Plank For Cutting Emissions

Producing one tonne of aluminium from scratch results in an average of 17 tonnes of carbon emissions compared with the 0.6 tonnes emitted from secondary or recycled aluminium. Copper mining emits 2.3-2.5 tonnes of carbon per tonne of metal, while smelting adds another 1.65 tonnes compared with up to 1.5 tonne for recycled metal.

Consumer awareness of carbon emissions from the production of metals for the energy transition will eventually energise the recycling industry and stimulate searches for substitutes that could spoil the party for miners. Analysts at Wood Mackenzie estimate an additional 360 million tonnes of aluminium, 90 million tonnes of copper and 30 million tonnes of nickel will be needed over

the next 20 years under a scenario that limits global warming to less than 2 °C. Aluminium, copper and nickel are key materials for electric vehicles, sales of which are expected to soar over coming years. "We can reduce our carbon footprints by going down the recycling route," said Wood Mackenzie's Julian Kettle. "There are a plethora of new technologies such as hydrogen and polymer energy storage that could dramatically change the clean-energy landscape." Producing one tonne of aluminium from scratch results in an average of 17 tonnes of carbon emissions compared with the 0.6 tonnes emitted from secondary or recycled aluminium. Copper mining emits 2.3-2.5 tonnes of carbon per tonne of metal, while smelting adds another 1.65 tonnes compared with up to 1.5 tonne for recycled metal. A precedent for awareness of the problems arising from the extraction and production of metals is plastic made from fossil fuels, which over the last 10 years has pushed consumers to look at recycling and substitution. Metals consumption could also be cut by for example switching to pooled rather than individual vehicle ownership. "The era of consumption consciousness could well be the next chapter in society's awakening - and it would undoubtedly be uncomfortable for those banking on unfettered demand for metals," said Wood Mackenzie's Simon Morris in a release. Specifically for electric vehicles the challenge for automakers is to how to operate with inelastic retail prices and access critical minerals at affordable prices. "They will look to innovate or thrift them out to the greatest extent possible," Morris said. Examples of miners that also have recycling operations are few. One is aluminium producer Norsk Hydro, which has recycling operations that contributed 1.4 billion Norwegian crowns to its EBITDA last year.

Other important information on copper market:

- The first round of China's state metal reserves auctions needed only one of two allotted days. In a rare move aimed at cooling a rally in metal prices that has pushed up raw material costs for Chinese manufacturers, the National Food and Strategic Reserves Administration said it would sell 50,000 tonnes of aluminium, 30,000 tonnes of zinc and 20,000 tonnes of copper on July 5-6. The buyers were not named, although only manufacturers and fabricators were allowed to bid. Source said the aluminium was sold at around 18,075 yuan (\$2,797) a tonne, a 5.3% discount to aluminium's settlement price on the Shanghai Futures Exchange (ShFE) on that day. For copper, bidding began at 8 a.m. Beijing time and the last lot of 146 tonnes was auctioned just 75 minutes later. The sale price was around 67,700 yuan a tonne, a 1.6% discount to the price of ShFE copper for delivery in August. In a statement the reserves administration said it would continue to release state reserves in the near future.
- PT Freeport Indonesia, the local unit of American mining giant Freeport McMoRan, has dropped plans to build a \$2.8 billion copper smelter with China's Tsingshan Group, Freeport Indonesia spokesman Riza Pratama told Reuters on Thursday. It will instead go ahead with plans to build a new smelter near its existing refining operations in Gresik, East Java.

- Spot treatment (TC) charges for copper concentrate in China reached their highest level in nearly six months, after a smelter in eastern Shandong province suffered a breakdown in the equipment. TCs, which smelters receive to process copper concentrate into refined metal, tumbled to a decade-long lows in April amid tight supply. But costs have continued to recover since then, jumping 4.4% to \$ 47.50 a tonne on Monday, according to Asian Metal, marking the highest estimate since Jan. 21. At least a month of maintenance will be required, according to initial estimates, he added. Three industry sources told Reuters that the affected smelter was Yantai Guorun, a member of the China Smelter Buying Team (CSPT) with the capacity to produce 100,000 tonnes per year of refined copper cathodes.

Cobalt

Congo's cobalt monopoly to set price floor for artisanal miners

EGC, the state monopoly on the cobalt market in DRC, will introduce min price of at least 30,000. USD / t for metal purchased from artisanal mines. A fund would be created to insulate artisanal miners from price swings and supplement their pay if the cobalt prices falls below a min level.

The Congo produced around 100,000 tonnes of cobalt last year or about 71% of the global total

The Democratic Republic of Congo's state cobalt buyer will put in place a price floor of \$30,000 a tonne for the cobalt it buys from artisanal miners, (EGC) director-general Jean-Dominique Takis said. Cobalt, which is trading at around \$50,000 a tonne, is used in the batteries that power electric vehicles, sales of which are expected to soar over coming years as the world strives. The world's top cobalt producer, the Congo set up EGC to buy all artisanal cobalt produced in the country to try to boost government revenue from the largely informal sector. On Monday (July 12), the EGC said it planned to start its cobalt buying at the Kasulo site, near Kolwezi in the southern Lualaba province, within eight weeks. In a telephone interview, Takis said the EGC aimed to source 7,000 tonnes of cobalt hydroxide from Kasulo this year. That will be followed by 15,000 tonnes in 2022 and 20,000 tonnes in 2023. Processing of the cobalt ore mined at Kasulo into cobalt hydroxide will be outsourced to existing facilities near the site, Takis said. The Congo produced around 100,000 tonnes of cobalt last year or about 71% of the global total, Darton Commodities' review of the market found. Of this, around 9,000 tonnes was artisanal production, research house CRU estimates. EGC is working with international trader Trafigura, which in November signed a five-year marketing deal with the body to provide pre-financing for a total of 45,000 tonnes of cobalt. Under the deal, the EGC has an option to market 50% of the cobalt production directly to buyers other than Trafigura. Cobalt prices have been volatile and hit decade highs of nearly \$100,000 a tonne in 2018, almost double the price now. Takis said the EGC would create a fund to insulate artisanal miners from price swings and supplement their pay if the cobalt prices falls below \$30,000 a tonne. Of the EGC's revenues from cobalt sales, 3% will go to the fund when cobalt prices are under \$50,000 a tonne, rising to 5% if the price is higher than \$50,000 a tonne, Takis said.

Precious Metals

Sibanye Stillwater may wind down SA gold mines

Unless gold prices move much higher and the investment environment improves, Sibanye is unlikely to exploit its Beatrix mine beyond about five years' time. Driefontein - once Africa's biggest gold mine and which now goes 4 kilometers underground - will run out around 2030, and Kloof about three years after that.

Sibanye Stillwater may wind down its three South African gold mines in the next decade or so as it becomes harder to exploit aging assets. The company is among the few remaining South African gold producers squeezing profits from mines that are among the deepest in the world and are becoming more costly to run. Sibanye, which also mines platinum-group metals in southern Africa and North America, may look at gold assets outside South Africa as it winds down the three sites there. Unless gold prices move much higher and the investment environment improves, Sibanye is unlikely to exploit its Beatrix mine beyond about five years' time, spokesman James Wellsted said. Driefontein - once Africa's biggest gold mine and which now goes 4 kilometers (2.5 miles) underground - will run out around 2030, and Kloof about three years after that. Producers Gold Fields and AngloGold Ashanti have also shifted focus to more lucrative gold mines elsewhere in Africa, Australia and the Americas as they grapple with the costs and safety challenges of operating mines in the country. It's currently not worthwhile spending money on extending the life of some mines, even after bullion's rally to a record last year. "These mines have got a finite life, some of them are more than 70 years old, so they can't go on forever," Wellsted said in an interview. The appeal of investing in the sector has waned amid regulatory uncertainty, high power and labor costs as well as community protests and violence, Wellsted said. The three mines that Sibanye plans to run down produced gold at an average all-in sustaining cost of \$1,406 an ounce last year, and prices need to be much higher to invest in extending their lives, he said. Sibanye, which was spun off from Gold Fields's oldest South African mines in 2013, employs about one-third of the roughly 93,000 workers in the nation's gold industry. The value of the gold assets has declined, and income from platinum-group metals has become the biggest contributor to earnings, said Rene Hochreiter, an analyst at Noah Capital Markets in Johannesburg. The company will consider acquiring gold operations elsewhere in the world, and deal making Chief Executive Officer Neal Froneman in March said he's prepared to spend as much as \$5 billion on assets with an annual output of more than 1 million ounces. In South Africa, "the industry is a shadow of what it used to be," Wellsted said. "As we get deeper and as cost pressures increase, you can't continue to mine unless there is some sort of huge change in the industry, technological or other, that changes the fortunes."

OceanaGold wins Philippine mine contract renewal for 25 years

It aims to achieve full underground production capacity within 12 months, with Didipio expected to produce approximately 10,000 ounces of gold and 1,000 tonnes of copper per month once production is fully ramped up.

Australian-listed OceanaGold Corp said on Wednesday the Philippine government has renewed its contract for the Didipio gold and copper mine for another 25 years, more than two years after the original agreement expired. The miner said the terms and conditions set in the agreement were unchanged, and it planned to restart operations of Didipio in northern Philippines “as soon as possible”. “The company’s first operational priority is the rehiring and training of its Philippine workforce, which will include a focus on safeguarding workers from the current risks associated with COVID-19,” it said in a statement. The Philippines, the biggest supplier of nickel ore to top metals consumer China and with substantial copper and gold reserves, is seeking to revitalise its mining sector as part of efforts to revive a pandemic-hit economy. Didipio’s operations will resume initially with the milling of stockpiled ore of about 19 million tonnes, OceanaGold said. It aims to achieve full underground production capacity within 12 months, with Didipio expected to produce approximately 10,000 ounces of gold and 1,000 tonnes of copper per month once production is fully ramped up. Didipio has been described as a mine that “can be a game changer to the country’s overall standing as copper producer and exporter”.

Global economies | Foreign exchange markets

Powell Sees Tapering a 'Ways Off,' Gets House Inflation Grilling

J. Powell said it's too early to scale monetary stimulus back, while acknowledging that inflation has risen faster than expected. According to Fed's chair, strong demand in sectors where production bottlenecks or other supply constraints have limited production has led to especially rapid price increases for some goods and services, which should partially reverse as the effects of the bottlenecks unwind.

FOMC is expected to introduce the first rate hike in 2023

Federal Reserve Chair Jerome Powell said it was still too soon to scale back the central bank's aggressive support for the U.S. economy, while acknowledging that inflation has risen faster than expected. Powell was peppered throughout the three-hour virtual hearing with questions from both Republicans and Democrats on rising prices. Critics say inflation is being fanned by the Fed holding interest rates near zero while buying \$120 billion of Treasuries and mortgage-backed securities every month. Powell stressed that while officials expect high inflation to be temporary, they would react if inflation turned out to be persistently and materially above their 2% target. The Fed chair will face more questions from the Senate banking panel recently. Republicans asked Powell to explain how monetary policy could ease supply bottlenecks blamed for rising prices, or if the Fed's bond buying was distorting financial markets. Powell said he will be watching to see if labor supply increases as enhanced unemployment benefits expire in coming months, adding that he was willing to look through the current shortages and effects on wages and prices if necessary. "Even after this supply comes, it is still likely that we will still be short of maximum employment," Powell said. "That is why we don't see that is time to raise interest rates now."

Government data prices paid by U.S. consumers surged in June by the most since 2008 and were up 5.4% from the same month last year. According to J. Powell, strong demand in sectors where production bottlenecks or other supply constraints have limited production has led to especially rapid price increases for some goods and services, which should partially reverse as the effects of the bottlenecks unwind. He also noted that asset prices and risk appetite have risen while downplaying any near-term risks to the economy from financial markets. Powell's remarks before Congress this week are his last semi-annual testimony before President Joe Biden decides whether to give him another four years at the Fed helm or pick someone else. Powell's tenure as chair expires in February. The Fed's policy patience is part of a new framework it announced nearly a year ago that pledged to achieve an average of 2% inflation over time and not pre-judge the level of maximum employment. Forecasts released by Fed officials in June also showed them pulling the timing of interest rate liftoff forward, with two increases penciled in for 2023, a move that pushed some market measures of inflation expectations lower. Both Republicans and Democrats quizzed him about high prices and the Fed's assessment that these increases would not be persistent. Powell said recent readings on inflation had been "higher than

expected and hoped for," but stressed the largest gains stemmed from a small group of goods and services. On the other hand, if high inflation persisted and was threatening to uproot inflation expectations, "we would absolutely change our policy as appropriate," he said. Powell emphasized that the labor market recovery was still far from complete. The U.S. economy added 850,000 jobs in June, the biggest monthly increase since August. Still, broader measures of labor-market slack indicate it is still short of the Fed's mandate of maximum employment.

China Frees Up \$154B For Banks To Underpin Economic Recovery







The People's Bank of China increased the cash supply to help small businesses which have had reduced credit availability. The main goal of lowering the reserve requirement ratio is to create a liquidity cushion rather than excessively loosen monetary policy.

China will cut the amount of cash that banks must hold as reserves, releasing around 1 trillion yuan (\$154.19 billion) in long-term liquidity to underpin its post-COVID economic recovery that is starting to lose momentum. The People's Bank of China (PBOC) said on its website it would cut the reserve requirement ratio (RRR) for all banks by 50 basis points (bps), effective from July 15. The world's second-largest economy has largely rebounded to its pre-pandemic growth levels, driven by a surprisingly resilient export sector. But growth is losing steam and smaller firms are bearing the brunt of a recent surge in raw material prices. Many analysts believe pent-up COVID demand has now peaked and that growth rates will start to moderate in the second half of the year, weighed down by weakening exports, surging producer price inflation and Beijing's continued crackdown on the property market. "I see it as more or less a fine-tuning rather than a signal that there is more monetary easing coming," said Elwin de Groot, head of macro strategy at Rabobank. "It was already signaled to some extent because we had seen some tightening in Chinese money markets, and this is basically to alleviate these pressures." The PBOC said its prudent monetary policy remained unchanged. Part of the liquidity released will help financial institutions to repay maturing medium-term lending facility (MLF) loans, and will also help ease liquidity pressure caused by tax payments, it said. The PBOC last cut the RRR in April last year, when the Chinese economy was still badly affected by the coronavirus crisis. As the economy staged its strong rebound, the PBOC shifted to a moderately tightening bias. China's cabinet said that authorities would use timely cuts in RRR to help small firms cope with the negative impact from rising commodity prices. Underlying demand remains weak in China. Consumer inflation, which eased in June, still fell way short of the government's target of around 3%. The economy is widely expected to grow more than 8% this year, against the government's modest growth target of over 6%, suggesting there is no big pressure to step up easing.

Macroeconomic calendar

Important macroeconomic data releases

Weight	Date	Event	For	Reading ¹	Previous	Consensus ²
China						
⊛	07-Jul	Foreign reserves (USD bn)	Jun	3 214 ▼	3 222	3 200 ▲
⊛⊛⊛⊛⊛	09-Jul	Reserve requirement ratio	Jul	12.0% ▼	12.5%	--
⊛⊛⊛⊛	09-Jul	Consumer inflation CPI (yoy)	Jun	1.1% ▼	1.3%	1.2% ◡
⊛⊛	09-Jul	Producer inflation PPI (yoy)	Jun	8.8% ▼	9.0%	8.8% ⊙
⊛	09-Jul	New yuan loans (CNY bn)	Jun	2 120 ▲	1 500	1 850 ▲
⊛⊛	13-Jul	Trade balance (USD bn)‡	Jun	51.5 ▲	45.5	44.8 ▲
⊛⊛	13-Jul	Exports (yoy)	Jun	32.2% ▲	27.9%	23.0% ▲
⊛⊛⊛⊛⊛	15-Jul	GDP (yoy)	2Q	7.9% ▼	18.3%	8.0% ◡
⊛⊛⊛⊛⊛	15-Jul	GDP (sa, qoq)‡	2Q	1.3% ▲	0.4%	1.0% ▲
⊛⊛⊛⊛	15-Jul	Industrial production (yoy)	Jun	8.3% ▼	8.8%	7.9% ▲
⊛⊛	15-Jul	Fixed assets investments (ytd, yoy)	Jun	12.6% ▼	15.4%	12.0% ▲
⊛	15-Jul	Retail sales (yoy)	Jun	12.1% ▼	12.4%	10.8% ▲
Poland						
⊛⊛⊛⊛⊛	08-Jul	NBP base rate decision	Jul	0.10% -	0.10%	0.10% ⊙
⊛⊛	14-Jul	Trade balance (EUR mn)‡	May	185 ▼	1 300	1 015 ◡
⊛⊛	14-Jul	Exports (EUR mn)‡	May	22 636 ▼	23 384	22 901 ◡
⊛⊛	14-Jul	Current account balance (EUR mn)‡	May	60.0 ▼	1 631	1 255 ◡
⊛⊛⊛⊛	15-Jul	Consumer inflation CPI (yoy) - final data	Jun	4.4% -	4.4%	--
⊛⊛⊛⊛	16-Jul	Core CPI (excluding food and energy, yoy)	Jun	3.5% ▼	4.0%	3.6% ◡
US						
⊛⊛⊛	06-Jul	Composite PMI - final data	Jun	63.7 ▼	63.9	--
⊛⊛⊛	06-Jul	PMI services - final data	Jun	64.6 ▼	64.8	64.8 ◡
⊛⊛⊛⊛	13-Jul	Consumer inflation CPI (mom)	Jun	0.9% ▲	0.6%	0.5% ▲
⊛⊛⊛⊛	13-Jul	Consumer inflation CPI (yoy)	Jun	5.4% ▲	5.0%	4.9% ▲
⊛⊛⊛⊛	15-Jul	Industrial production (mom)‡	Jun	0.4% ▼	0.7%	0.6% ◡
⊛⊛	15-Jul	Philadelphia Fed business outlook	Jul	21.9 ▼	30.7	28.0 ◡
⊛	15-Jul	Capacity utilization‡	Jun	75.4% ▲	75.1%	75.6% ◡
⊛⊛	16-Jul	Retail sales (excluding autos, mom)‡	Jun	1.3% ▲	-0.9%	0.4% ▲
⊛⊛	16-Jul	University of Michigan confidence index - preliminary data	Jul	80.8 ▼	85.5	86.5 ◡
Eurozone						
⊛⊛⊛	05-Jul	Composite PMI - final data	Jun	59.5 ▲	59.2	59.2 ▲
⊛⊛⊛	05-Jul	Services PMI - final data	Jun	58.3 ▲	58.0	58.0 ▲
⊛⊛	06-Jul	Retail sales (yoy)‡	May	9.0% ▼	23.3%	8.2% ▲
⊛	06-Jul	ZEW survey expectations	Jul	61.2 ▼	81.3	--
⊛⊛⊛⊛	14-Jul	Industrial production (sa, mom)‡	May	-1.0% ▼	0.6%	-0.3% ◡
⊛⊛⊛⊛	14-Jul	Industrial production (wda, yoy)‡	May	20.5% ▼	39.4%	22.2% ◡
⊛⊛⊛⊛	16-Jul	Consumer inflation CPI (yoy) - final data	Jun	1.9% -	1.9%	1.9% ⊙
⊛⊛⊛⊛	16-Jul	Core CPI (yoy) - final data	Jun	0.9% -	0.9%	0.9% ⊙
⊛	16-Jul	Trade balance (EUR mn)	May	7.5 ▼	10.9	--
Germany						
⊛⊛⊛	05-Jul	Composite PMI - final data	Jun	60.1 ▼	60.4	60.4 ◡
⊛⊛⊛	06-Jul	Factory orders (wda, yoy)‡	May	54.3% ▼	80.2%	59.4% ◡
⊛⊛⊛⊛	07-Jul	Industrial production (wda, yoy)‡	May	17.3% ▼	27.6%	17.7% ◡
⊛⊛⊛⊛	13-Jul	Harmonized consumer inflation HICP (yoy) - final data	Jun	2.1% -	2.1%	2.1% ⊙

Weight	Date	Event	For	Reading ¹	Previous	Consensus ²
France 						
🔊🔊🔊🔊	05-Jul	Industrial production (yoy)‡	May	20.5% ▼	44.2%	21.7% ◡
🔊🔊🔊	05-Jul	Composite PMI - final data	Jun	57.4 ▲	57.1	57.1 ▲
🔊🔊🔊🔊	13-Jul	Harmonized consumer inflation HICP (yoy) - final data	Jun	1.9% -	1.9%	1.9% ○
🔊🔊🔊🔊	13-Jul	Consumer inflation CPI (yoy) - final data	Jun	1.5% -	1.5%	1.5% ○
Italy 						
🔊🔊🔊	05-Jul	Composite PMI	Jun	58.3 ▲	55.7	58.0 ▲
🔊🔊🔊🔊	09-Jul	Industrial production (wda, yoy)‡	May	21.1% ▼	79.0%	24.8% ◡
🔊🔊🔊🔊	15-Jul	Harmonized consumer inflation HICP (yoy) - final data	Jun	1.3% -	1.3%	1.3% ○
UK 						
🔊🔊🔊	05-Jul	Composite PMI - final data	Jun	62.2 ▲	61.7	61.7 ▲
🔊🔊🔊🔊	09-Jul	Industrial production (yoy)‡	May	20.6% ▼	27.2%	21.6% ◡
🔊🔊🔊🔊	14-Jul	Consumer inflation CPI (yoy)	Jun	2.5% ▲	2.1%	2.2% ▲
🔊🔊	15-Jul	Unemployment rate (ILO, 3-months)	May	4.8% ▲	4.7%	4.7% ▲
Japan 						
🔊🔊🔊	05-Jul	Composite PMI - final data	Jun	48.9 ▲	47.8	--
🔊🔊🔊🔊	14-Jul	Industrial production (yoy) - final data	May	21.1% ▼	22.0%	--
Chile 						
🔊🔊🔊	07-Jul	Copper exports (USD mn)	Jun	4 367 ▼	4 967	--
🔊🔊	07-Jul	Nominal wages (yoy)	May	5.8% -	5.8%	--
🔊🔊🔊🔊🔊	15-Jul	BCCh overnight rate target	Jul	0.75% ▲	0.50%	0.75% ○
Canada 						
🔊🔊🔊	09-Jul	Net change in employment (ths)	Jun	231 ▲	- 68.0	175 ▲
🔊🔊🔊🔊	14-Jul	BoC base rate decision	Jul	0.25% -	0.25%	0.25% ○

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

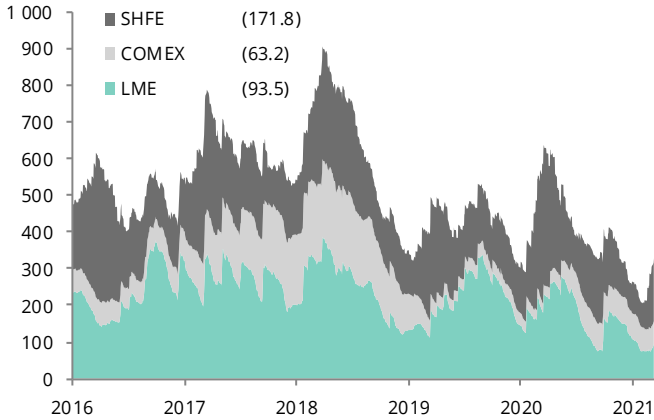
Key base & precious metal prices, exchange rates and other important market factors

<i>(as of: 16-Jul-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	9 396.50	▲ 1.1%	▲ 0.1%	▲ 21.4%	▲ 47.2%	9 116.70	7 755.50	10 724.50	
Molybdenum	18.43	▼ -0.5%	▼ -4.4%	▲ 83.7%	▲	13.30	9.95	20.03	
Nickel	18 895.00	▲ 4.2%	▲ 2.4%	▲ 14.2%	▲ 42.6%	17 556.69	15 907.00	19 689.00	
Aluminum	2 493.00	▼ -1.1%	▼ -1.2%	▲ 26.0%	▲ 53.2%	2 267.35	1 951.50	2 565.00	
Tin	34 177.00	▲ 3.7%	▲ 2.1%	▲ 66.4%	▲ 97.9%	28 750.01	20 965.00	34 462.00	
Zinc	2 966.00	▲ 1.7%	▲ 0.7%	▲ 8.9%	▲ 35.6%	2 840.64	2 539.00	3 063.50	
Lead	2 326.50	▲ 1.5%	▲ 0.3%	▲ 18.0%	▲ 27.5%	2 092.64	1 896.00	2 342.50	
LBMA (USD/troz)									
Silver	26.11	▼ -0.2%	▲ 1.3%	▼ -1.4%	▲ 35.6%	26.45	24.00	29.59	
Gold ²	1 824.30	▲ 2.1%	▲ 3.5%	▼ -3.5%	▲ 0.9%	1 805.09	1 683.95	1 943.20	
LPPM (USD/troz)									
Platinum ²	1 134.00	▲ 3.9%	▲ 7.1%	▲ 5.5%	▲ 38.0%	1 164.23	1 016.00	1 294.00	
Palladium ²	2 706.00	▼ -2.6%	▼ 0.0%	▲ 14.2%	▲ 35.8%	2 611.93	2 258.00	3 000.00	
FX³									
EURUSD	1.1802	▼ -0.2%	▼ -0.7%	▼ -3.8%	▲ 3.4%	1.2035	1.1725	1.2338	
EURPLN	4.5865	▲ 1.3%	▲ 1.5%	▼ -0.6%	▲ 2.1%	4.5401	4.4541	4.6603	
USDPLN	3.8808	▲ 1.4%	▲ 2.0%	▲ 3.3%	▼ -1.6%	3.7745	3.6545	3.9676	
USDCAD	1.2593	▲ 1.9%	▲ 1.6%	▼ -1.1%	▼ -7.0%	1.2470	1.2040	1.2828	
USDCNY	6.4792	▲ 0.1%	▲ 0.3%	▼ -0.7%	▼ -7.3%	6.4708	6.3685	6.5718	
USDCLP	754.17	▲ 2.2%	▲ 2.6%	▲ 6.0%	▼ -4.3%	722.03	693.74	754.17	
Money market									
3m LIBOR USD	0.134	▼ 0.00	▼ -0.01	▼ -0.10	▼ -0.14	0.174	0.118	0.241	
3m EURIBOR	-0.548	▼ 0.00	▼ -0.01	▼ 0.00	▼ -0.10	-0.542	-0.556	-0.529	
3m WIBOR	0.210	- 0.00	- 0.00	- 0.00	▼ -0.04	0.210	0.210	0.210	
5y USD interest rate swap	0.853	▼ -0.12	▼ -0.11	▲ 0.42	▲ 0.54	0.821	0.416	1.093	
5y EUR interest rate swap	-0.317	▼ -0.04	▼ -0.06	▲ 0.14	▲ 0.05	-0.324	-0.485	-0.209	
5y PLN interest rate swap	1.350	▼ -0.15	▼ -0.08	▲ 0.74	▲ 0.79	1.196	0.583	1.623	
Fuel									
WTI Cushing	71.81	▼ -4.5%	▼ -2.3%	▲ 48.0%	▲ 76.2%	63.15	47.62	75.25	
Brent	73.79	▼ -3.4%	▼ -1.8%	▲ 44.2%	▲ 69.7%	65.73	50.02	77.79	
Diesel NY (ULSD)	211.23	▼ -3.0%	▼ -1.4%	▲ 43.0%	▲ 71.8%	189.90	146.07	218.09	
Others									
VIX	18.45	▲ 3.38	▲ 2.62	▼ -4.30	▼ -9.55	20.24	15.07	37.21	
BBG Commodity Index	94.43	▼ -0.6%	▼ -0.1%	▲ 21.0%	▲ 42.1%	87.57	78.64	95.03	
S&P500	4 327.16	▼ -0.6%	▲ 0.7%	▲ 15.2%	▲ 34.6%	4 053.75	3 700.65	4 384.63	
DAX	15 540.31	▼ -0.7%	▲ 0.1%	▲ 13.3%	▲ 20.7%	14 827.77	13 432.87	15 790.51	
Shanghai Composite	3 539.30	▲ 0.6%	▼ -1.4%	▲ 1.9%	▲ 10.3%	3 519.00	3 357.74	3 696.17	
WIG 20	2 258.10	▲ 0.3%	▲ 1.8%	▲ 13.8%	▲ 25.5%	2 063.09	1 876.85	2 285.81	
KGHM	186.80	▼ -2.3%	▼ -0.5%	▲ 2.1%	▲ 74.6%	194.84	166.70	223.80	

° 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

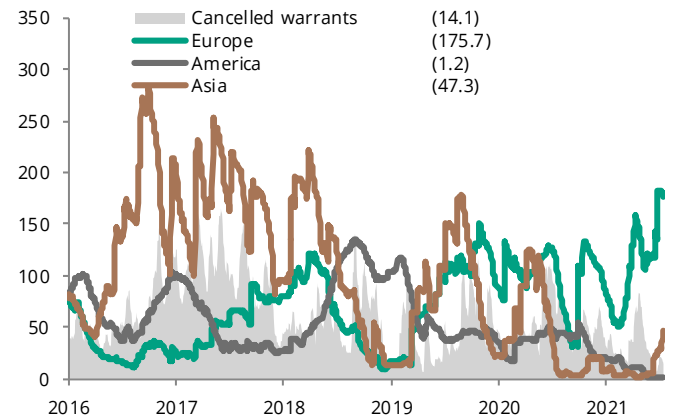
Source: Bloomberg, KGHM Polska Miedź

Copper: official exchange stocks (thousand tonnes)



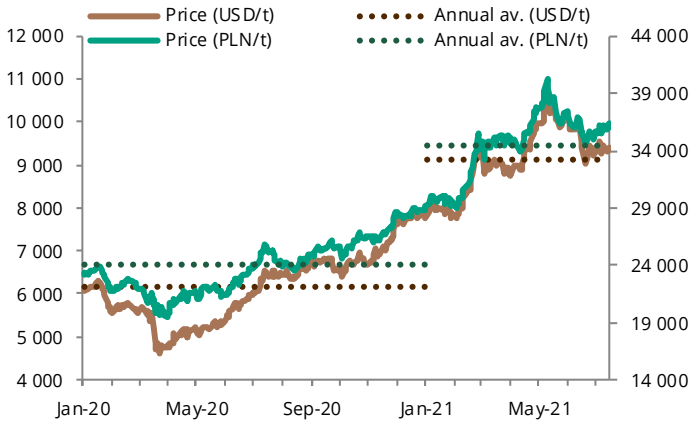
Note: Latest values in brackets. Source: Bloomberg, KGHM

Copper: official LME stocks (thousand tonnes)



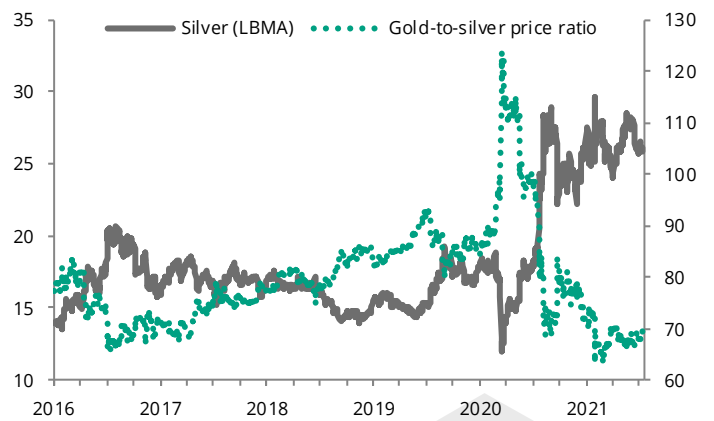
Note: Latest values in brackets. Source: Bloomberg, KGHM

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



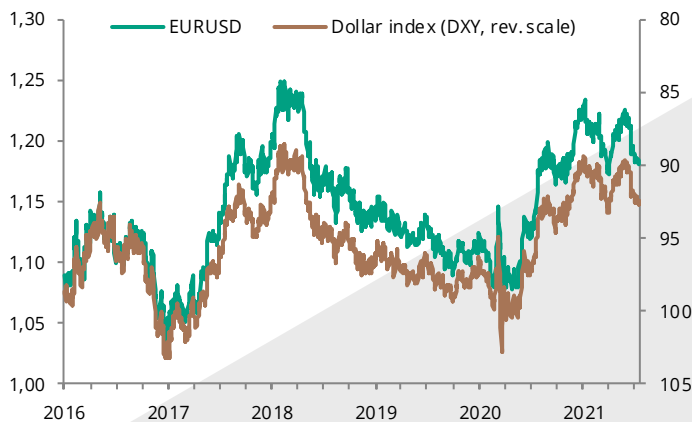
Source: Bloomberg, KGHM Polska Miedź

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



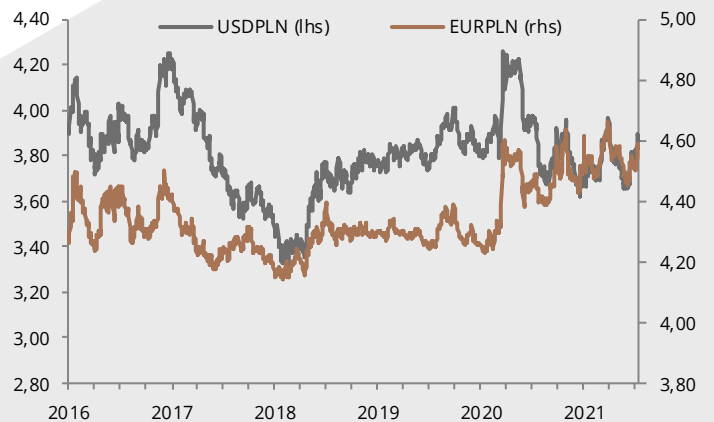
Source: Bloomberg, KGHM Polska Miedź

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:
5 - 18 July 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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In case of questions or comments please contact us:

KGHM Polska Miedz (Polish Copper) S.A.
Departament Ryzyka Finansowego i Rynkowego (Financial and Market Risk Department)
Wydział Ryzyka Rynkowego (Market Risk Unit)
ul. M. Skłodowskiej-Curie 48
59-301 Lubin, Poland