

Market Overview

as of: 16th August 2021

- **Copper:** Peruvian miners have said they are open to discussing tax modifications but that it could come at the expense of the sector's competitiveness. Francke said competitiveness would not be affected by taxation if copper prices remain high and that any reform would be mindful of fluctuating prices (*page 2*).
- **Precious metals:** At Tokyo, 100% of the metals in the medals have been recycled. Between 2017 and 2019, people across Japan donated old electronic devices, which had the precious metals extracted from them. In total, the government collected several million tonnes of equipment, and extracted 32 kilograms of gold, 3500 kilograms of silver and 2200 kilograms of copper and zinc for the bronze medals (*page 6*).
- **Freight market:** Infections are threatening to spread at docks just as the world's shipping system is already struggling to handle unprecedented demand with economies reopening and manufacturing picking up. The shutdown at Ningbo-Zhoushan is raising fears that ports around the world will soon face the same kind of outbreaks and Covid restrictions that slowed the flows of everything from perishable food to electronics last year as the pandemic took hold (*page 7*).

Key market prices

	Close price	2w chng.
LME (USD/t)		
▼ Copper	9 429.50	-3.3%
▼ Nickel	19 650.00	-1.2%
LBMA (USD/troz)		
▼ Silver	23.39	-8.3%
▼ Gold (PM)	1 773.85	-2.8%
FX		
▼ EURUSD	1.1765	-1.1%
▼ EURPLN	4.5718	0.0%
▲ USDPLN	3.8934	1.4%
▲ USDCAD	1.2514	0.4%
▲ USDCLP	772.78	1.9%
Stocks		
▼ KGHM	191.90	-1.4%

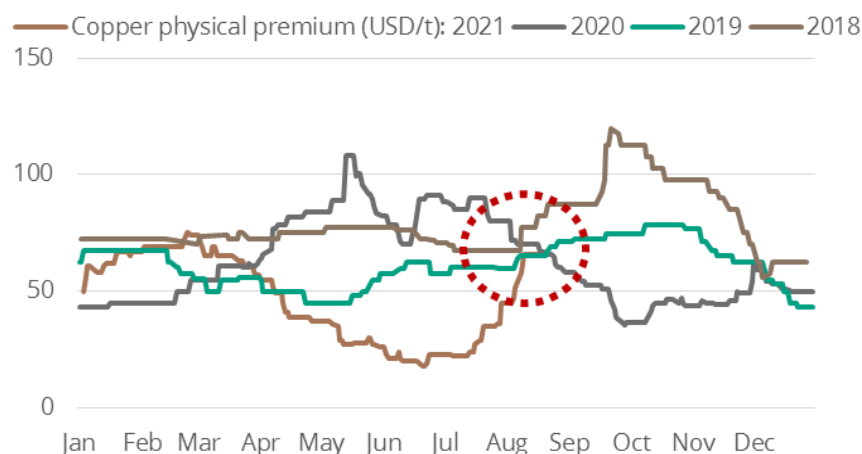
Source: Bloomberg, KGHM Polska Miedź S.A.; (*more on page 11*)

Important macroeconomic data

	Release	For	
	GDP (yoy)	2Q	10.9% ▲
	Durable goods orders	Jun	0.9% ▲
	PPI (yoy)	Jul	9.0% ▲
	Industr. prod. (sa, mom)	Jun	-0.3% ▲
	GDP (yoy)	2Q	22.2% ▲

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

After the lows in June and July cathode premiums rebounded sharply, returning to seasonal pattern



Source: Bloomberg, KGHM Polska Miedź S.A.

Market Risk Unit

marketrisk@kgm.com

Base and precious metals | Other commodities

Copper

Peru's Finance Chief Says Mining Taxes Can Rise Without Affecting Competitiveness

Peruvian miners have said they are open to discussing tax modifications but that it could come at the expense of the sector's competitiveness. Francke said competitiveness would not be affected by taxation if copper prices remain high and that any reform would be mindful of fluctuating prices.

While Peru signed as many as 25 tax stability deals in the 1990s, only six remain in place.

Peru's finance minister, Pedro Francke, told Reuters that the new leftist government can increase mining taxes to fund public spending without affecting private-sector competitiveness, all while reducing the fiscal deficit. Peru, the world's No. 2 copper producer, is highly dependent on mining taxes and new President Pedro Castillo has promised to deliver more social programs to lift the country's poor. The election of Castillo, a member of a Marxist-Leninist party, as president in June has spooked investors, with Peru's Sol currency falling to a fresh record low against the dollar on Monday. Francke, a moderate left-wing economist who has worked for the World Bank, told Reuters in an interview that the government is working to regain investor confidence. He said the administration is committed to maintaining fiscal discipline and will reduce the deficit in 2022 by 1 percentage point compared with 2021. Spending ceiling rules will also be reinstated after they were lifted due to the pandemic. Francke's fiscally conservative messaging contrasts with that of the cabinet's chief, Guido Bellido, a self-described socialist who recently told Reuters the new administration hopes to create new public companies to enter the natural gas and hydroelectric sectors. Francke said he had had no discussions about new public companies or about financing new investments from state-owned entities already in existence. Francke said the new administration is taking over a solid balance sheet, with preliminary estimates showing tax revenue rising 24% in 2021 compared with a year earlier, driven by high metal prices and a reopening of the economy. In 2022 those revenues would grow by an additional 8% without the need of any reforms, he said. The country's GDP should grow 10% this year, he said, confirming prior estimates, and would grow an additional 4.8% in 2022. The government is in the process of drawing up its budget for 2022. Francke declined to provide details but acknowledged spending would increase. Rating agencies have revised Peru's outlook to negative in recent months, on the double whammy of political turmoil and the perception that Castillo had no clear roadmap for the economy. Francke said they will hold meetings with the agencies in the next two weeks in hopes that Peru's investment grade rating is not affected. The rating has short-term importance to Peru as it will still run a deficit under Castillo, he said, so it is likely the country will look to issue new bonds. The key to increasing public spending under Castillo's administration is increasing

mining taxes, Francke said, although the handful of miners who have signed tax stability agreements would be spared from reform. "It's hard to propose a renegotiation, what we can do there depends on incentives," Francke said. "Currently there are fewer companies with tax stability deals...which gives the state more room to maneuver." While Peru signed as many as 25 tax stability deals in the 1990s, only six remain in place. Peruvian miners have said they are open to discussing tax modifications but that it could come at the expense of the sector's competitiveness. Francke said competitiveness would not be affected by taxation if copper prices remain high and that any reform would be mindful of fluctuating prices. He declined to provide specifics on the tax reform but said he hopes to come up with a proposal this year, which needs to be approved by Congress. Francke also said Peru should prioritize new mining projects that have not caused social unrest, citing Souther Copper Corp's Tia Maria copper project as an example of a project that would not be prioritized.

Chile's Mining Industry Sees 2-3 Years Of High Copper Prices

Hernández, president of the National Society of Mining (SONAMI) said "we believe that we must be cautious regarding the future behavior of copper, although we project two or three years with high prices."

Chilean miners expect copper prices to stay high for two to three years but remain wary of labeling the boom a "supercycle". The price of copper soared to record highs this year on expectations of global economic recovery and fast-rising demand after a year of stagnation amid the coronavirus pandemic. But analysts and marketwatchers have debated how long the boom will last. Diego Hernández, president of the National Society of Mining (SONAMI), an umbrella group for Chile's top miners, said the electric vehicle revolution and booming renewable energy industry would prop up demand and prices in the medium-term. But he urged caution about forecasting a longer-lasting supercycle during which prices would stay over \$4 per pound.

"We believe that we must be cautious regarding the future behavior of copper, although we project two or three years with high prices." Surging copper prices have also piqued the interest of lawmakers in Chile, who have proposed a new royalty on sales of the metal that would increase alongside their value. Hernandez and Sonami have strongly opposed the royalty bill as written, saying it would squander the competitiveness and future investment plans of Chilean miners. "We hope that sanity prevails in the Senate and we can reach an agreement that allows mining to continue making their contribution to the economic development of the country," he said. Proponents of the bill say proceeds from the newly proposed royalty are urgently needed to underwrite social programs for Chileans suffering from the coronavirus pandemic.

Other important information on copper market:

- China's copper imports in July fell 1.0% from June, declining for a fourth straight month, customs data showed, as high prices, the release of state reserves and increased scrap metal inflows kept buying interest at bay. Imports of unwrought copper and copper products into China, the world's biggest copper consumer,

were 424,280.3 tonnes last month, the General Administration of Customs said. That was down from 428,437.5 tonnes in June and well below the record high of 762,211 tonnes in July 2020. Activity in China's copper-intensive manufacturing and construction sectors expanded at a slower pace in July amid high raw material costs and extreme weather. The government also sold off 50,000 tonnes of copper from state reserves in a bid to cool prices. However, Shanghai copper prices rose more than London prices last month, partially opening an arbitrage window for cheaper overseas metal and causing a 5% drawdown on refined copper inventories in bonded warehouses. State-backed research house Antaika said it expects China's refined copper imports to return to near 2019 levels in 2021. A new import regime allowing unlimited entry of very high-grade scrap metal will see China bring in an additional 400,000-500,000 tonnes of copper scrap on a metal content basis this year. Imports of copper concentrate, or partially processed copper ore, were 1.887 million tonnes in July. That was up 13.0% from 1.671 million tonnes in June and up 5.1% from 1.795 million tonnes a year earlier.

- China Molybdenum Plans to Invest \$2.51B in Congo's TFM Mine. The company's board has approved the investment to develop the copper and cobalt mine in Democratic Republic of the Congo, according to an exchange filing. The project is expected to have an annual average output of 200,000 tons for copper and 17,000 tons for cobalt. Company will fund the project with its own cash and bank loans. Plan still needs regulatory approvals.
- Peru's production of copper, zinc, lead, tin and precious metals all gained in June compared to last year, when a COVID-19 lockdown affected operations at mines operated by Chinalco, Teck and Glencore. Molybdenum fell due to lower production at Southern Copper, Antamina and Hudbay Minerals. Copper output climbed 1% to 182,705 mt from 180,792 mt a year ago the National Society of Mining, Petroleum & Energy (SNMPE) said in a statement. Zinc production rose 9% on the year to 130,197 mt on gains at mines operated by Glencore (up 40%) and Brazil's Nexa Resources (up 44%), while lead rose 4% to 21,574 mt. Tin producer Minsur, increased output by 53% to 2,236 mt. Gold production increased by 35% to 8,000 kg from 5,878 kg a year ago while silver was up 18% to 283,000 kg. Molybdenum fell 12% to 2,447 mt due to declines at Southern Copper, Antamina and Hudbay Minerals, according to the ministry.
- Unionized workers at the Escondida mine in northern Chile have approved a new pay contract, averting a strike at the world's largest copper operation, owner BHP said Aug. 12. "Union No. 1 and the company requested the extension of the mediation by one more day until Friday Aug. 13 in order to proceed with the signing of the new collective contract, which was ratified by the members," the mining company said in a statement. Escondida produced 1.187 million mt of copper in 2020. BHP operates and own 57.5% of the mine, while Rio Tinto and two Japanese consortia own the balance. Management and union officials reached agreement on the deal earlier this week following government-mediated talks, which were extended by one day to allow the vote to take place. Members of the 2,200-strong union had earlier rejected the previous offer from

management as not going far enough to meet their demands. Copper prices have risen sharply to record levels in recent times, raising the stakes for unions in Chile's mining industry, which produces more than 25% of the world's copper.

- Chile's state-controlled mining company Codelco, the biggest copper producer in the world, said on Friday that its Andina mine was operating at reduced levels due to a strike that started the previous day over stalemated labor contract talks. Members of two unions at Andina rejected an offer for a new collective bargaining agreement at a time when solid copper prices have raised expectations among employees for an improved benefits package. Copper prices have hit record highs thanks to prospects for a recovery of the global economy after the coronavirus pandemic. The strikers argue that the company seeks to eliminate health and other benefits while ignoring the financial benefits enjoyed by the company thanks to high prices.
- Peruvian copper miner Sociedad Minera Cerro Verde said on Friday in a securities filing that it had paid "under protest" a tax debt of 1 billion soles (\$245.52 million), as the amount continues to be the subject of an arbitration dispute. Peru's tax authority has longstanding disputes with several miners regarding tax calculations. Peru, the world's No. 2 copper producer, is highly dependent on mining to finance public spending. Newly inaugurated leftist President Pedro Castillo has said he wants to extract higher taxes from miners, especially at a time of high international prices. Cerro Verde is the second large Peruvian miner to pay a tax debt that remains under dispute in recent weeks. Last month, Compania de Minas Buenaventura paid a debt worth 2.1 billion soles (\$515.59 million). Still, Buenaventura's chairman, Roque Benavides, said in an interview with Bloomberg Linea that they were hoping to recover those funds once the tax dispute was finalized, which they said they would win.
- Chilean state-owned Codelco produced 796,000 mt of copper during the first six months of the year, up 7% from the same period of 2020, the state-owned copper giant said July 30. The rise was driven largely by higher ore grades at several of its operations. Production at Ministro Hales rose 54% to 99,000 mt, while El Teniente -- Codelco's largest mine by output -- produced 227,000 mt, up 10% from a year ago. Meanwhile, copper sales reached 978,000 mt, up 8.2% from 2020. However, production of molybdenum fell to 11,000 mt during the six-month period, down 21.4% from the same period of last year. The company currently embarked on a massive investment program to maintain production at near current levels from its mines, some of which are more than a century old. Work on a new ore transfer system at its Andina division is almost completed while last month, the company began pre-stripping at the Rajo Inca project which will expand capacity at its Salvador division.

Precious Metals

Gold, silver and brass medals

At Tokyo, 100% of the metals in the medals have been recycled. Between 2017 and 2019, people across Japan donated old electronic devices, which had the precious metals extracted from them. In total, the government collected several million tonnes of equipment, and extracted 32 kilograms of gold, 3500 kilograms of silver and 2200 kilograms of copper and zinc for the bronze medals.

What are the Olympic medals made of? It seems an obvious answer – gold, silver, and bronze, but the silver medal is the only one that is actually made from its pure element. So what are the other medals made of – and what else could you potentially use them for? Gold medals are not pure gold – that would make them too soft. Instead, they're pure silver, with six grams of gold plating per medal.

Gold and silver are both very stable elements, with neither reacting with air, but gold is even more stable than silver. If you melted the medal down and soaked it in nitric acid, the silver would react to become silver nitrate but the gold would remain stable, meaning you could separate the two metals out. A gold medal weighs 556 grams. At a market price of \$80 per gram of gold, and \$1 per gram of silver, you're looking at about \$1000 of precious metals per medal – \$480 of gold, and \$550 of silver. Athletes have been known to sell their gold medals intact, racking up much larger profits – some in the millions – so market value is probably not the best way to make money off a gold medal. Silver medals are the only ones made of a pure element: they're all Ag. Weighing in at 550 grams, their purity makes them more chemically useful than the other medals – if you wanted to use the silver for plating a teacup, or designing a better touch screen, you'd just need to heat it to 962°C and melt it down, without any further purification. Be warned, though – while it's not very reactive in pure form, silver becomes much more likely to tarnish once you begin mixing it with other things. Even sterling silver, which is 92.5% pure silver and 7.5% copper (or another metal) tarnishes in air. Bronze is a very old and well-recognised metal, but it isn't a pure element, and nor are the bronze medals technically 'bronze' – they're brass. Bronze is usually an alloy of copper and tin, but bronze medals are an alloy of 95% copper and 5% zinc. This is referred to as 'red brass', although industrial red brass, which is used in valves and plumbing, is usually less pure than this, boasting about 85% copper and a mixture of tin, zinc, lead and other metals. Nevertheless, copper and zinc – while very soft metals themselves – alloy to make a much harder metal. The bronze medal is the hardest and lightest medal (at 450 grams). While it's a bad idea to reuse the metals once they've become medals, it's been a tradition over the past decade to include recycled materials in Olympic medals. At Tokyo, 100% of the metals in the medals have been recycled. Between 2017 and 2019, people across Japan donated old electronic devices, which had the precious metals extracted from them. In total, the government collected several million tonnes of equipment, and extracted 32 kilograms of gold, 3500 kilograms of silver and 2200 kilograms of copper and zinc for the bronze medals.

Global economies | Freight market

China's Port Shutdown Raises Fears of Closures Worldwide
Infections are threatening to spread at docks just as the world's shipping system is already struggling to handle unprecedented demand with economies reopening and manufacturing picking up. The shutdown at Ningbo-Zhoushan is raising fears that ports around the world will soon face the same kind of outbreaks and Covid restrictions that slowed the flows of everything from perishable food to electronics last year as the pandemic took hold.
















A Covid outbreak that has partially shut one of the world's busiest container ports is heightening concerns that the rapid spread of the delta variant will lead to a repeat of last year's shipping nightmares. The Port of Los Angeles, which saw its volumes dip because of a June Covid outbreak at the Yantian port in China, is bracing for another potential decline because of the latest shutdown at the Ningbo-Zhoushan port in China. Anton Posner, chief executive officer of supply-chain management company Mercury Resources, said that many companies chartering ships are already adding Covid contract clauses as insurance so they won't have to pay for stranded ships. The shutdown at Ningbo-Zhoushan is raising fears that ports around the world will soon face the same kind of outbreaks and Covid restrictions that slowed the flows of everything from perishable food to electronics last year as the pandemic took hold. Infections are threatening to spread at docks just as the world's shipping system is already struggling to handle unprecedented demand with economies reopening and manufacturing picking up. Ningbo-Zhoushan Port said in a statement that all other terminals aside from Meishan have been operating normally. The port is actively negotiating with shipping companies, directing them to other terminals, and releasing information on a real-time data platform, it said. To minimize the impact, it's also adjusting the operating time of other terminals to make sure clients can clear their shipments. About 28 container ships were anchored outside the Ningbo-Zhoushan port area as of Aug. 12 and were waiting for berth space. Already, Peru is experiencing delays in some crops trade with China, one of its largest trading partners. "That whole circuit is disrupted when ports are closed due to the pandemic," said Gabriel Amaro, head of Peru's agriculture industry group Agap. "What happened at the beginning of the pandemic is repeating." The China port shutdown may fuel further increases in freight rates, which have been rising as the shipping industry grapples with bottlenecks during the virus pandemic. Diverting ships to other terminals "creates port congestion, which we've all been dealing with during Covid," John Wobensmith, chief executive officer of Genco Shipping & Trading, said in an interview with Bloomberg TV. "And I do see that increasing, which will have the effect of pushing freight rates higher.







The benchmark cost of shipping a container from Shanghai to Los Angeles has tripled over the past year. The Baltic Dry Index of bulk shipping prices has risen more than 10% since mid July. Some ships that docked at the Meishan terminal

before the closure are suspending cargo operations until the terminal re-opens. Other vessels which usually call at the Meishan terminal will stop at the Beilun terminal instead. Ningbo city is still considered a low risk virus area, according to the city's health commission, although flights to and from the capital Beijing have been canceled. Authorities in Ningbo said the port worker was fully vaccinated with an inactivated vaccine and had the second dose on March 17. The worker was asymptomatic as of Thursday afternoon. He was infected with the delta strain, genetic sequencing showed, and epidemiological investigation shows the worker had come into close contact with sailors of foreign cargo ships.

Macroeconomic calendar

Important macroeconomic data releases

Weight	Date	Event	For	Reading ¹	Previous	Consensus ²	
China							
***	02-Aug	Caixin's manufacturing PMI	Jul	50.3 ▼	51.3	51.0	
**	07-Aug	Trade balance (USD bn)	Jul	56.6 ▲	51.5	53.3	
**	07-Aug	Exports (yoy)	Jul	19.3% ▼	32.2%	20.0%	
*	07-Aug	Foreign reserves (USD bn)	Jul	3 236 ▲	3 214	3 228	
****	09-Aug	Consumer inflation CPI (yoy)	Jul	1.0% ▼	1.1%	0.8%	
**	09-Aug	Producer inflation PPI (yoy)	Jul	9.0% ▲	8.8%	8.8%	
*	11-Aug	New yuan loans (CNY bn)	Jul	1 080 ▼	2 120	1 200	
Poland							
***	02-Aug	Manufacturing PMI	Jul	57.6 ▼	59.4	59.0	
*****	13-Aug	GDP (yoy) - preliminary data	2Q	10.9% ▲	-0.9%	10.7%	
*****	13-Aug	GDP (qoq) - preliminary data‡	2Q	1.9% ▲	1.3%	2.0%	
****	13-Aug	Consumer inflation CPI (yoy) - final data	Jul	5.0% -	5.0%	--	
**	13-Aug	Trade balance (EUR mn)	Jun	761 ▲	185	848	
**	13-Aug	Exports (EUR mn)	Jun	23 680 ▲	22 636	23 610	
**	13-Aug	Current account balance (EUR mn)‡	Jun	281 ▲	129	456	
US							
***	02-Aug	Manufacturing PMI - final data	Jul	63.4 ▲	63.1	63.1	
**	02-Aug	ISM Manufacturing	Jul	59.5 ▼	60.6	61.0	
**	03-Aug	Durable goods orders - final data	Jun	0.9% ▲	0.8%	0.8%	
***	04-Aug	Composite PMI - final data	Jul	59.9 ▲	59.7	--	
***	04-Aug	PMI services - final data	Jul	59.9 ▲	59.8	59.8	
**	06-Aug	Change in non-farm payrolls (ths)‡	Jul	943 ▲	938	870	
**	06-Aug	Underemployment rate (U6)	Jul	9.2% ▼	9.8%	--	
**	06-Aug	Unemployment rate	Jul	5.4% ▼	5.9%	5.7%	
*	06-Aug	Average hourly earnings (yoy)‡	Jul	4.0% ▲	3.7%	3.9%	
****	11-Aug	Consumer inflation CPI (mom)	Jul	0.5% ▼	0.9%	0.5%	
****	11-Aug	Consumer inflation CPI (yoy)	Jul	5.4% -	5.4%	5.3%	
**	13-Aug	University of Michigan confidence index - preliminary data	Aug	70.2 ▼	81.2	81.2	
Eurozone							
***	02-Aug	Manufacturing PMI - final data	Jul	62.8 ▲	62.6	62.6	
**	03-Aug	Producer inflation PPI (yoy)	Jun	10.2% ▲	9.6%	10.3%	
***	04-Aug	Composite PMI - final data	Jul	60.2 ▼	60.6	60.6	
***	04-Aug	Services PMI - final data	Jul	59.8 ▼	60.4	60.4	
**	04-Aug	Retail sales (yoy)‡	Jun	5.0% ▼	8.6%	4.4%	
*	10-Aug	ZEW survey expectations	Aug	42.7 ▼	61.2	--	
****	12-Aug	Industrial production (sa, mom)‡	Jun	-0.3% ▲	-1.1%	-0.2%	
****	12-Aug	Industrial production (wda, yoy)‡	Jun	9.7% ▼	20.6%	10.3%	
*	13-Aug	Trade balance (EUR mn)	Jun	18.1 ▲	7.5	--	
Germany							
***	02-Aug	Manufacturing PMI - final data	Jul	65.9 ▲	65.6	65.6	
***	02-Aug	Retail sales (yoy)‡	Jun	6.2% ▲	-1.7%	3.0%	
***	04-Aug	Composite PMI - final data	Jul	62.4 ▼	62.5	62.5	
***	05-Aug	Factory orders (wda, yoy)‡	Jun	26.2% ▼	54.9%	22.9%	
****	06-Aug	Industrial production (wda, yoy)‡	Jun	5.1% ▼	16.6%	7.9%	

Weight	Date	Event	For	Reading ¹	Previous	Consensus ²
France 						
🔔🔔🔔	02-Aug	Manufacturing PMI - final data	Jul	58.0 ▼	58.1	58.1 🟡
🔔🔔🔔	04-Aug	Composite PMI - final data	Jul	56.6 ▼	56.8	56.8 🟡
🔔🔔🔔🔔	05-Aug	Industrial production (yoy)	Jun	7.1% ▼	20.5%	7.5% 🟡
🔔🔔🔔🔔	13-Aug	Harmonized consumer inflation HICP (yoy) - final data	Jul	1.5% ▼	1.6%	1.6% 🟡
🔔🔔🔔🔔	13-Aug	Consumer inflation CPI (yoy) - final data	Jul	1.2% -	1.2%	1.2% 🟡
Italy 						
🔔🔔🔔	02-Aug	Manufacturing PMI	Jul	60.3 ▼	62.2	61.5 🟡
🔔🔔🔔	04-Aug	Composite PMI	Jul	58.6 ▲	58.3	59.5 🟡
🔔🔔🔔🔔	06-Aug	Industrial production (wda, yoy)	Jun	13.9% ▼	21.1%	13.4% 🟡
🔔🔔🔔🔔	11-Aug	Harmonized consumer inflation HICP (yoy) - final data	Jul	1.0% ▲	0.9%	0.9% 🟡
UK 						
🔔🔔🔔	02-Aug	Manufacturing PMI (sa) - final data	Jul	60.4 -	60.4	60.4 🟡
🔔🔔🔔	04-Aug	Composite PMI - final data	Jul	59.2 ▲	57.7	57.7 🟡
🔔🔔🔔🔔🔔	05-Aug	BoE base rate decision	Aug	0.10% -	0.10%	0.10% 🟡
🔔🔔🔔🔔	05-Aug	BoE asset purchase target (GBP bn)	Aug	875 -	875	875 🟡
🔔🔔🔔🔔🔔	12-Aug	GDP (yoy) - preliminary data	2Q	22.2% ▲	-6.1%	22.1% 🟡
🔔🔔🔔🔔🔔	12-Aug	GDP (qoq) - preliminary data	2Q	4.8% ▲	-1.6%	4.8% 🟡
🔔🔔🔔🔔	12-Aug	Industrial production (yoy)‡	Jun	8.3% ▼	20.7%	9.4% 🟡
Japan 						
🔔🔔🔔	02-Aug	Manufacturing PMI - final data	Jul	53.0 ▲	52.2	--
🔔🔔🔔	04-Aug	Composite PMI - final data	Jul	48.8 ▲	47.7	--
Chile 						
🔔🔔🔔🔔	02-Aug	Economic activity (yoy)	Jun	20.1% ▲	18.1%	18.0% 🟡
🔔🔔	05-Aug	Nominal wages (yoy)	Jun	5.9% ▲	5.8%	--
🔔🔔🔔	09-Aug	Copper exports (USD mn)	Jul	4 584 ▲	4 367	--
Canada 						
🔔🔔🔔	06-Aug	Net change in employment (ths)	Jul	94.0 ▼	231	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

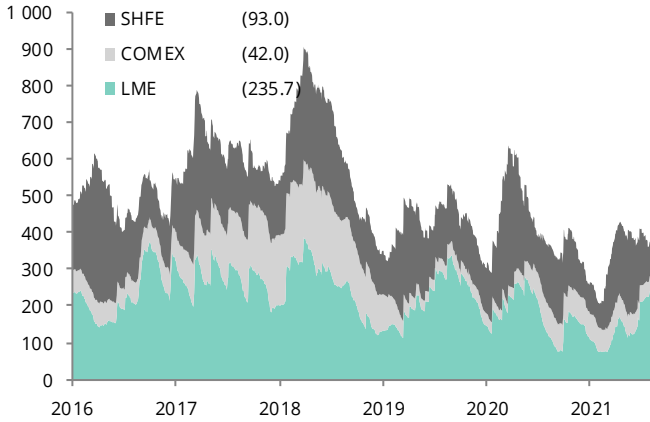
Key base & precious metal prices, exchange rates and other important market factors

<i>(as of: 13-Aug-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	9 429.50	▼ -3.3%	▲ 0.5%	▲ 21.8%	▲ 47.8%	9 165.45	7 755.50	10 724.50	
Molybdenum	19.11	▲ 5.4%	▼ -0.9%	▲ 90.5%	▲	13.96	9.95	20.03	
Nickel	19 650.00	▼ -1.2%	▲ 6.5%	▲ 18.8%	▲ 39.3%	17 773.13	15 907.00	19 892.00	
Aluminum	2 602.50	▼ -0.8%	▲ 3.2%	▲ 31.6%	▲ 49.7%	2 302.51	1 951.50	2 635.00	
Tin	36 109.00	▲ 0.4%	▲ 7.9%	▲ 75.8%	▲ 104.5%	29 647.45	20 965.00	36 594.00	
Zinc	3 007.00	▼ -1.1%	▲ 2.1%	▲ 10.4%	▲ 27.3%	2 857.77	2 539.00	3 063.50	
Lead	2 448.50	▲ 1.0%	▲ 5.6%	▲ 24.2%	▲ 26.7%	2 130.11	1 896.00	2 469.00	
LBMA (USD/troz)									
Silver	23.39	▼ -8.3%	▼ -9.2%	▼ -11.7%	▼ -10.9%	26.24	23.39	29.59	
Gold ²	1 773.85	▼ -2.8%	▲ 0.6%	▼ -6.2%	▼ -8.8%	1 803.38	1 683.95	1 943.20	
LPPM (USD/troz)									
Platinum ²	1 025.00	▼ -1.8%	▼ -3.2%	▼ -4.7%	▲ 8.1%	1 148.70	979.00	1 294.00	
Palladium ²	2 646.00	▼ -0.5%	▼ -2.3%	▲ 11.6%	▲ 20.8%	2 616.83	2 258.00	3 000.00	
FX ³									
EURUSD	1.1765	▼ -1.1%	▼ -1.0%	▼ -4.1%	▼ -0.6%	1.2005	1.1718	1.2338	
EURPLN	4.5718	▼ 0.0%	▲ 1.1%	▼ -0.9%	▲ 3.9%	4.5447	4.4541	4.6603	
USDPLN	3.8934	▲ 1.4%	▲ 2.4%	▲ 3.6%	▲ 4.7%	3.7877	3.6545	3.9676	
USDCAD	1.2514	▲ 0.4%	▲ 1.0%	▼ -1.7%	▼ -5.3%	1.2481	1.2040	1.2828	
USDCNY	6.4774	▲ 0.2%	▲ 0.3%	▼ -0.8%	▼ -6.7%	6.4717	6.3685	6.5718	
USDCLP	772.78	▲ 1.9%	▲ 5.1%	▲ 8.7%	▼ -2.5%	727.76	693.74	787.40	
Money market									
3m LIBOR USD	0.124	▲ 0.01	▼ -0.02	▼ -0.11	▼ -0.16	0.168	0.118	0.241	
3m EURIBOR	-0.552	▼ -0.01	▼ -0.01	▼ -0.01	▼ -0.07	-0.542	-0.556	-0.529	
3m WIBOR	0.210	- 0.00	- 0.00	- 0.00	▼ -0.02	0.210	0.210	0.210	
5y USD interest rate swap	0.858	▲ 0.08	▼ -0.11	▲ 0.43	▲ 0.49	0.821	0.416	1.093	
5y EUR interest rate swap	-0.373	▼ -0.01	▼ -0.12	▲ 0.09	▼ -0.03	-0.329	-0.485	-0.209	
5y PLN interest rate swap	1.470	▲ 0.10	▲ 0.04	▲ 0.86	▲ 0.90	1.211	0.583	1.623	
Fuel									
WTI Cushing	68.44	▼ -7.5%	▼ -6.8%	▲ 41.1%	▲ 62.0%	64.04	47.62	75.25	
Brent	70.13	▼ -7.0%	▼ -6.6%	▲ 37.1%	▲ 58.7%	66.51	50.02	77.79	
Diesel NY (ULSD)	207.59	▼ -5.6%	▼ -3.1%	▲ 40.5%	▲ 69.4%	192.55	146.07	219.94	
Others									
VIX	15.45	▼ -2.79	▼ -0.38	▼ -7.30	▼ -6.68	19.93	15.07	37.21	
BBG Commodity Index	95.17	▼ -1.1%	▲ 0.7%	▲ 21.9%	▲ 34.4%	88.54	78.64	97.51	
S&P500	4 468.00	▲ 1.7%	▲ 4.0%	▲ 19.0%	▲ 32.4%	4 098.96	3 700.65	4 468.00	
DAX	15 977.44	▲ 2.8%	▲ 2.9%	▲ 16.5%	▲ 23.0%	14 928.87	13 432.87	15 977.44	
Shanghai Composite	3 516.30	▲ 3.5%	▼ -2.1%	▲ 1.2%	▲ 5.9%	3 514.44	3 357.74	3 696.17	
WIG 20	2 302.03	▲ 2.2%	▲ 3.8%	▲ 16.0%	▲ 23.9%	2 088.08	1 876.85	2 302.03	
KGHM	191.90	▼ -1.4%	▲ 2.3%	▲ 4.9%	▲ 43.7%	194.45	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

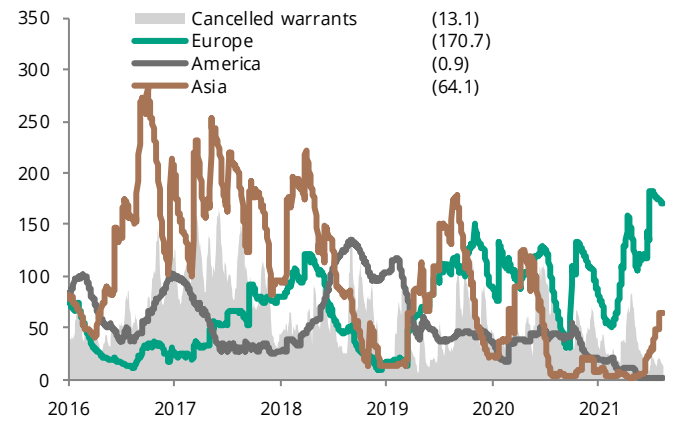
Source: Bloomberg, KGHM Polska Miedź

Copper: official exchange stocks (thousand tonnes)



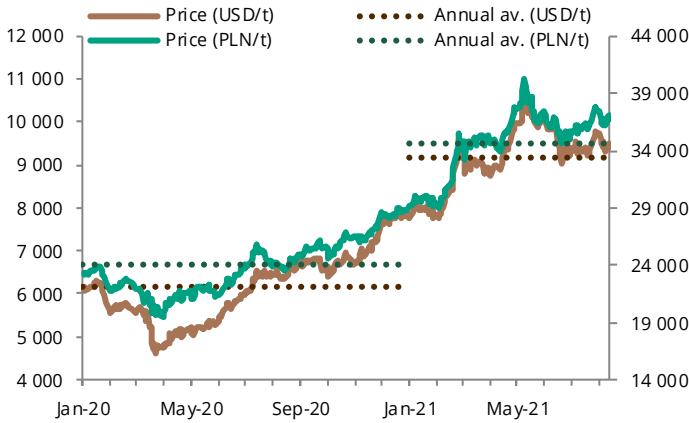
Note: Latest values in brackets. Source: Bloomberg, KGHM

Copper: official LME stocks (thousand tonnes)



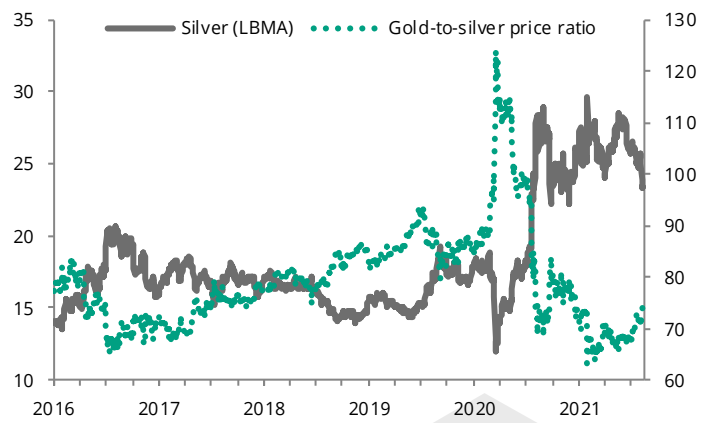
Note: Latest values in brackets. Source: Bloomberg, KGHM

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



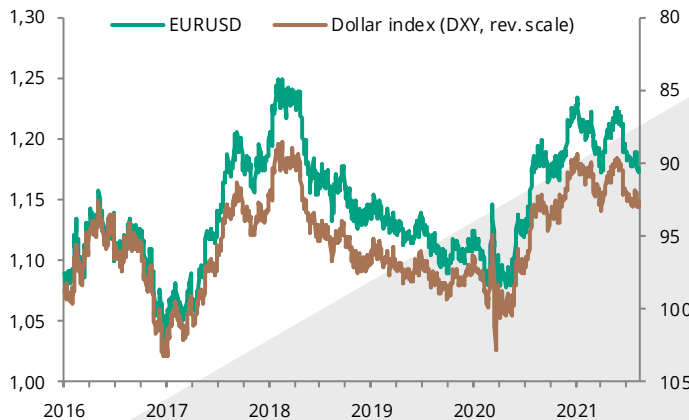
Source: Bloomberg, KGHM Polska Miedź

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



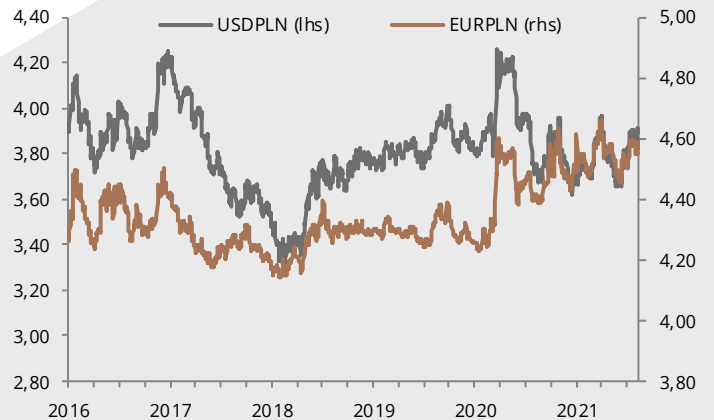
Source: Bloomberg, KGHM Polska Miedź

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:
2 - 15 August 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

DISCLAIMER

This document reflects the market view of the staff of KGHM Polska Miedz (Polish Copper)'s Market Risk Unit employees on the economy, commodity as well as financial markets. Although, according to the our best of our knowledge, all the facts presented in this publication come from or are based on reliable sources, we do not guarantee their correctness. Moreover, they may be incomplete or shortened. All the opinions and forecasts are backed by diligently-performed analyses valid as of the publishing date and may be subject to change. KGHM Polska Miedz (Polish Copper) S.A. is not obligated to announce any subsequent change of these opinions or forecasts. This document's purpose is solely informative and must not be interpreted as an offer or advice with regards to the purchase/sale of any mentioned financial instrument, nor it is part of such offer or advice.

Re-printing or using this publication or its in whole or part requires prior written consent from KGHM. To acquire that such consent please contact the Communication Department KGHM Polska Miedz SA.

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