

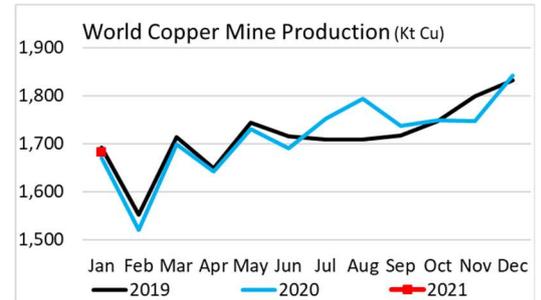


Copper: Preliminary Data for January 2021

The International Copper Study Group (ICSG) released preliminary data for January world copper supply and demand in its April 2021 Copper Bulletin. The Bulletin and ICSG online statistical database provide data, on a country basis, for copper mine, smelter, refined and semis production, copper refined usage, trade, stocks and prices. The bulletin is available for sale (annual subscription €550/€850 for orders originating from/outside institutions based in ICSG member countries).

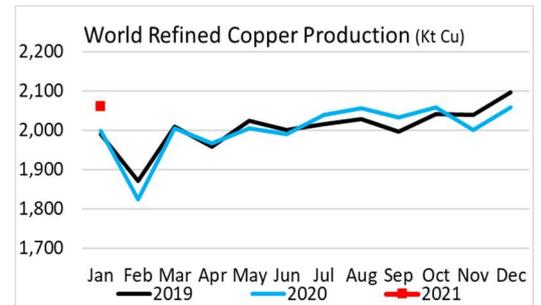
Preliminary data indicates that world copper mine production increased by 4% in January 2021 compared to January 2020, with concentrate production increasing by 5% and solvent extraction-electrowinning (SX-EW) by about 0.5%:

- World mine production started to recover in June 2020 as lockdown measures eased and the copper industry adapted to the stricter health protocols still in place in 2021. Improved production in Indonesia and additional output from new or expanded mines in other countries contributed to growth, more than offsetting stagnant output and a decline in Chile and Peru respectively.
- In Chile, the world's biggest copper mine producing country, total output was essentially unchanged with a 16% decline in SX-EW output offsetting the 5.5% growth in concentrate production.
- Output in Peru, the world's second biggest copper mine producing country, declined by 7.5% in January due to lower output at three major copper producers. However, February data indicates an overall y-o-y growth of 1%.
- Output was substantially higher in Indonesia mainly due to the continued ramp-up of underground production at the Grasberg mine
- Strong increases were also seen in the D.R.Congo, Mongolia, Panama and Russia due to additional output from new or expanded operations.



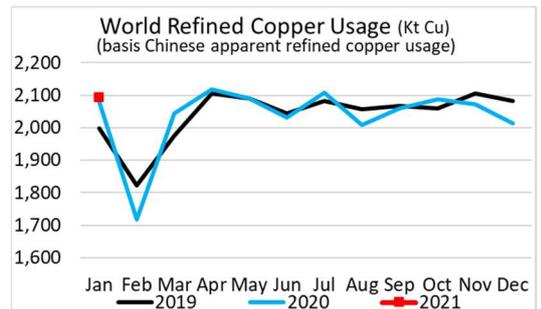
Preliminary data indicates that world refined copper production increased by about 1.7% in January 2021 compared to January 2020 with primary production (electrolytic and electrowinning) up by 2% and secondary production (from scrap) essentially unchanged.

- Preliminary official Chinese refined production data indicates a growth of 2% in January.
- Chilean electrolytic refined output increased by 8.5%. This was mainly due to the fact that in January 2020 production was still ramping up from smelter upgrades to comply with new environmental regulations. After taking into account a 16% decline in electrowinning refined production, total Chilean refined copper production (electrolytic and electrowinning) declined by 7.8%.
- In Africa, refined production was up by 15% in the D.R. Congo due to the continued ramp-up of new or expanded SX-EW plants, and by 40% in Zambia, where output has recovered from smelters' operational issues and temporary shutdowns in 2019 and early 2020.
- Preliminary data indicates small declines for Brazil, India, Spain (SX-EW), Mexico (SX-EW); Sweden and Russia for various reasons including maintenance work, operational issues and the shutdown of SX-EW plants. Japanese production remained flat.
- Globally, secondary refined production seems to have remained essentially unchanged in January 2021.



Preliminary data indicates that world apparent refined copper usage declined by 1.2% in January 2021 compared to January 2020:

- The COVID-19 related global lockdown has had a notable negative impact on the world economy and subsequently on key copper end-use sectors in all regions. Although usage started to recover in the 2nd half of 2020, global demand is still below the pre-pandemic level.
- World ex-China refined copper usage was significantly impacted and is estimated to have declined by about 9% in 2020. Usage in January is estimated to have declined by 5%.
- Chinese apparent usage (excluding changes in bonded/unreported stocks) increased by around 2% in January.



Preliminary world refined copper balance for 2020 indicates an apparent surplus of about 28,000 t:

- In developing its global market balance, ICSG uses an apparent demand calculation for China that does not consider changes in unreported stocks [State Reserve Bureau (SRB), producer, consumer, merchant/trader, bonded]. To facilitate global market analysis, however, an additional line item - Refined World Balance Adjusted for Chinese Bonded Stock Changes - is included in the attached table that adjusts the world refined copper balance based on an average estimate of changes in bonded inventories provided by two consultants with expertise in China's copper market.
- In January 2020, the world refined copper balance, based on Chinese apparent usage (excluding changes in unreported stocks), indicated a surplus of 28,000 t. The world refined copper balance adjusted for changes in Chinese bonded stocks indicated a market deficit of about 32,000 t.

(Copper Prices and Stocks and World Refined Copper Usage and Supply Trends table on next page)

Copper Prices and Stocks:

- Based on the average of estimates provided by two independent consultants, China's bonded stocks are thought to have increased by about 4,000 t in January 2021 compared to the year-end 2020 level.
- As of the end of March 2021, copper stocks held at the major metal exchanges (LME, COMEX, SHFE) totalled 397,643 t, an increase 146,468 t (+58%) from stocks held at the end of December 2020. Stocks were down at COMEX (-7%) and up at the LME (-36%) and SHFE (+151%).
- The average LME cash price for March was US\$ 9,004.98 /t, up 6.4% from the February average of US\$ 8,460.25 /t. The 2021 high and low copper prices through the end of March were US\$ 9,614.50 /t (on 25th Feb) and US\$ 7,755.50 /t (on 2nd Feb), respectively, and the year average was US\$ 8,572.57 /t (39% above the 2020 annual average).

Please visit the ICSG website www.icsg.org for further copper market related information.

World Refined Copper Usage and Supply Trends

Thousand metric tonnes, copper

	2018	2019	2020	2020	2021	2020			2021
				Jan		Oct	Nov	Dec	Jan
World Mine Production	20,579	20,572	20,597	1,682	1,750	1,814	1,802	1,841	1,750
World Mine Capacity	24,063	24,163	24,762	2,082	2,167	2,140	2,079	2,158	2,167
Mine Capacity Utilization (%)	85.5	85.1	83.2	80.8	80.8	84.8	86.7	85.3	80.8
Primary Refined Production	20,040	20,013	20,562	1,721	1,757	1,786	1,755	1,774	1,757
Secondary Refined Production	4,035	4,028	3,876	340	340	332	323	322	340
World Refined Production (Secondary+Primary)	24,075	24,041	24,437	2,061	2,097	2,118	2,078	2,097	2,097
World Refinery Capacity	28,234	29,044	29,945	2,511	2,565	2,556	2,476	2,562	2,565
Refineries Capacity Utilization (%)	85.3	82.8	81.6	82.1	81.8	82.9	83.9	81.8	81.8
World Refined Usage 1/	24,484	24,429	25,030	2,095	2,069	2,268	2,187	2,097	2,069
World Refined Stocks End of Period	1,227	1,229	1,247	1,290	1,192	1,343	1,275	1,247	1,192
Period Stock Change	-148	1	19	61	-56	-8	-67	-28	-56
Refined Balance 2/	-409	-388	-593	-34	28	-150	-109	-1	28
Seasonally Adjusted Refined Balance 3/				-40	23	-149	-63	-51	23
Refined Balance Adjusted for Chinese bonded stock change 4/	-468	-566	-483	36	31	-82	-99	-3	31

Due to the nature of statistical reporting, the published data should be considered as preliminary as some figures are currently based on estimates and could change.

1/ Based on Chinese and EU apparent usage.

2/ Surplus/deficit is calculated using refined production minus refined usage.

3/ Surplus/deficit is calculated using seasonally adjusted refined production minus seasonally adjusted refined usage.

4/ For details of this adjustment see the paragraph of the press release on "World refined copper balance".