BLUGLANCE™

14-Aug-26

# GLOBAL COPPER MARKET PULSE

**Global Copper Market:**

A product of Bluglance Consulting

Prices, Spreads, Premiums & Strategies

**Daily Report**

www.bluglance.com

# Market Vibes: Current Environment

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## Copper in Local Currencies

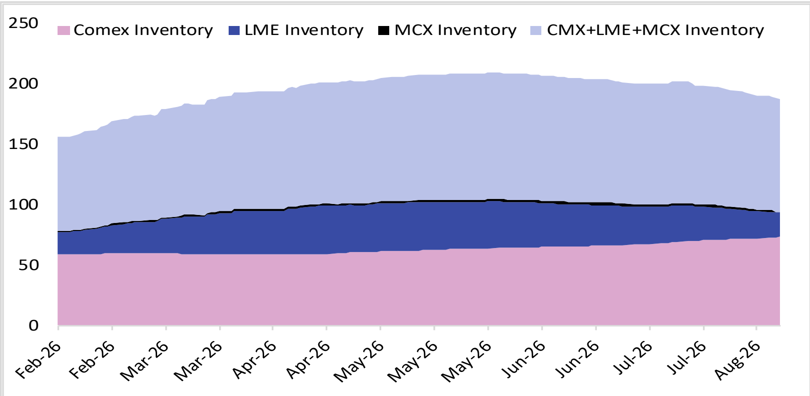
| | 13-Aug | 12-Aug | % Change | YTD % Chg. |
|---|---|---|---|---|
| LME 3M | 14149 | 14132 | 0.12 | 13.89 |
| CME | 6.6080 | 6.6155 | -0.11 | 15.16 |
| MCX | 1375.9 | 1375.2 | 0.05 | 7.36 |
| SHFE | 107820 | 108170 | -0.32 | 9.84 |

## Copper in US$ (Without Duty in MT)

| | 13-Aug | 12-Aug | % Change | YTD % Chg |
|---|---|---|---|---|
| LME 3M | 14149 | 14132 | 0.12 | 13.89 |
| CME | 14568 | 14585 | -0.11 | 15.16 |
| MCX | 14415 | 14425 | -0.07 | 1.10 |
| SHFE | 15985 | 16035 | -0.31 | 13.83 |

*Note: Prices Regional Exchange Closing Time*

## Comex vs LME Global Inventory ('000 MT)




## Exchange Inventory

| Exchange Inventory (MT) | | | | |
|---|---|---|---|---|
| LME | 13-Aug | 12-Aug | Change | YTD Chg. |
| | 207725 | 212125 | -4400 | 60300 |
| CME | 13-Aug | 12-Aug | Change | YTD Chg. |
| | 733653 | 731232 | 2421 | 242931 |
| MCX | 12-Aug | 11-Aug | Change | YTD Chg. |
| | 13992 | 14597 | -605 | 11317 |
| SHFE | 07-Aug | 31-Jul | Change | YTD Chg. |
| | 70116 | 69334 | 782 | -75226 |
| Total | 1025486 | 1027288 | -1802 | 239322 |

## Copper Arbitrage Windows

| Arbitrage Windows | | |
|---|---|---|
| | Price | Import |
| Changjing Price | 108350 | 108350 |
| LME Spot | 14394.14 | |
| USDCNY | 6.7449 | 97087 |
| Import Cost (13%) | 14563.06 | 111650 |
| **Arbitrage Ratio (LME vs SHFE)** | | **0.9704** |

*If the Arbitrage Ratio >1, imports are Profitable and the arbitrage window is open*
*If the Arbitrage Ratio < 1, imports are profitable and the arbitrage window is closed*

**Copper Market Report: Tight Fundamentals Continue to Support Prices**

**Immediate Activity:** Copper prices remained resilient despite mixed performance across major exchanges. LME copper closed marginally higher at $14,135/t, while SHFE copper edged lower as market participants reduced long positions ahead of contract delivery. Softer-than-expected U.S. producer inflation data eased expectations of further Federal Reserve rate hikes, while ongoing geopolitical tensions in the Middle East continued to lend support to commodity prices.

In the physical market, downstream consumers remained cautious. Chinese fabricators and end-users largely adopted a wait-and-see approach as futures spreads widened sharply nearing delivery. Spot premiums weakened across Shanghai and Guangdong despite declining inventories, reflecting resistance from consumers at elevated price levels. Purchasing activity remained largely driven by immediate requirements rather than aggressive restocking.

**Larger Picture:** The copper market continues to exhibit strong underlying tightness despite signs of adequate refined metal availability. Chinese inventories across major regions declined by 2,500 tonnes week-on-week to 116,700 tonnes, remaining nearly 9,000 tonnes below year-ago levels. Shanghai inventories have continued to trend lower as downstream demand remains relatively healthy.

More importantly, the concentrate market remains exceptionally tight. Treatment and refining charges (TCRC) continue to remain at historically depressed or negative levels, highlighting ongoing shortages of raw material supply. This suggests that while refined copper availability remains manageable today, upstream supply constraints continue to persist.

Global inventory distribution also remains distorted. Large quantities of copper, estimated at around 700,000 tonnes, continue to be concentrated within the U.S. system amid tariff-related trade flows. As a result, copper availability outside the U.S. remains tighter than headline inventory figures suggest. This is reflected in the LME cash-to-three-month backwardation, which remains near $250/t, one of the strongest structures observed since the historic 2021 copper squeeze.

Unlike 2021, when LME inventories fell below 20,000 tonnes and drove backwardation above $1,050/t, today's market is being supported by regional inventory imbalances, strong ex-U.S. demand, declining Chinese stocks, and constrained concentrate supply. The fact that copper is maintaining a backwardation of around $250/t despite LME inventories remaining above 200,000 tonnes highlights the strength of underlying physical demand and tightening liquidity across the global supply chain.

**Forward Guidance:** Copper fundamentals remain constructive. While elevated prices may continue to limit discretionary buying in the physical market, inventory trends, declining Chinese stocks, negative TCRC levels, and persistent demand outside the U.S. continue to support the broader bullish narrative. The current backwardation structure indicates that consumers remain willing to pay a significant premium for immediate metal availability.

From a price perspective, $13,900-$14,000/t appears to be a strong support zone, while resistance is likely to emerge near $14,300/t, followed by $14,450-$14,500/t. For the remainder of August, copper is expected to trade broadly within a $13,900-$14,450/t range, with a modest upward bias.

As long as inventories continue to trend lower and concentrate markets remain tight, any corrective moves are likely to attract buying interest. A decisive break above $14,300/t could open the path towards a retest of $14,500/t, while a sustained move below $13,900/t would likely require a meaningful deterioration in demand or a significant improvement in supply conditions, neither of which appears likely at present.

Source: Bloomberg, Bluglance

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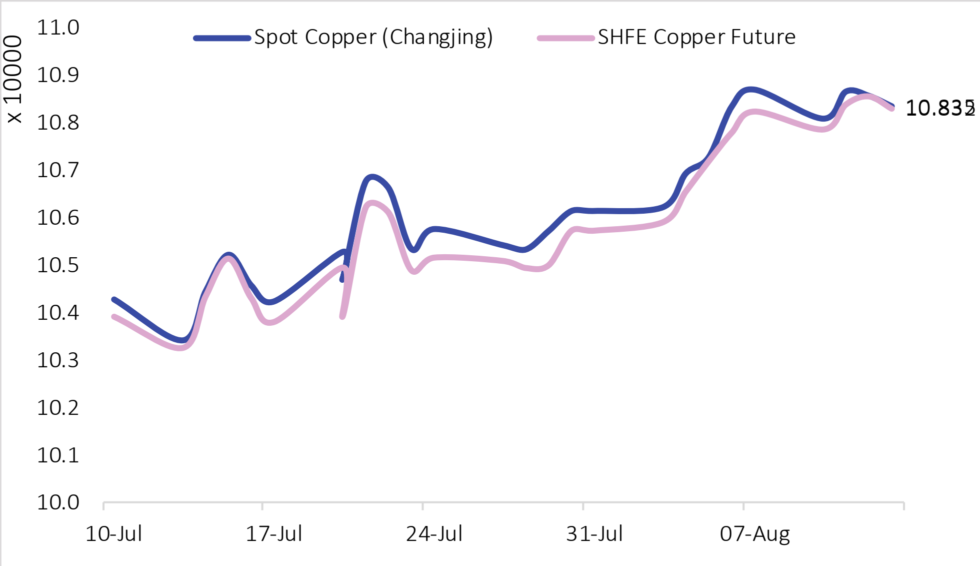
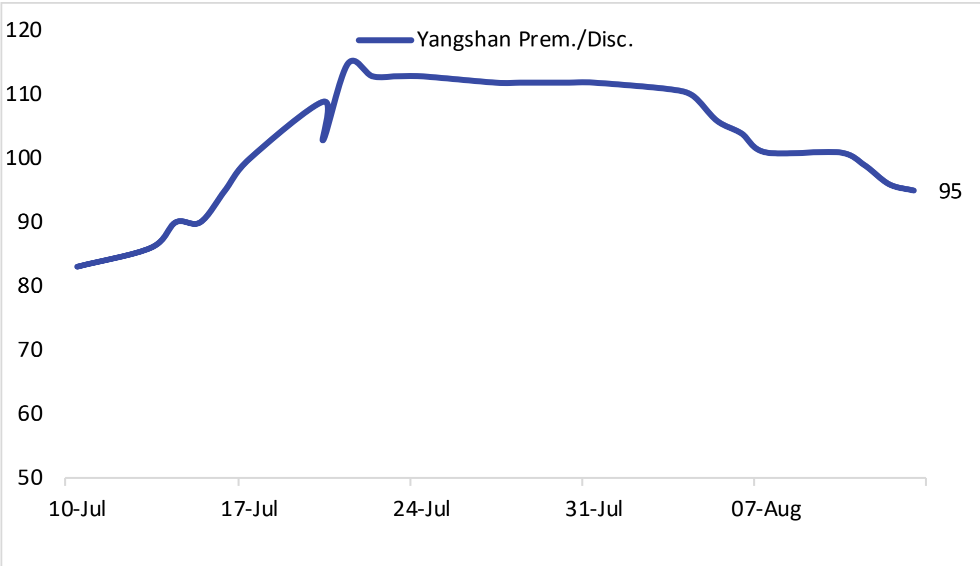
The Chinese spot demand has been higher in recent days, and action is also visible on the SHFE prices. However, the C1 and C2 data set Copper at SHFE holds a Contango of about 730 Yuan/MT amid higher stocks

## China Spot Copper Changjiang vs SHFE Copper Fut.



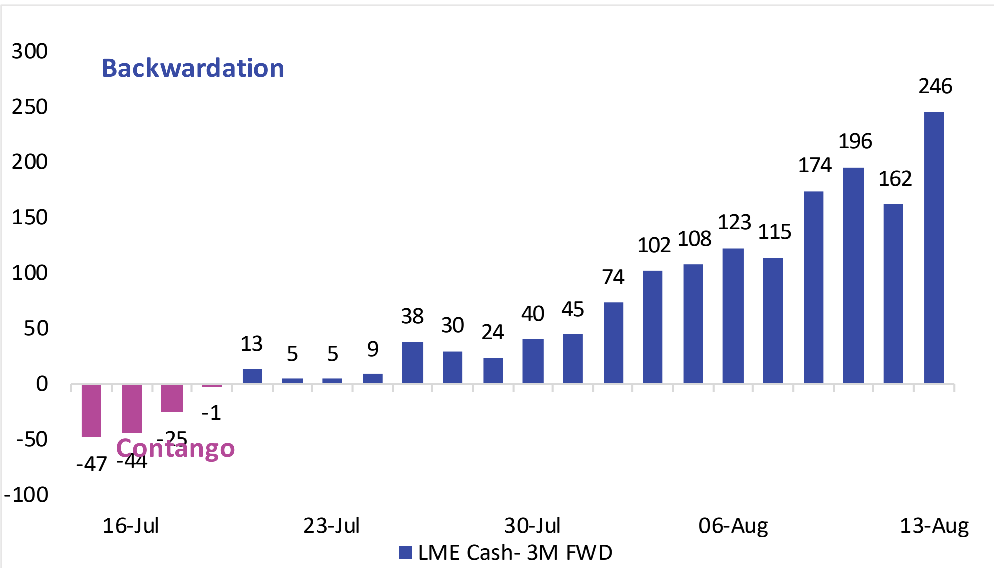

The premium is holding strong above $95/MT, adding a lot more conviction that copper demand in China is very robust, especially the (ore and concentrate + refined Cu)

## Yangshan Copper Prem. / Disc. vs Spot LME Copper




The contango has reduced considerably to $246/MT, and is likely to remain tight if good demand continues to come from China. Amid the higher inventory, the C structure is still supportive, else we would have been seeing copper in backwardation by now

## LME Cash - 3M FWD Spread

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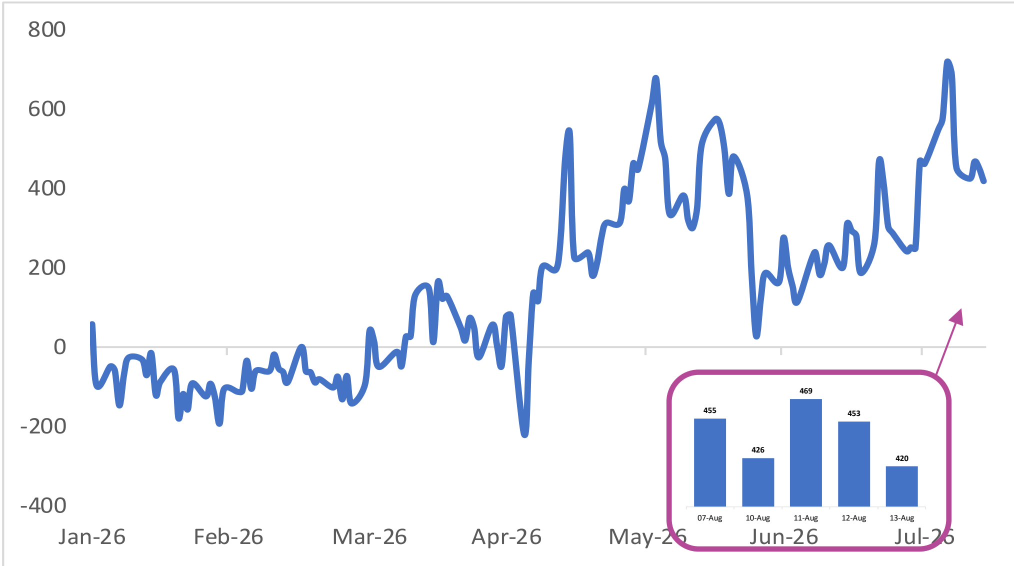
The Spread The CME-LME 3M spread has surged to +$420/MT, the highest in the current series. The sharp reversal from negative territory around early May reflects tightening US domestic fundamentals, with COMEX copper now trading at a significant premium to LME, driven by regional demand strength and supply side constraints expected to contract further

CME Calendar Spread is in negative/contango no major change in the spread unless stocks gets release

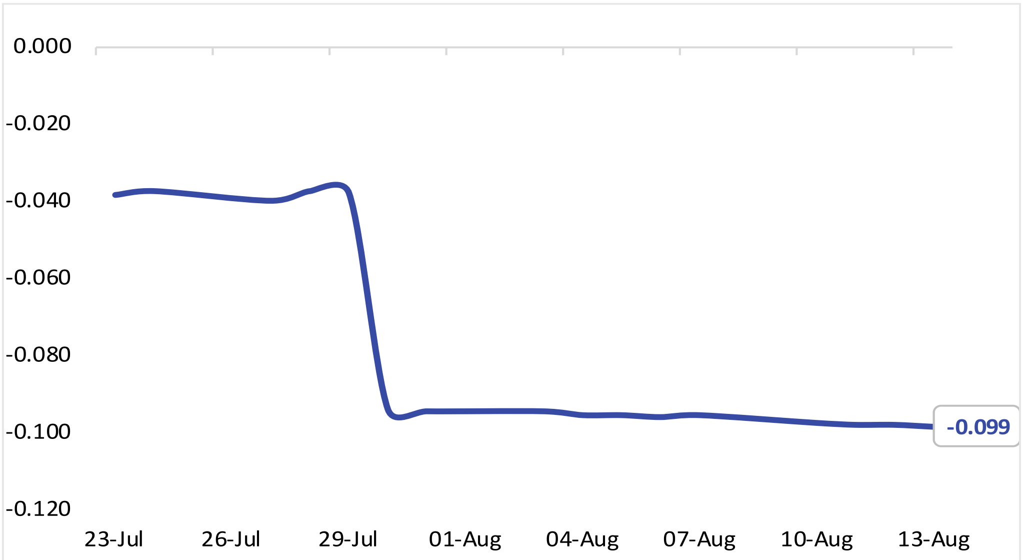
MCX spread is around ₹9 (~14% annualized carry). Despite a drawdown of over 2,000 MT from exchange warehouses, likely driven by domestic consumption, post March delivery outflows remain limited.

Meanwhile, LME–MCX spread dynamics suggest potential fresh stock inflows, as earlier booked import cargoes are expected to arrive and be tendered this month. Going forward, copper spreads will hinge on the balance between warehouse withdrawals and incoming inventories

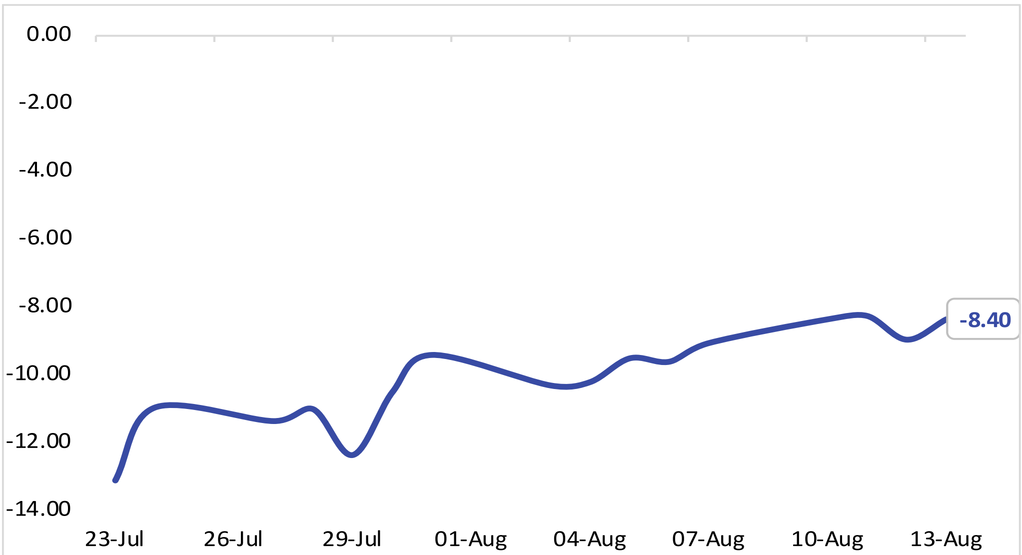
## CME Near Month LME 3M Spread (US$/MT)




## CME Near-Next Spread (US$/lb)



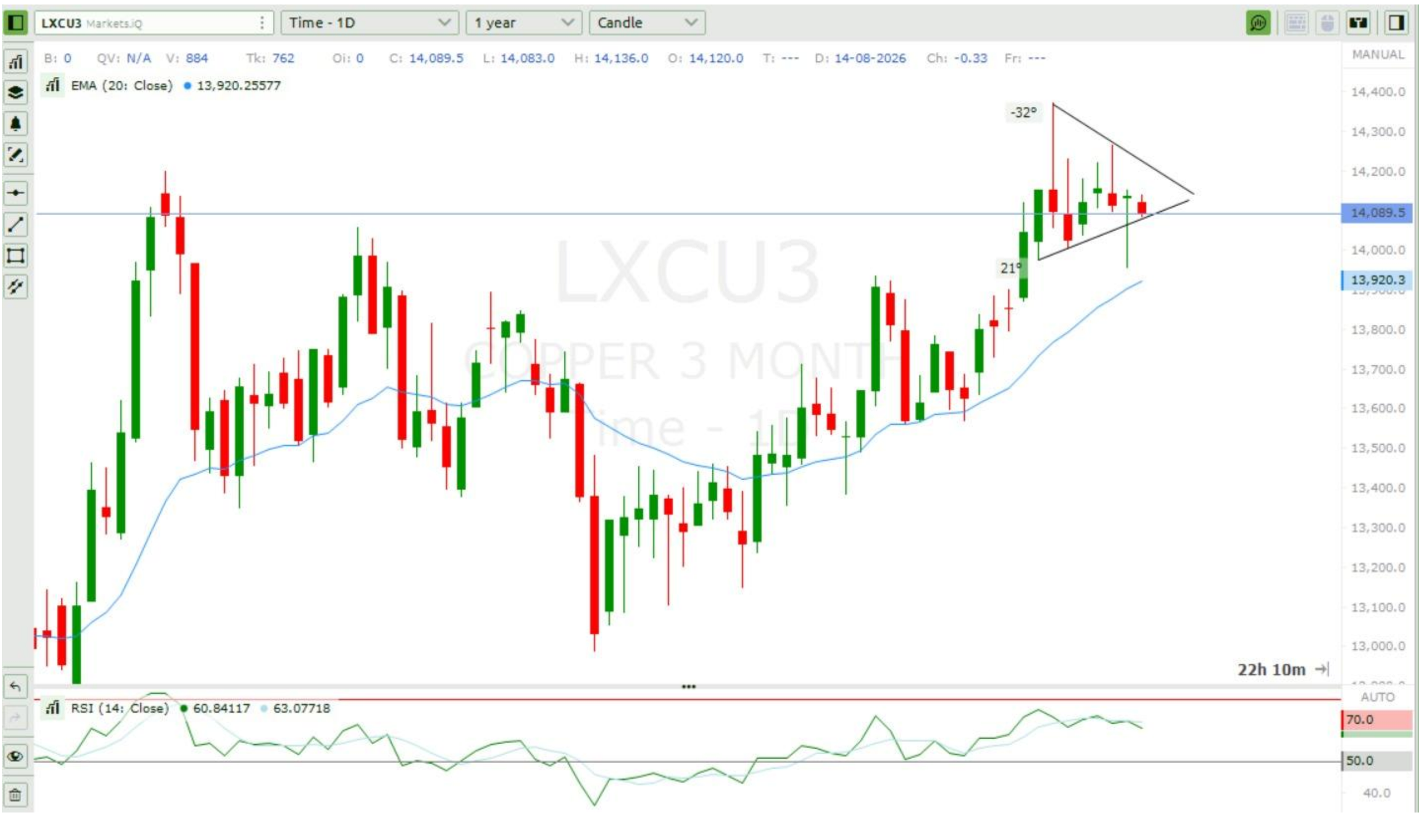

## MCX Near - Next Spread (Rs./Kg.)




Source: Bloomberg, Bluglance

# Trade Logic: Technical & COTR

## Technical Analysis

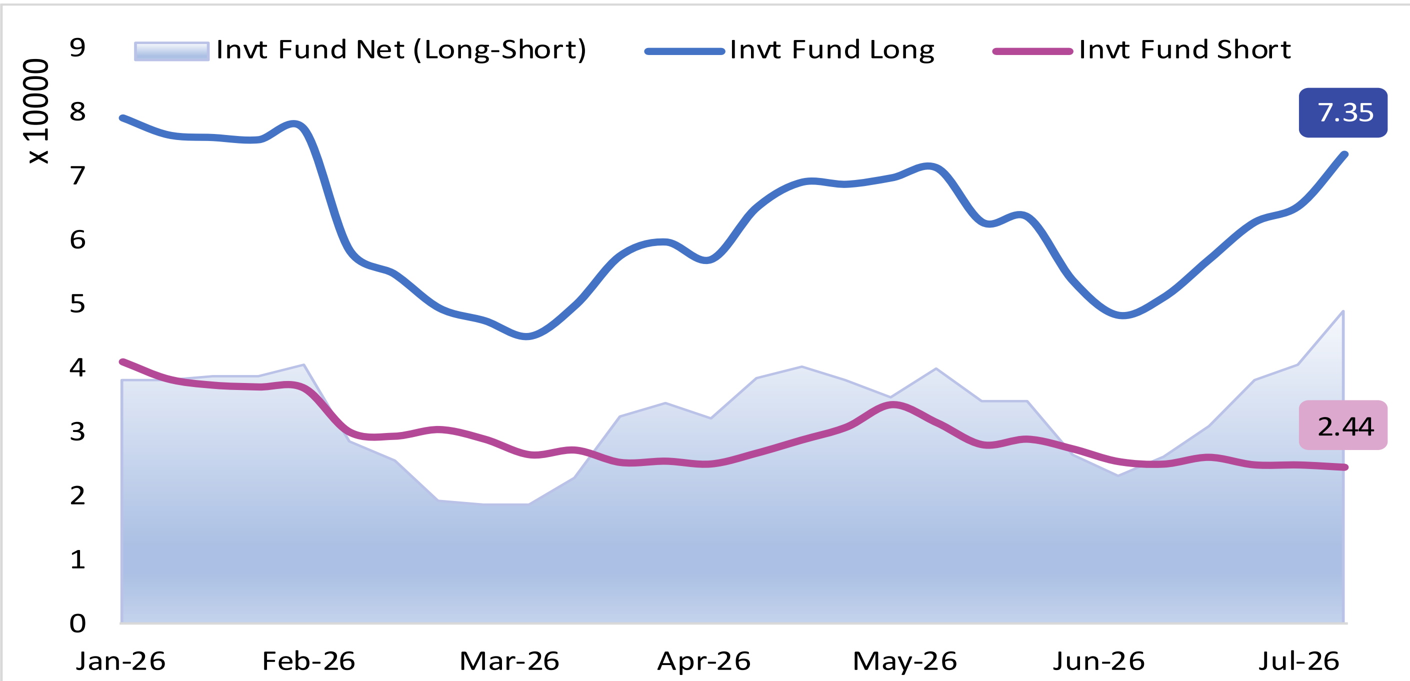



## Pivot Levels

| | Open | High | Low | Close | Pivot | Supt.2 | Supt.1 | Resi.1 | Resi.2 |
|---|---|---|---|---|---|---|---|---|---|
| LME 3M FWD Copper | 14127 | 14152 | 13956 | 14149 | 14085 | 13889 | 14019 | 14215 | 14281 |

## LME Commitment of Traders Report (COTR)

### Investment Funds COTR




Source: Bloomberg, Bluglance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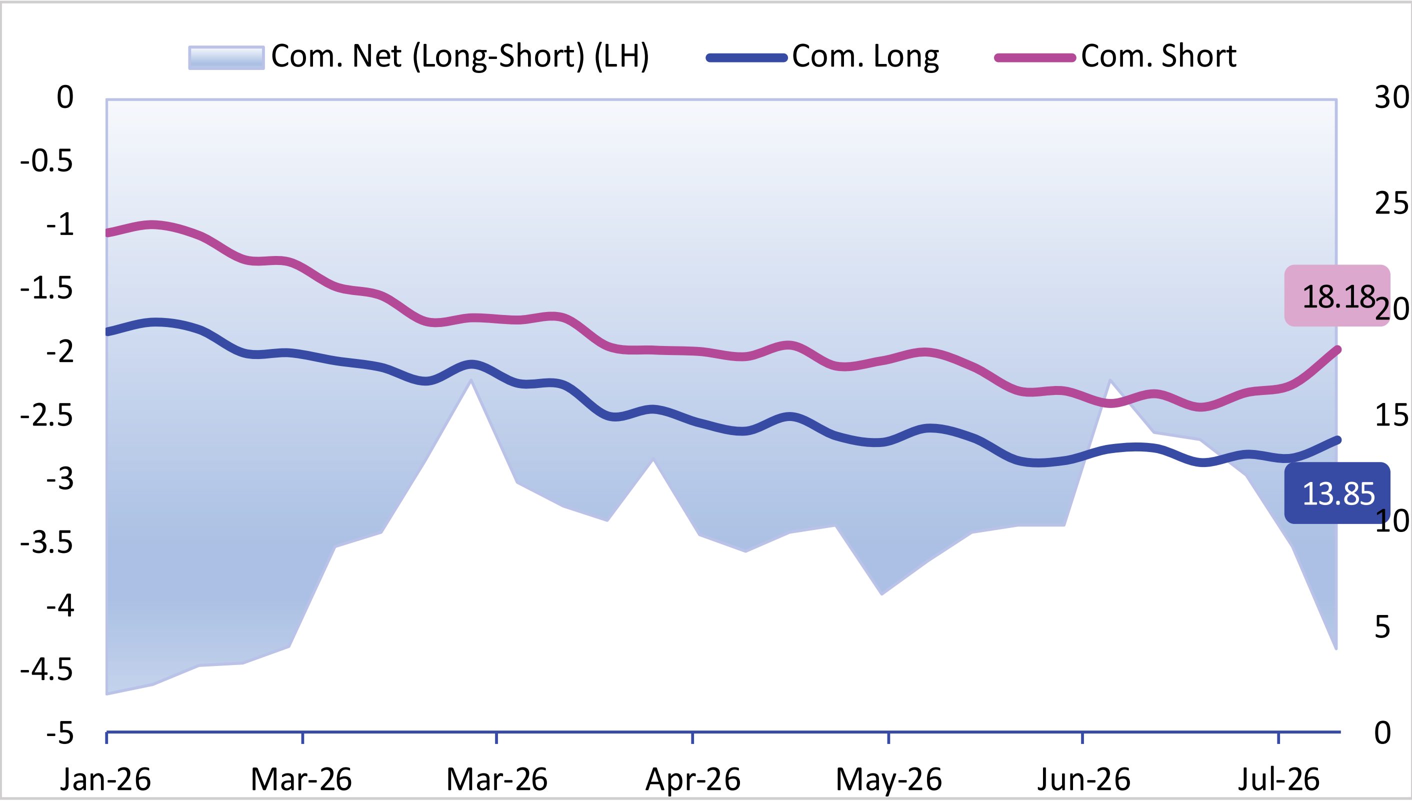
## Commercial Undertaking COTR




| Economic Events | | | | | | |
|---|---|---|---|---|---|---|
| **Time** | **Country** | **Relevance** | **Event** | **Period** | **Survey** | **Prior** |
| 12:00 | India | | Output PPI YoY | Jul | -- | 9.57% |
| 12:00 | India | | Wholesale Prices YoY | Jul | 10.00% | 9.87% |
| 14:30 | EC | | GDP SA YoY | 2Q S | 1.00% | 1.00% |
| 14:30 | EC | | Trade Balance SA | Jun | -- | -5.0b |
| 18:00 | US | | Retail Sales Advance MoM | Jul | 0.10% | 0.20% |
| 19:30 | US | | U. of Mich. Sentiment | Aug P | 54.6 | 55.2 |
| | India | | Trade Balance | Jul | -$30600m | -$30428m |



Source: Bloomberg, Bluglance

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