



16-Oct-26

GLOBAL COPPER MARKET PULSE

Global Copper Market:

A product of Bluglance Consulting
Prices, Spreads, Premiums & Strategies

Daily Report

www.bluglance.com



Copper in Local Currencies

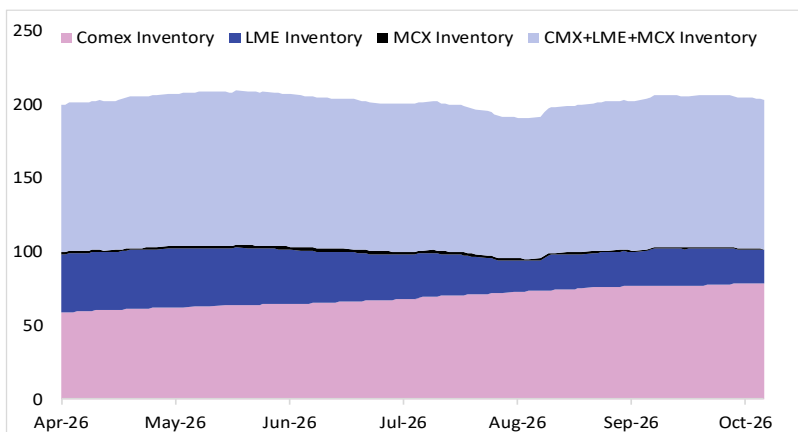
	15-Oct	14-Oct	% Change	YTD % Chg.
LME 3M	14347	14436	-0.62	15.49
CME	6.5465	6.6150	-1.04	14.09
MCX	1398.8	1404.0	-0.37	9.15
SHFE	108280	111010	-2.46	10.65

Copper in US\$ (Without Duty in MT)

	15-Oct	14-Oct	% Change	YTD % Chg
LME 3M	14347	14436	-0.62	15.49
CME	14433	14584	-1.04	14.09
MCX	14716	14755	-0.26	3.22
SHFE	16184	16588	-2.43	15.60

Note: Prices Regional Exchange Closing Time

Comex vs LME Global Inventory ('000 MT)



Exchange Inventory

Exchange Inventory (MT)					
LME	15-Oct	14-Oct	Change	MTD Chg.	YTD Chg.
	226600	228000	-1400	-22800	79175
CME	15-Oct	14-Oct	Change	MTD Chg.	YTD Chg.
	790098	788272	1826	14277	299376
MCX	14-Oct	13-Oct	Change	MTD Chg.	YTD Chg.
	5676	5869	-193	-3556	3001
SHFE	09-Oct	02-Oct	Change	MTD Chg.	YTD Chg.
	58744	38744	20000	20000	-86598
Total	1081118	1060885	20233	7921	294954

Copper Arbitrage Windows

Arbitrage Windows		
	Price	Import
Changjing Price	110535	110535
LME Spot	14383.10	
USDCNY	6.6904	96229
Import Cost (13%)	14434.30	110663
Arbitrage Ratio (LME vs SHFE)		0.9988

If the Arbitrage Ratio >1, imports are Profitable and the arbitrage window is open
If the Arbitrage Ratio < 1, imports are not profitable and the arbitrage window is closed

Resilient Prices Amid Macro Headwinds and Regional Inventory Divergence

Global Market and Macro:

LME copper closed at \$14,309/MT, down 0.88%, while SHFE November copper settled at RMB 108,970/MT, down 0.71%. Stronger US inflation and retail sales data, alongside hawkish Fed commentary, weighed on prices. Meanwhile, an agreement at Chile's Escondida mine removed the immediate risk of a strike, easing near-term supply concerns.

China Market and Fundamentals:

Chinese demand remains subdued, with downstream buyers largely purchasing for immediate requirements. Spot premiums have strengthened around the contract rollover, supported by limited availability of competitively priced material. However, overall trading activity remains weak, limiting the scope for a sustained rally without improved physical demand.

Inventory and Spread Dynamics:

Regional inventories are diverging. Since the beginning of October, LME stocks have declined by more than 20,000 MT, while COMEX inventories have increased by approximately 14,000 MT. Chinese inventories have remained relatively steady overall, whereas MCX stocks have fallen below 6,000 MT.

Continued COMEX stock accumulation, alongside plans for additional approved copper warehouses, highlights the growing importance of US inventory positioning. In India, falling MCX stocks reflect domestic consumption and potential export movements amid regional price-parity mismatches.

LME cancelled warrants have moderated over the past six to seven working days, potentially indicating slower inventory outflows. With the MCX October contract expiring on October 21 and trading in contango to cash, exchange stocks may stabilise or rebuild around expiry. The October–November MCX spread remains elevated at approximately ₹8.99/kg, despite falling inventories, while subsequent-month spreads are lower. This offers relatively attractive contango carry for short hedgers, although the advantage is gradually narrowing.

Technical Outlook and Forward Guidance:

LME copper rebounded from \$14,258/MT to around \$14,448/MT, finding support near a key trendline. Holding \$14,258 as the weekly low, followed by a firm Friday close, would strengthen the near-term outlook.

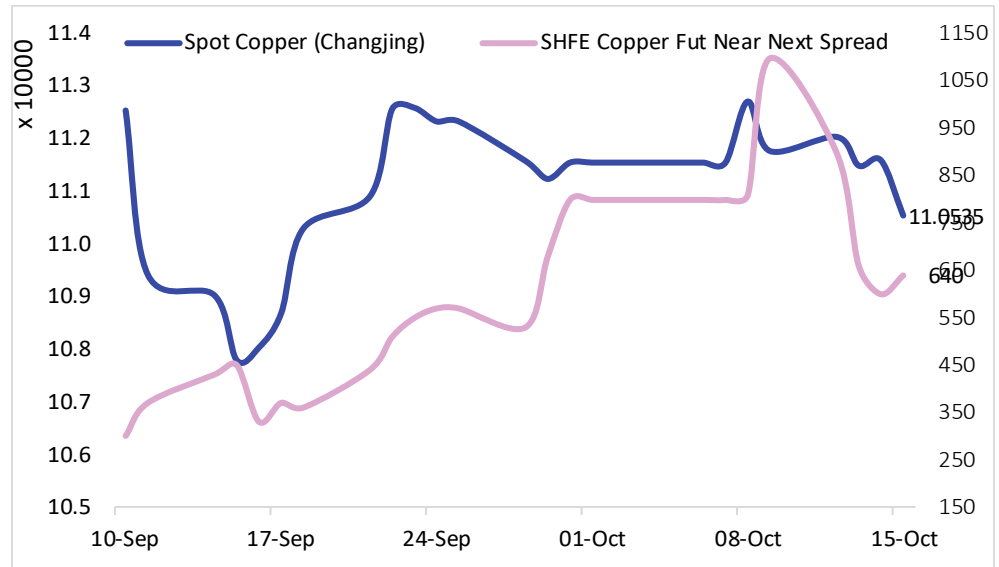
Copper may consolidate within \$14,350–\$14,650/MT. A sustained breakout could open the way towards \$14,750 and \$14,875, while a break below \$14,258 would weaken the positive setup.

Market Strategy: Maintain a cautiously bullish bias while support holds. Staggered buying on dips may be considered, but renewed Chinese demand is essential for a sustained breakout. Short hedgers should monitor MCX spreads closely as October expiry approaches.

Source: Bluglance

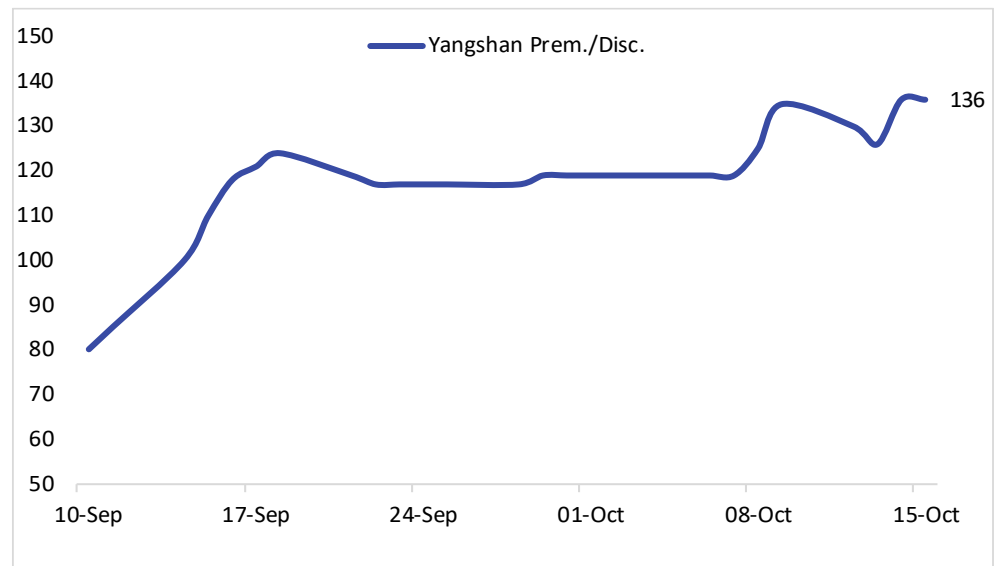
China Spot Copper Changjiang vs SHFE Copper Calendar Spread (CNY/MT)

Shanghai spot copper continues to trade at a premium over SHFE futures, with the near month spread strengthening sharply to around 690 CNY/MT. This reflects resilient physical demand and increasingly firm nearby market conditions in China.



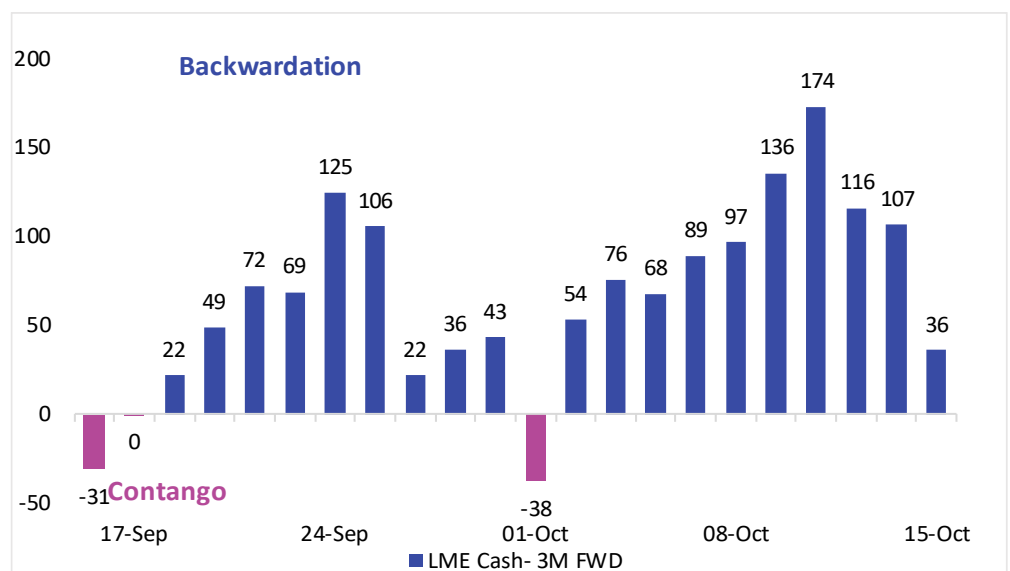
Yangshan Copper Prem. / Disc. vs Spot LME Copper

The Yangshan copper premium remains elevated at around \$136/MT, indicating sustained demand for imported copper. Despite the recent moderation from its peak, the premium continues to signal firm physical buying interest in China.



LME Cash - 3M FWD Spread

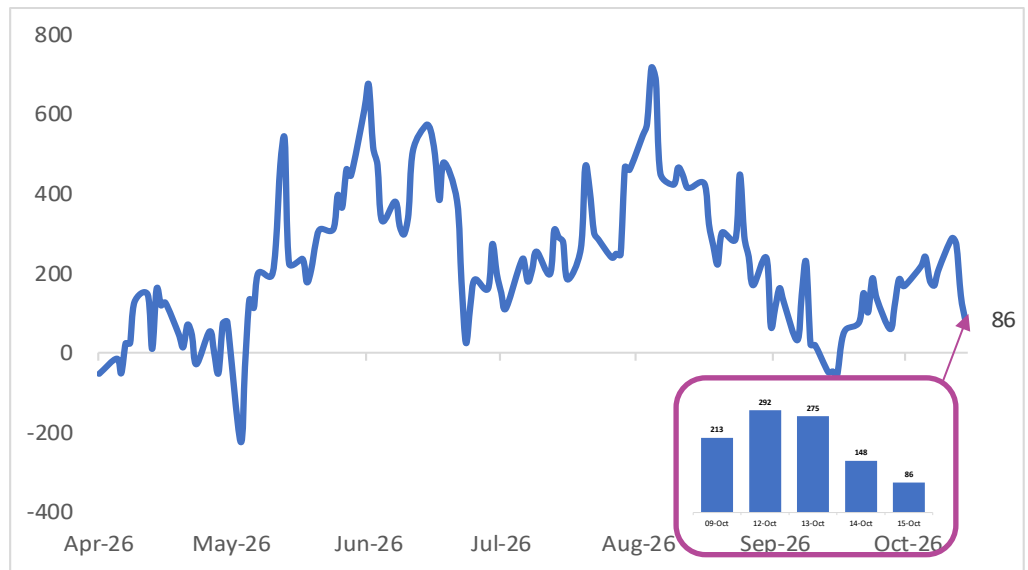
The LME Cash-3M spread has shifted from contango into \$36/MT backwardation, indicating a significant tightening in prompt market conditions. The move suggests renewed nearby supply tightness and stronger support from the physical market.



Source: Bluglance

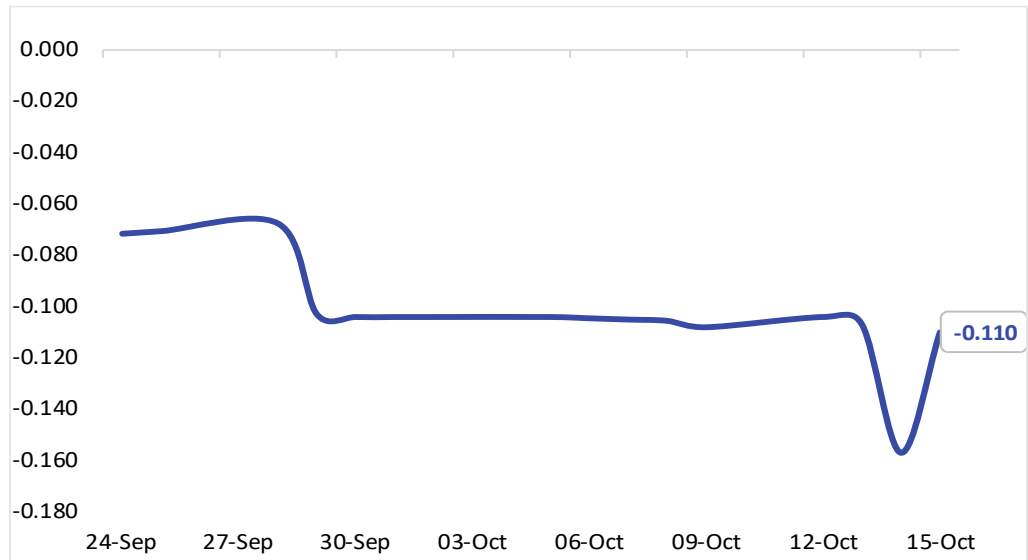
CME Near Month LME 3M Spread (US\$/MT)

The CME–LME copper spread has rebounded sharply from discount territory and moved back into a premium, currently standing at around \$86/MT. This marks a clear reversal from the earlier U.S. tariff driven price dislocation, with the recent widening indicating renewed divergence between CME and LME pricing. Further movements are likely to depend on exchange inventory flows and changes in regional supply demand conditions.



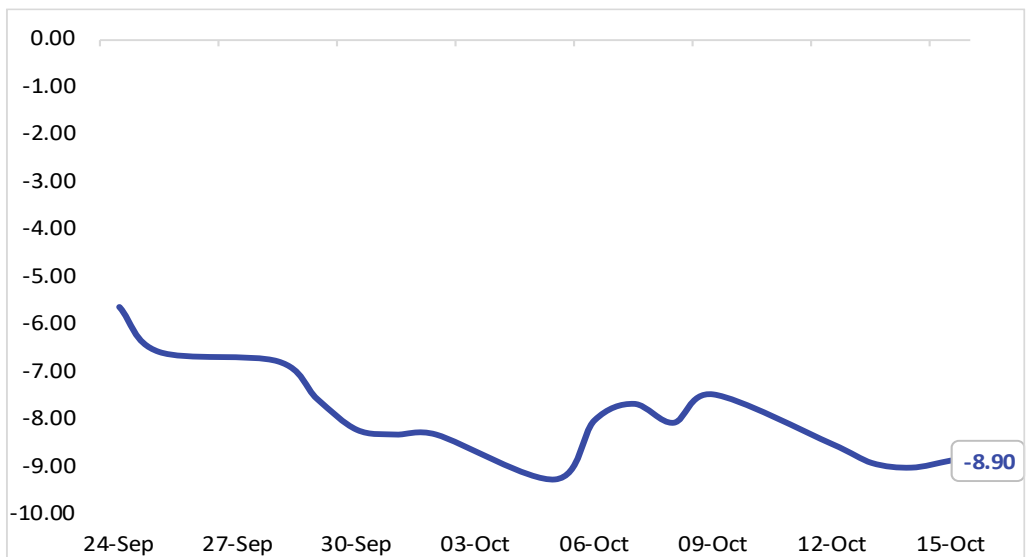
CME Near-Next Spread (US\$/lb)

CME Calendar Spread is in the negative, but no major change yet however, believe as we now have to observe the inflow/outflow trend of copper stock at the exchange, the spread between near and next may get distorted is in negative.



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

The MCX calendar spread has widened sharply into contango, with the near to next spread reaching approximately -₹9/kg. This suggests increased carrying pressure in the nearby structure; however, declining MCX inventories and potential distortions in MCX– LME parity warrant close monitoring.



Source: Bluglance

Technical Analysis

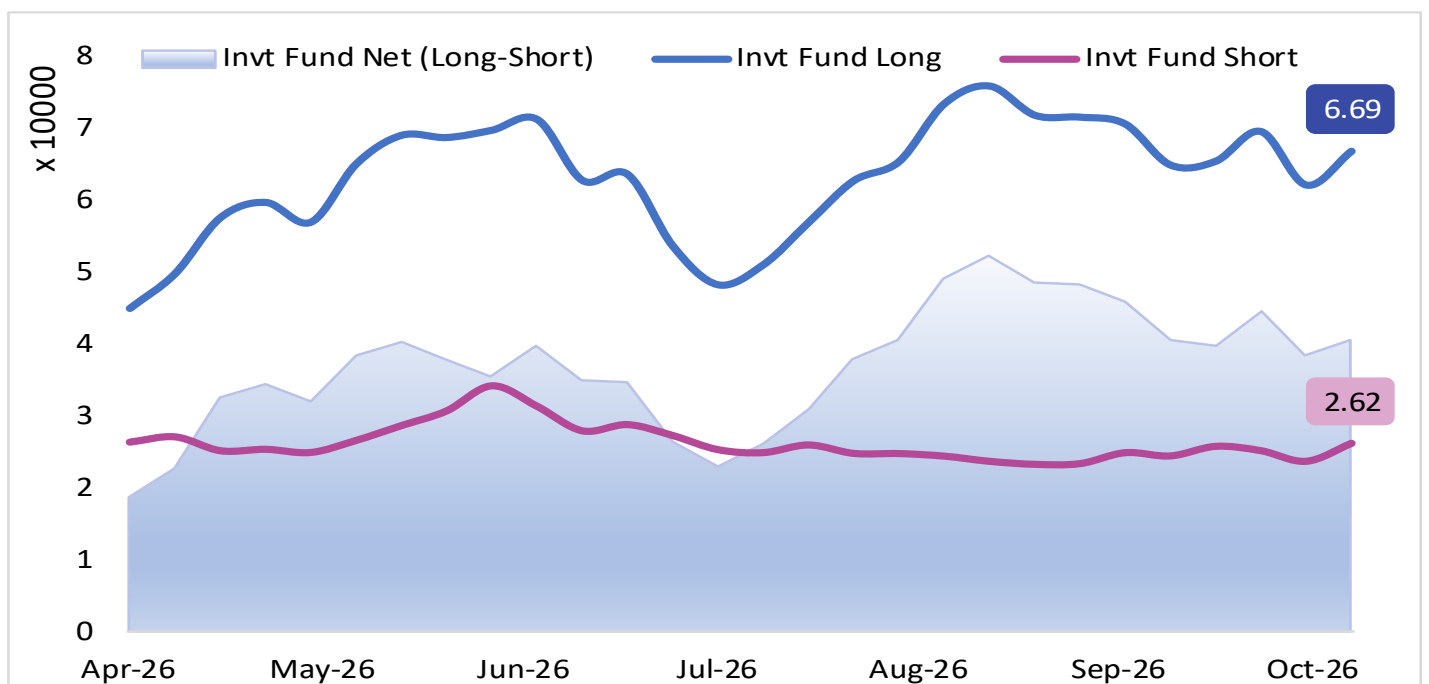


Pivot Levels

	Open	High	Low	Close	Pivot	Supt.2	Supt.1	Resi.1	Resi.2
LME 3M FWD Copper	14413	14476	14256	14309	14347	14367	14295	14399	14431

LME Commitment of Traders Report (COTR)

Investment Funds COTR



Source: Bluglance



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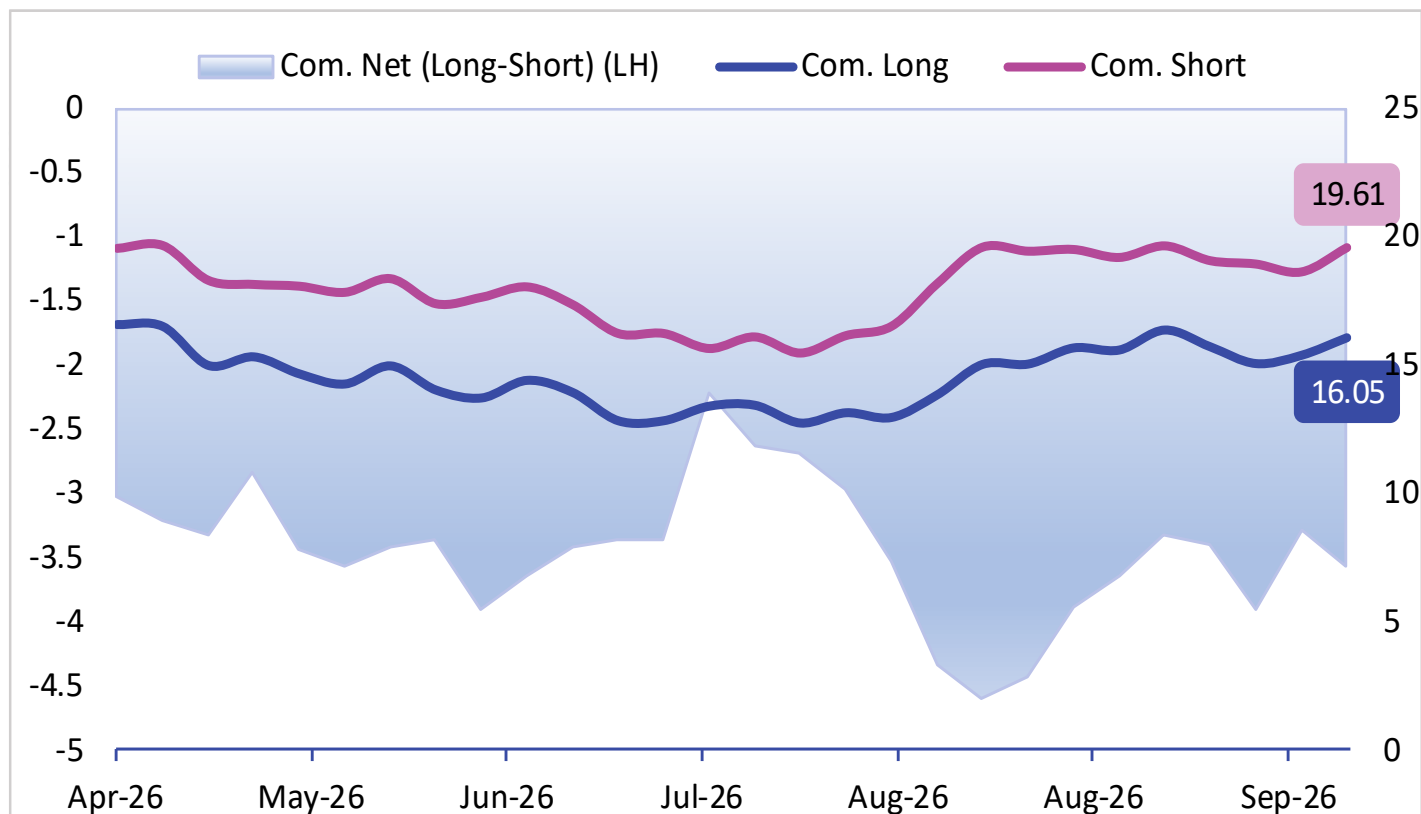


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Commercial Undertaking COTR



Economic Events

Time	Country	Relevance	Event	Period	Survey	Prior
14:30	EC		Trade Balance SA	Aug	--	5.0b
14:30	EC		CPI YoY	Sep F	3.80%	3.80%
18:45	US		Industrial Production MoM	Sep	0.40%	0.00%
18:45	US		Capacity Utilization	Sep	76.50%	76.30%