BLUGLANCE™

2-Mar-26

GLOBAL COPPER MARKET PULSE

Global Copper Market:

A product of Bluglance Consulting

Prices, Spreads, Premiums & Strategies

Daily Report

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Market Vibes: Current Environment

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Copper in Local Currencies

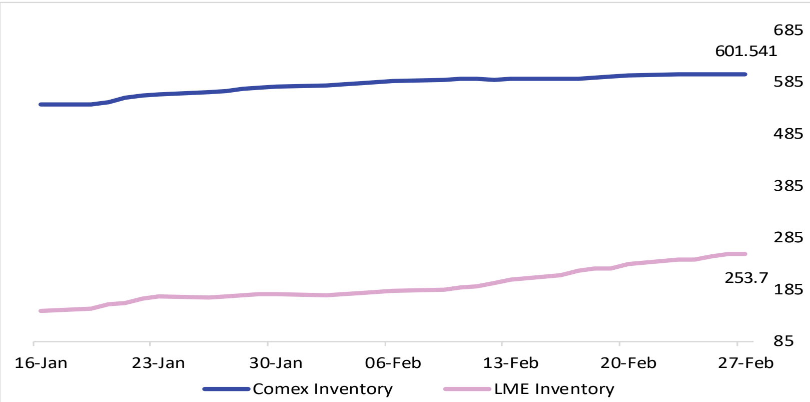
	27-Feb	26-Feb	% Change	YTD % Chg.
LME 3M	13344	13305	0.29	7.41
CME	6.0045	5.9470	0.97	4.64
MCX	1222.4	1207.3	1.25	-7.51
SHFE	102820	102700	0.12	3.98

Copper in US$ (Without Duty in MT)

	27-Feb	26-Feb	% Change	YTD % Chg
LME 3M	13344	13305	0.29	7.41
CME	13238	13111	0.97	4.64
MCX	13436	13279	1.18	-8.63
SHFE	14984	15003	-0.13	5.92

Note: Prices Regional Exchange Closing Time

Comex vs LME Global Inventory ('000)



Exchange Inventory

Exchange Inventory (MT)				
LME	27-Feb	26-Feb	Change	YTD Chg.
	253700	253600	100	106275
CME	27-Feb	26-Feb	Change	YTD Chg.
	601541	601048	493	110819
MCX	26-Feb	25-Feb	Change	YTD Chg.
	13363.2	12868.6	495	10688
SHFE	27-Feb	13-Feb	Change	YTD Chg.
	391529	272475	119054	246187

Copper Arbitrage Windows

Arbitrage Windows		
	Price	Import
Changjing Price	102270	102270
LME Spot	13294.03	
USDCNY	6.8621	91225
Import Cost (13%)	13683.74	104909
Arbitrage Ratio (LME vs SHFE)		**0.9748**

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

Macro & Geopolitical Backdrop:
Copper began the week on a relatively steady note despite negative sentiment across Asian equity markets following escalating geopolitical tensions over the weekend. Crude oil prices have moved higher toward the $75 per barrel mark, reflecting increased risk perception globally. However, the base metals complex, particularly copper, has remained comparatively stable in early trade, suggesting that the market is not yet aggressively pricing in geopolitical risk. That said, volatility is likely to persist as the week progresses and markets continue to react to macroeconomic and political developments.

LME Copper Price Action & Technical Structure:
On the price front, LME three-month copper recorded an early intraday high of $13,410 per metric ton and is currently trading around $13,300, broadly unchanged from Friday's close. Technically, the structure remains positive as long as prices hold above the $13,100 per metric ton level. This threshold is critical in maintaining the constructive bias. For the week, we expect copper to trade within a band of $13,000 to $13,500. The $13,000–$13,100 zone should act as a key support area where physical buyers and traders may consider price fixation opportunities. On the upside, we do not foresee a strong breakout above $13,500 unless triggered by a significant macro or geopolitical development. A decisive break below $13,000 would warrant a reassessment of the outlook.

Fundamental Drivers Inventory & Spreads:
Fundamentally, copper continues to face the overhang of elevated inventories, with total exchange stocks remaining above 1 million metric tons. This accumulation is one of the primary reasons prices have not moved substantially higher despite steady reopening momentum in the Chinese market. On the LME, the cash-to-three-month spread remains at a premium of approximately $80 to $90, indicating some near-term firmness but not signaling acute supply tightness. In contrast, CME copper continues to reflect a steady contango structure that has persisted for the last six to seven months, consistent with the ongoing build-up in inventories.

Domestic Market MCX Outlook:
On the domestic front, the February MCX contract has expired and March is now the front-month contract. Attention will shift toward MCX inventory trends and the behavior of the March–April and April–May spreads, which will offer clearer signals about domestic tightness or surplus conditions. As of last Friday, MCX copper was trading at a discount to LME prices. Going forward, MCX is likely to remain volatile, influenced by both international price movements and exchange stock changes.

Weekly Strategy:
Overall, copper remains resilient but not immune to broader macro risks. The technical structure supports stability above $13,100, yet elevated inventories continue to cap significant upside. Unless geopolitical tensions escalate dramatically, the most probable scenario for the week is range-bound trading between $13,000 and $13,500, accompanied by heightened volatility

Source: Bloomberg, Bluglance

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The Basis Brief: Premia/Discount

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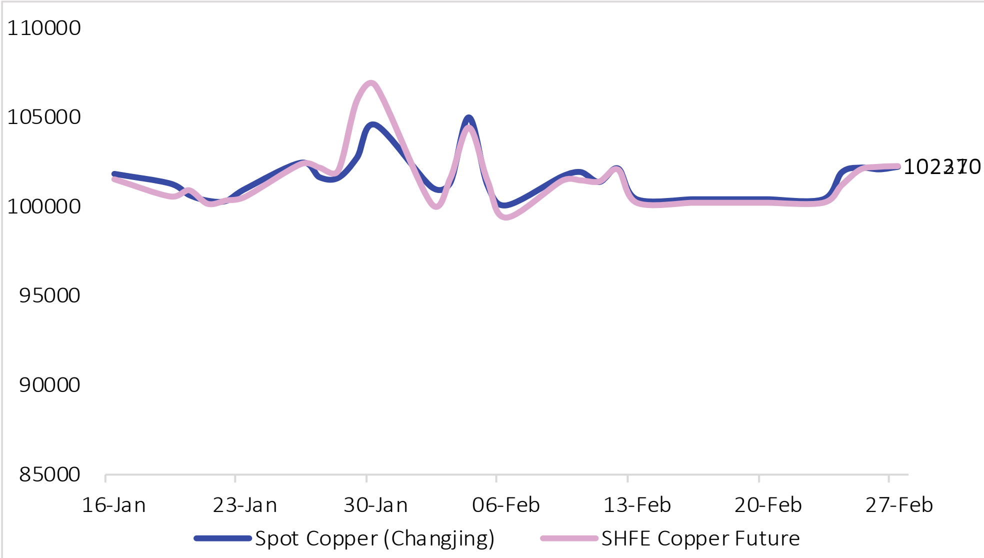
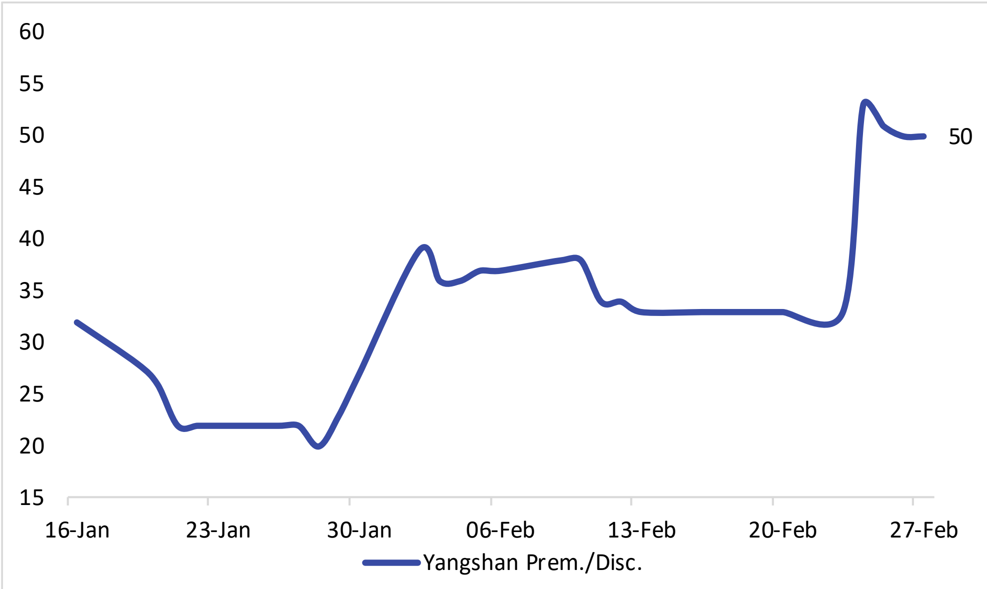
China Spot Copper Changjiang vs SHFE Copper Fut.

After the Chinese markets opened, both spot and SHFE futures opened slightly higher.



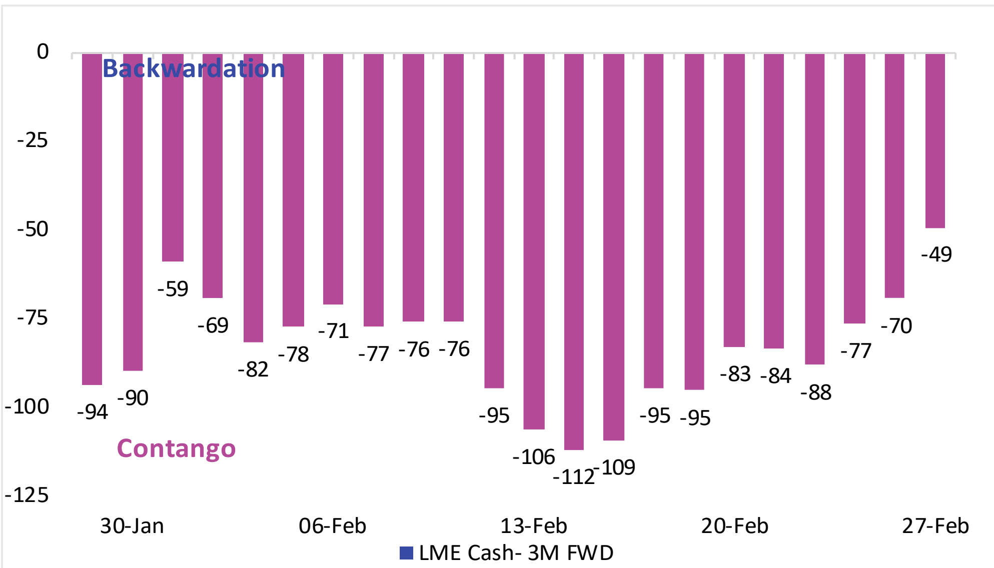
Yangshan Copper Prem. / Disc. vs Spot LME Copper

Yangshan premiums are based on physical spot trades, so if no deals or quotes occur, prices are left blank instead of filled. A notable development is the sharp rise in the Yangshan copper premium to $50/mt from $33/mt post holiday, indicating improved import appetite and potentially stronger bonded demand. If sustained, this could translate into stronger, refined copper inflows into China in the coming weeks.



LME Cash - 3M FWD Spread

The contango is well maintained around $50, and we see it hovering for some time before it fades, as the current trend is bullish for copper.



Source: Bloomberg, Bluglance

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The Basis Brief: Spreads

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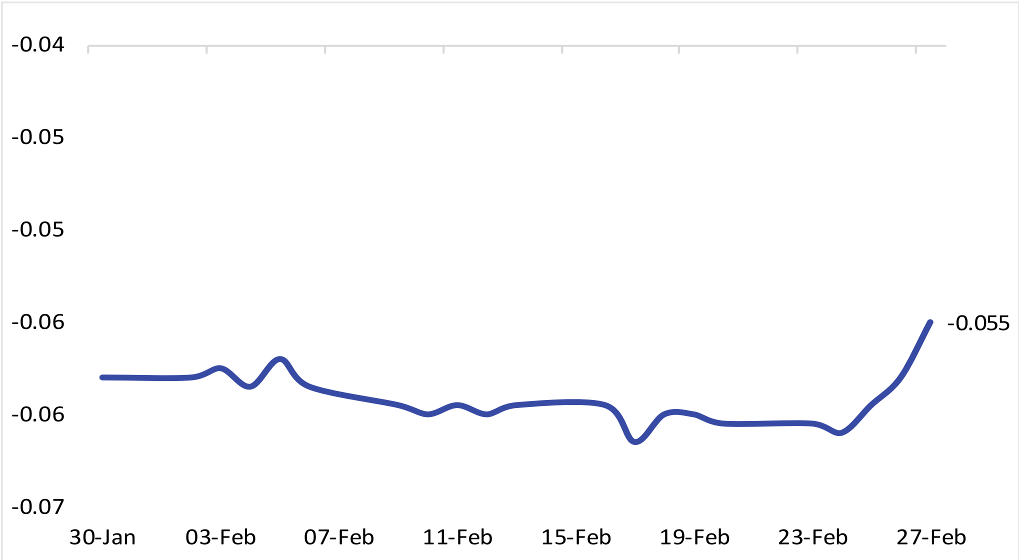
The CME copper is trading discount by around $106 to LME Copper. As of now market seems steady, but we believe any development related to tariffs might change the stance of the CME-LME spread

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

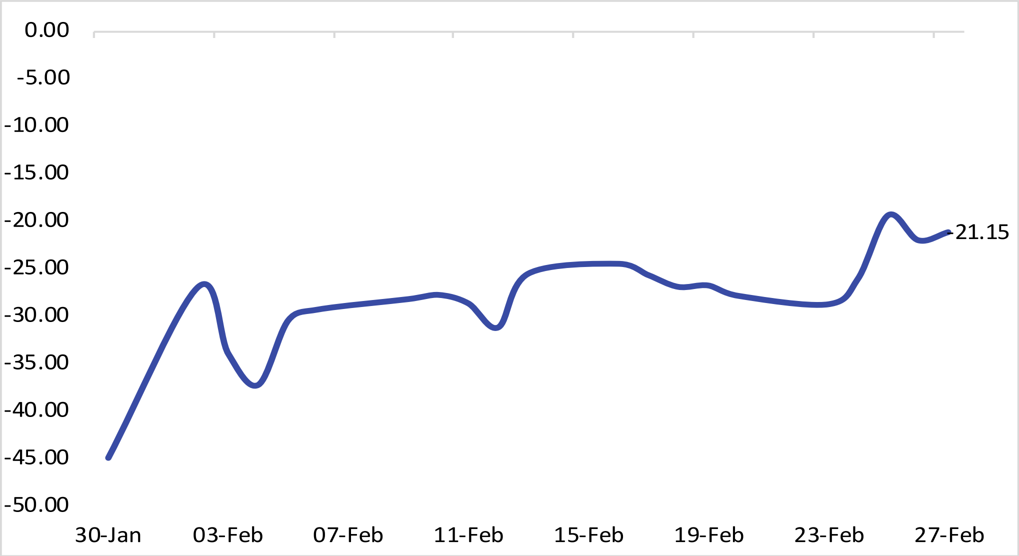
CME Calendar Spread is in negative/contango with a flattish structure.

CME Near-Next Spread (US$/lb)



MCX Calendar Spread is in negative/contango. This is the March/April Spread. We may see this spread widening in the near term amid a large number of stocks lying on the exchange.

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



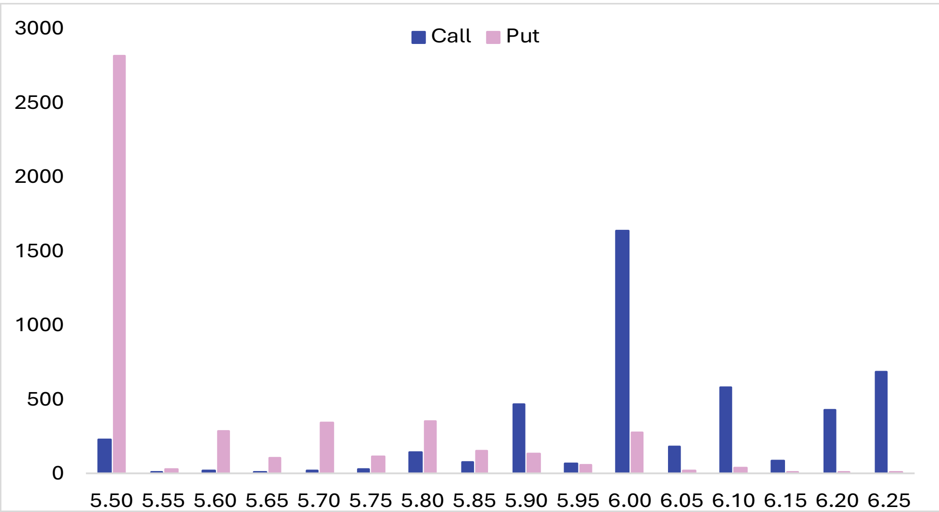
Source: Bloomberg, Bluglance

Technical Analysis

Pivot Levels

	Open	High	Low	Close	Pivot	Supt.2	Supt.1	Resi.1	Resi.2
LME 3M FWD Copper	13252	13527	13229	13344	13366	13068	13206	13504	13665

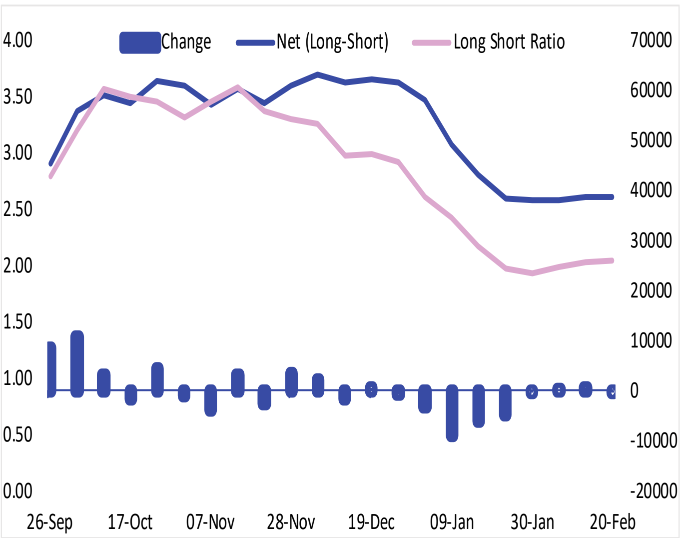
CME April Month Option Distribution (Open Interest)



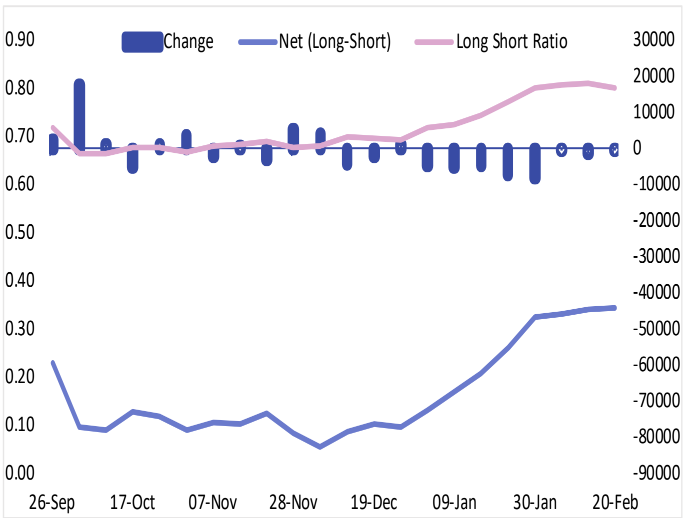
Strike	Call	Put	Total OI
5.50	230	2823	3053
6.00	1641	272	1913
6.50	1511	19	1530
5.00	6	1022	1028
6.25	688	2	690
Call OI Addition		6.20	105
Put OI Addition		5.60	127
Call OI Reduction		6.00	-38
Put OI Reduction		5.70	-85

LME Commitment of Traders Report (COTR)

Investment Funds COTR



Commercial Undertaking COTR



Source: Bloomberg, Bluglance

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Ratio Analysis

Ratio	Last	1 Day	5 Day	1 Month	3 Month	6 Month	1 Year
Copper/Gold	2.52	2.55	2.52	2.49	2.64	2.85	3.26
Copper/Silver	141.75	149.89	152.17	115.21	205.17	250.41	299.95
Copper/Platinum	5.61	5.79	5.97	4.86	6.79	7.17	9.87
Copper/Crude	183.42	187.07	179.50	191.10	172.97	142.04	126.71
Copper/SPX	1.93	1.92	1.86	1.85	1.60	1.51	1.58
Copper/Alumi.	4.25	4.21	4.18	4.03	3.91	3.71	3.54
Copper/Steel	13.07	13.03	13.13	13.71	12.12	11.89	10.37
Copper/Nickel	0.75	0.76	0.75	0.72	0.75	0.65	0.60
Copper/Zinc	4.03	3.94	3.84	3.89	3.44	3.51	3.38
Copper/LMEX	2.40	2.40	2.41	2.44	2.33	2.27	2.30
Copper/DXY	136.20	135.34	131.71	134.20	110.00	98.40	87.48
Copper/Tesla	33.03	32.39	31.28	29.97	25.68	27.65	33.27

Dark shade = Copper outperformance; Light shade = Copper underperformance

Economic Calendar				
Country	Event	Period	Survey	Prior
Japan	S&P Global Japan PMI Mfg	Feb F	--	52.8
India	HSBC India PMI Mfg	Feb F	--	57.5
EC	HCOB Eurozone Manufacturing PMI	Feb F	50.8	50.8
UK	S&P Global UK Manufacturing PMI	Feb F	52	52
India	Industrial Production YoY	Jan	6.00%	7.80%
US	S&P Global US Manufacturing PMI	Feb F	51.4	51.2
US	ISM Manufacturing	Feb	51.5	52.6

Source: Bloomberg, Bluglance

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