BLUGLANCE™

12-Jun-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

BLUGLANCE™

Copper in Local Currencies

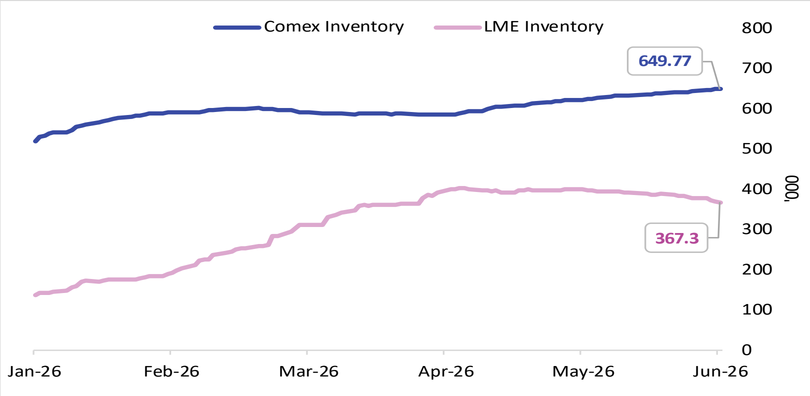
	11-Jun	10-Jun	% Change	YTD % Chg.
LME 3M	13483	13516	-0.24	8.53
CME	6.2750	6.2670	0.13	9.36
MCX	1325.0	1313.6	0.87	3.39
SHFE	103410	104480	-1.02	5.03

Copper in US$ (Without Duty in MT)

	11-Jun	10-Jun	% Change	YTD % Chg
LME 3M	13483	13516	-0.24	8.53
CME	13834	13816	0.13	9.36
MCX	13837	13787	0.36	-2.95
SHFE	15265	15420	-1.01	8.37

Note: Prices Regional Exchange Closing Time

Comex vs LME Global Inventory ('000)



Exchange Inventory

Exchange Inventory (MT)				
LME	11-Jun	10-Jun	Change	YTD Chg.
	367300	369575	-2275	219875
CME	11-Jun	10-Jun	Change	YTD Chg.
	649770	648843	927	159048
MCX	10-Jun	09-Jun	Change	YTD Chg.
	21395	20641	754	18720
SHFE	05-Jun	29-May	Change	YTD Chg.
	169512	176414	-6902	24170
Total	1207977	1215473	-7496	421813

Copper Arbitrage Windows

Arbitrage Windows		
	Price	Import
Changjing Price	103370	103370
LME Spot	13448.01	
USDCNY	6.7745	91104
Import Cost (13%)	13665.53	104769
Arbitrage Ratio (LME vs SHFE)		**0.9866**

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

Medium-Term Outlook Remains Positive, While Near-Term Vulnerability Persists Recent Price Action

Copper has staged a modest recovery after correcting nearly $600/mt from recent highs above $14,000/mt. LME copper rebounded to close around $13,575/mt, supported by short-covering activity as bearish positions were reduced. Despite the recovery, prices remain below recent peaks, reflecting a market that is reassessing risk and valuation after an extended rally.

Macro Environment: The broader macro backdrop remains mixed. A softer US dollar and easing concerns over immediate geopolitical escalation in the Middle East provided support to risk assets and metals. However, investors remain cautious ahead of key economic indicators and policy developments. Recent weakness across equities, energy, and industrial metals suggests that markets are still navigating a period of uncertainty and profit-taking.

Physical Market Dynamics: Chinese spot markets continue to demonstrate resilience. Spot premiums have strengthened and shifted from discounts to premiums, reflecting tight availability of prompt material. The emergence of backwardation in nearby contracts indicates buyers are willing to pay more for immediate supply, highlighting ongoing tightness in the physical market.

Supply Fundamentals: Supply-side conditions remain supportive. Smelter maintenance, lower import arrivals, and declining inventories have reduced spot availability. Additionally, tighter regulatory scrutiny on secondary copper producers in China could constrain recycled copper supply, further tightening the overall market balance.

Demand Trends: The recent correction in prices has encouraged downstream consumers to re-enter the market and rebuild inventories. Fabricators and processors have reported improved buying interest at lower price levels, suggesting underlying consumption remains healthy despite elevated absolute price levels.

Outlook: Copper's medium-term fundamentals remain constructive, supported by tightening physical availability, declining inventories, and resilient demand. However, after the sharp rally witnessed over recent months, the market remains vulnerable to bouts of macro-driven volatility and profit-taking. In the near term, copper is likely to trade within a broad consolidation range, but any further inventory declines or supply disruptions could quickly restore bullish momentum.

The CME/LME Spread hovers around $350/MT, LME Cash to 3m at a contango of $50/MT, SHFE immediate months have turned slightly into backwardation, MCX June/July carry is in contango over Rs. 17

Perspective: Copper tumbled over $600 (14K to $13400), and now it's back above $13700 as we write at 8 am IST. The quick rebound is a sign of resilience, while we see volatility to persist in the near term. See our technical range mentioned in the report, while we would like to trade between $13500 to $13850.

Source: Bloomberg, Bluglance

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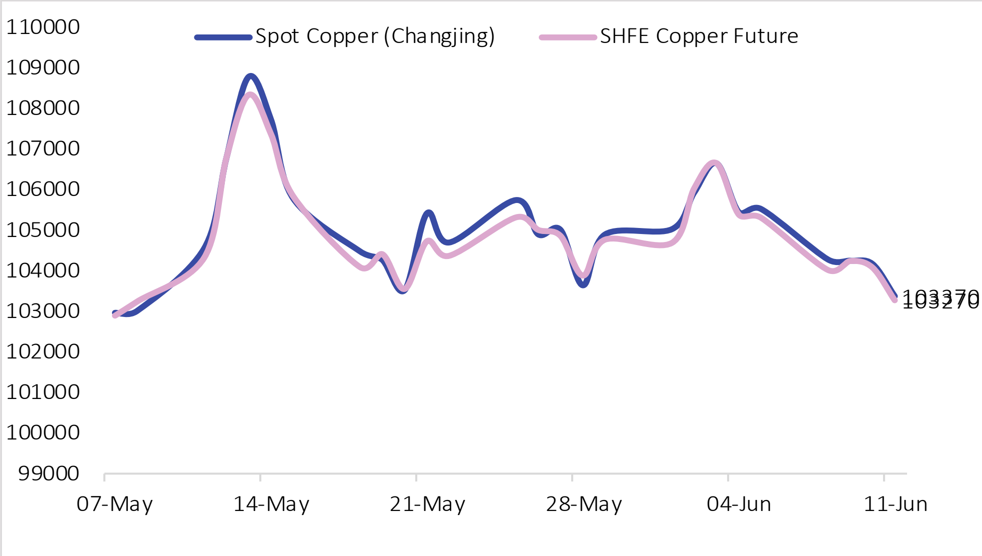
The Basis Brief: Premia/Discount

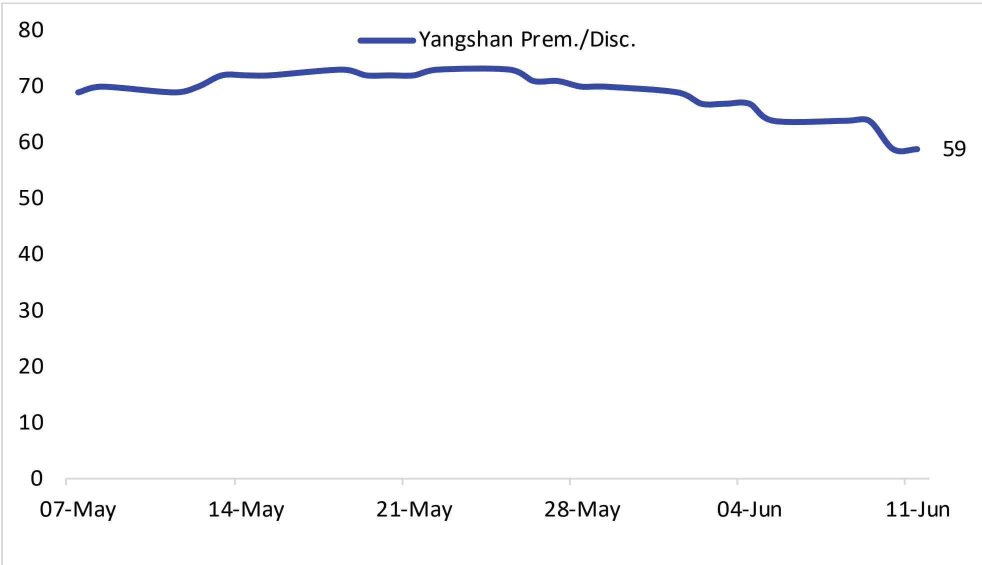
The Chinese spot demand has been higher in recent days, and action is also visible on the SHFE prices. However, the C1 and C2 data set Copper at SHFE holds a Contango of about 50 Yuan/MT amid higher stocks

China Spot Copper Changjiang vs SHFE Copper Fut.



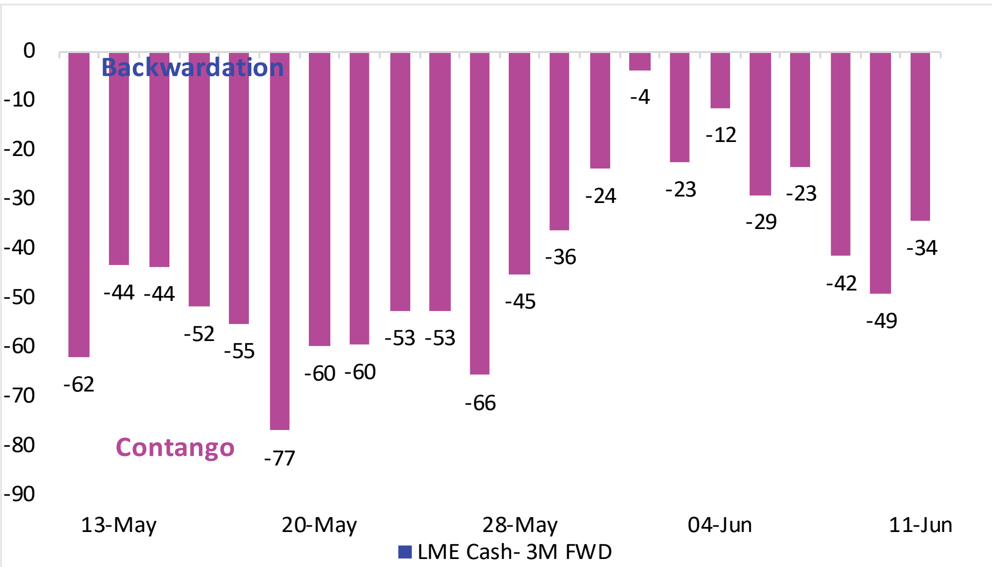
The premium is holding strong above $59/MT, adding a lot more conviction that copper demand in China is very robust, especially the (ore and concentrate + refined Cu)

Yangshan Copper Prem. / Disc. vs Spot LME Copper



The contango has reduced considerably to $-34/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

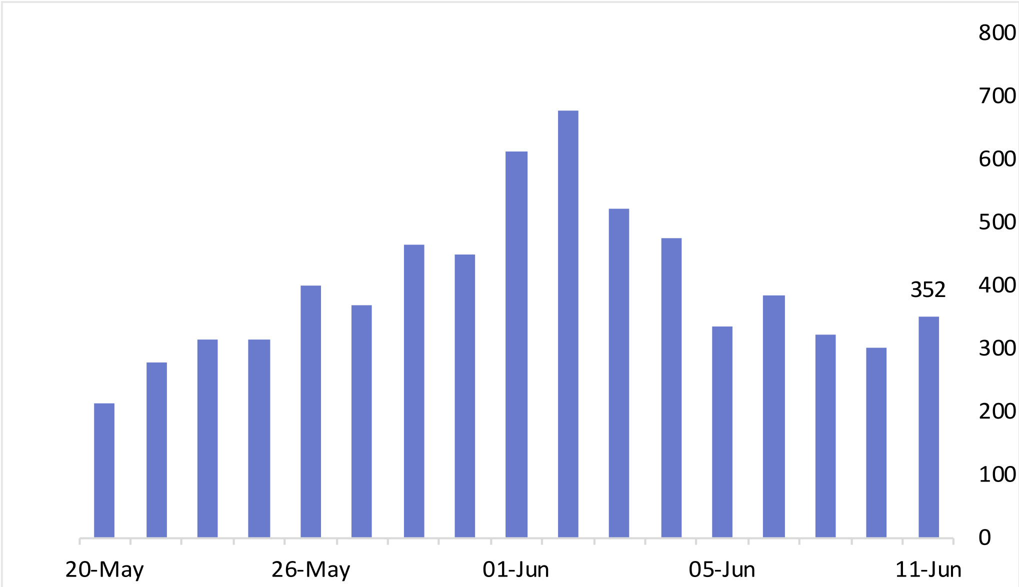
LME Cash - 3M FWD Spread



Source: Bloomberg, Bluglance

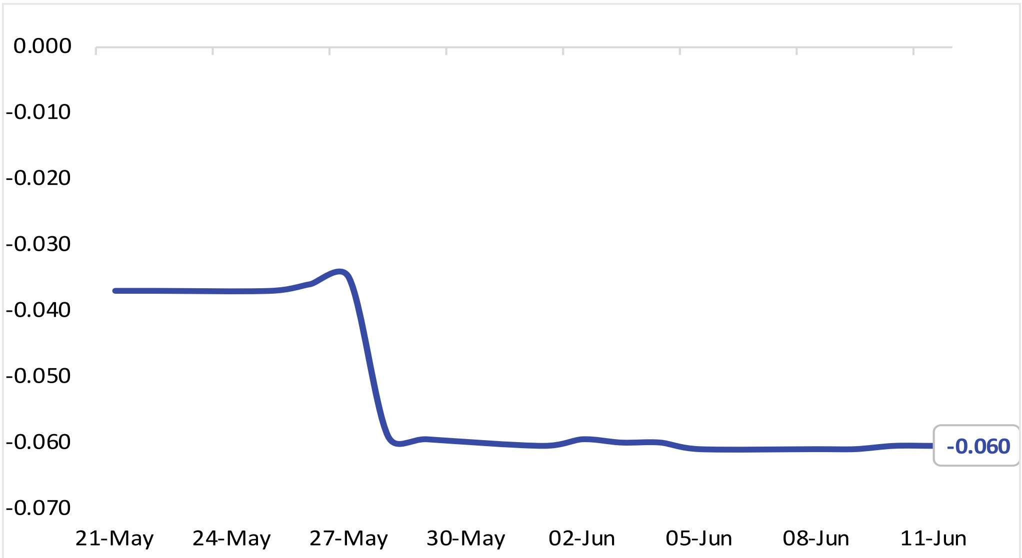
The Spread The CME-LME 3M spread has surged to +$352/MT, the highest in the current series. The sharp reversal from negative territory around early May reflects tightening US domestic fundamentals, with COMEX copper now trading at a significant premium to LME, driven by regional demand strength and supply side constraints expected to contract further

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



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

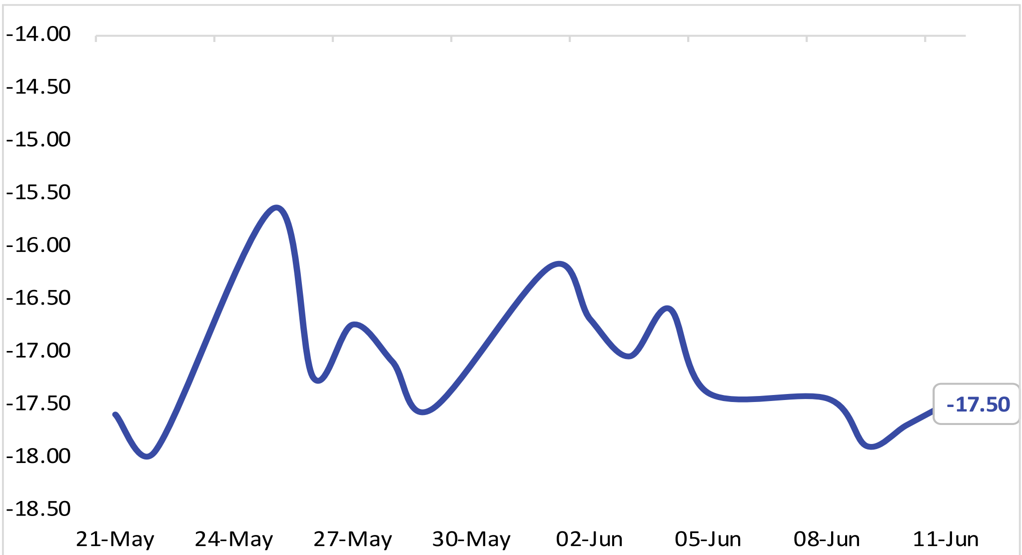
CME Near-Next Spread (US$/lb)



MCX spread is around ₹18 (~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.

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



Source: Bloomberg, Bluglance

Technical Analysis

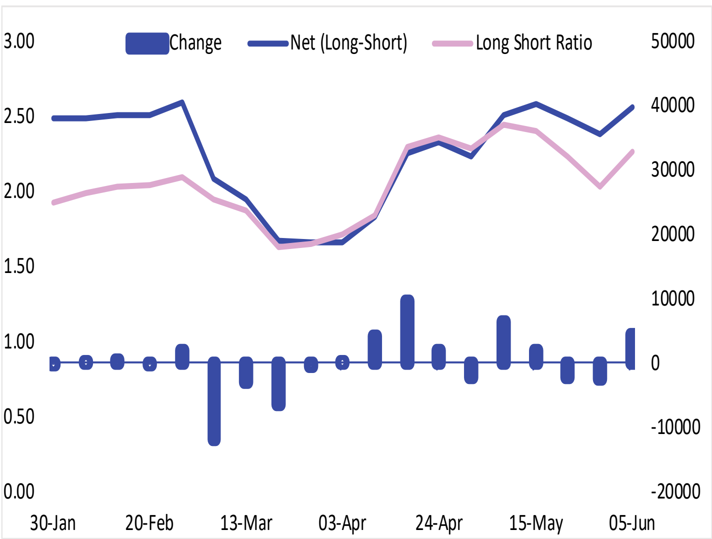
Technical Analysis: **Copper 3M forwards closed sharply higher in the previous session, holding above the crucial 13,350 support level and indicating a possible base formation. The ongoing pullback could extend further if prices sustain above the 20-day EMA at 13,615, keeping the near-term trend range-bound with a positive bias. Key resistance levels are seen at 13,700 and 13,800, while support is placed at 13,464 and 13,350.**

Pivot Levels

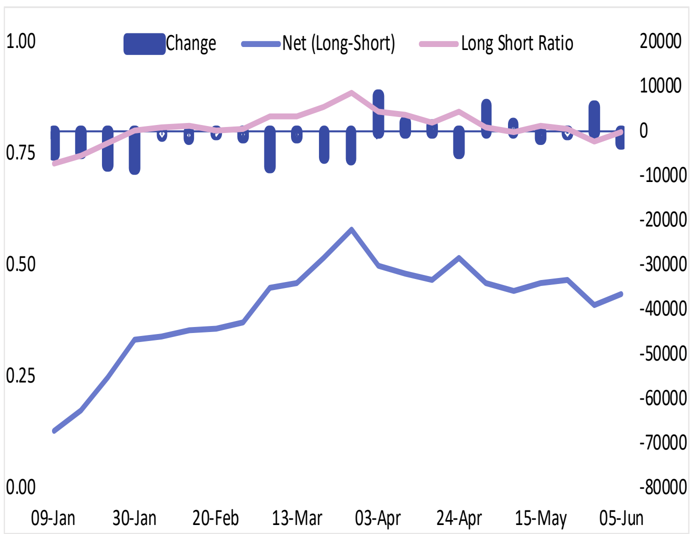
	Open	High	Low	Close	Pivot	Supt.2	Supt.1	Resi.1	Resi.2
LME 3M FWD Copper	13394	13613	13378	13483	13491	13257	13370	13604	13726

LME Commitment of Traders Report (COTR)

Investment Funds COTR



Commercial Undertaking COTR



Source: Bloomberg, Bluglance

Economic Events					
Time	**Country**	**Event**	**Period**	**Survey**	**Prior**
10:00	Japan	Industrial Production YoY	Apr F	--	2.30%
11:30	UK	Monthly GDP (MoM)	Apr	-0.10%	0.30%
11:30	UK	Industrial Production YoY	Apr	-0.10%	0.00%
11:30	UK	Manufacturing Production YoY	Apr	0.40%	1.20%
11:30	UK	Index of Services MoM	Apr	-0.10%	0.30%
11:30	UK	Construction Output YoY	Apr	-1.70%	-0.30%
11:30	UK	Trade Balance GBP/Mn	Apr	-£5700m	-£9658m
16:00	India	CPI YoY	May	4.00%	3.48%
19:30	US	U. of Mich. Sentiment	Jun P	46	44.8

Source: Bloomberg, Bluglance

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