



五矿期货有限公司

Supply faces pressure but policy provides certain support.

Copper Monthly Report

August 8, 2025

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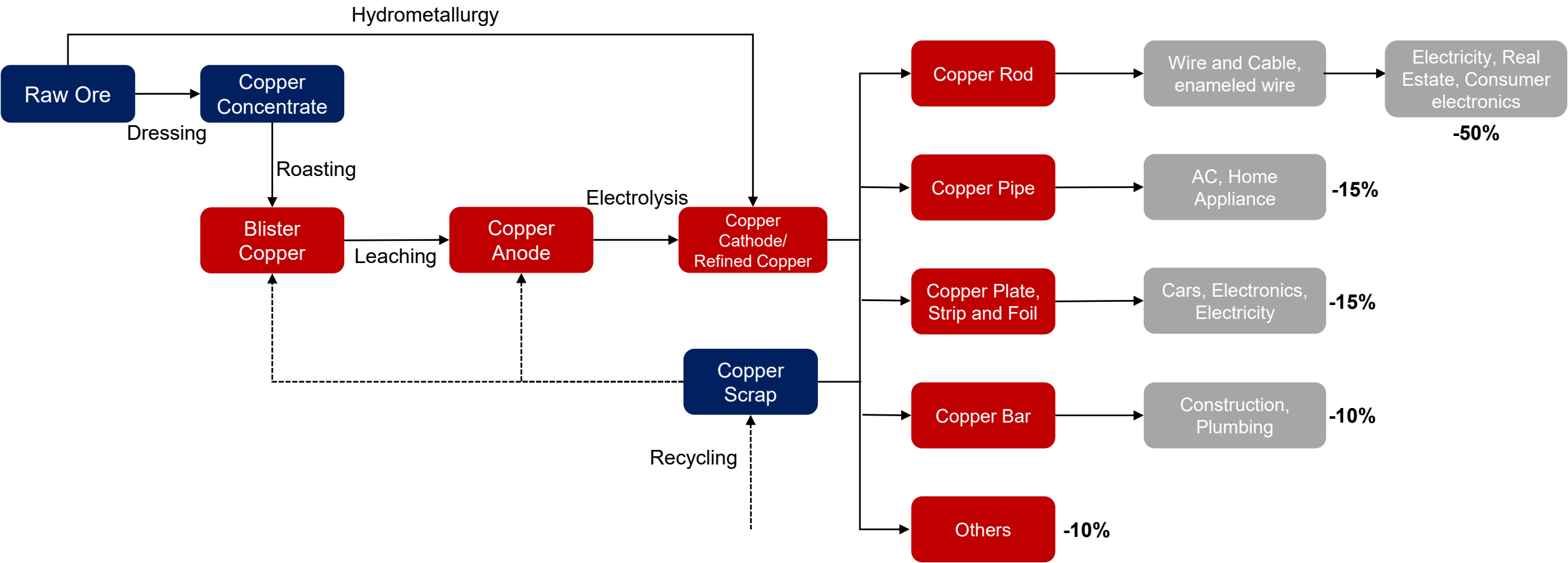
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Monthly Review

- ◆ **Supply:** Overseas copper concentrate supply remained tight due to lower-than-expected output of major overseas miners in H1. Domestic refined copper production continued to grow but is projected to decline starting August.
- ◆ **Demand:** China's apparent consumption of refined copper maintained robust growth in July but may face a slower expansion pace in August due to high base effect. Overseas short-term demand expectations remain neutral since manufacturing activity diverged across regions.
- ◆ **Import & Export:** China's copper import losses narrowed in July, driving a month-on-month increase in imports of unwrought copper and copper products. Further import growth is projected for August.
- ◆ **Inventory:** SHFE inventories shrank in July, while LME, COMEX, and bonded warehouse inventories rose. Accumulation pressure is expected in both domestic and global markets in August.
- ◆ **August Outlook:** China's refined copper output is expected to decline in August. With U.S. tariff policies taking effect, imports may grow. But due to tight scrap copper supply, surpluses could be partially offset. Overseas demand expectations remain neutral, with pressure in place for inventory building. On the macro level, U.S. reciprocal tariff implementation has limited marginal impact, while Fed rate cut expectations support risk appetite. Domestically, China's "anti-involution" policy signals and strong equity market performance also boost positive sentiment. In general, copper prices will be suppressed by supply expansion resulted from U.S. tariff implementation but supported by Fed's rate cut expectations and China's "anti-involution" policies, possibly leading to a range-bound movement. Reference range for SHFE copper main contracts this month: 76,500-80,000 yuan/mt and for LME-3M copper is US\$9,400-9,900/mt. **Suggestion:** sideline watch or long volatility after price stabilizes.

China Refined Copper Supply-Demand Balance (10k tons)

2024	Production	Import	Export	Net Import	SHFE Inventory	Inventory Change	Non-Exchange Inventory	Inventory Change	SH Bonded Zone Inventory	Inventory Change	Apparent Consumption	YoY	Cumulative YoY	Inventory / Consumption
Jan.	97.0	37.8	0.9	37.0	5.0	1.9	5.2	1.8	0.8	0.2	130.0	35.4%	35.4%	0.8%
Feb.	95.0	26.7	1.4	25.3	18.1	13.1	10.8	5.6	3.4	2.6	99.1	3.9%	19.7%	2.3%
Mar.	100.0	31.7	2.3	29.4	29.0	10.9	9.1	(1.7)	6.1	2.8	117.5	-7.8%	8.7%	3.2%
Apr.	98.5	30.6	2.5	28.1	28.8	(0.2)	10.0	0.9	8.0	1.9	124.0	-1.5%	5.8%	3.3%
May	100.8	34.7	7.3	27.4	32.2	3.4	12.1	2.1	7.8	(0.2)	123.0	-6.2%	3.1%	3.7%
Jun.	100.5	30.9	15.8	15.1	32.0	(0.2)	8.4	(3.7)	7.8	0.0	119.5	-3.6%	1.9%	3.4%
Jul.	102.8	29.9	7.0	22.9	30.1	(1.9)	4.5	(3.9)	7.3	(0.5)	131.9	7.7%	2.8%	3.0%
Aug.	101.3	27.6	3.1	24.5	24.2	(5.9)	3.2	(1.3)	6.0	(1.4)	134.4	0.9%	2.5%	2.4%
Sep.	100.5	34.8	1.6	33.2	14.2	(10.0)	2.1	(1.1)	4.6	(1.4)	146.2	7.2%	3.1%	1.5%
Oct.	99.6	38.6	1.0	37.6	15.3	1.1	5.5	3.4	5.7	1.1	131.6	-2.6%	2.3%	1.9%
Nov.	100.5	39.8	1.2	38.6	10.9	(4.4)	2.5	(3.0)	5.3	(0.4)	146.9	9.2%	2.8%	1.3%
Dec. E	106.0	40.8	1.7	39.1	7.4	(3.5)	3.0	0.5	1.4	(3.9)	152.0	16.0%	4.1%	0.8%
2025	Production	Import	Export	Net Import	SHFE Inventory	Inventory Change	Non-Exchange Inventory	Inventory Change	SH Bonded Zone Inventory	Inventory Change	Apparent Consumption	YoY	Cumulative YoY	Inventory / Consumption
Jan. E	102.0	29.7	1.7	28.0	10.9	3.5	5.7	2.7	1.3	(0.1)	123.9	-4.7%	-4.7%	1.3%
Feb. E	104.0	30.5	3.2	27.3	26.8	15.9	10.9	5.2	4.4	3.1	107.1	8.1%	0.8%	3.0%
Mar. E	110.0	35.4	6.8	28.6	23.5	(3.3)	10.4	(0.5)	11.1	6.7	135.7	15.5%	5.8%	3.2%
Apr. E	110.4	30.0	7.8	22.2	8.9	(14.6)	4.4	(6.0)	9.4	(1.7)	154.9	24.9%	10.9%	1.6%
May E	111.6	29.3	3.4	25.9	10.5	1.6	3.4	(1.0)	5.3	(4.1)	141.0	14.6%	11.6%	1.4%
Jun. E	111.0	33.7	7.9	25.8	8.2	(2.3)	5.0	1.6	6.3	1.0	136.5	14.2%	12.1%	1.4%
Jul. E	114.5			26.0	7.3	(0.9)	4.8	(0.2)	7.5	1.2	140.4	6.4%	11.1%	1.4%
Aug. E	114.0			29.0							138.0	2.7%		



Upstream Midstream Downstream

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Spot Market & Futures Market

Figure 1: Price Trend of SHFE Copper Main Continuous Contract (yuan/mt)



Sources: Wenhua, Minmetals Futures

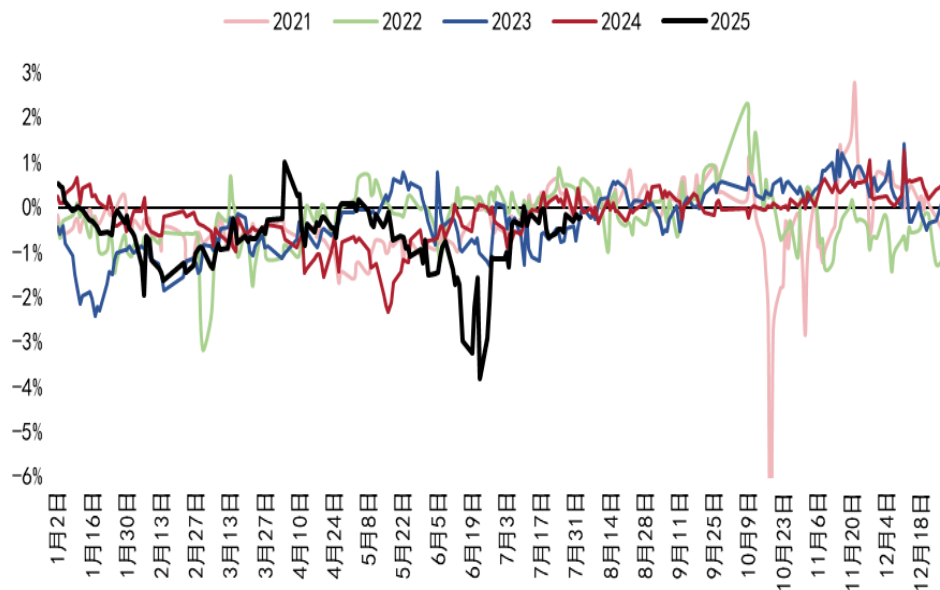
Figure 2: Price Trend of LME-3M Copper Contract (US\$/mt)



Sources: Wenhua, Minmetals Futures

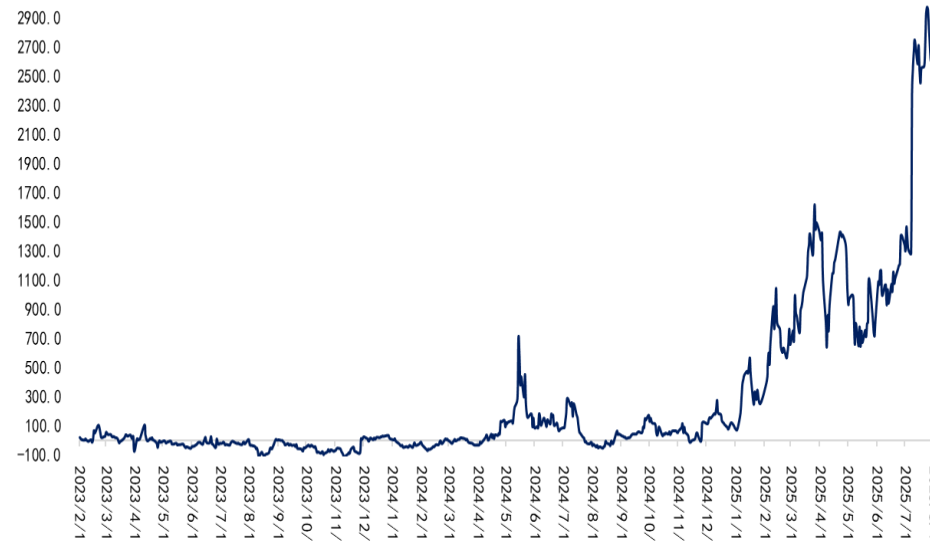
- In July, copper prices fluctuated and weakened. Within the month, the main contract of SHFE copper fell by 2.29%, and the LME- 3M contract fell by 2.74%. The market weakened before the implementation of U.S. copper and reciprocal tariffs. At the same time, the U.S. copper tariffs fell short of expectations, causing U.S. copper to surge sharply and then plummet, while SHFE and LME copper performed weakly. During the period, U.S. dollar index rose by 3.34%, and offshore RMB depreciated by 0.75%.

Figure 3: Profit-Loss Ratio of Electrolytic Copper Import in China



Sources: LME, SHFE, SMM, WIND, Minmetals Futures

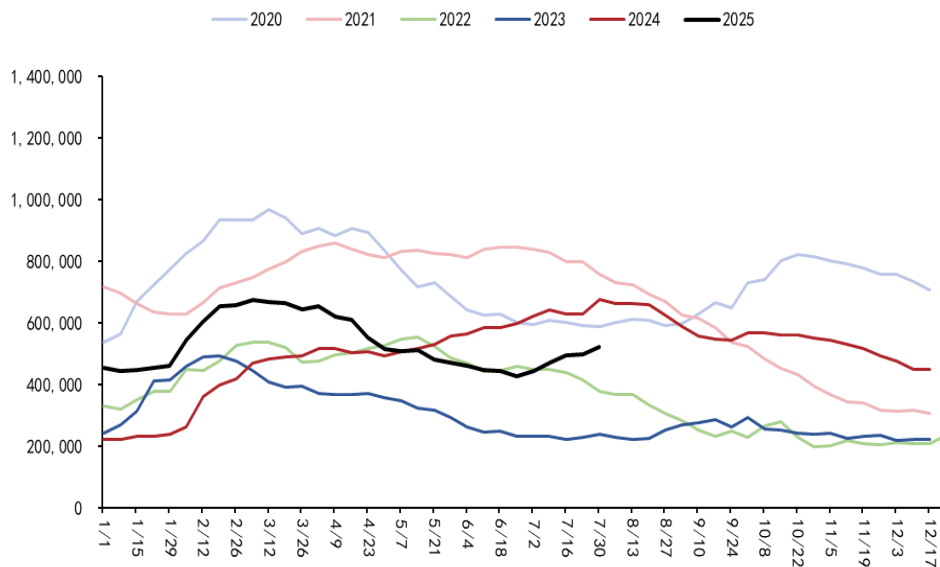
Figure 4: COMEX Copper, LME Copper and Spread (US\$/mt)



Sources: WIND, Minmetals Futures

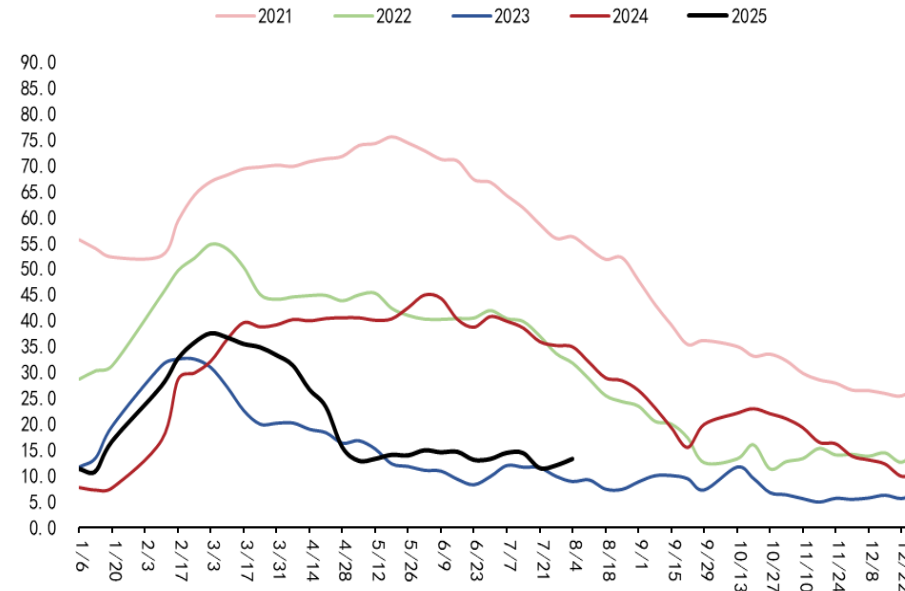
- In July, LME copper deliveries increased, spot supply was ample, and the monthly spread weakened. SHFE copper outperformed LME copper with current spot imports only recording a small loss. Meanwhile, the U.S. Section 232 investigation on copper was concluded and Trump announced a 50% tariff on copper products on July 9. The tariff level exceeded expectations, driving U.S. copper to rise sharply relative to LME copper. However, the market only priced in about 30% of the tariff at most. On July 30, with more details disclosed, the actual tariff level fell significantly short of expectations. It only included semi-finished copper (copper tubes, wires, rods, plates, pipes, etc.) and copper-intensive derivative products (fittings, cables, connectors, electrical components, etc.), while cathode copper was not taxed. As a result, U.S. copper fell sharply relative to LME copper, basically closing the arbitrage window.

Figure 5: Inventory of Three Major Exchanges and Bonded Zone (mt)



Sources: LME, SHFE, COMEX, MYMETAL, Minmetals Futures

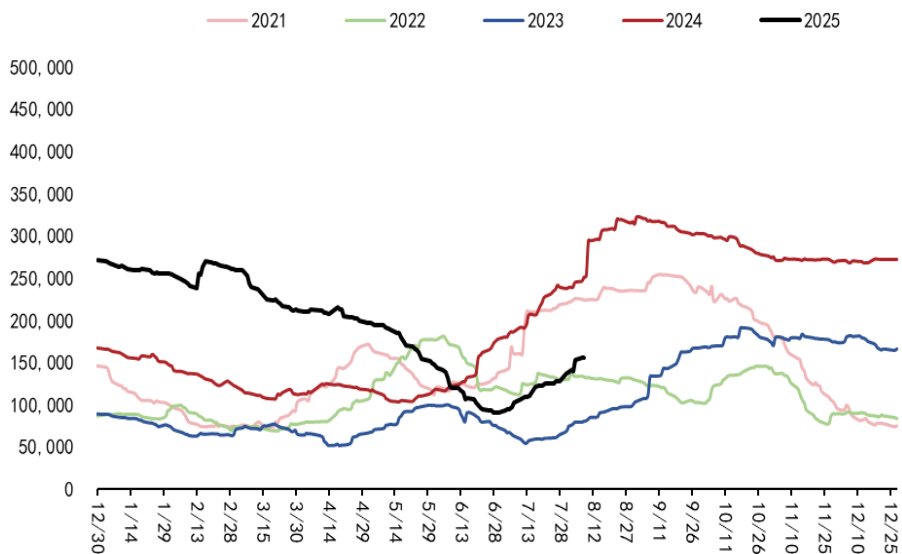
Figure 6: China's Electrolytic Copper Social Inventory (10k mt)



Sources: SMM, Minmetals Futures

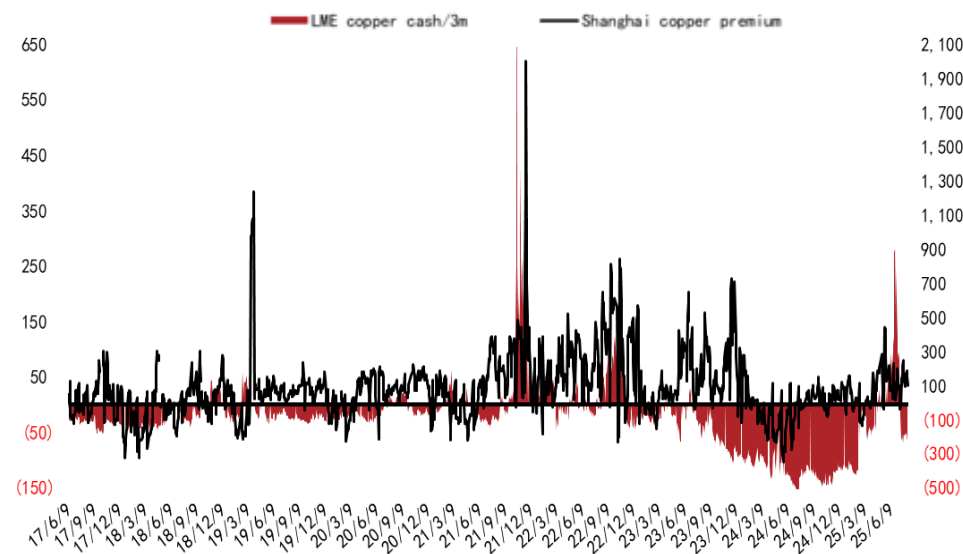
- As of early August, the combined inventory of the three major exchanges and the Shanghai bonded zone was approximately 523,000 mt (+97,000 mt than end-June). Total inventory has moved away from relatively low levels, but structural issues in inventory remain (COMEX inventory accounts for a high proportion, about 45%). In that month, China's copper inventory rebounded, with exchange inventory at about 73,000 mt and social inventory at about 60,000 mt. Bonded zone inventory increased m/m, with an absolute amount of approximately 75,000 mt.

Figure 7: LME Copper Inventory (mt)



Sources: WIND, Minmetals Futures

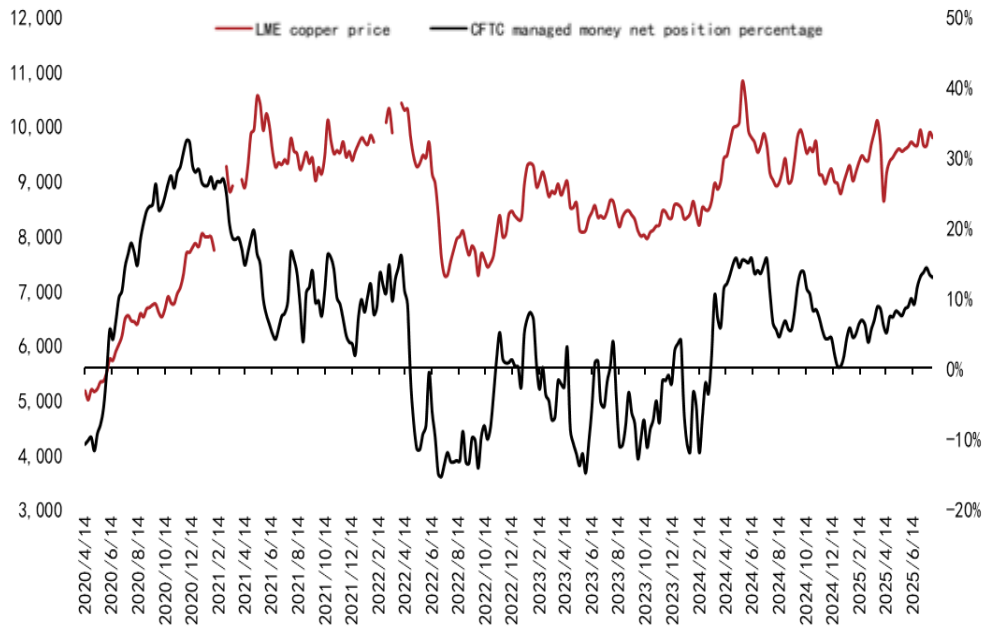
Figure 8: Domestic-Overseas Copper Spread (US\$/mt, yuan/mt)



Sources: LME, WIND, Minmetals Futures

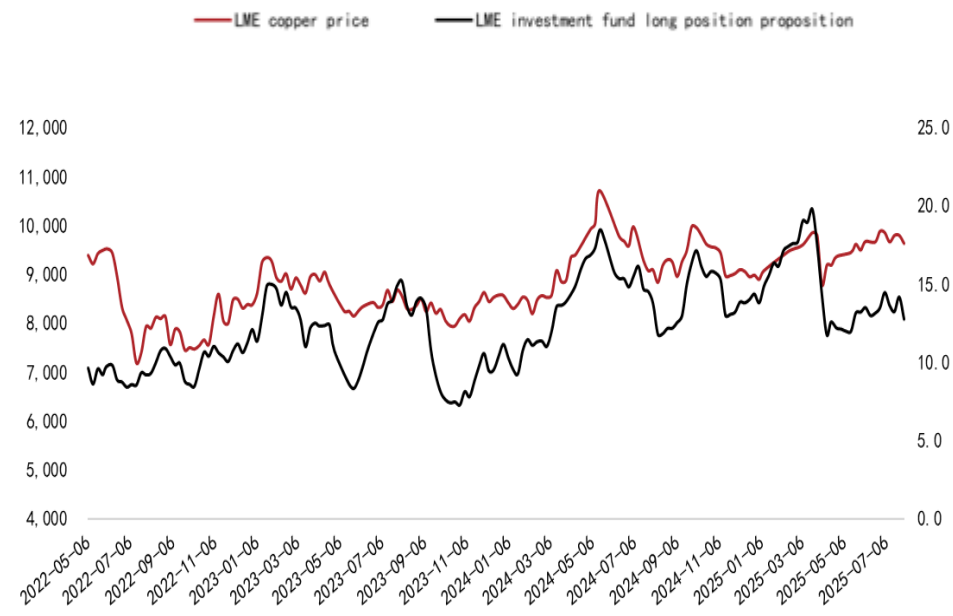
- LME copper inventories turned to increase, rebounding to over 140,000 mt by early August, with recent inventories continuing to rise. COMEX total copper inventories stood at approximately 234,000 mt. Regarding basis, LME inventory growth drove the Cash/3M spread from contango into backwardation, exceeding US\$-60/mt in early August. Despite no significant increase in Chinese imports and tight scrap supply, spot supply remained relatively tight with a firm basis, reporting over 100 yuan/mt in early August.

Figure 9: CFTC Fund Net Long Ratio & LME Copper Price (US\$/mt)



Sources: WIND, Minmetals Futures

Figure 10: LME Investment Fund Long Position Share



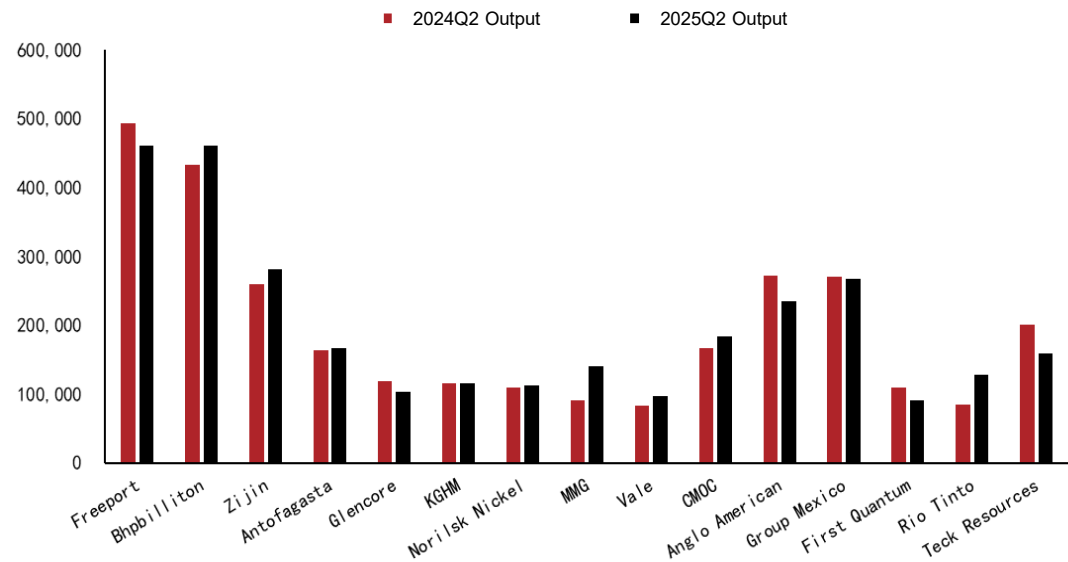
Sources: WIND, Minmetals Futures

- As of the end of July, CFTC fund positions maintained net long, with the ratio rising to 13.1%. However, long positions decreased near the tariff implementation date, indicating marginally cooling bullish sentiment. LME investment fund long positions were also trimmed, reflecting overall market caution concerning the tariff implementation. Entering August, market sentiment was primarily influenced by Fed monetary policy expectations, inventory changes, and trade dynamics.

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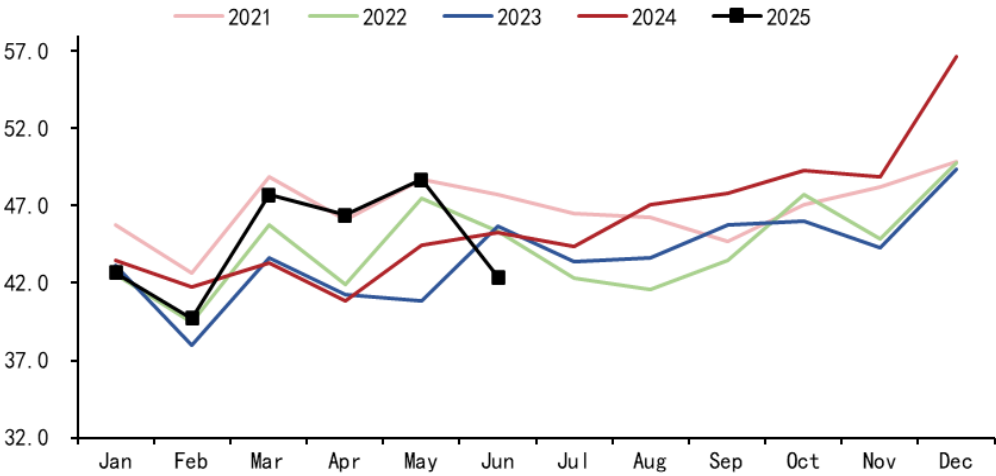
Supply and Demand Analysis

Figure 11: Production Comparison of 15 Large and Medium-Sized Copper Mining Companies (Note: Escondida's production is reflected in BHP Group)



Sources: Press Release, Minmetals Futures

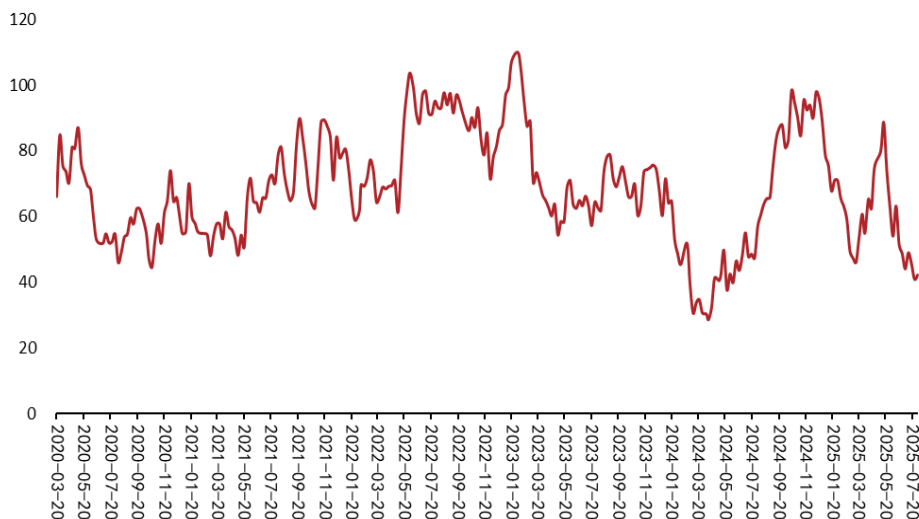
Figure 12: Chile Copper Output (10k mt)



Sources: Cochilco, Minmetals Futures

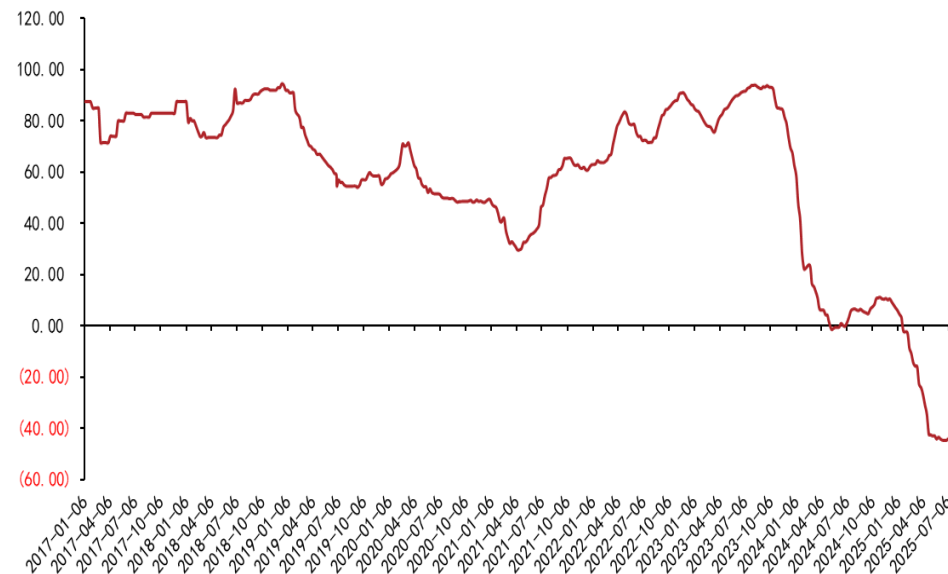
- The combined output of 15 surveyed large-to-medium copper mining enterprises totaled approximately 3.003 million mt (+0.9% y/y), with persistently low growth. Output increments mainly came from BHP, Zijin Mining, MMG, Vale, CMOC, and Rio Tinto, while declines primarily originated from Freeport, Anglo American, Teck Resources, and First Quantum Minerals. Rio Tinto raised its quarterly production guidance, whereas Glencore and Teck Resources lowered theirs.
- Chilean copper output fell significantly m/m in June, largely due to production shrinkage at the Escondida mine. Recently, Codelco's El Teniente mine suspended operations following an accident, causing substantial disruptions on supply side.

Figure 13: Copper Concentrate Inventories at Major Chinese Ports (10k tons)



Sources: IFIND, Minmetals Futures

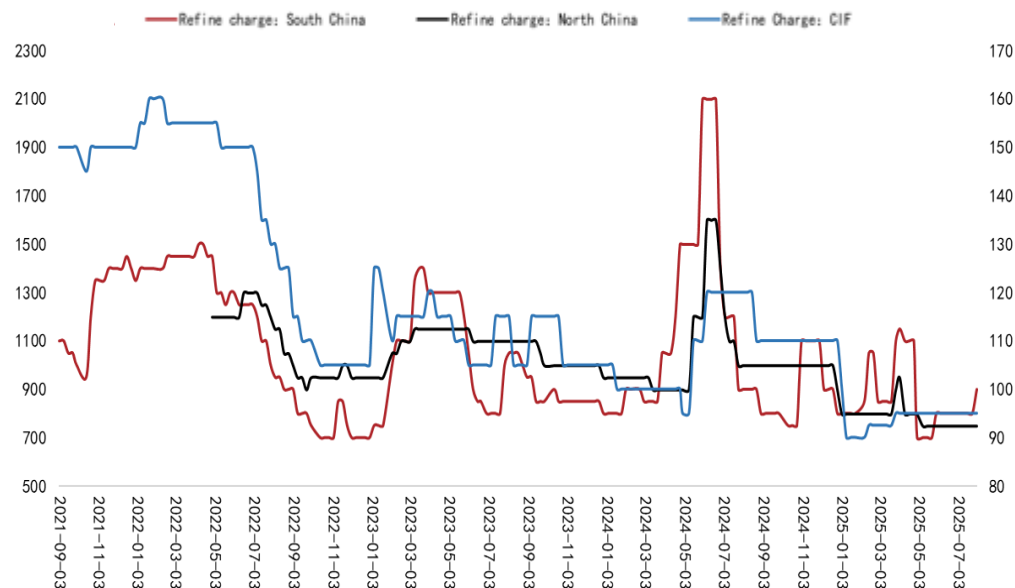
Figure 14: Imported Copper Concentrate Treatment Charges (TC) (US\$/mt)



Sources: SMM, Minmetals Futures

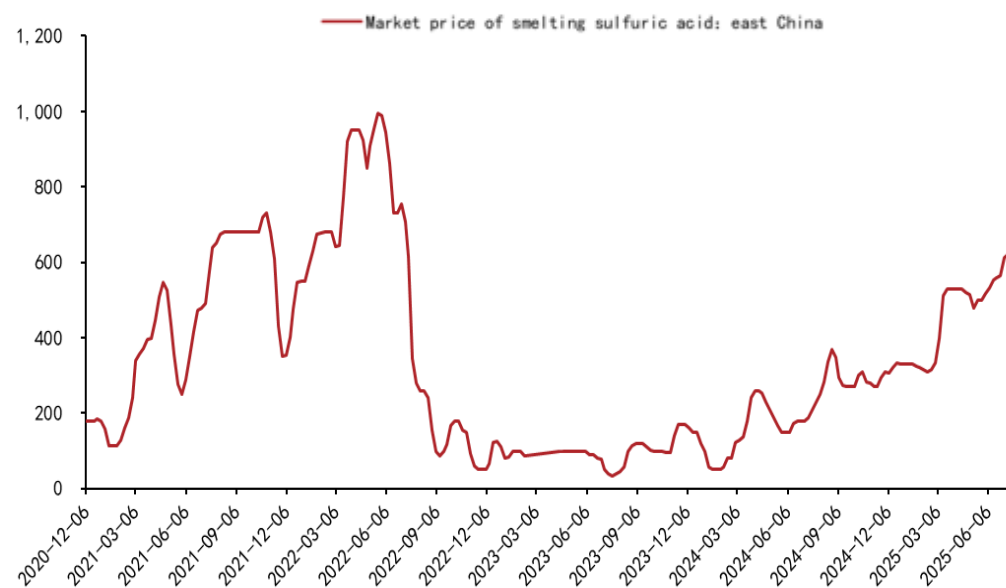
- Copper concentrate inventories at major Chinese ports fluctuated downward in July, with tight spot supply at ports. Regarding TCs, despite intensified supply disruptions at domestic and overseas mines since July, spot TC stabilized with a slight increase under China's "anti-involution" policy and inherently low copper concentrate TC levels. By early August, spot TC was quoted at US\$-42.1/mt.

Figure 15: Blister Copper Processing Fees (yuan/mt, US\$/mt)



Sources: SMM, Minmetals Futures

Figure 16: Market Price of Smelting Sulfuric Acid in Major Areas in China (yuan/mt)



Sources: WIND, Minmetals Futures

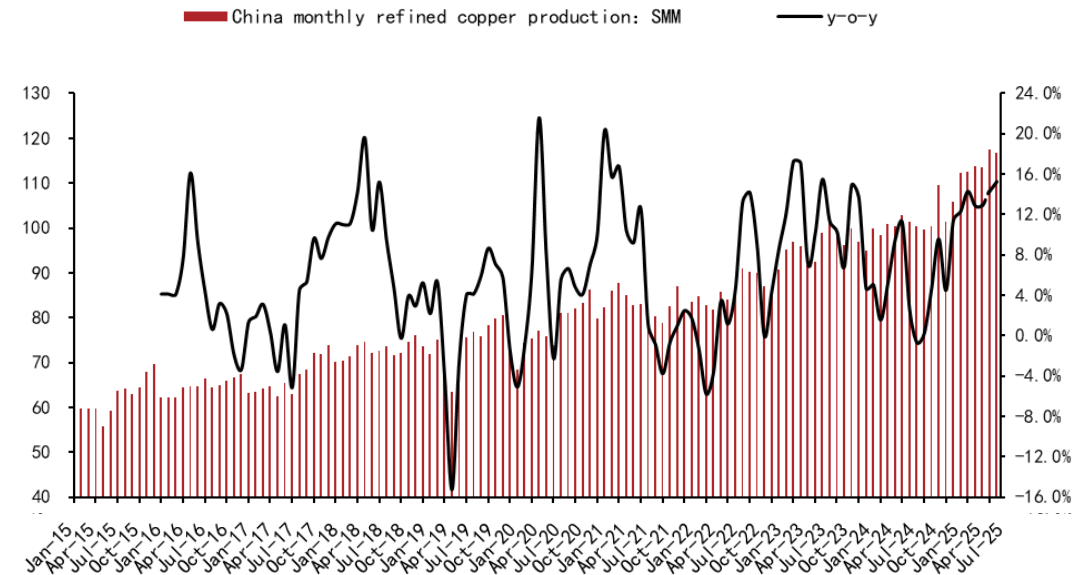
- In July, domestic and imported blister copper TCs remained flat with a slight increase. However, blister copper supply remained tight based on scrap materials and imports. During the month, sulfuric acid prices (a smelting by-product) in mainstream domestic regions rose m/m, maintaining relatively high levels and providing positive contributions to smelting revenue.

Figure 17: Domestic Copper Smelter Maintenance (10k mt)

Company	Province	Smelter Capacity	Refinery Capacity	Start Time	End Time
Company 1	Anhui	50	70	Mar.	Mar.
Company 2	Hubei	40	55	Mar.	Mar.
Company 3	Henan	12	15	Mar.	Apr.
Company 4	Shanxi	20	20	Apr.	Apr.
Company 5	Qinghai	15	15	Apr.	Apr.
Company 6	Shandong	20	20	May	May
Company 7	Shandong	40	55	May	Jun.
Company 8	Inner Mongolia	20	20	May	May
Company 9	Heilongjiang	15	15	Jul.	Jul.
Company 10	Henan	10	12	Jun.	Jul.
Company 11	Jilin	10	15	Aug.	Sep.
Company 12	Inner Mongolia	40	40	Sep.	Oct.
Company 13	Inner Mongolia	30	25	Sep.	Sep.

Sources: MYSTEEL, SMM, Baiinfo, Minmetals Futures

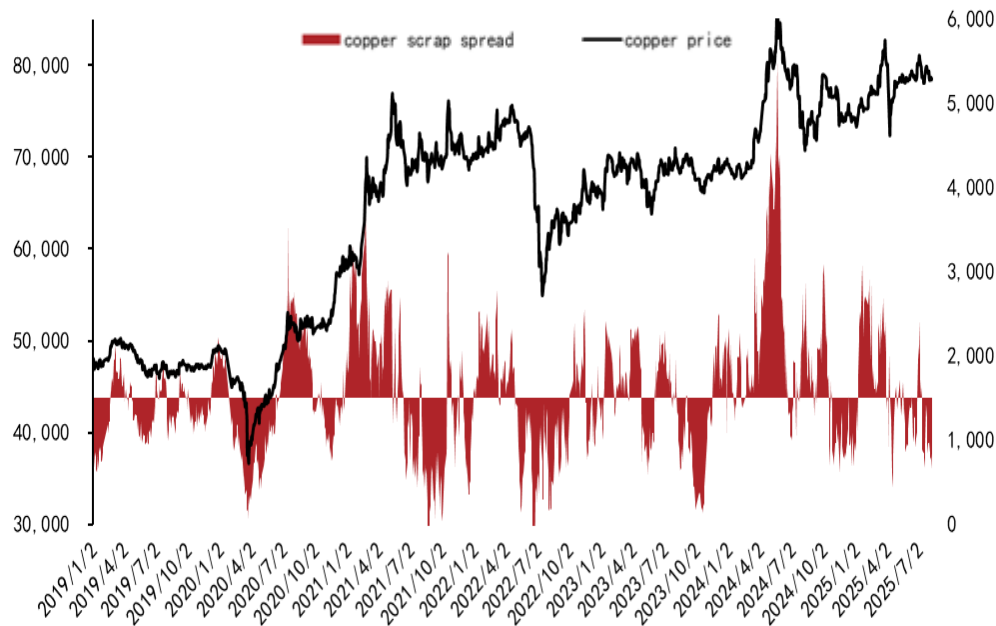
Figure 18: Monthly Output of Refined Copper in China (10k mt)



Sources: SMM, Minmetals Futures

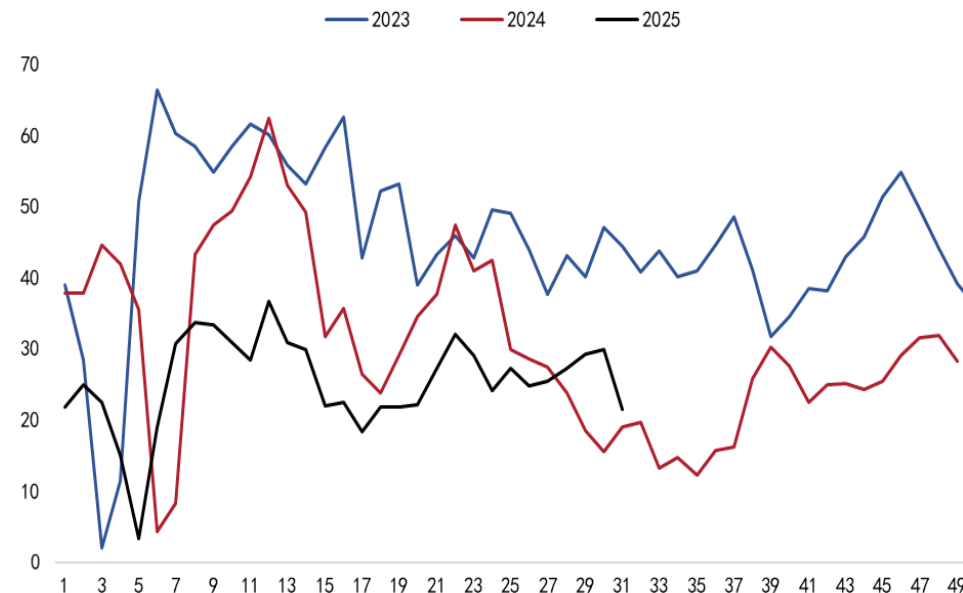
- Smelter operating rates remained high in July, with domestic refined copper output showing significant y/y and m/m growth. Entering August, maintenance at copper smelters were still limited, but output is expected to decline slightly due to tight raw material supply. In September, increased maintenance at domestic copper smelters is projected to further reduce production.

Figure 19: Electrolytic Copper-Grade 1 Bright Copper Price Spread (yuan/mt)



Sources: SMM, WIND, Minmetals Futures

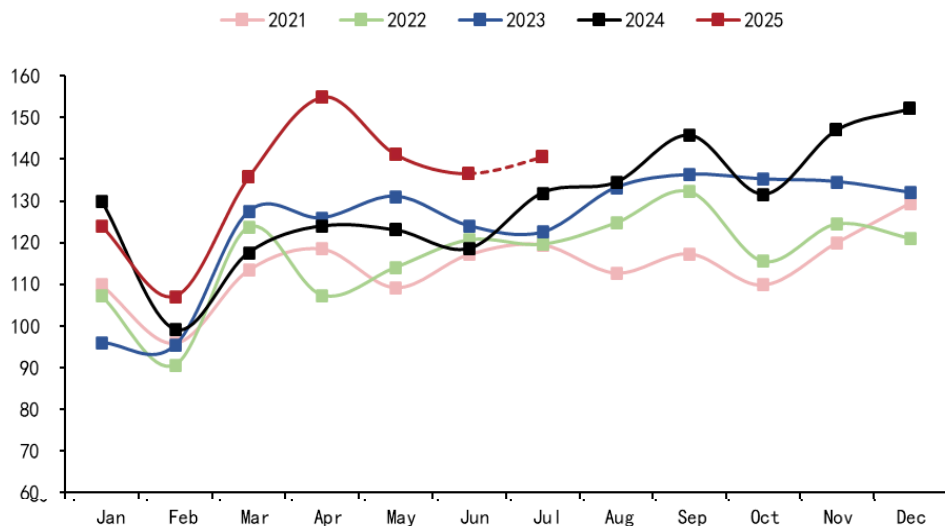
Figure 20: Secondary Copper Rod Producers Weekly Operating Rate



Sources: SMM, Minmetals Futures

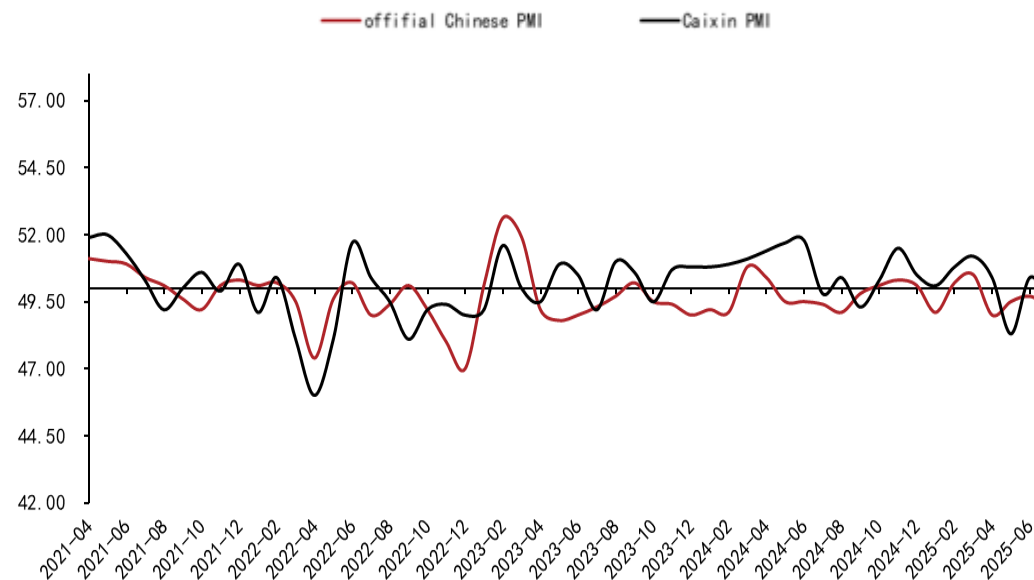
- The average domestic refined-scrap copper spread in July was approximately 1,220 yuan/mt, narrowing slightly m/m, with scrap substitution advantages at relatively low levels. Operating rates at recycled copper rod producers fluctuated during the period, showing little marginal change in substituting refined copper. Entering August, scrap copper supply remains tight, and the refined-scrap spread persists at low levels; substitution of electrolytic copper from the consumption side is projected to decrease.

Figure 21: Monthly Apparent Consumption of Refined Copper (10k mt)



Sources: Customs, SMM, MYMETAL, Minmetals Futures

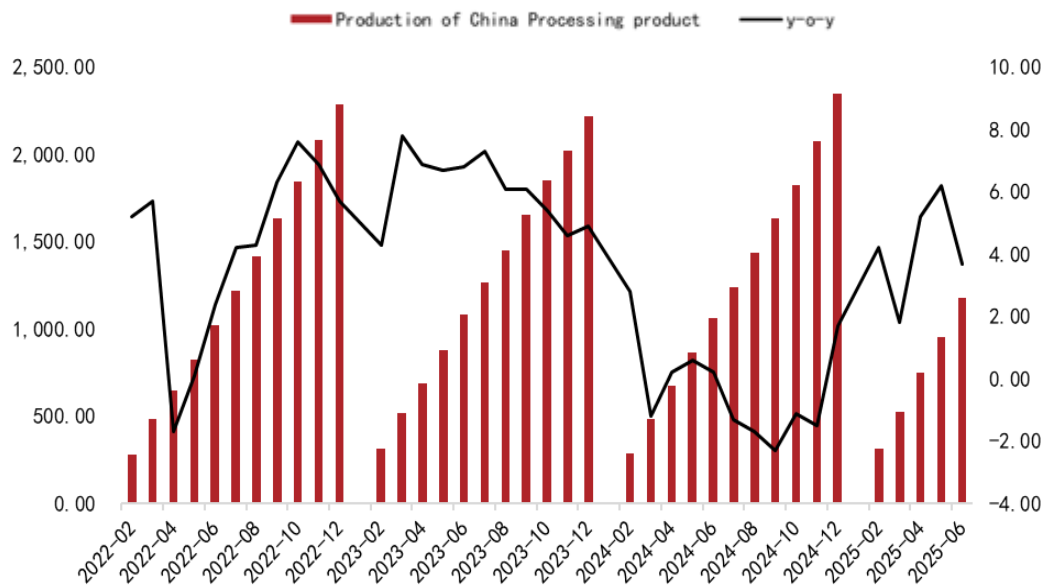
Figure 22: China Manufacturing PMI



Sources: WIND, Minmetals Futures

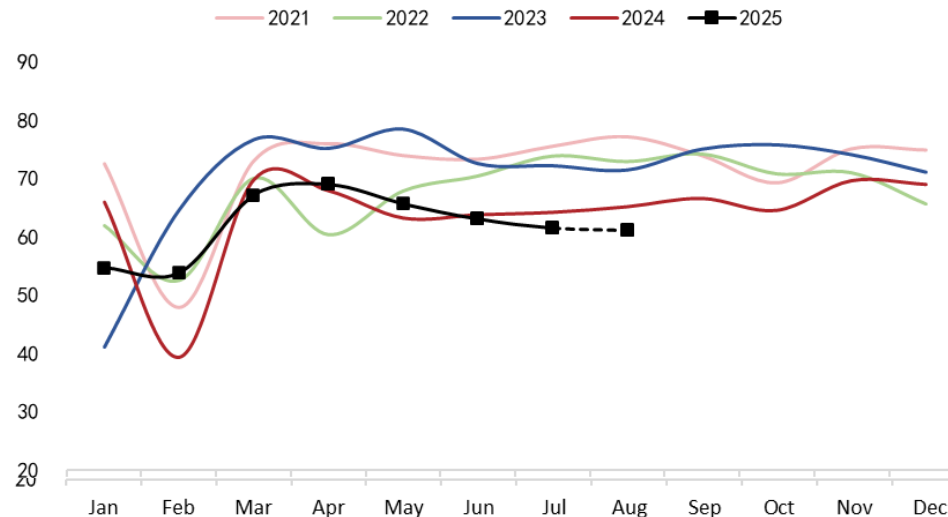
- Under the assumption of flat or slightly increased exports in July, domestic apparent refined copper consumption is estimated at 1.404 million mt (+~6.4% y/y). Cumulative apparent consumption from January to July reached about 9.395 million mt (+11.1% y/y). From the perspective of leading economic indicators, both the official manufacturing PMI and the Caixin manufacturing PMI declined in July, with the latter falling below the boom-bust line, indicating marginal weakening in manufacturing activity.

Figure 23: China Copper Semi-finished Products: Cumulative Output & YoY Growth Rate (10k mt, %)



Sources: WIND, Minmetals Futures

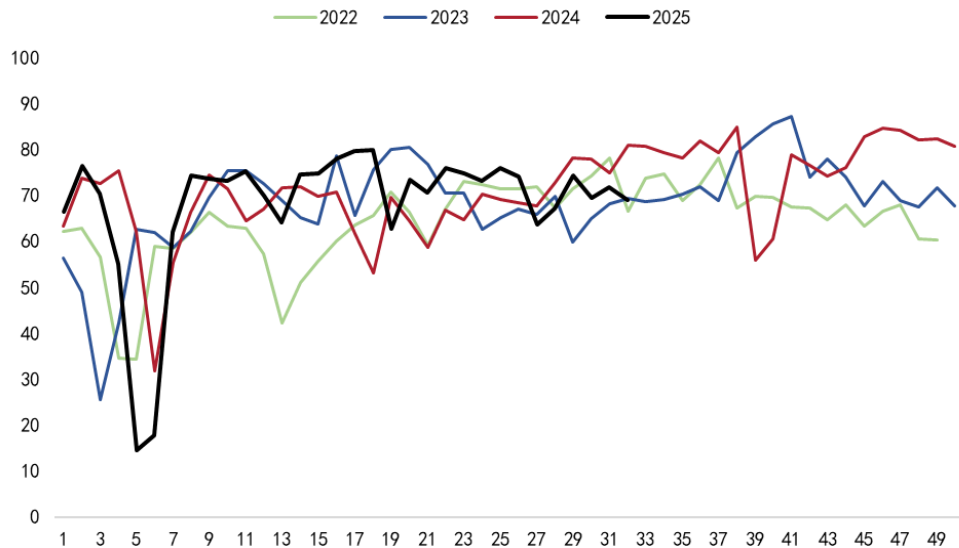
Figure 24: Operating Rate of Wire & Cable Producers



Sources: SMM, Minmetals Futures

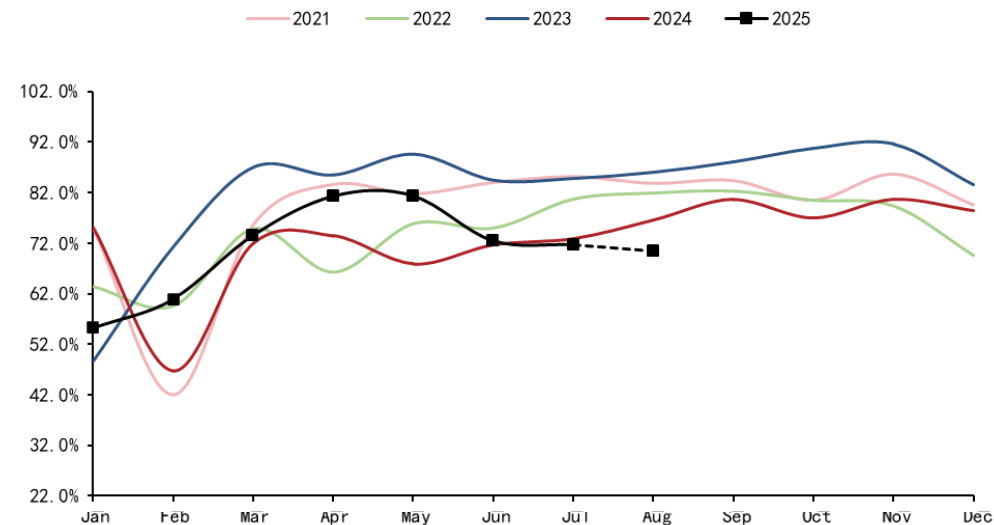
- China's copper product output increased by approximately 3.7% in H1 2025, with growth slowing in June. According to SMM data, operating rates at copper product enterprises declined in July and are expected to continue falling in August.

Figure 25: China Electrolytic Copper Rod Producers Weekly Operating Rate (%)



Sources: SMM, Minmetals Futures

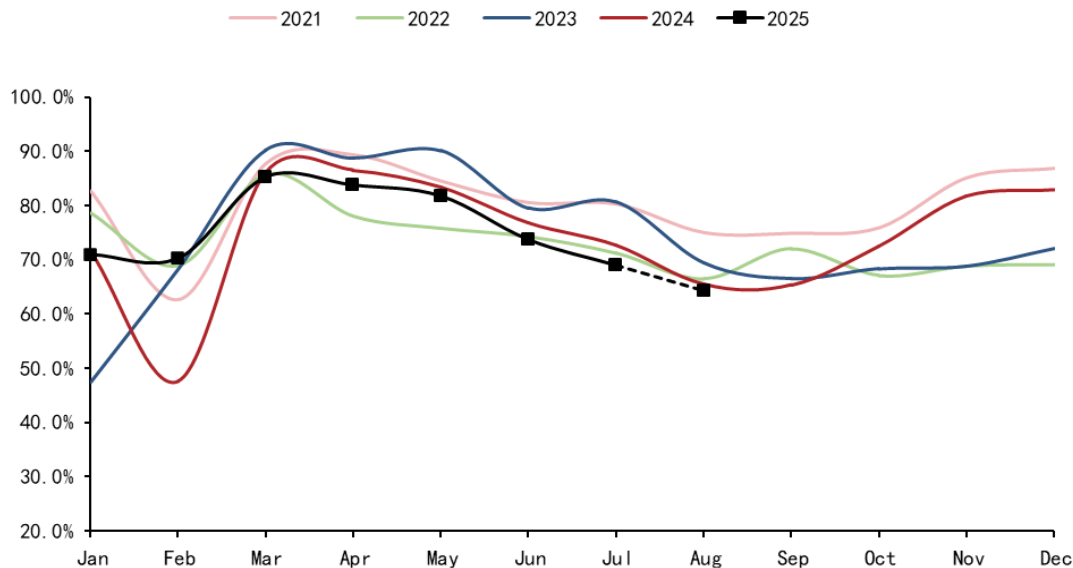
Figure 26: China Wire and Cable Manufacturers Operating Rate (%)



Sources: SMM, Minmetals Futures

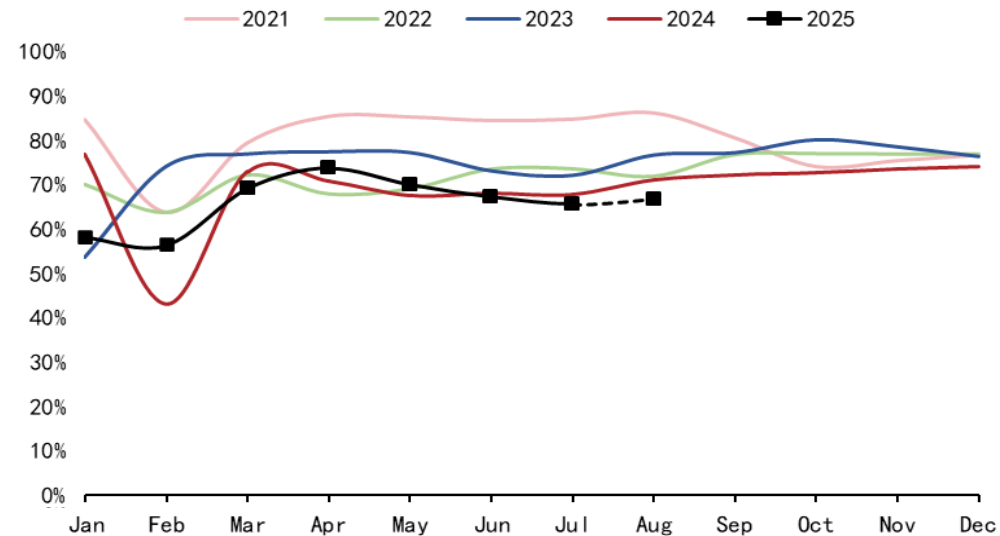
- In July, operating rates at Chinese refined copper rod enterprises fluctuated, with the average lower than the same period last year. Operating rates at domestic wire and cable enterprises declined during the month and are expected to continue decreasing in August, remaining below the year-ago level.

Figure 27: China Tube Manufacturers Operating Rate (%)



Sources: SMM, Minmetals Futures

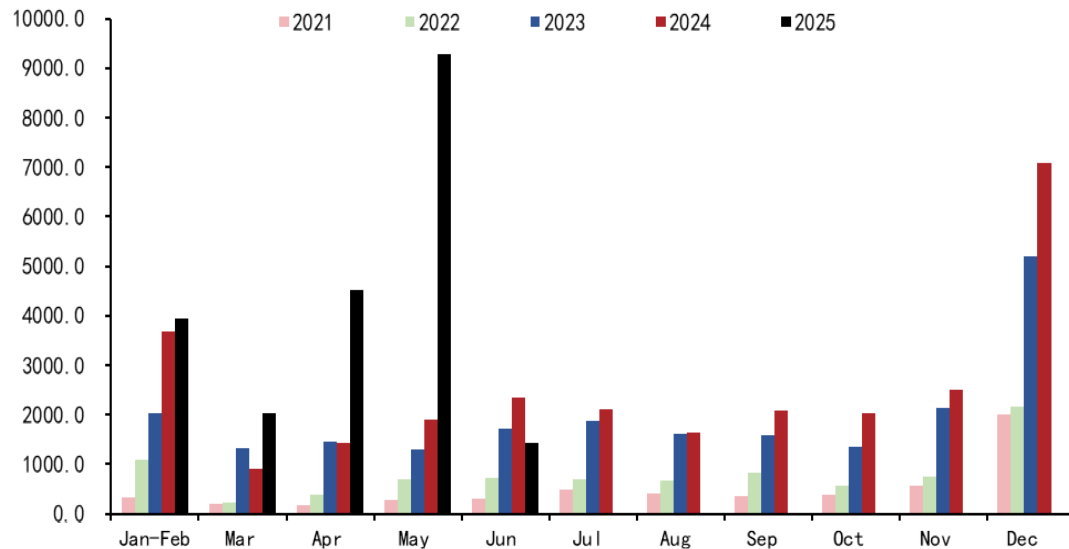
Figure 28: China Plate and Strip Manufacturers Operating Rate (%)



Sources: SMM, Minmetals Futures

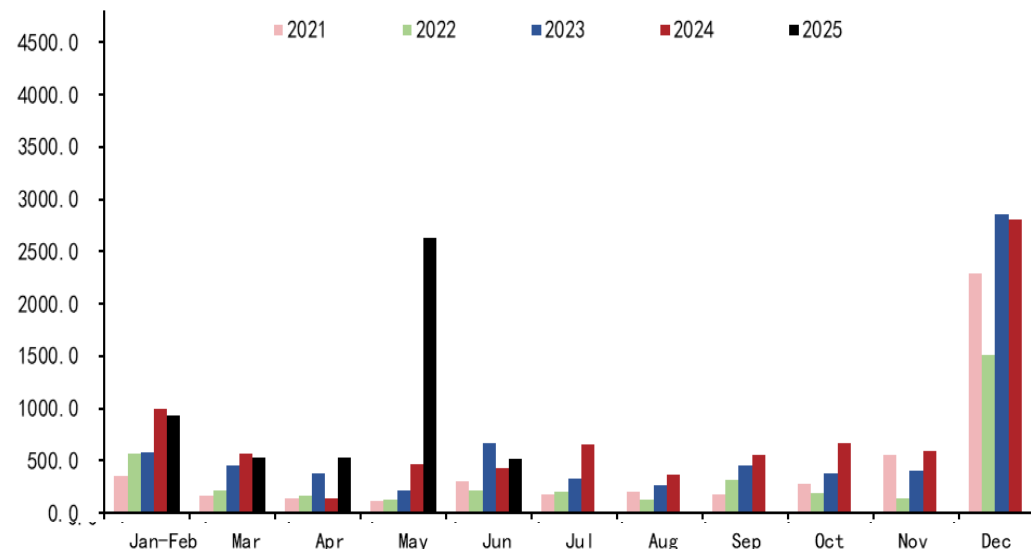
- Copper tube enterprise operating rates in China declined in July. With household air conditioner production scheduling showing a slight y/y drop in August, copper tube operating rates are projected to continue decreasing. Copper strip/plate enterprise operating rates fell in July but are estimated to improve in August.

Figure 29: Newly-Installed Photovoltaic Capacity (10k KW)



Sources: NEA, Minmetals Futures

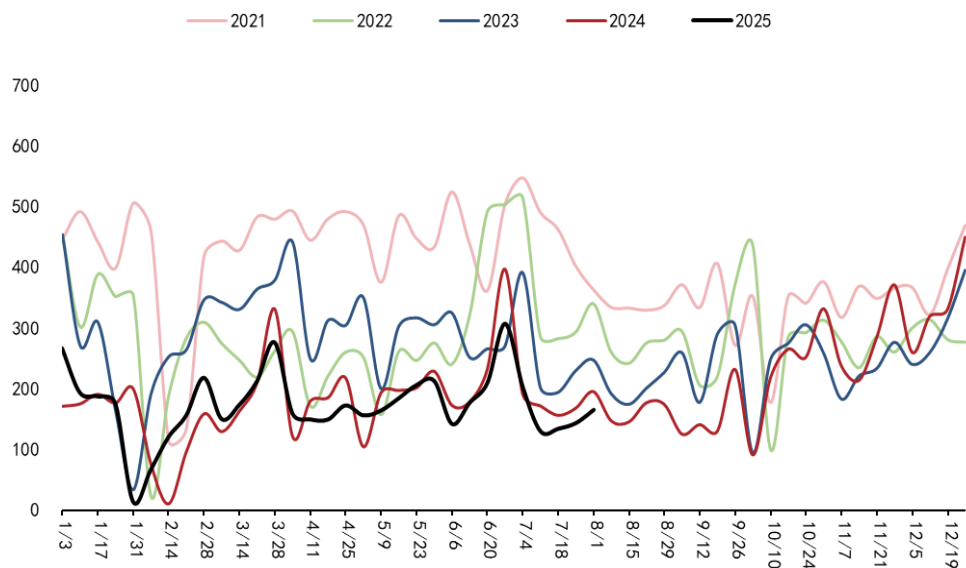
Figure 30: Newly-Installed Wind Power Capacity (10k KW)



Sources: NEA, Minmetals Futures

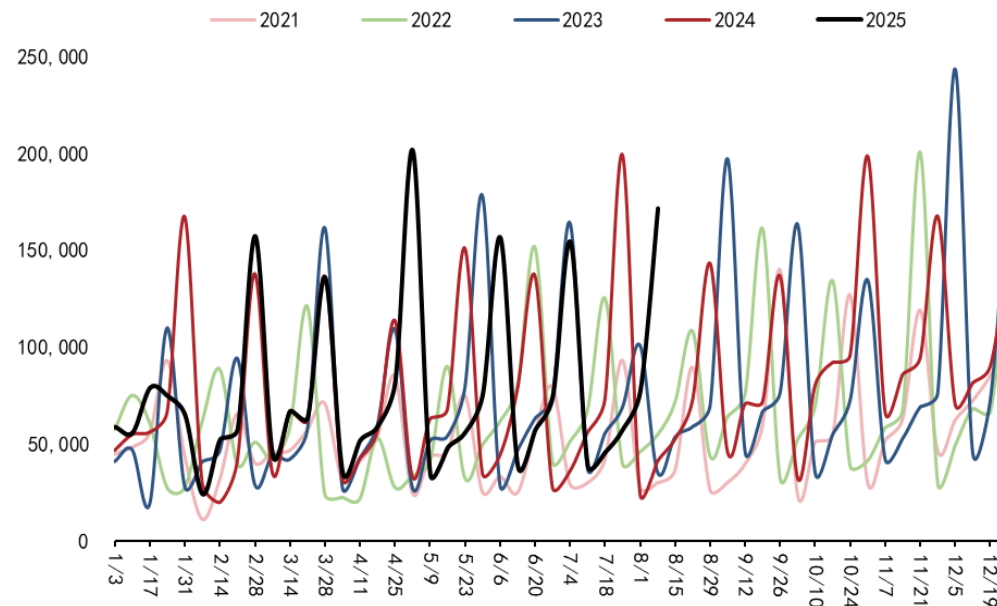
- After the policy deadline on May 31, newly installed capacity for photovoltaics (PV) and wind power dropped significantly. June's standalone monthly PV new installations were lower y/y, while wind power new installations exceeded the prior-year level. PV module production scheduling remained relatively stable in July-August.

Figure 31: Commercial Housing Transaction Area in 30 Major Cities (10k sq.m)



Sources: WIND, Minmetals Futures

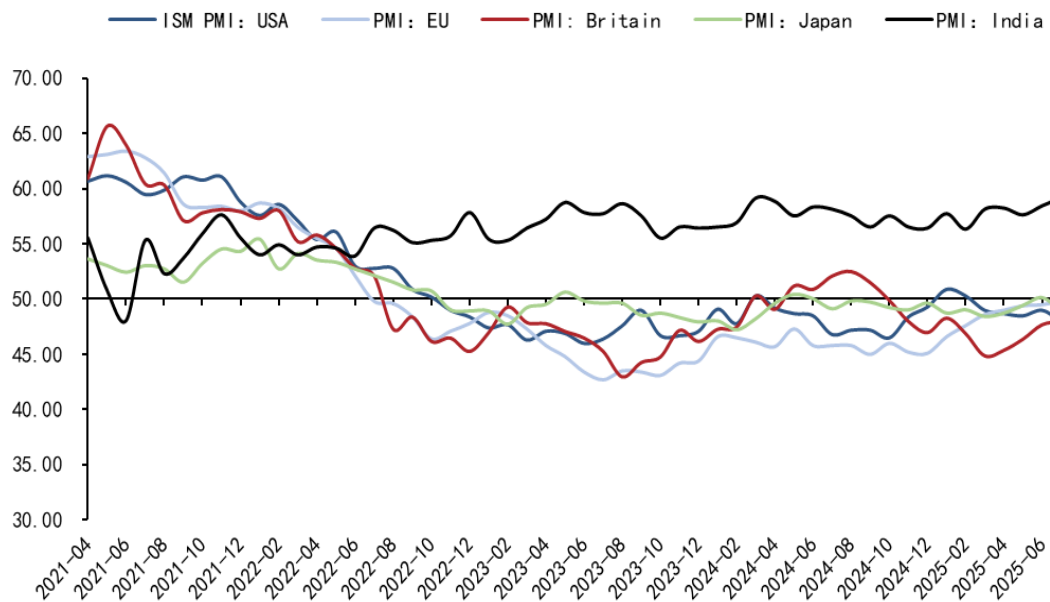
Figure 32: Weekly average sales volume: Passenger vehicles: Manufacturer wholesale (units)



Sources: WIND, Minmetals Futures

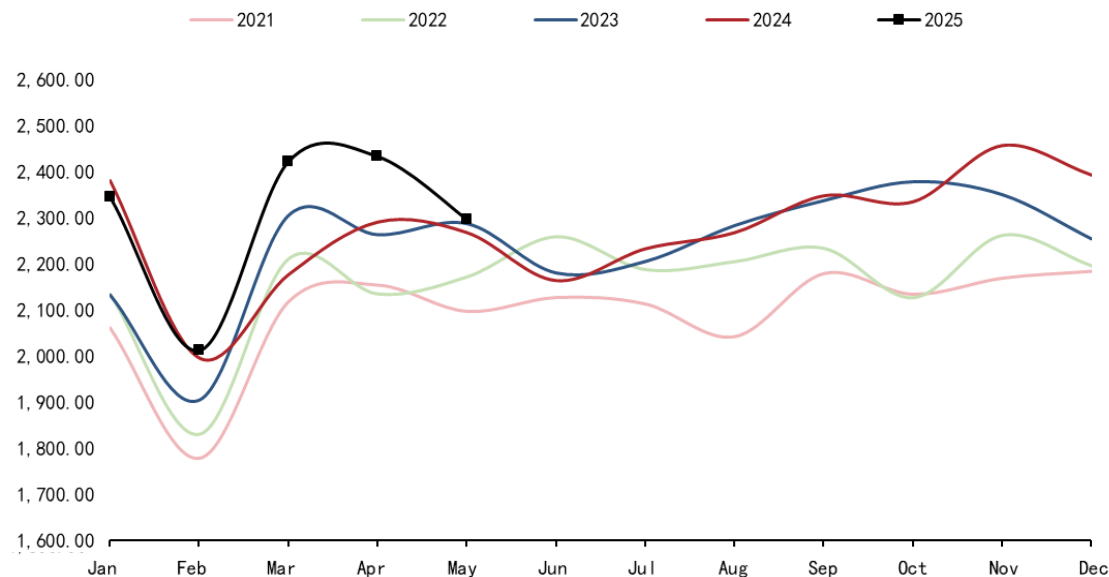
- High-frequency data indicates weak domestic real estate transaction volumes in July, underperforming the previous year. Conversely, auto sales data showed strength.

Figure 33: Manufacturing PMI of Major Overseas Economies



Sources: WIND, Minmetals Futures

Figure 34: Seasonal variation of global refined copper consumption (k mt)



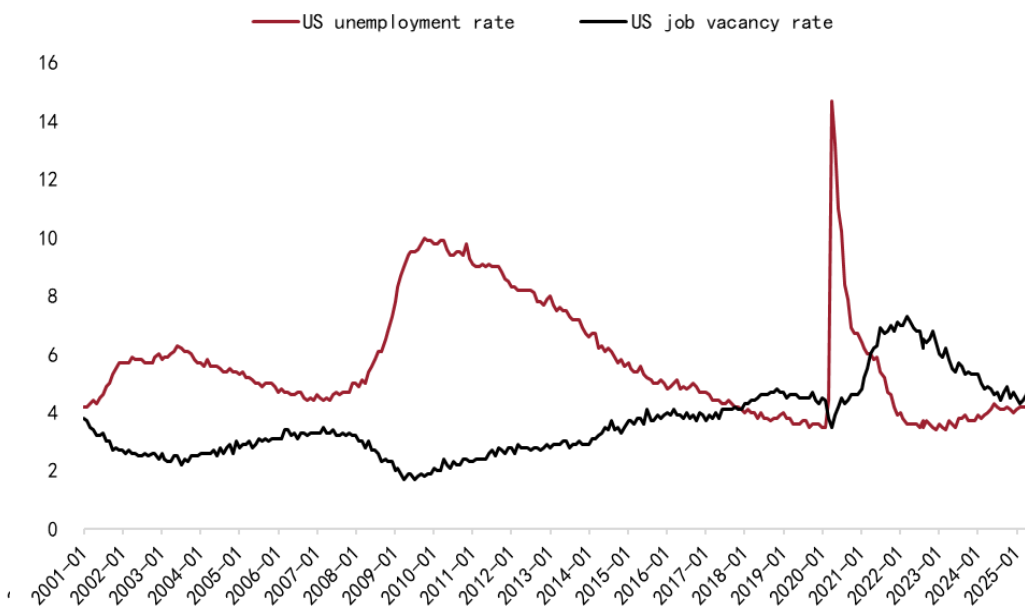
Sources: WIND, ICSG, Minmetals Futures

- Manufacturing activities in major developed economies diverged in July: the Eurozone and India performed well, while U.S. and Japan weakened. According to ICSG data, global refined copper consumption declined m/m but maintained y/y growth in May 2025, with January-May cumulative consumption up approximately 3.6%.

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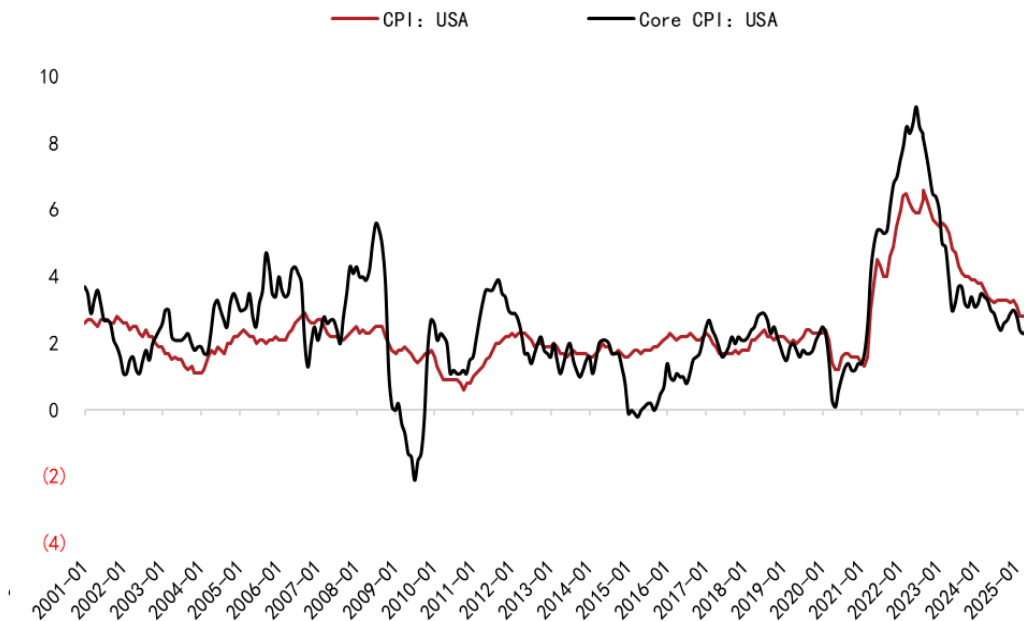
Macro Analysis

Figure 35: U.S. Unemployment Rate & Job Openings Rate (%)



Sources: WIND, Minmetals Futures

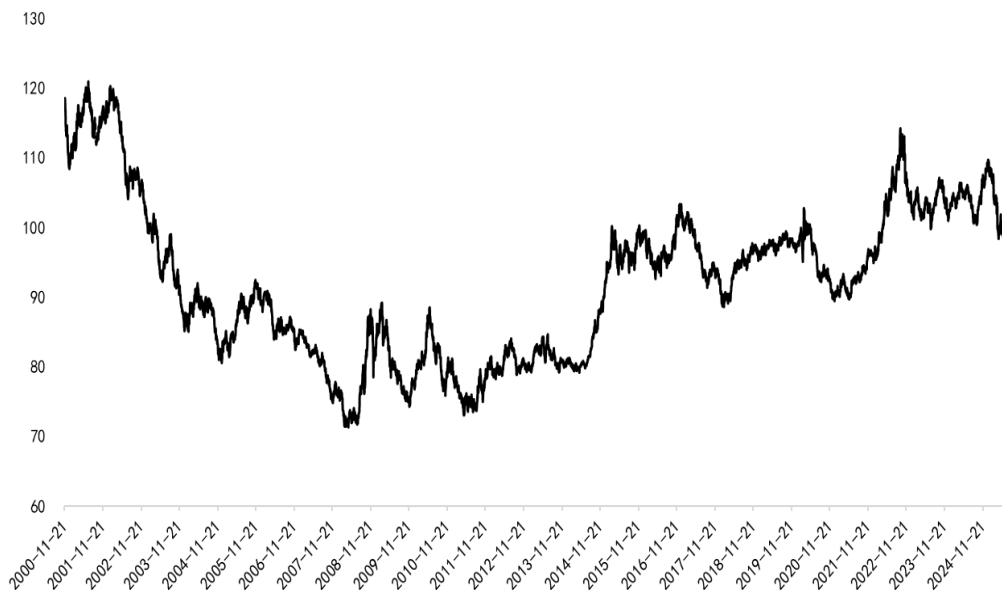
Figure 36: U.S. Core CPI YoY & CPI YoY (%)



Sources: WIND, Minmetals Futures

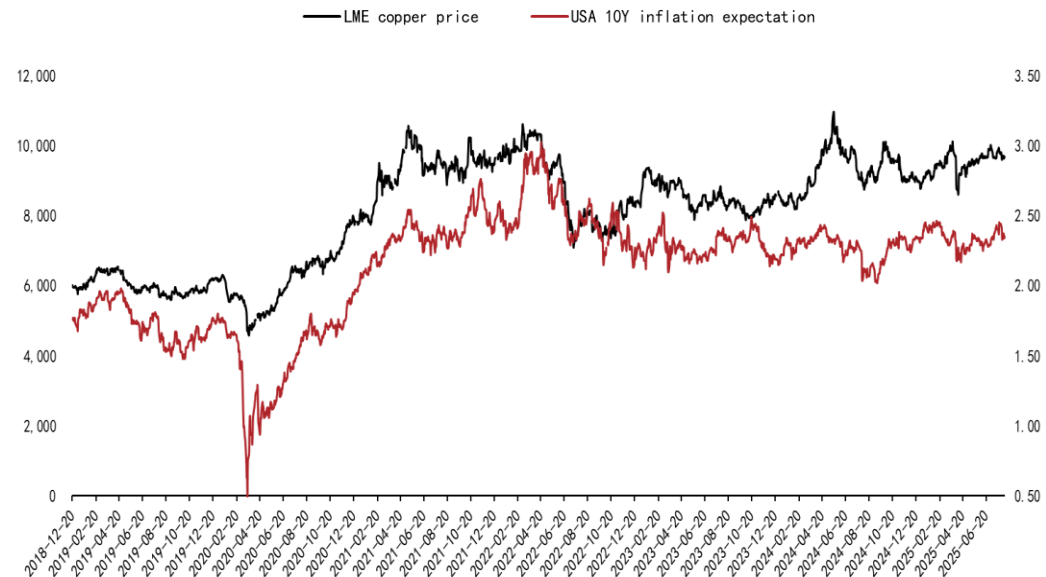
- The U.S. unemployment rate rose in July with non-farm payrolls missing expectations. U.S. June inflation data stabilized with a slight increase. Despite resilient economic data, market expectations indicate over 90% probability of a 25-basis-point Fed rate cut at the September FOMC meeting amid political pressures.

Figure 37: U.S. Dollar Index (DXY)



Sources: WIND, Minmetals Futures

Figure 38: LME Copper Price & U.S. 10-Year Inflation Expectations (US\$/mt, %)



Sources: WIND, Minmetals Futures

- The U.S. dollar index rebounded in July and remains in a fluctuating rebound phase. The 10-year U.S. inflation expectations trended weakly, providing slightly bearish guidance for copper prices.

Please refer to international@minfutures.com for any comment or suggestion.

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