中国五矿 五矿期货有限公司

Persistent tightness in mine supply continues, supporting higher price levels.

Copper Monthly Report

November 7, 2025

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CONTENTS

01

Monthly Review

Annual Valuation & Strategy Recommendation

- **Supply**: Overseas copper mine output in Q3 fell short of expectations, keeping mine supply tight, while blister copper availability showed marginal improvement. Domestic refined copper output declined in October and is expected to stabilize in November.
- **Demand**: China's apparent refined copper consumption in October is estimated to have declined y/y with a similar y/y decline being anticipated in November. Overseas manufacturing activity remains divergent, leading to neutral demand expectations.
- **Import & Export**: The SHFE refined copper export arbitrage window opened in October. The price spread between U.S. and LME copper narrowed, closing the U.S. copper arbitrage window.
- **Inventory**: SHFE, bonded zone, and COMEX inventories rose in October, while LME stocks declined, resulting in a net increase in global inventories. Chinese inventory levels are expected to remain largely unchanged in November.
- **November Outlook**: Entering November, domestic refined copper output is projected to stabilize, while seasonal demand recovery is anticipated. Increased scrap substitution suggests a broadly balanced near-term supply-demand outlook. Overseas demand remains neutral, and rising smelter maintenance-related production cuts are expected to ease near-term supply pressure. Meanwhile, shifts in U.S. import dynamics warrant close monitoring. On the macro front, U.S.-China trade relations have entered a period of easing tensions, and the Federal Reserve's dovish policy stance remains unchanged. Although the ongoing U.S. government shutdown and recent pullback in elevated U.S. equities may cause market volatility, the impact is expected to be temporary, and the market sentiment is expected to rebound promptly once the shutdown is resolved. Overall, lasting tightness at the mine level supports a higher copper price floor. Should macro-driven pessimism subside, copper prices could resume a range-bound upward trajectory. **Trading range guidance for this month:** 84,000–90,000 yuan/ton for SHFE front-month contract and USD10,400–11,200/ton for LME-3M copper. **Suggestion:** Buy on dips.

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

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	Production	YoY	Import	Export	Net import	inventory change	Apparent consumption	YoY	Cumulative consumption	YoY
Jan-23	85.3	4.3%	30.0	1.3	28.7	18.0	96.1	-10.4%	96.1	-5.3%
Feb-23	89.9	7.6%	24.8	4.2	20.6	15.2	95.4	5.2%	191.4	7.8%
Mar-23	95.0	12.0%	25.7	4.7	21.0	(11.4)	127.4	3.0%	318.8	-0.8%
Apr-23	97.0	17.2%	26.0	2.8	23.2	(5.6)	125.8	17.2%	444.6	3.7%
May-23	95.8	17.0%	29.4	1.8	27.6	(7.7)	131.1	15.0%	575.7	6.0%
Jun-23	91.8	7.1%	29.8	2.2	27.6	(4.6)	124.0	2.8%	699.7	5.5%
Jul-23	92.5	10.1%	30.3	2.7	27.6	(2.4)	122.5	2.4%	822.2	5.0%
Aug-23	98.9	15.5%	34.1	2.1	32.0	(2.3)	133.2	6.8%	955.4	5.2%
Sep-23	101.0	11.1%	34.4	1.8	32.6	(2.7)	136.3	3.1%	1091.7	5.0%
Oct-23	99.0	9.9%	35.4	1.6	33.8	(2.4)	135.2	17.1%	1226.9	6.2%
Nov-23	96.0	6.7%	38.3	1.7	36.6	(1.1)	133.7	7.5%	1360.6	6.3%
Dec-23	99.5	14.4%	33.8	1.1	32.7	1.1	131.1	8.3%	1491.7	6.5%
Jan-24	97.0	13.7%	37.8	0.9	36.9	3.9	130.0	35.3%	130.0	35.3%
Feb-24	95.0	5.6%	26.7	1.4	25.3	21.3	99.0	3.8%	229.0	19.6%
Mar-24	100.0	5.3%	31.7	2.3	29.4	12.0	117.4	-7.8%	346.4	8.7%
Apr-24	98.5	1.5%	30.6	2.5	28.0	2.6	123.9	-1.5%	470.3	5.8%
May-24	100.8	5.2%	34.7	7.3	27.4	5.3	122.9	-6.3%	593.2	3.0%
Jun-24	100.5	9.5%	30.9	15.8	15.1	(3.9)	119.5	-3.6%	712.7	1.9%
Jul-24	102.8	11.1%	29.9	7.0	22.9	(6.3)	132.0	7.8%	844.7	2.7%
Aug-24	101.3	2.4%	27.6	3.1	24.5	(8.6)	134.4	0.9%	979.1	2.5%
Sep-24	100.0	-1.0%	34.8	1.6	33.2	(12.5)	145.7	6.9%	1124.8	3.0%
Oct-24	99.6	0.6%	38.6	1.0	37.6	5.6	131.6	-2.7%	1256.4	2.4%
Nov-24	100.5	4.7%	39.8	1.2	38.6	(7.8)	146.9	9.9%	1403.3	3.1%
Dec-24	112.0	12.6%	40.8	1.7	39.1	(6.9)	158.0	20.5%	1561.3	4.7%
Jan-25	101.3	4.4%	29.7	1.7	28.0	6.1	123.9	-4.7%	123.9	-4.7%
Feb-25	105.8	11.4%	30.5	3.2	27.3	24.2	108.9	10.0%	232.8	1.7%
Mar-25	112.2	12.2%	35.4	6.8	28.6	2.9	137.9	17.5%	370.7	7.0%
Apr-25	112.6	14.3%	30.0	7.8	22.2	(22.3)	157.1	26.8%	527.8	12.2%
May-25	113.8	12.9%	29.3	3.4	25.9	(3.5)	143.2	16.5%	671.0	13.1%
Jun-25	113.5	12.9%	33.7	7.9	25.8	0.3	139.0	16.3%	810.0	13.7%
Jul-25	117.5	14.3%	33.6	11.8	21.8	0.1	139.2	5.5%	949.2	12.4%
Aug-25	117.2	15.7%	30.7	3.7	27.0	1.6	142.6	6.1%	1091.8	11.5%
Sep-25	112.0	12.0%	37.4	2.6	34.8	2.5	144.3	-1.0%	1236.1	9.9%
Oct-25	109.2	9.6%			29.0	6.2	132.1	0.4%	1368.2	8.9%
Nov-25	108.8	8.3%			34.0		142.0	-3.3%	1510.2	7.6%
Dec-25	112.0	0.0%			35.0		146.0	-7.6%	1656.2	6.1%

Industrial Chain

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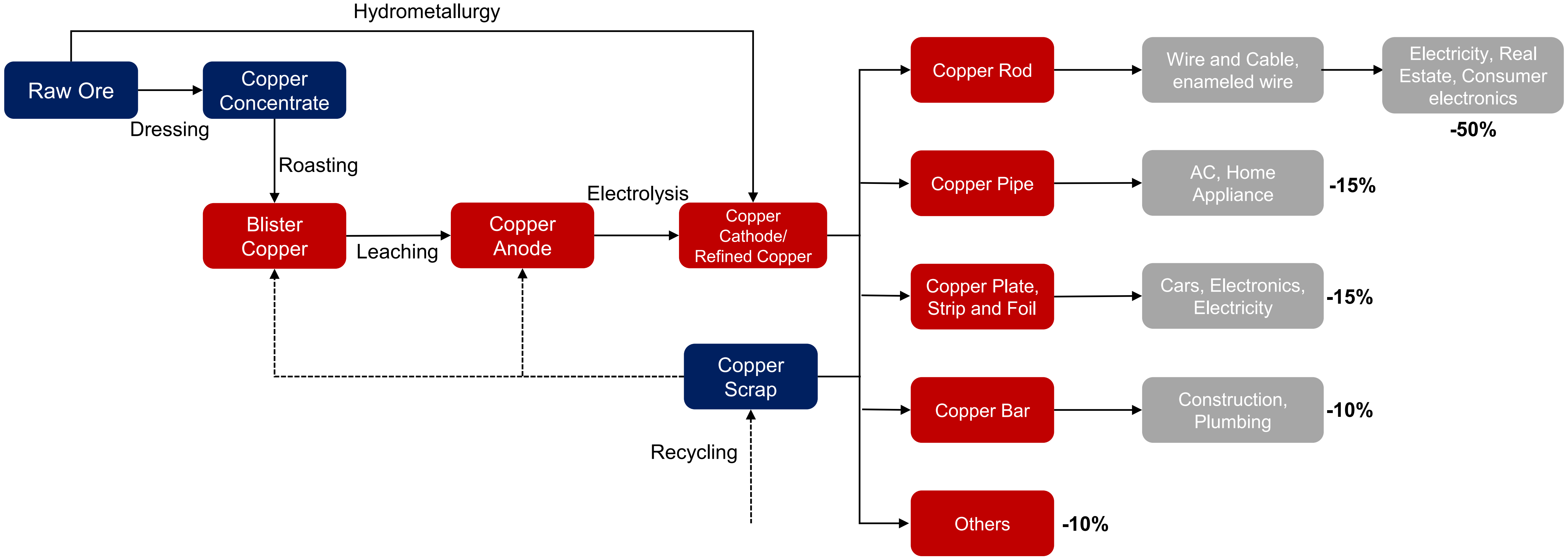


Upstream **Midstream** **Downstream**

02

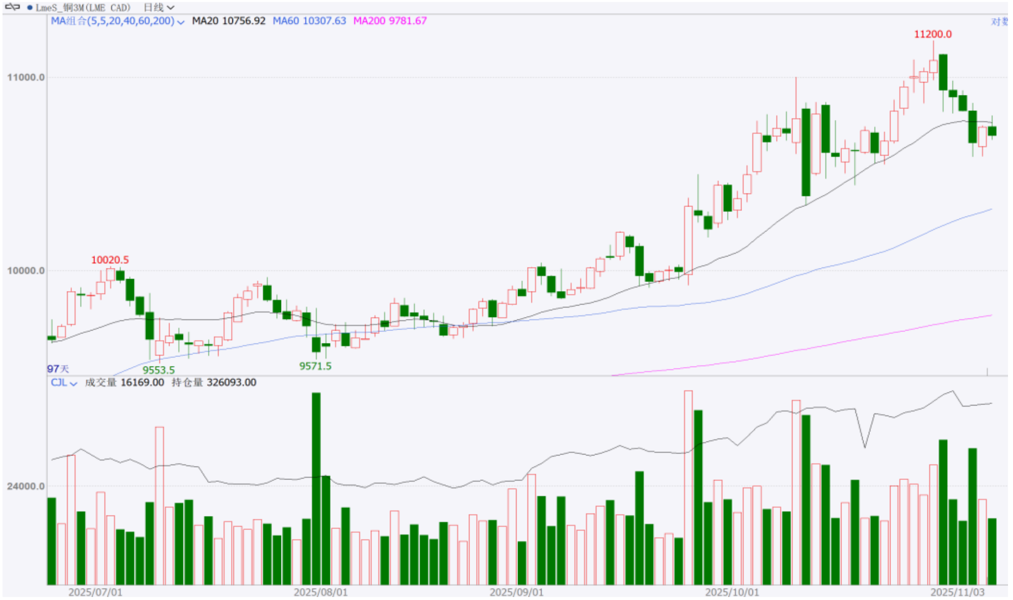
Spot Market & Futures Market

Market Review

Figure 1: SHFE Refined Copper Main Contract (yuan/tonne)

Sources: Wenhua, Minmetals Futures

Figure 2: LME 3M Copper Price (USD/tonne)

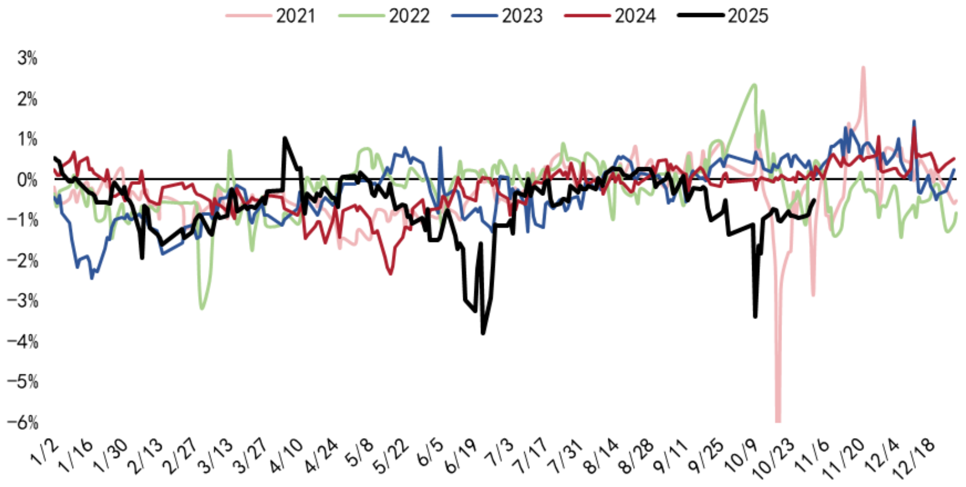


Sources: Wenhua, Minmetals Futures

- Copper prices trended upward in October amid volatility, driven by supply disruptions at mines, progress in U.S.-China trade negotiations, and expectations of Federal Reserve rate cuts, pushing prices toward record highs. The SHFE front-month copper contract rose 4.69% during the month, while the LME 3M copper contract gained 5.78%. The U.S. dollar index strengthened over the period, while the offshore renminbi appreciated slightly. Copper prices retreated from their record highs in early November.

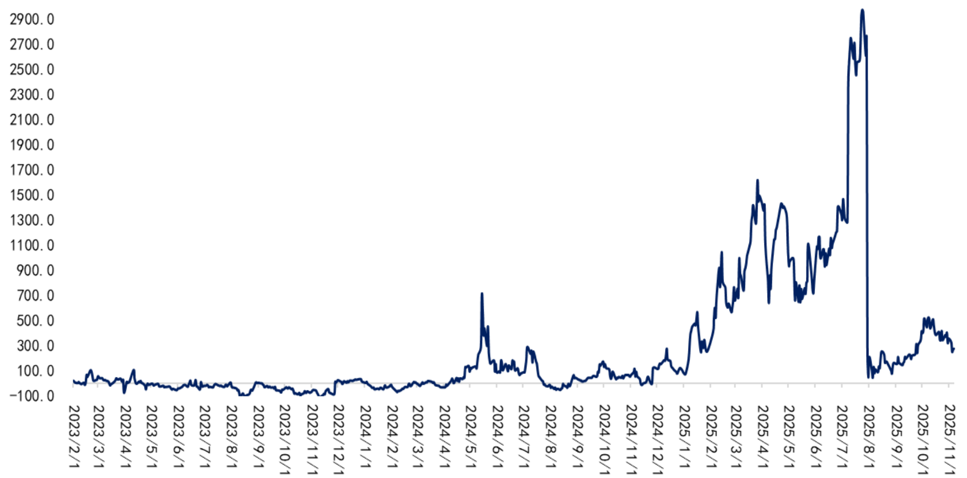
Inter-market Spread

Figure 3: China Refined Copper Import Profit/Loss Ratio



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

Figure 4: COMEX & LME Copper Prices and Spread (USD/tonne)

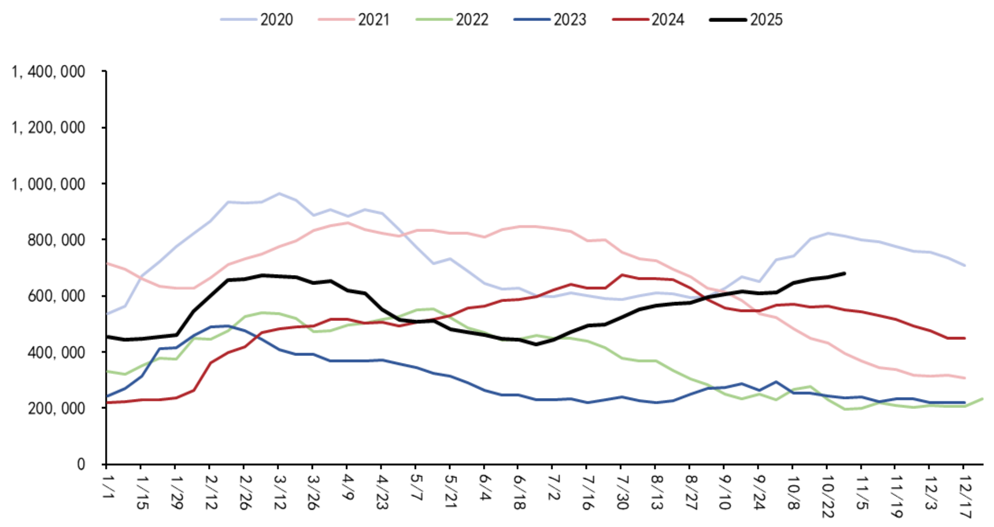


Sources: WIND, Minmetals Futures

- In October, the SHFE copper import loss widened initially before narrowing, with the export arbitrage window briefly opening. By early November, the import loss had narrowed further. The COMEX–LME spread fluctuated lower in October. Although forward-looking tariff expectations continued to support the spread, persistent inventory builds on COMEX gradually closed the import arbitrage window.

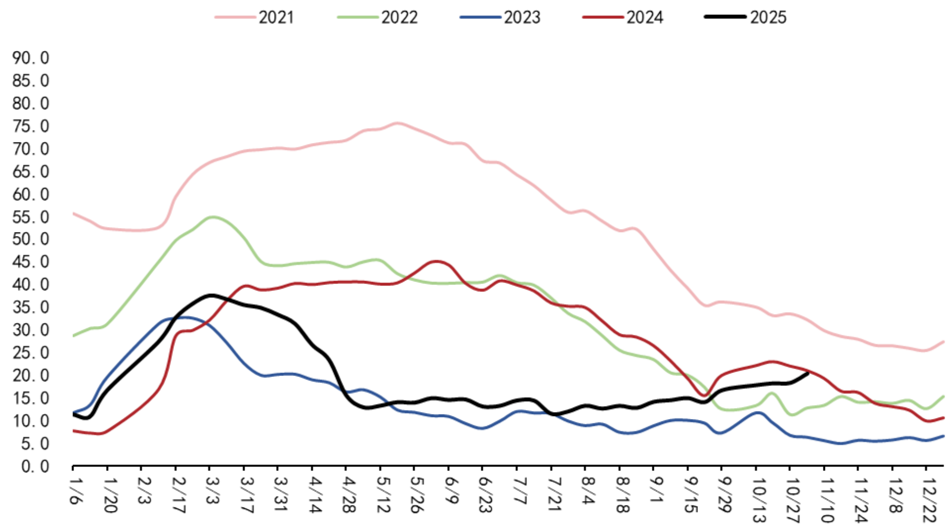
Inventory & Basis

Figure 5: Total Refined Copper Inventories: Three Exchanges & Shanghai Bonded Zone (tonne)



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

Figure 6: China Refined Copper Social Inventory (10k tonnes)

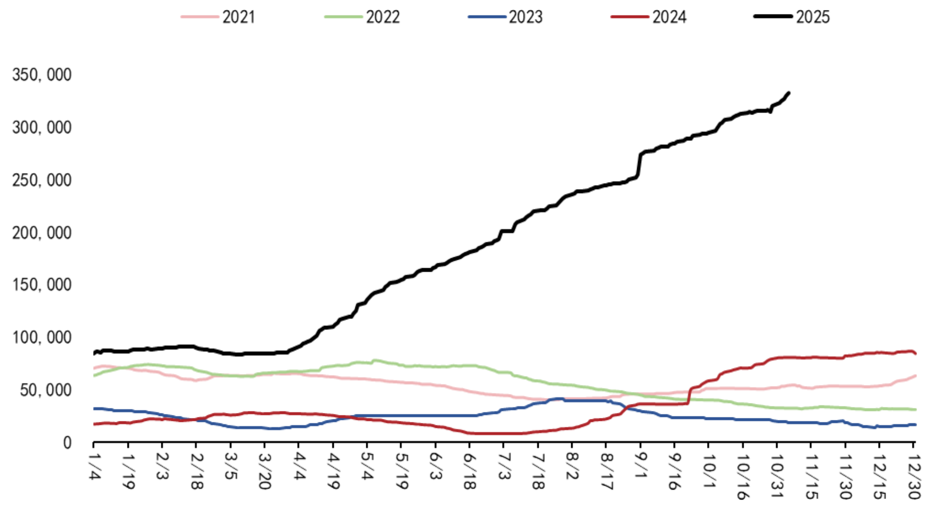


Sources: SMM, Minmetals Futures

- As of end-October, combined inventories across the three major exchanges (SHFE, LME, COMEX) plus Shanghai bonded warehouses totaled approximately 680,000 tonnes, up 67,000 tonnes from end-September, placing total stocks at a relatively high level in recent years. However, structural imbalances persist—COMEX inventories account for a high share of the total, at around 47.5%. Domestic copper inventories in China continued to rise in October, with exchange-held stocks at approximately 116,000 tonnes and off-exchange social inventories at about 76,000 tonnes. Bonded warehouse stocks also increased, reaching an absolute level of roughly 107,000 tonnes.

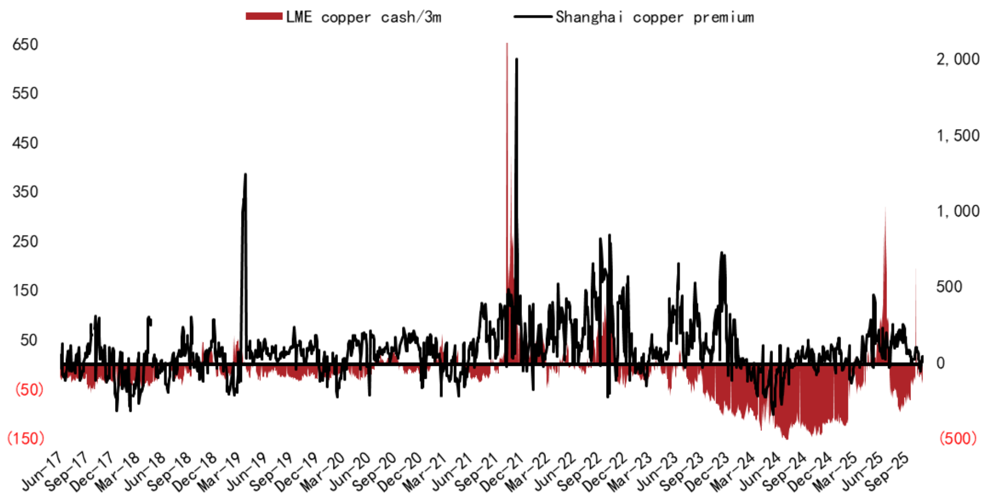
Inventory & Basis

Figure 7: COMEX Copper Inventory (tonne)



Sources: WIND, Minmetals Futures

Figure 8: Domestic & International Copper Basis (USD/tonne, yuan/tonne)

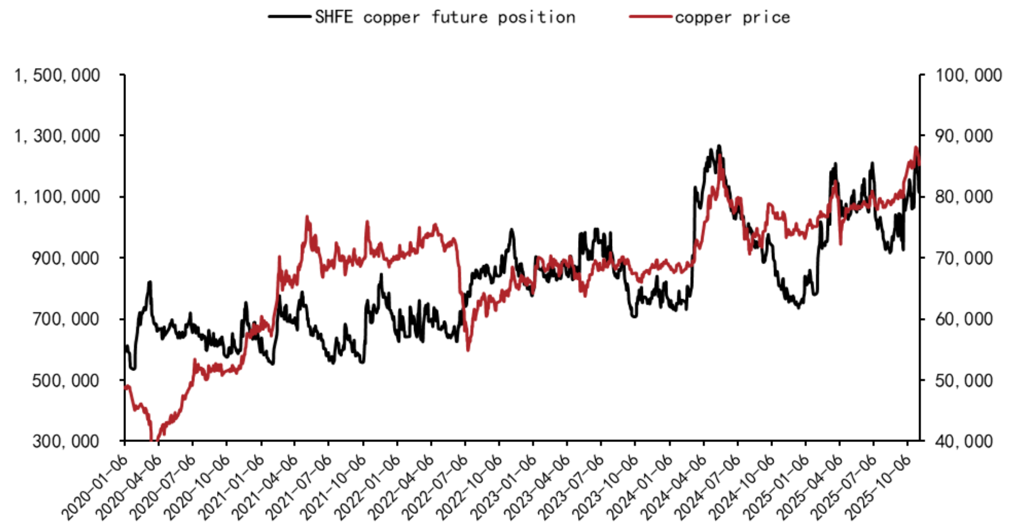


Sources: LME, WIND, Minmetals Futures

- LME copper inventories fell to approximately 135,000 tonnes by end-October, down 8,000 tonnes m/m. COMEX total copper stocks continued to rise, up 29,000 tonnes in October, and extended their increase into early November. Overseas, the LME Cash/3M spread surged then retreated in October. Domestically, the SHFE spot-futures basis first strengthened then weakened; by early November, spot copper traded at a modest premium to futures.

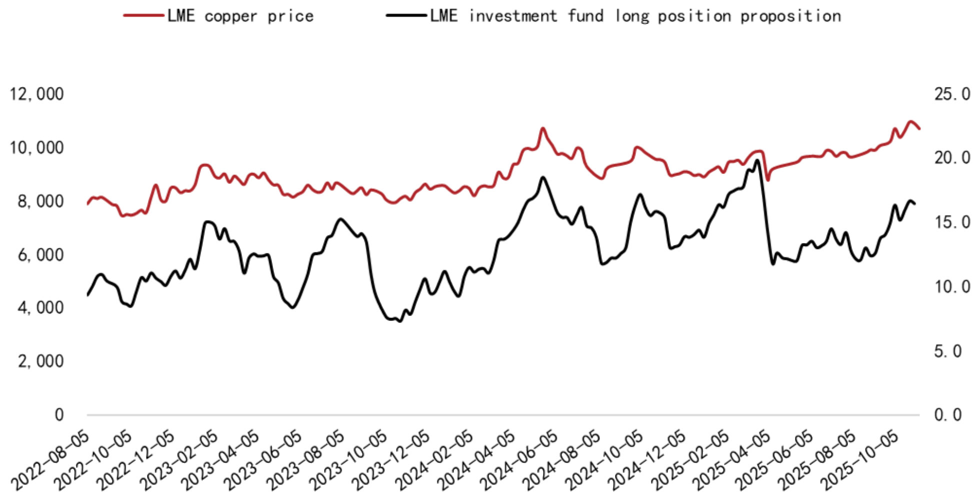
Fund Sentiment

Figure 9: SHFE Open Interest and 1# Copper Price (yuan/tonne)



Sources: WIND, Minmetals Futures

Figure 10: LME Investment Fund Long Position Share



Sources: WIND, Minmetals Futures

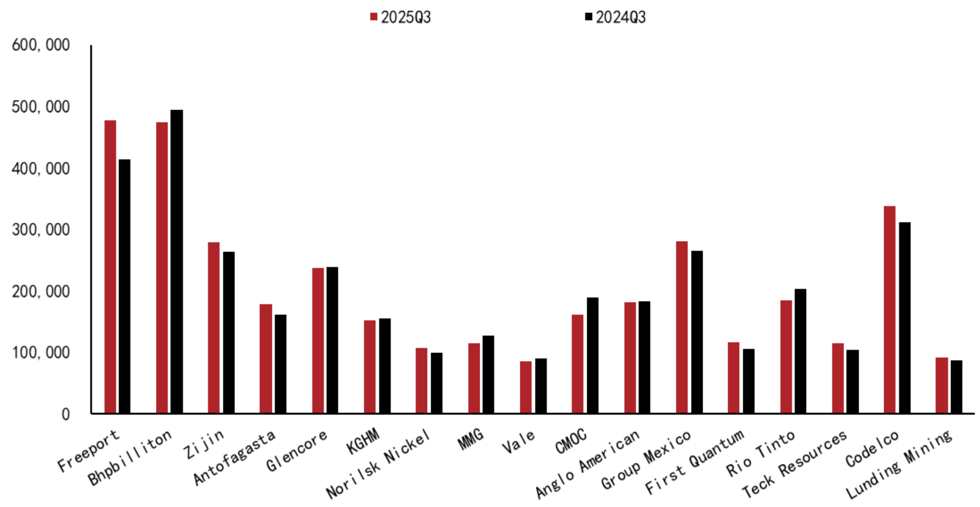
- As of end-October, long positions held by LME investment funds rose as a share of total open interest, reflecting relatively positive sentiment. SHFE copper open interest spiked and then pulled back but remains at a relatively high level, indicating active long-short positioning. In November, market sentiment is expected to be primarily driven by inventory trends and developments in U.S. policy.

03

Supply and Demand Analysis

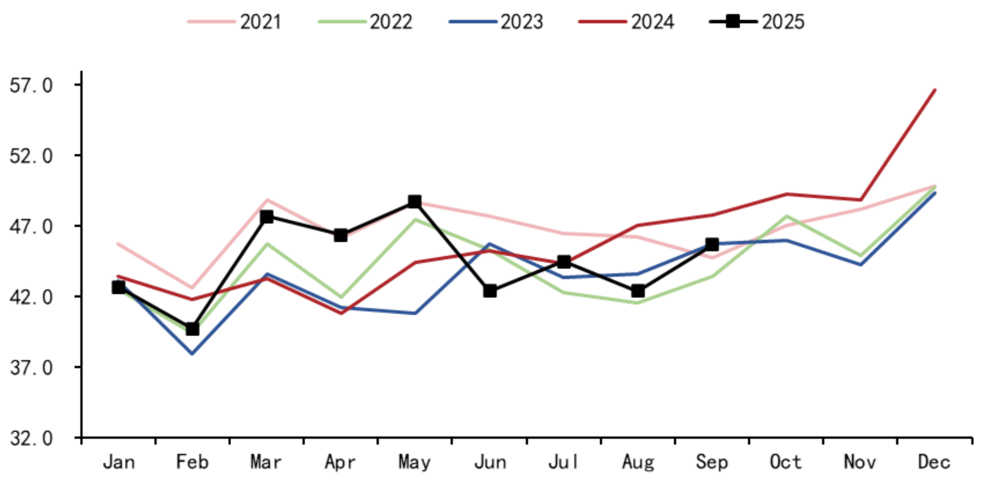
Supply – Copper Mines

Figure 11: Q3 Equity Copper Mine Production of Major Miners (tonne)



Sources: Company Press Release, Minmetals Futures

Figure 12: Chilean Copper Mine Output (10k tonnes)

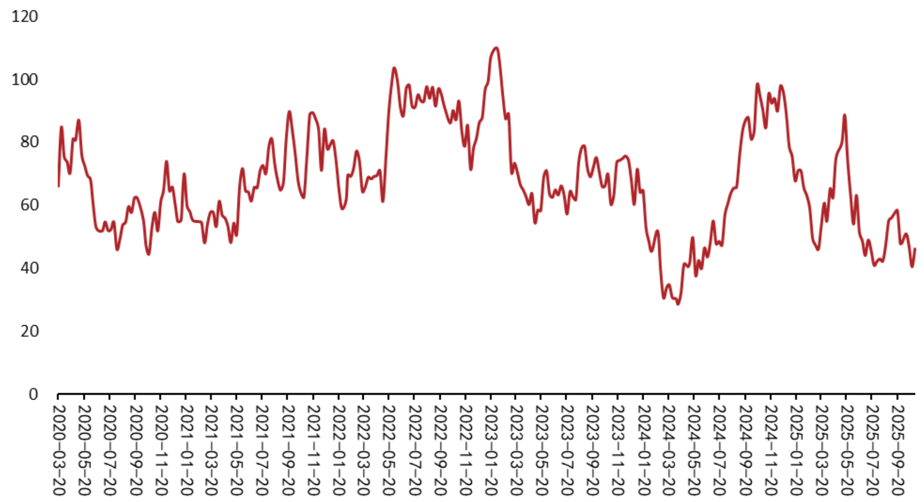


Sources: Cochilco, Minmetals Futures

- Q3 copper mine output from 17 major global miners totaled approximately 3.5 million tonnes, down 2.2% y/y. Production undershot expectations due to operational disruptions and declining ore grades. The y/y decline in mine output is expected to widen further in Q4.
- Chile's copper production in September declined y/y but rebounded slightly m/m, remaining at a relatively low level.

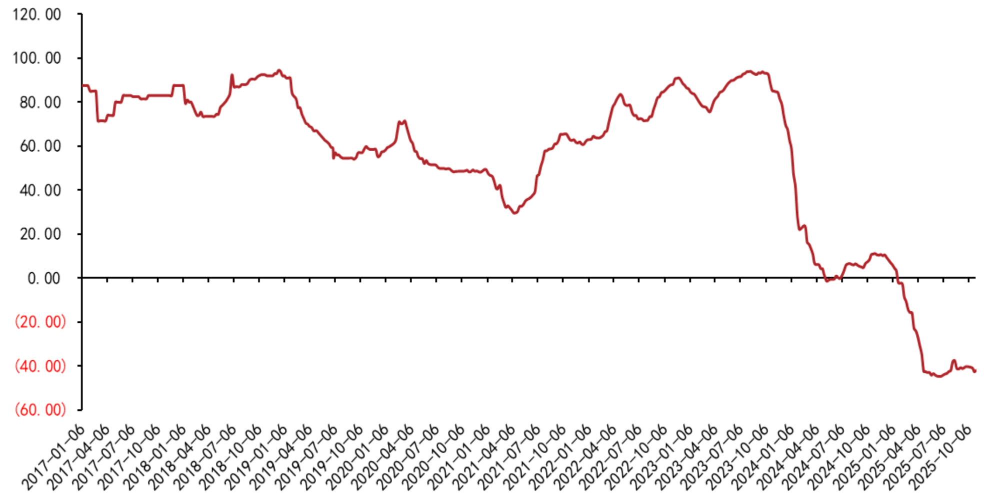
Supply – Copper Mines

Figure 13: China Major Port Copper Concentrate Inventory (10k tonnes)



Sources: IFIND, Minmetals Futures

Figure 14: Imported Copper Concentrate TC (USD/tonne)

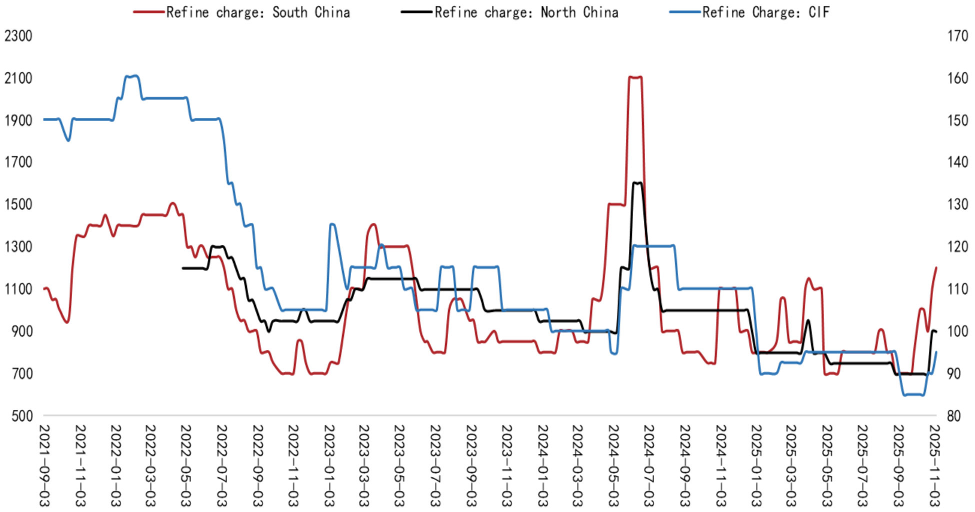


Sources: SMM, Minmetals Futures

- China's port inventories of copper concentrate declined initially and then rose in October, reflecting a shift from tight to ample spot supply at major ports. As of TCs, spot TCs for copper concentrate trended lower in October.By end-October, spot TCs were quoted at around USD-42/tonne. November marks the start of annual contract negotiations, with both sides expected to remain deadlocked.

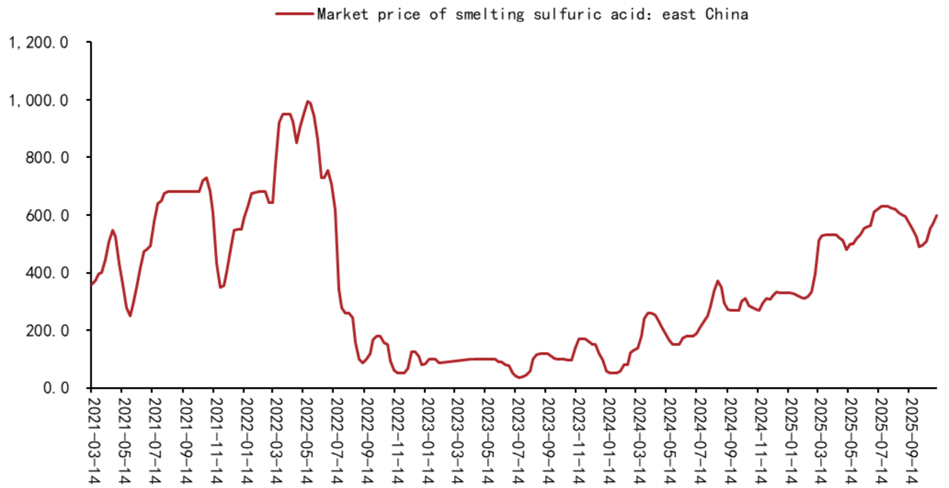
Supply – Refined Copper

Figure 15: Anode Copper Processing Fee (yuan/tonne, USD/tonne)



Sources: SMM, Minmetals Futures

Figure 16: China Main Region Smelting Acid Price (yuan/tonne)



Sources: WIND, Minmetals Futures

- Domestic blister copper treatment charges (TCs) turned upward in October, supported by higher copper prices and marginally looser raw material supply for refined copper production. Sulfuric acid prices—a key smelting by-product—in major domestic regions rebounded amid volatility and remained at relatively elevated levels, providing a positive contribution to smelter revenues.

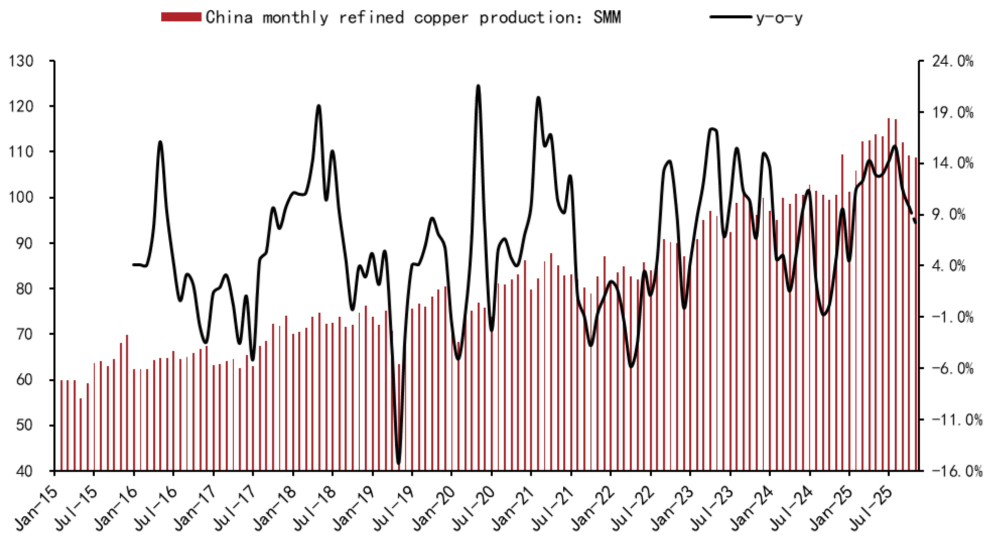
Supply – Refined Copper

Figure 17: China Copper Smelter Maintenance Schedule (10k tonnes)

Company	Province	Smelter Capacity	Refinry Capacaty	Start Time	End Time
Company 1	Anhui	50	70	Mar-25	Mar-25
Company 2	Hubei	40	55	Mar-25	Mar-25
Company 3	Henan	12	15	Mar-25	Apr-25
Company 4	Shanxi	20	20	Apr-25	Apr-25
Company 5	Qinghai	15	15	Apr-25	Apr-25
Company 6	Shandong	20	20	May-25	May-25
Company 7	Shandong	40	55	May-25	May-25
Company 8	Neimenggu	20	20	May-25	May-25
Company 9	Heilongjiang	15	15	Jul-25	Jul-25
Company 10	Henan	10	12	Jun-25	Jul-25
Company 11	Jilin	10	15	Aug-25	Sep-25
Company 12	Neimenggu	40	40	Sep-25	Nov-25
Company 13	Neimenggu	30	25	Sep-25	Oct-25
Company 14	Shandong	40	45	Oct-25	Nov-25
Company 15	guangxi	40	40	Oct-25	Nov-25
Company 16	Anhui	50	46	Oct-25	Nov-25
Company 17	Zhejiang	15	15	Oct-25	Nov-25

Sources: MYSTEEL, SMM, Baiinfo, Minmetals Futures

Figure 18: China Monthly Refined Copper Production (10k tonnes)

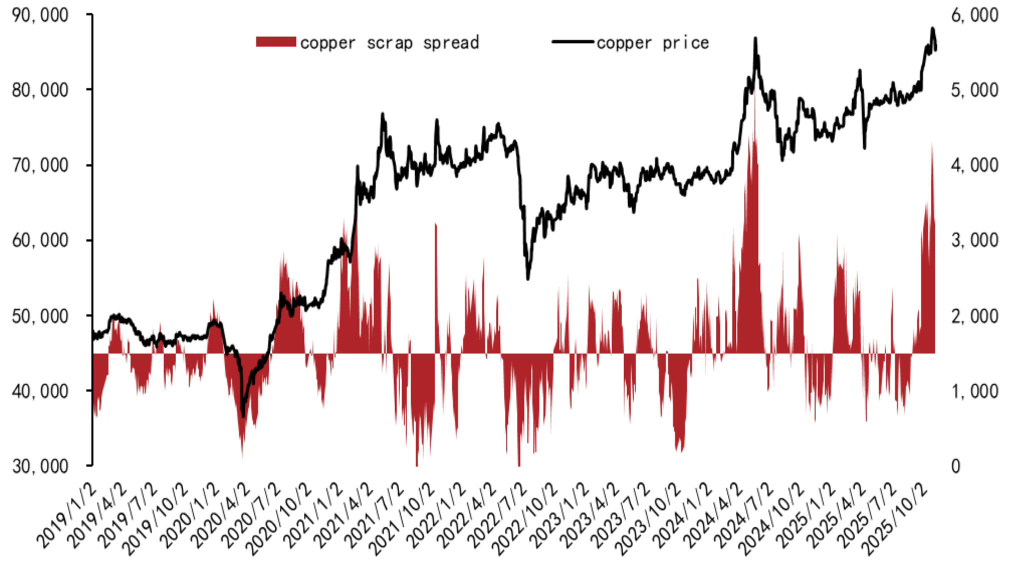


Sources: SMM, Minmetals Futures

- Smelter maintenance activity increased in October, leading to a further m/m decline in China's refined copper output. In November, the impact of scheduled maintenance persists but is diminishing; combined with higher copper prices incentivizing greater secondary production of blister copper/anodes from scrap, refined copper output is expected to stabilize.

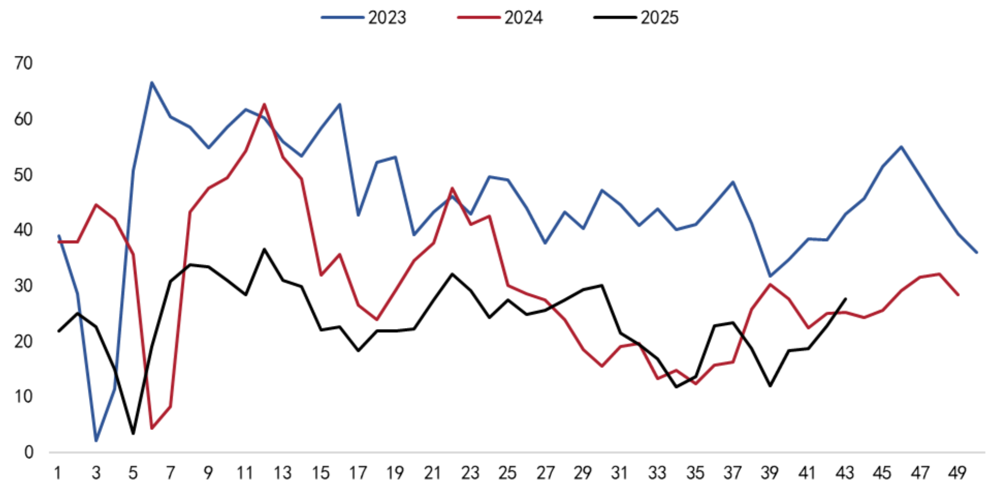
Supply – Secondary Copper

Figure 19: China Refined Copper vs. 1# Bright Copper Spread (yuan/tonne)



Sources: SMM, WIND, Minmetals Futures

Figure 20: China Secondary Copper Rod Maker Weekly Operating Rate (%)

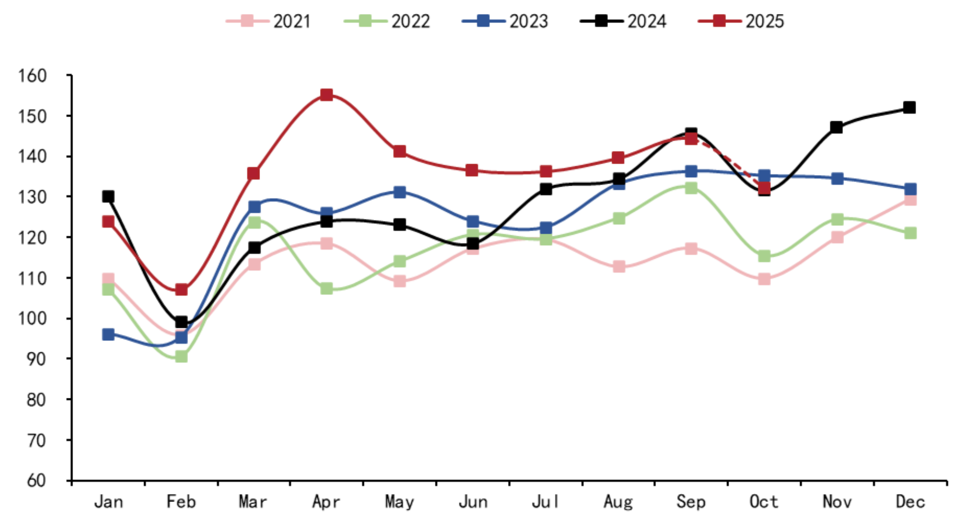


Sources: SMM, Minmetals Futures

- The average price spread between refined and scrap copper in China was approximately 3,580 yuan/tonne in October, widening m/m. Despite incomplete implementation of local tax rebate policies, scrap maintained strong substitution appeal. Operating rates at secondary copper rod producers rebounded during the month, supported by the widening refined-scrap spread and marginal easing of regional policy constraints, thereby increasing substitution demand for refined copper.

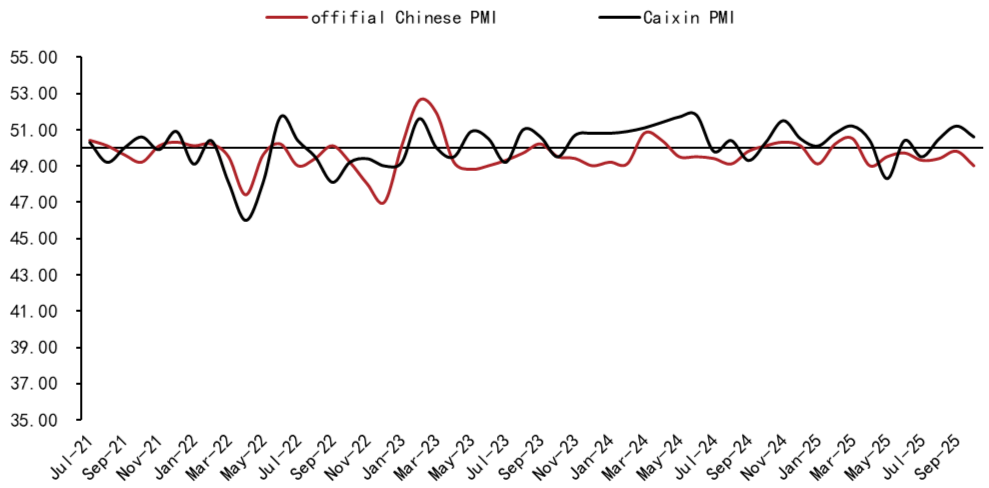
Demand – China

Figure 21: China Monthly Apparent Refined Copper Consumption (10k tonnes)



Sources: Customs, SMM, MYMETAL, Minmetals Futures

Figure 22: China Manufacturing PMI

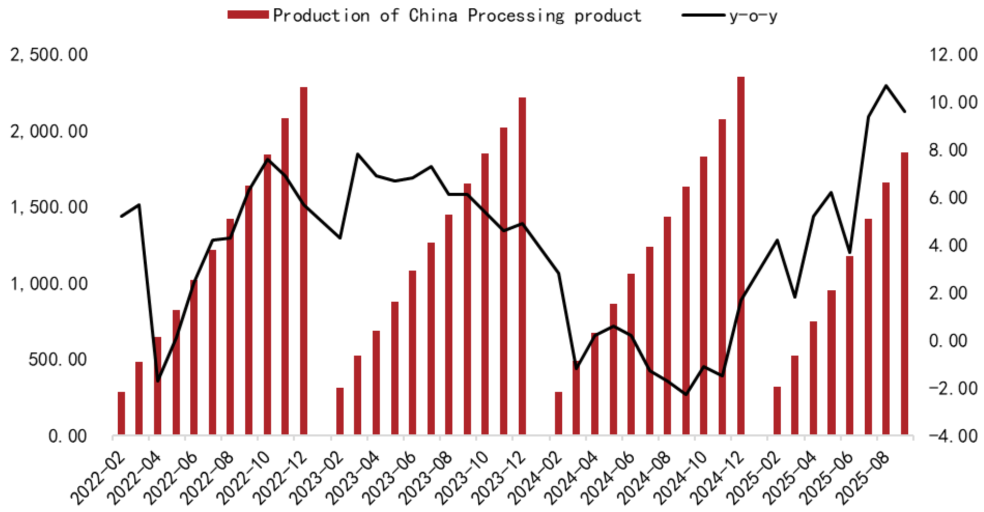


Sources: WIND, Minmetals Futures

- Assuming lower net imports, China's apparent refined copper consumption in October is estimated at 1.32 million tonnes, up 0.3% y/y. Cumulative apparent consumption for January–October reached 13.67 million tonnes, up 8.8% y/y. Leading economic indicators weakened in October: both the official and Caixin China Manufacturing PMIs declined m/m, signaling a marginal softening in manufacturing sentiment.

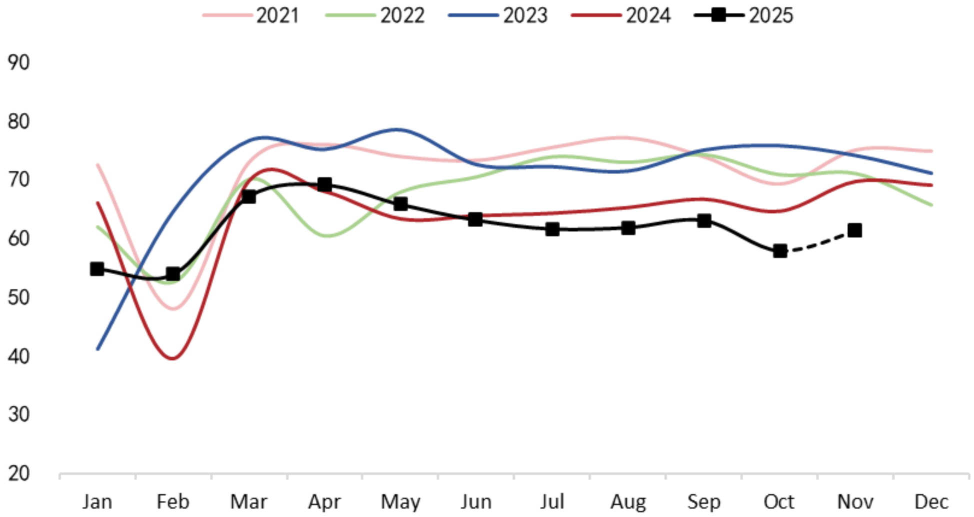
Demand – China

Figure 23: China Copper Fabrications Cumulative Output & YoY Growth (10k tonnes, %)



Sources: WIND, Minmetals Futures

Figure 24: China Copper Fabrications Sector Average Operating Rate (%)

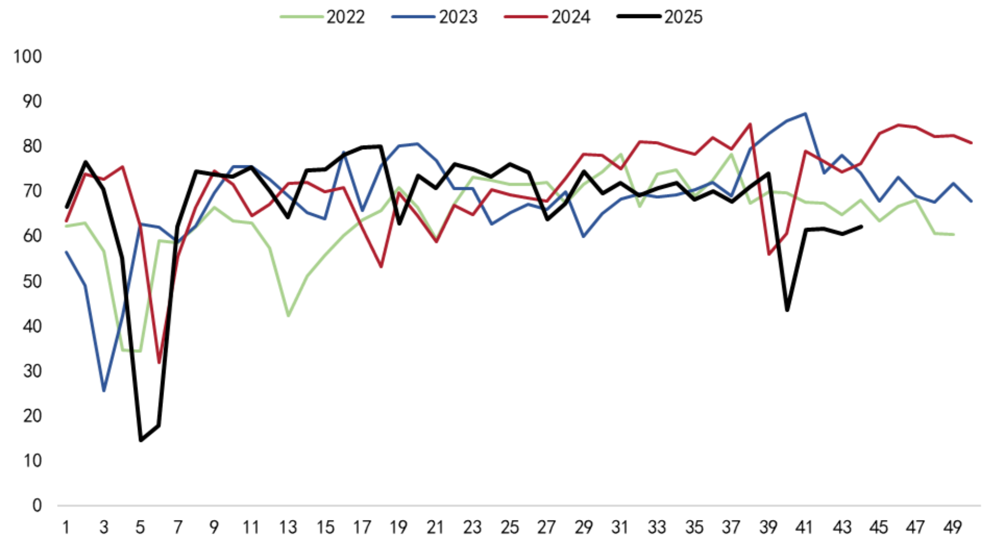


Sources: SMM, Minmetals Futures

- China's copper product output grew by approximately 9.6% y/y in the first nine months of 2025, though the growth rate slowed m/m. According to SMM data, copper product utilization rates weakened in October but are expected to recover in November.

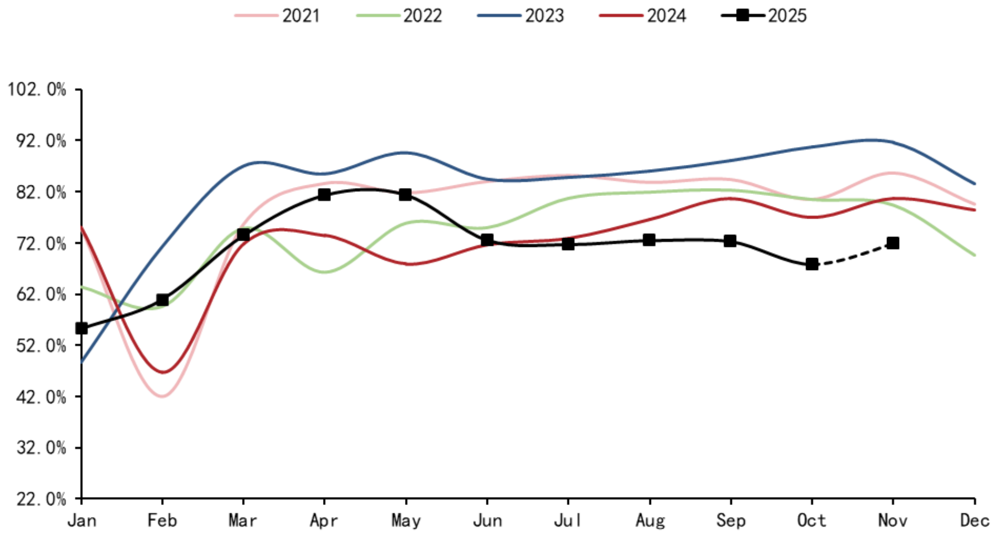
Demand – China

Figure 25: China Refined Copper Rod Maker Weekly Operating Rate (%)



Sources: SMM, Minmetals Futures

Figure 26: China Wire & Cable Sector Operating Rate (%)

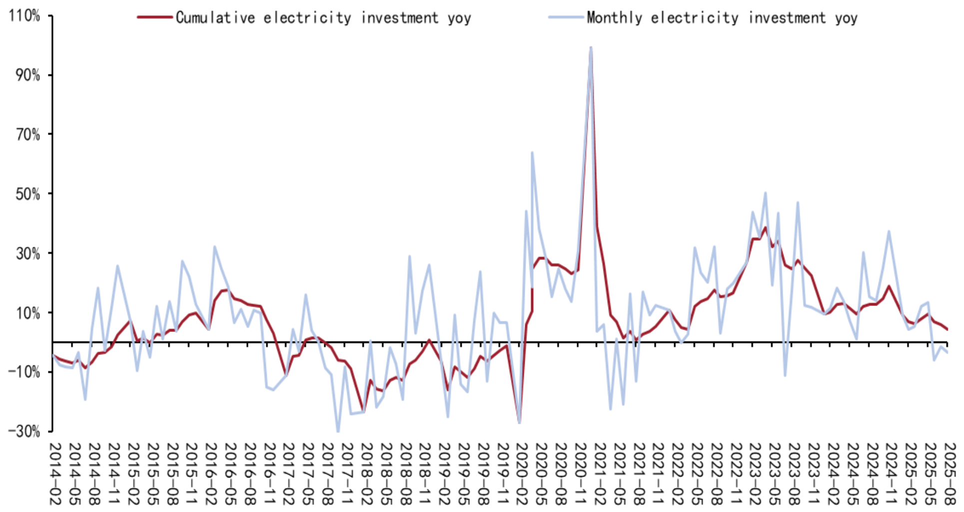


Sources: SMM, Minmetals Futures

- Operating rates at China's primary copper rod mills remained weak in October, averaging below year-ago levels and still short of pre-National Day holiday levels. Wire and cable manufacturers also underperformed expectations during the month, though operating rates are expected to rebound in November.

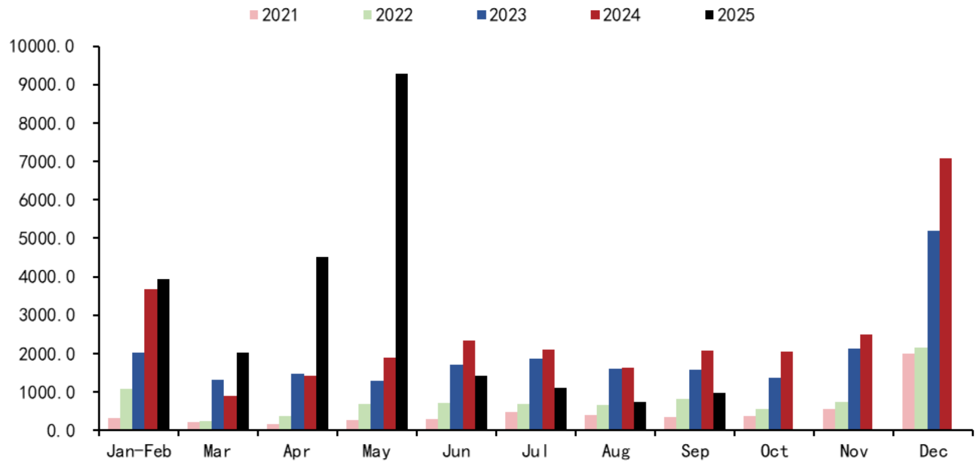
Demand – China

Figure 27: China Power Generation + Grid Investment y/y Growth (%)



Sources: NEA, Minmetals Futures

Figure 28: Photovoltaic New Installed Capacity (10k kW)

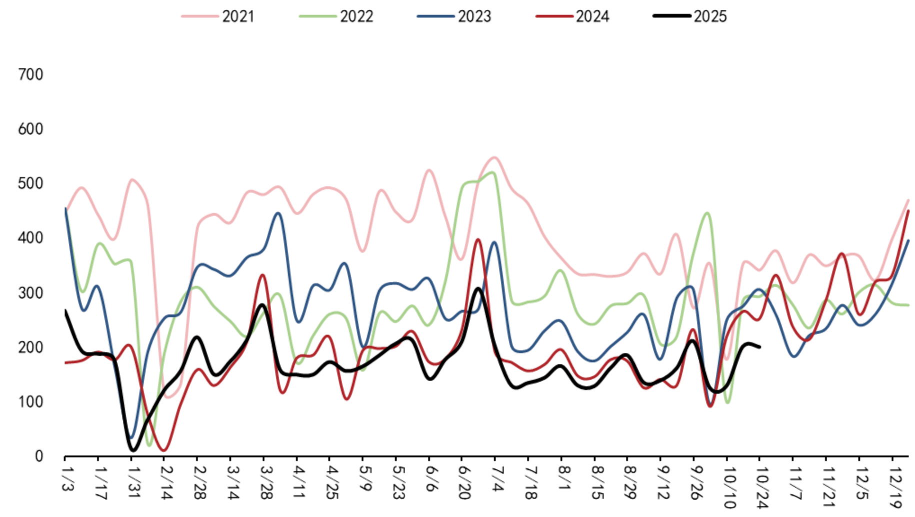


Sources: NEA, Minmetals Futures

- On the downstream front, power sector investment (including power generation and grid infrastructure) in September continued to decline y/y, with the contraction slightly widening. New photovoltaic (PV) installations posted a y/y decline but rose m/m, while new wind power installations fell m/m. Demand is expected to see marginal improvement toward year-end as project deadlines approach.

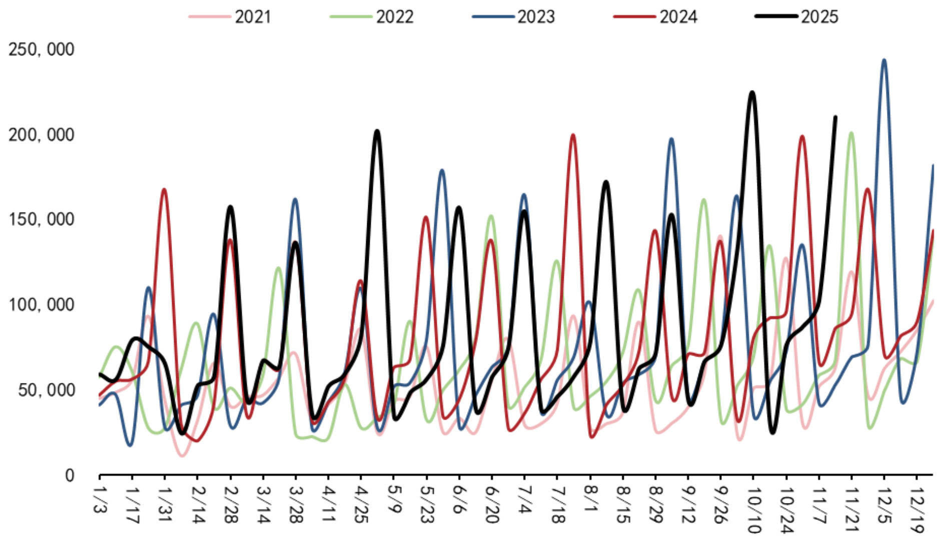
Demand – China

Figure 29: Weekly Sales Area of Commercial Housing in 30 Major Cities (10k m²)



Sources: WIND, Minmetals Futures

Figure 30: Daily Passenger Vehicle Sales: Manufacturer Wholesale (Units)

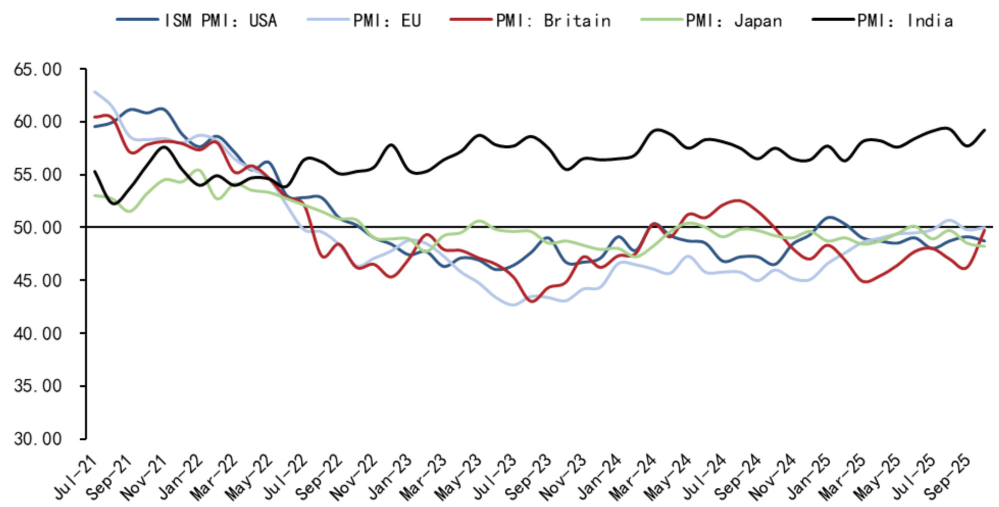


Sources: WIND, Minmetals Futures

- High-frequency data show that China's property transaction volumes in October remained below year-ago levels. Appliance production—linked to the post-construction segment of real estate—stayed subdued. In contrast, high-frequency auto sales data for October showed relative strength.

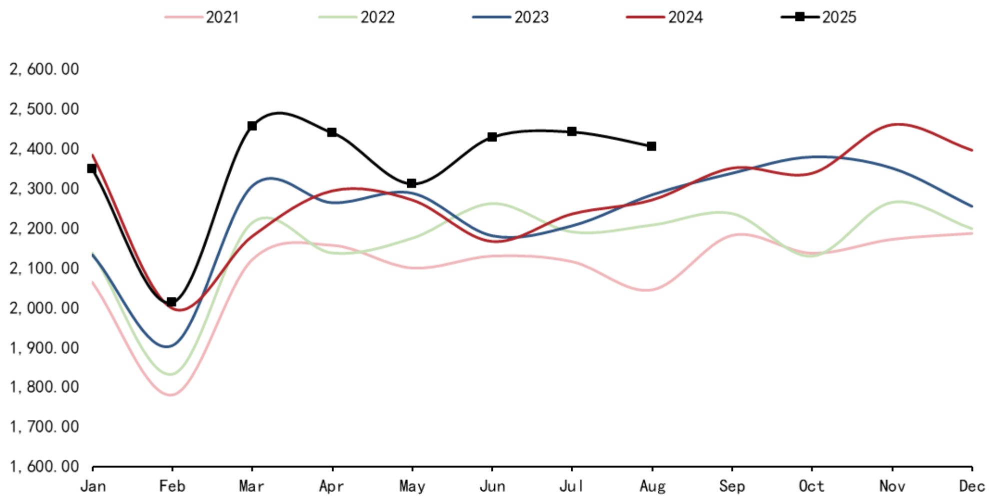
Demand – Overseas

Figure 31: Manufacturing PMI in Major Overseas Economies



Sources: WIND, Minmetals Futures

Figure 32: Global Refined Copper Consumption Seasonality (1k tonnes)



Sources: WIND, ICSG, Minmetals Futures

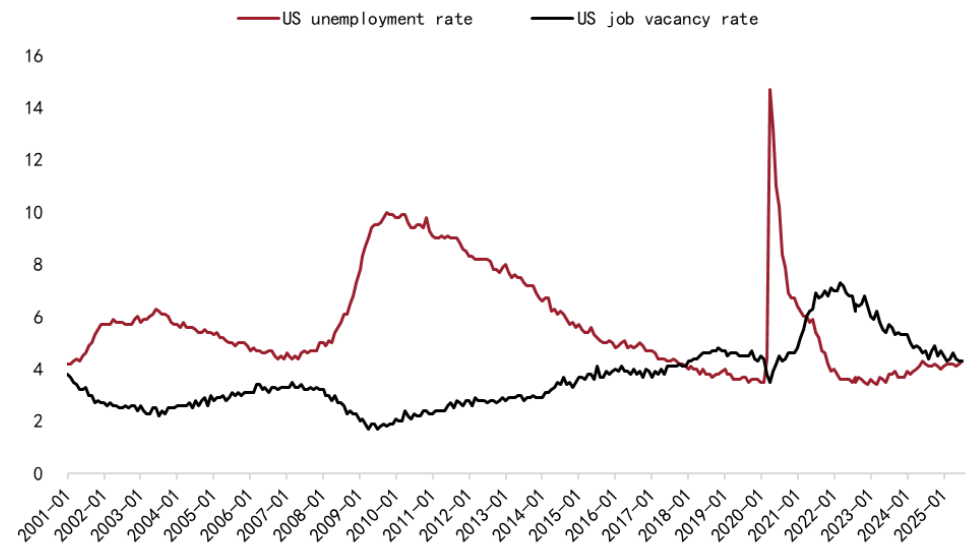
- Manufacturing sentiment in major advanced economies diverged in October: India, the eurozone, and the UK saw improvements, while the U.S. and Japan experienced further weakening. According to ICSG data, global refined copper consumption in August 2025 declined m/m but remained up y/y; cumulative consumption for January–August grew by approximately 5.9% y/y.

04

Macro Analysis

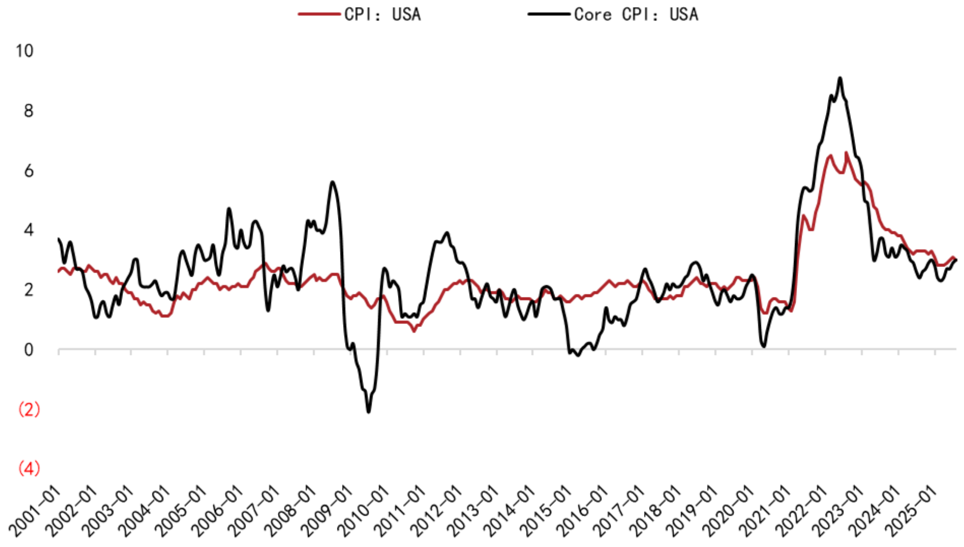
Fed Policy

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



Sources: WIND, Minmetals Futures

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

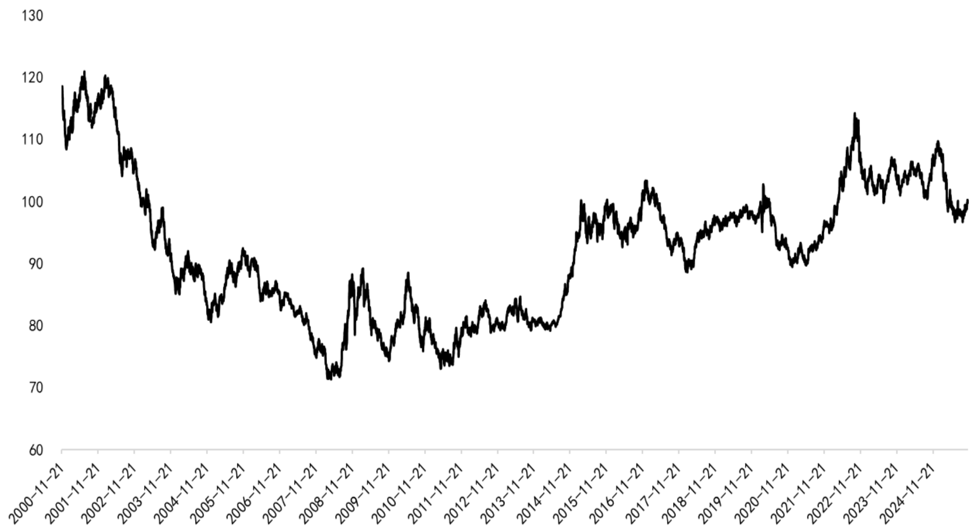


Sources: WIND, Minmetals Futures

- The U.S. government shutdown delayed the release of nonfarm payroll data. Recently published ADP employment figures and corporate layoff numbers suggest a weakening labor market. Inflation ticked up in September, though core inflation declined. Due to limited data availability, the implied probability of a Fed rate cut in December has decreased slightly—but remains near 70%. Meanwhile, the Fed is set to end quantitative tightening on December 1, keeping its policy stance on a marginally dovish trajectory.

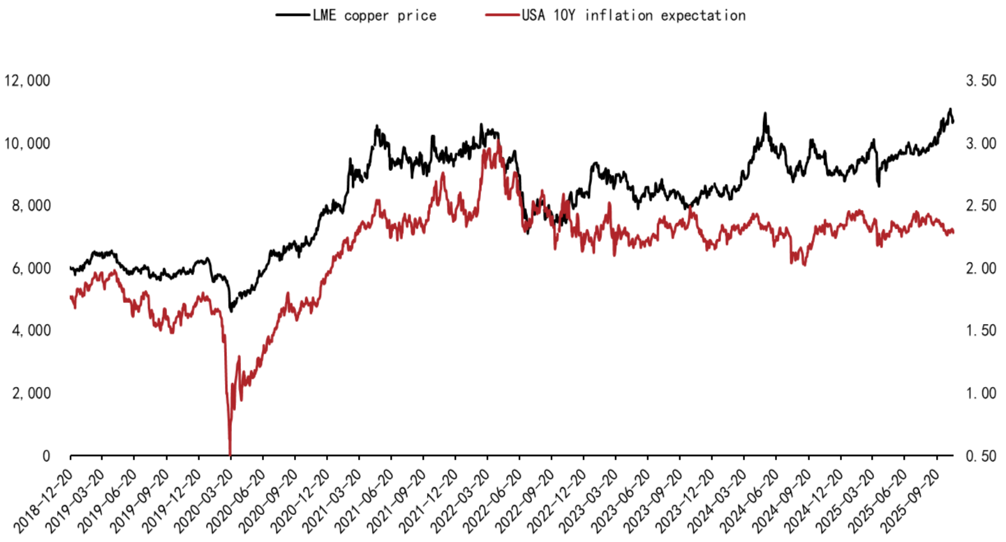
Dollar Index & U.S. Inflation Expectation

Figure 37: U.S. Dollar Index



Sources: WIND, Minmetals Futures

Figure 38: LME Copper Price & U.S. 10-Year Breakeven Inflation Expectations (USD/tonne, %)



Sources: WIND, Minmetals Futures

- The U.S. dollar index rebounded in October and continues to trade within its recent range. U.S. 10-year breakeven inflation expectations remain subdued, diverging from the upward movement in copper prices.

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