



五矿期货有限公司

中国五矿

Multiple tailwinds anchor copper at elevated levels.

Copper Monthly Report

January 4, 2026

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Monthly Review

Annual Valuation & Strategy Recommendation

- ◆ **Supply:** Overseas copper mine supply faces marginal disruptions, sustaining a tight concentrate market. Refined copper output in China rebounded in December 2025 but is projected to ease slightly in January amid constrained feedstock availability.
- ◆ **Demand:** China's refined copper apparent consumption declined further in December 2025. Downstream operating rates are expected to stabilize in January. Overseas manufacturing PMIs remain divergent, pointing to a neutral-to-slightly-weak demand outlook.
- ◆ **Trade Flow:** The SHFE spot import loss widened initially before narrowing in December 2025. The COMEX-LME forward curve premium narrowed but held in positive territory.
- ◆ **Inventories:** SHFE and COMEX stocks rose in December 2025, while LME inventories declined. Bonded zone holdings were largely unchanged, resulting in a net increase in global stocks—though structural imbalances persist. Chinese inventories are expected to continue accumulating in January.
- ◆ **Outlook:** In January 2026, refined copper output in China is set to decline modestly, while consumption retains baseline support, yielding a modest surplus of refined copper. Overseas demand remains neutral-to-weak, yet U.S. tariff speculation continues to underpin physical premiums. Macro drivers—including marginal U.S. liquidity easing, mild domestic stimulus, and geopolitical risk premiums on strategic commodities—provide supportive sentiment. Overall, mine-side disruptions, tariff expectations and geopolitical tensions collectively anchor prices at elevated levels. Meanwhile, high prices increasingly squeeze downstream margins and boost scrap substitution, capping further upside. Copper is likely to consolidate in a high range but with fading momentum. **Trading range guidance:** SHFE front-month at RMB 92,000–106,000/ton; LME-3M at USD 11,500–13,200/t. **Strategy:** Neutral bias; accumulate on dips.

China Refined Copper Supply-Demand Balance (10kt)



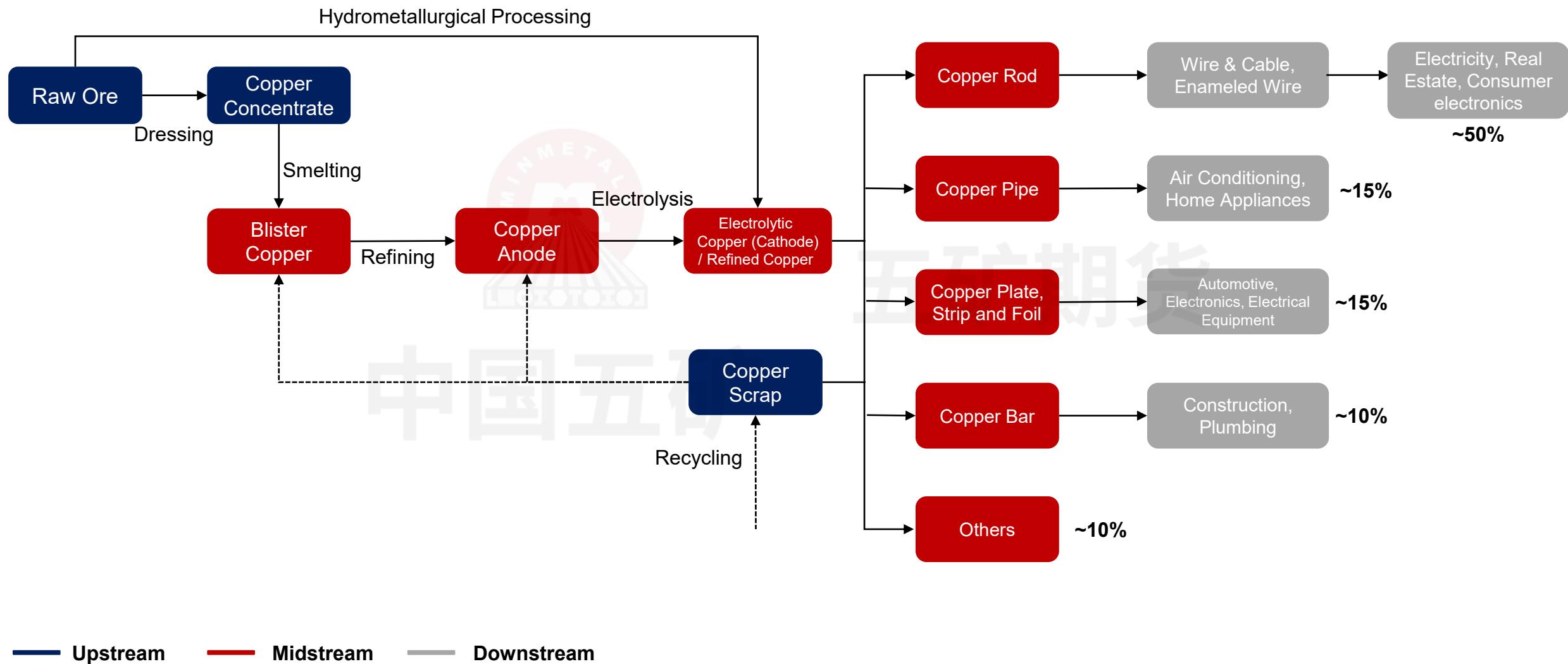
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Production	YoY	Import	Export	Net import	Inventory change	Apparent consumption	YoY	Cumulative consumption	YoY
85.3	4.3%	30.0	1.3	28.7	18.0	96.1	-10.4%	96.1	-5.3%
89.9	7.6%	24.8	4.2	20.6	15.2	95.4	5.2%	191.4	7.8%
95.0	12.0%	25.7	4.7	21.0	(11.4)	127.4	3.0%	318.8	-0.8%
97.0	17.2%	26.0	2.8	23.2	(5.6)	125.8	17.2%	444.6	3.7%
95.8	17.0%	29.4	1.8	27.6	(7.7)	131.1	15.0%	575.7	6.0%
91.8	7.1%	29.8	2.2	27.6	(4.6)	124.0	2.8%	699.7	5.5%
92.5	10.1%	30.3	2.7	27.6	(2.4)	122.5	2.4%	822.2	5.0%
98.9	15.5%	34.1	2.1	32.0	(2.3)	133.2	6.8%	955.4	5.2%
101.0	11.1%	34.4	1.8	32.6	(2.7)	136.3	3.1%	1091.7	5.0%
99.0	9.9%	35.4	1.6	33.8	(2.4)	135.2	17.1%	1226.9	6.2%
96.0	6.7%	38.3	1.7	36.6	(1.1)	133.7	7.5%	1360.6	6.3%
99.5	14.4%	33.8	1.1	32.7	1.1	131.1	8.3%	1491.7	6.5%
97.0	13.7%	37.8	0.9	36.9	3.9	130.0	35.3%	130.0	35.3%
95.0	5.6%	26.7	1.4	25.3	21.3	99.0	3.8%	229.0	19.6%
100.0	5.3%	31.7	2.3	29.4	12.0	117.4	-7.8%	346.4	8.7%
98.5	1.5%	30.6	2.5	28.0	2.6	123.9	-1.5%	470.3	5.8%
100.8	5.2%	34.7	7.3	27.4	5.3	122.9	-6.3%	593.2	3.0%
100.5	9.5%	30.9	15.8	15.1	(3.9)	119.5	-3.6%	712.7	1.9%
102.8	11.1%	29.9	7.0	22.9	(6.3)	132.0	7.8%	844.7	2.7%
101.3	2.4%	27.6	3.1	24.5	(8.6)	134.4	0.9%	979.1	2.5%
100.0	-1.0%	34.8	1.6	33.2	(12.5)	145.7	6.9%	1124.8	3.0%
99.6	0.6%	38.6	1.0	37.6	5.6	131.6	-2.7%	1256.4	2.4%
100.5	4.7%	39.8	1.2	38.6	(7.8)	146.9	9.9%	1403.3	3.1%
112.0	12.6%	40.8	1.7	39.1	(6.9)	158.0	20.5%	1561.3	4.7%
101.3	4.4%	29.7	1.7	28.0	6.1	123.9	-4.7%	123.9	-4.7%
105.8	11.4%	30.5	3.2	27.3	24.2	108.9	10.0%	232.8	1.7%
112.2	12.2%	35.4	6.8	28.6	2.9	137.9	17.5%	370.7	7.0%
112.6	14.3%	30.0	7.8	22.2	(22.3)	157.1	26.8%	527.8	12.2%
113.8	12.9%	29.3	3.4	25.9	(3.5)	143.2	16.5%	671.0	13.1%
113.5	12.9%	33.7	7.9	25.8	0.3	139.0	16.3%	810.0	13.7%
117.5	14.3%	33.6	11.8	21.8	0.1	139.2	5.5%	949.2	12.4%
117.2	15.7%	30.7	3.7	27.0	1.6	142.6	6.1%	1091.8	11.5%
112.0	12.0%	37.4	2.6	34.8	2.5	144.3	-1.0%	1236.1	9.9%
109.2	9.6%	32.3	6.6	25.7	6.2	128.8	-2.1%	1364.9	8.6%
110.0	9.5%	30.4	14.3	16.1	(3.2)	129.3	-12.0%	1494.2	6.5%
117.5	4.9%			32.0	5.9	135.6	-14.2%	1629.8	4.4%



Industrial Chain



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Spot Market & Futures Market

Figure 1: SHFE Refined Copper Main Contract (RMB/ton)



Sources: Wenhua, Minmetals Futures

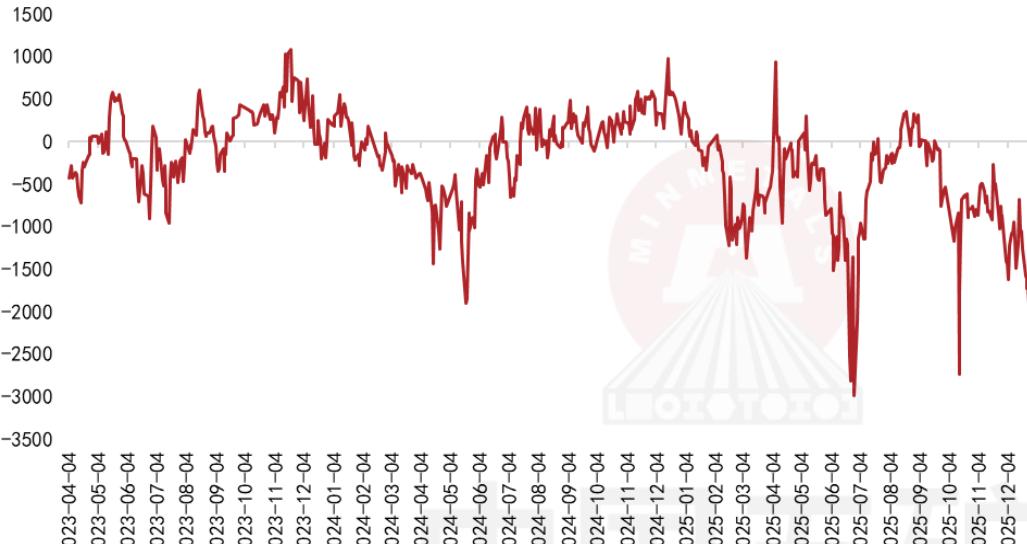
- Copper rallied in December 2025, hitting record highs amid choppy price action, driven by expectations of U.S. monetary easing, potential tariffs, and mine-side disruptions.
- The SHFE front-month contract surged 12.4%, breaching the psychologically significant level of RMB 100,000/ton, while LME-3M gained 11.8%. The U.S. dollar index weakened over the month, and the offshore RMB strengthened beyond 7.0.

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



Sources: Wenhua, Minmetals Futures

Figure 3: Profit/Loss on China's Electrolytic Copper Imports (RMB/ton)



Sources: SMM, Minmetals Futures

- The SHFE spot import loss widened early in December before narrowing toward month-end, as domestic prices outperformed LME. The COMEX-LME forward curve premium narrowed but remained supported by expectations of future U.S. tariff measures.

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

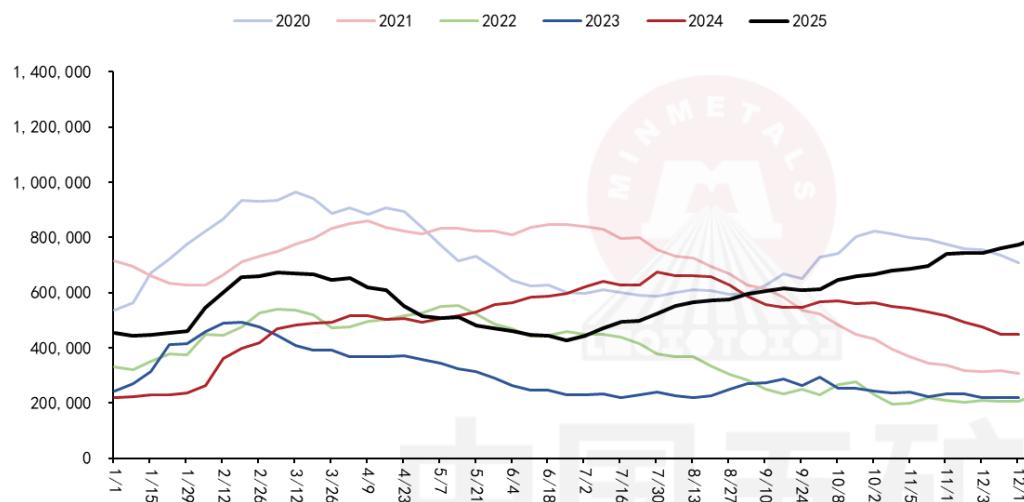


Sources: WIND, Minmetals Futures



Inventory & Basis

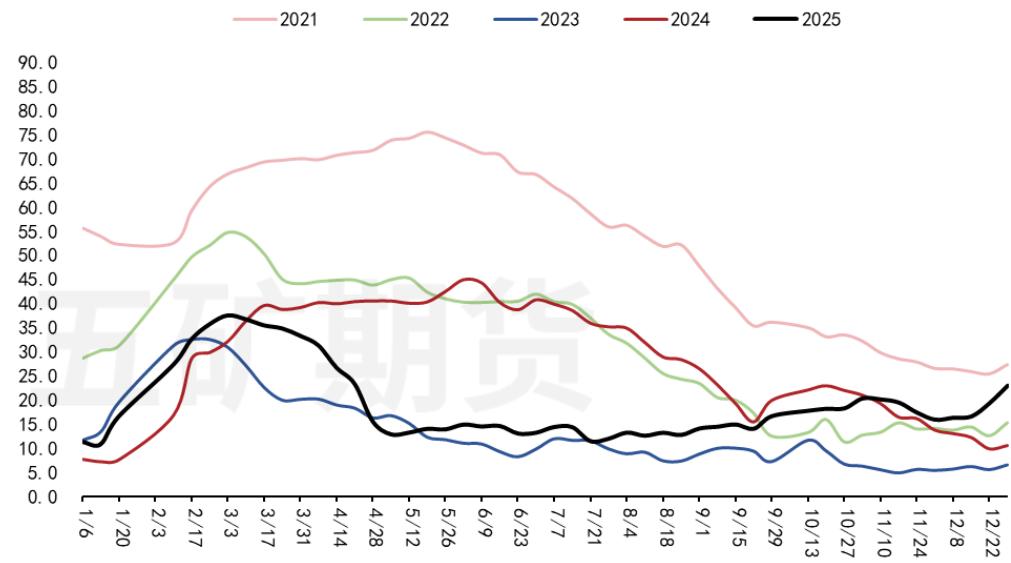
Figure 5: Copper Inventory in the Three Major Exchanges plus Shanghai Bonded Area (tons)



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

- As of end-December 2025, combined inventories across LME, COMEX, SHFE, and Chinese bonded zones totaled approximately 840kt, up 98kt from end-November and 390kt year-to-date. A pronounced structural imbalance persists, as COMEX accounts for ~54% of total stocks (up by 365kt YTD).
- Within China, exchange inventories stood at ~145kt (up ~71kt YTD), off-exchange stocks at ~88kt, and bonded holdings were stable at ~96kt (up ~81kt YTD).

Figure 6: China Refined Copper Social Inventory (10kt)

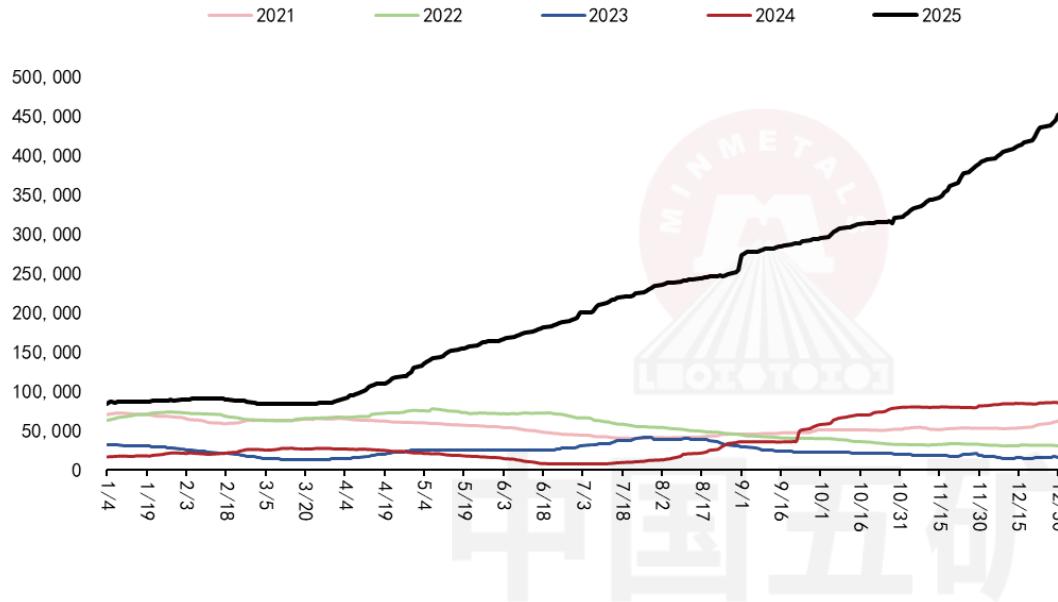


Sources: SMM, Minmetals Futures



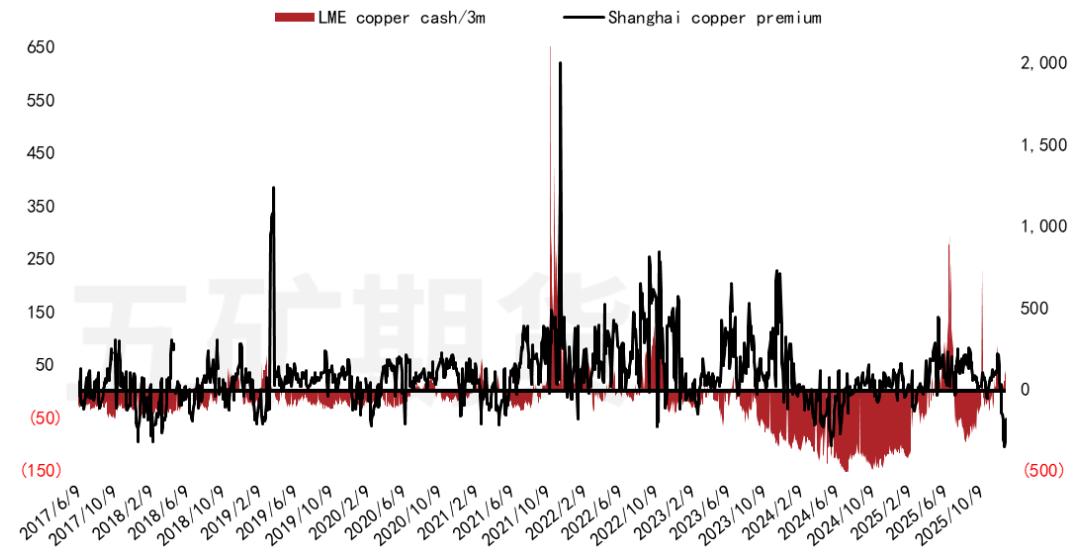
Inventory & Basis

Figure 7: COMEX Copper Inventory (tons)



Sources: WIND, Minmetals Futures

Figure 8: Domestic vs. International Copper Basis (USD/ton, RMB/ton)



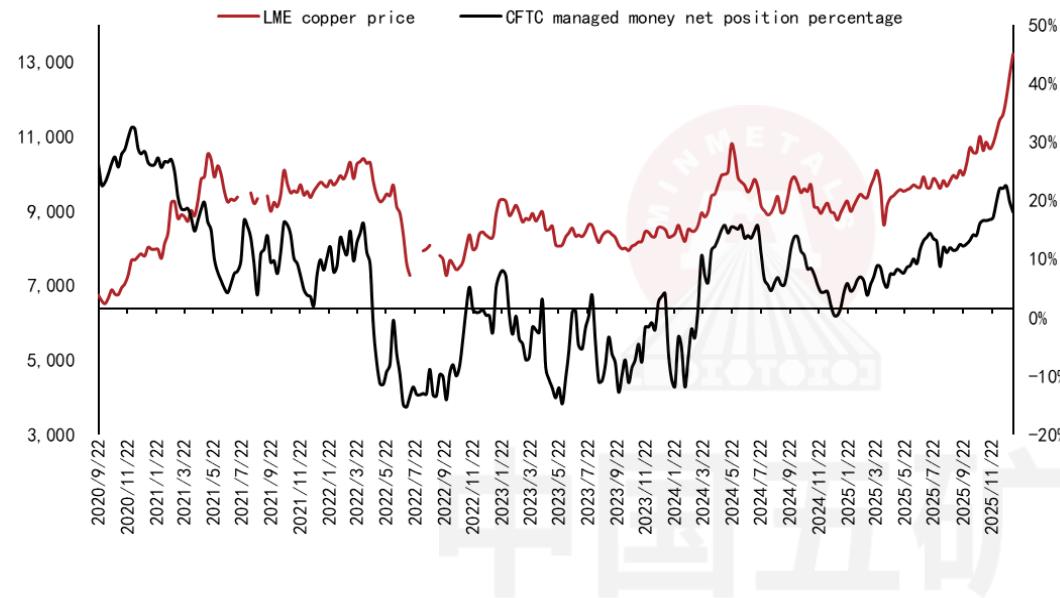
Sources: LME, WIND, Minmetals Futures

- LME copper inventories declined in December, ending the month at ~147kt (down ~126kt YTD). COMEX total stocks continued to rise, reaching ~452kt by month-end.
- On the structure front, LME Cash/3M moved further into backwardation, while the SHFE spot basis weakened, closing at a discount of RMB 190/ton to the front-month contract.



Fund Sentiment

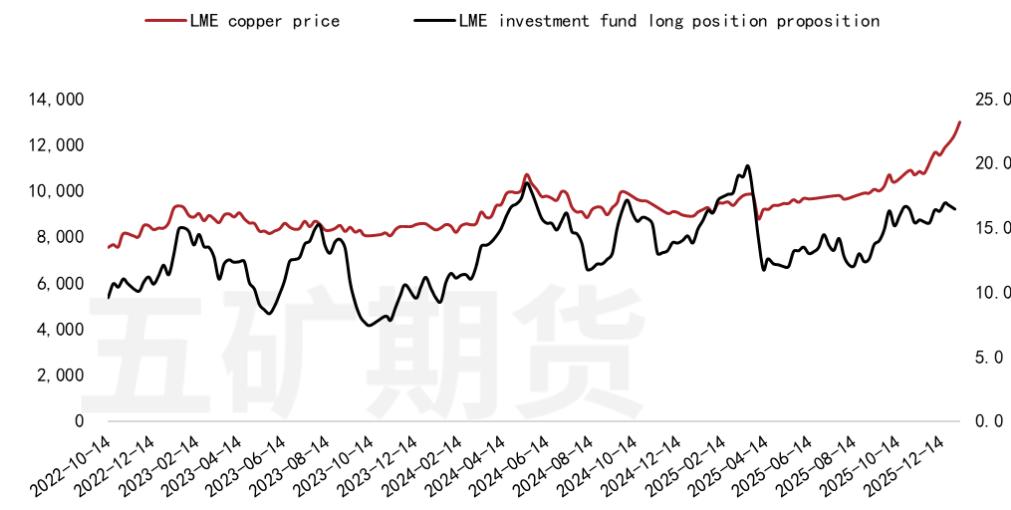
Figure 9: COMEX Copper Fund Net Position Ratio vs. Copper Price (USD/ton)



Sources: WIND, Minmetals Futures

- As of late December 2025, CFTC managed money net longs rose to 22.6% of open interest. LME investment fund long positioning remained elevated, signaling constructive sentiment.
- In January, market mood will likely hinge on mine supply developments, inventory trends, and China-U.S. policy signals.

Figure 10: LME Investment Fund Long Position Ratio



Sources: WIND, Minmetals Futures

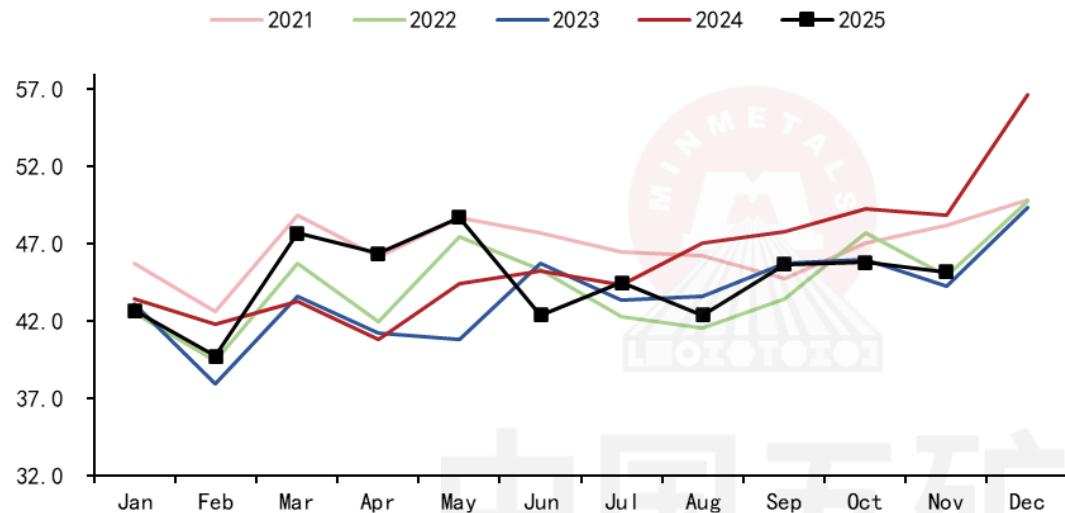
03

Supply and Demand Analysis



Supply – Copper Mines

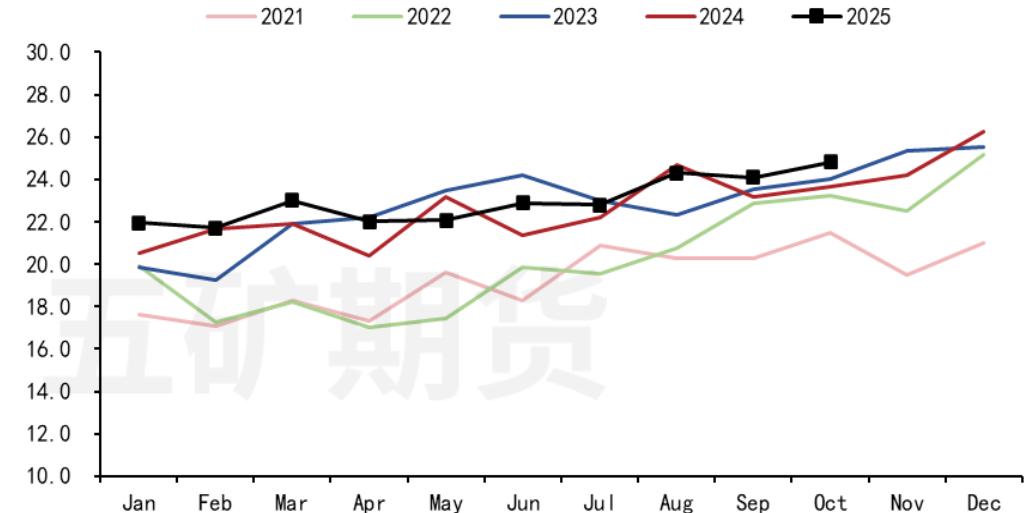
Figure 11: Chilean Copper Mine Production (10kt)



Sources: Chilean National Statistics Institute, Minmetals Futures

- Chile, the world's largest copper producer, reported November 2025 output of 452kt (-7.2% YoY), as operational challenges and declining ore grades persisted. Cumulative January–November production fell by ~55kt YoY. Ongoing wage negotiations at key operations pose near-term supply risks.
- Peru's October 2025 output rose 4.8% YoY to 248kt, supported by higher grades at Antamina and Chinalco's Toromocho mine, lifting Jan–Oct cumulative output by ~66kt YoY.

Figure 12: Peruvian Copper Mine Production (10kt)

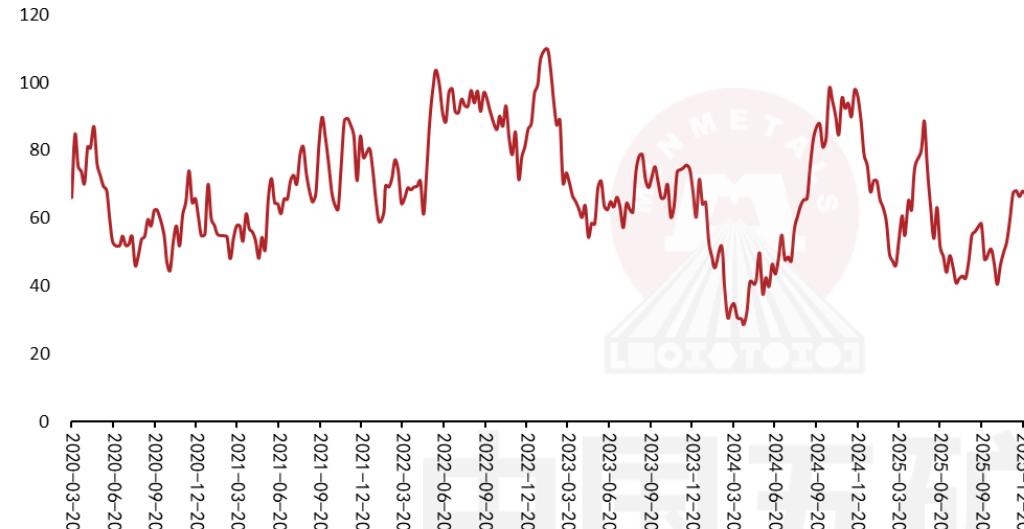


Sources: Peruvian Ministry of Mines, Minmetals Futures



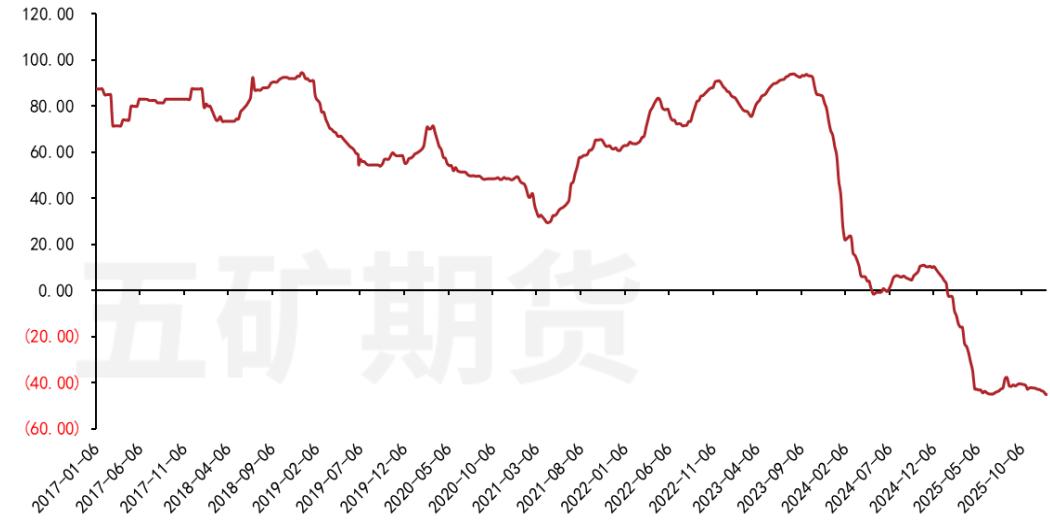
Supply – Copper Mines

Figure 13: Inventory of Copper Concentrate at Major Chinese Ports (10kt)



Sources: IFIND, Minmetals Futures

Figure 14: Import Copper Concentrate TC Smelting Fee (USD/ton)



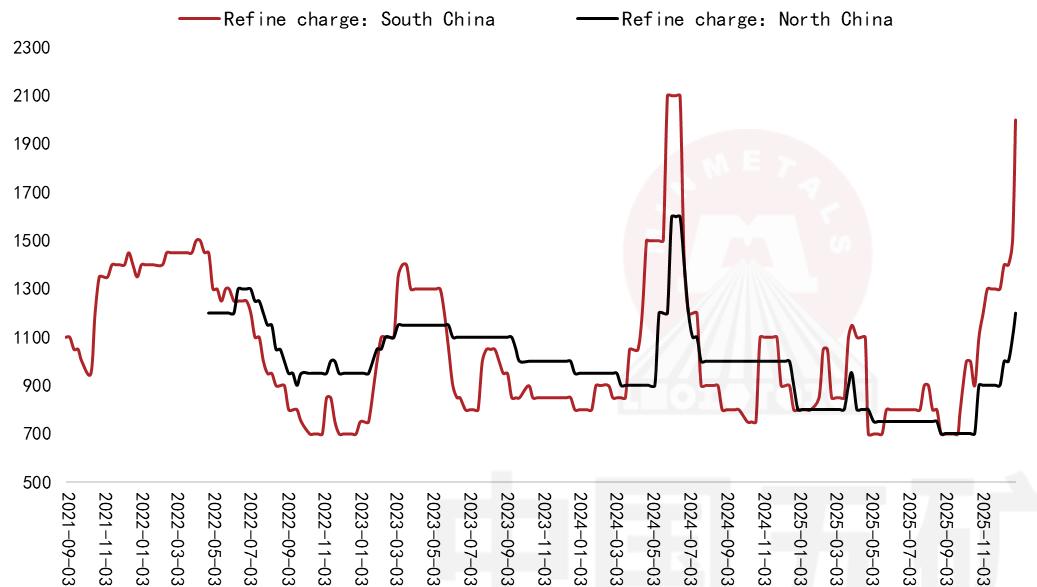
Sources: SMM, Minmetals Futures

- Chinese port copper concentrate inventories rebounded in December, indicating temporary spot looseness. However, this is unlikely to persist given sustained overseas mine cutbacks. Spot treatment charges (TCs) declined through the month. The 2026 annual benchmark TC was set at USD0/ton, with a wide gap between spot and contract treatment charges.



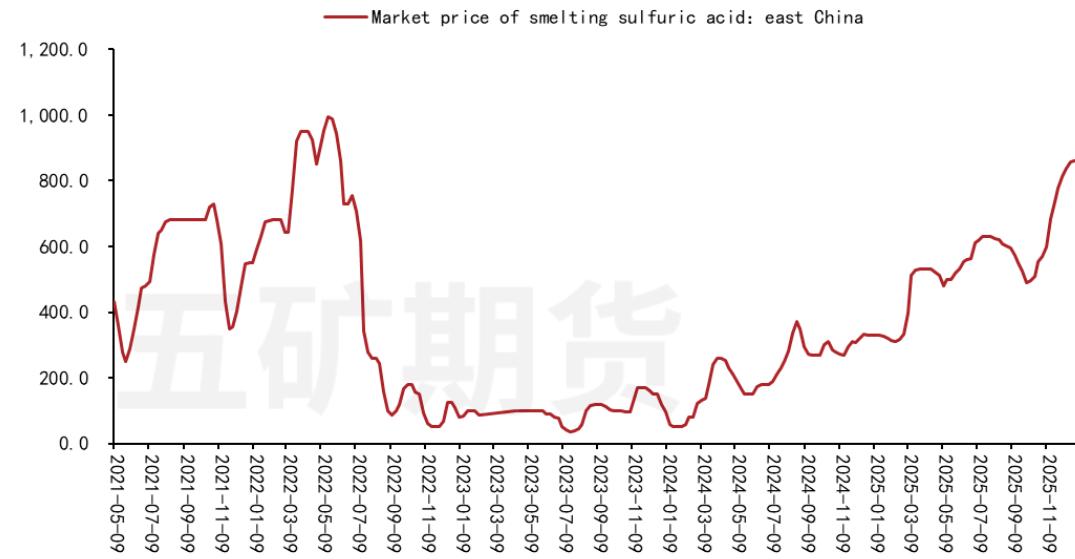
Supply – Refined Copper

Figure 15: Blister Copper Processing Fee (RMB/ton, USD/ton)



Sources: SMM, Minmetals Futures

Figure 16: Prices of Sulfuric Acid in Major Chinese Smelting Areas (RMB/ton)



Sources: WIND, Minmetals Futures

- Domestic blister copper refining charges (RCs) rose further in December, reflecting ample cold scrap supply. Sulfuric acid prices—a key smelter by-product—remained elevated, providing a positive uplift to refining revenue.



Supply – Refined Copper

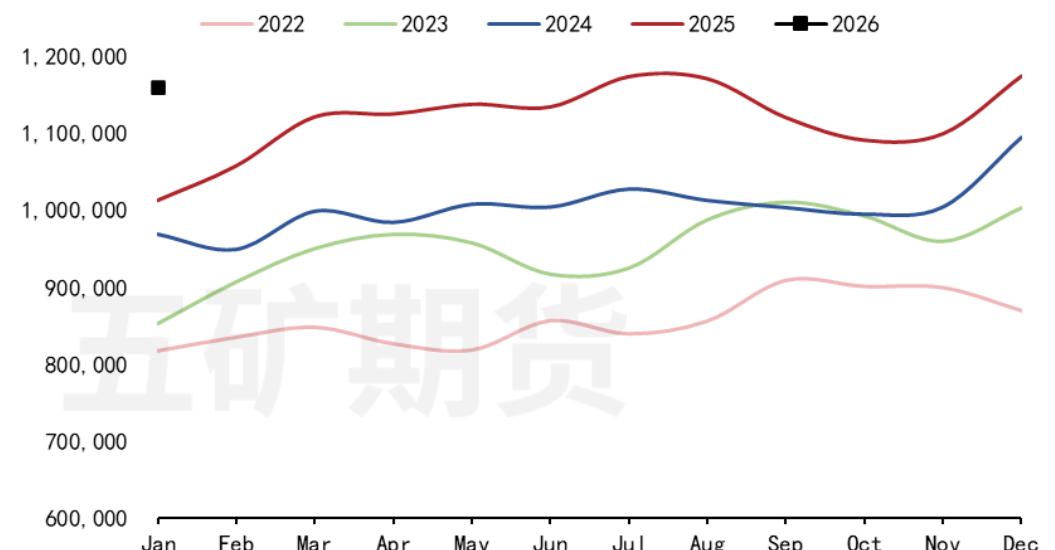
Figure 17: Maintenance Overview of Chinese Copper Smelting Enterprises (10kt)

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	Dec-25	Dec-25
Company 18	Fujian	40	40	Dec-25	Dec-25
Company 19	Hunan	10	15	Dec-25	Jan-26

Sources: MYSTEEL, SMM, Baiinfo, Minmetals Futures

- China's refined copper output posted a strong MoM gain in December, supported by post-maintenance ramp-ups, higher blister availability from scrap, and robust acid credits.
- January output is expected to dip slightly from December levels on constrained concentrate availability, though YoY growth should stay strong.

Figure 18: Monthly Refined Copper Production in China (10kt)

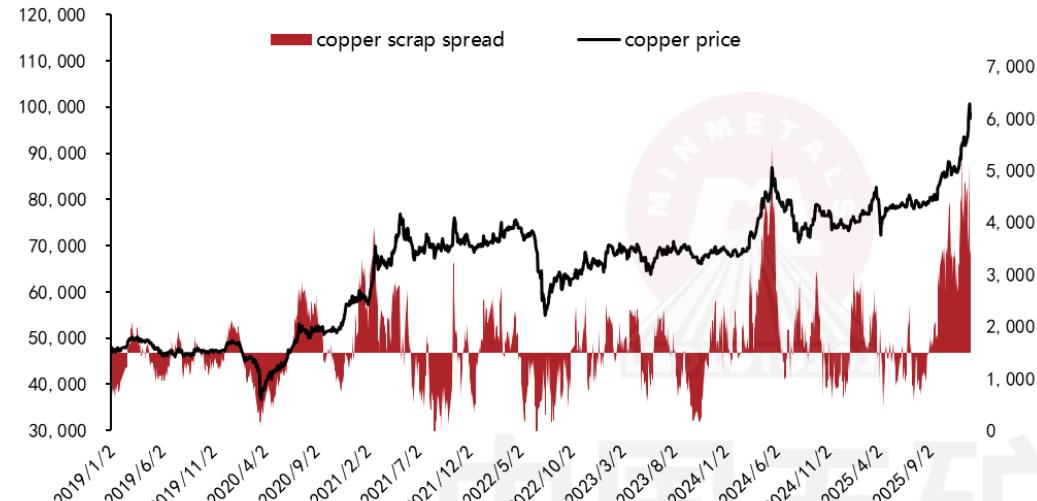


Sources: SMM, Minmetals Futures



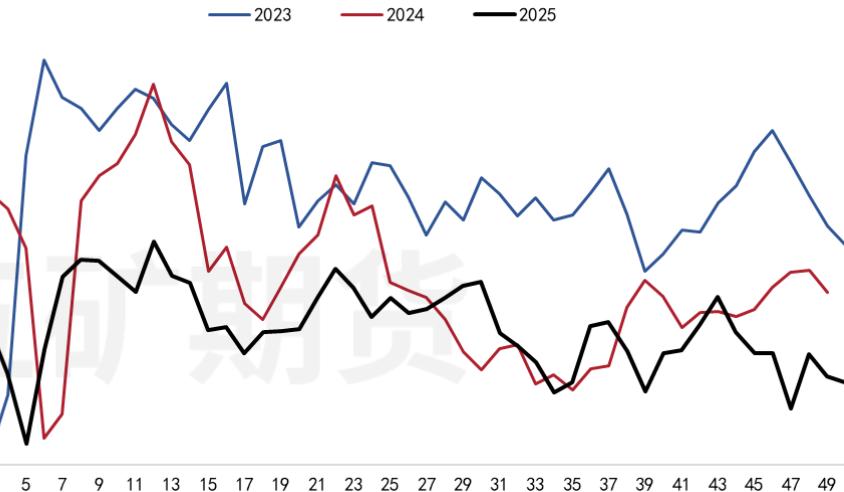
Supply – Secondary Copper

Figure 19: Price Difference Between Electrolytic Copper and No. 1 Bright Copper in China (RMB/ton)



Sources: SMM, WIND, Minmetals Futures

Figure 20: Weekly Operating Rate of Chinese Secondary Copper Rod Manufacturing Enterprises



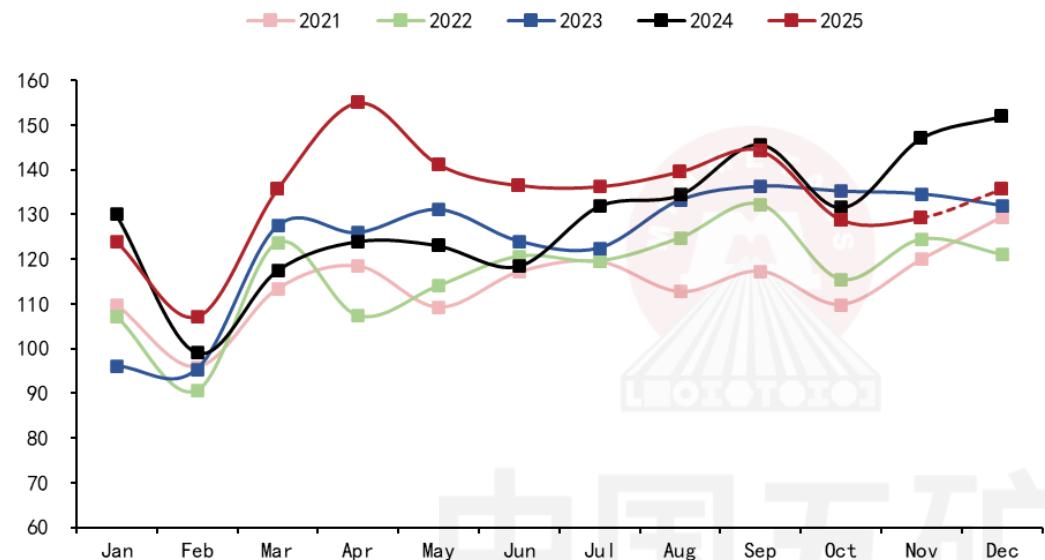
Sources: SMM, Minmetals Futures

- In December 2025, the average refined-scrap copper spread in China was around RMB 4,300/ton, widening MoM. Despite ongoing uncertainty over local VAT rebate policies and higher copper prices, scrap substitution remained attractive.
- Rod mills using scrap copper maintained low operating rates in December. Although the widening refined-scrap spread boosted production incentives, uncertainty over VAT rebate policies continued to weigh heavily on scrap-based rod output, limiting near-term substitution.



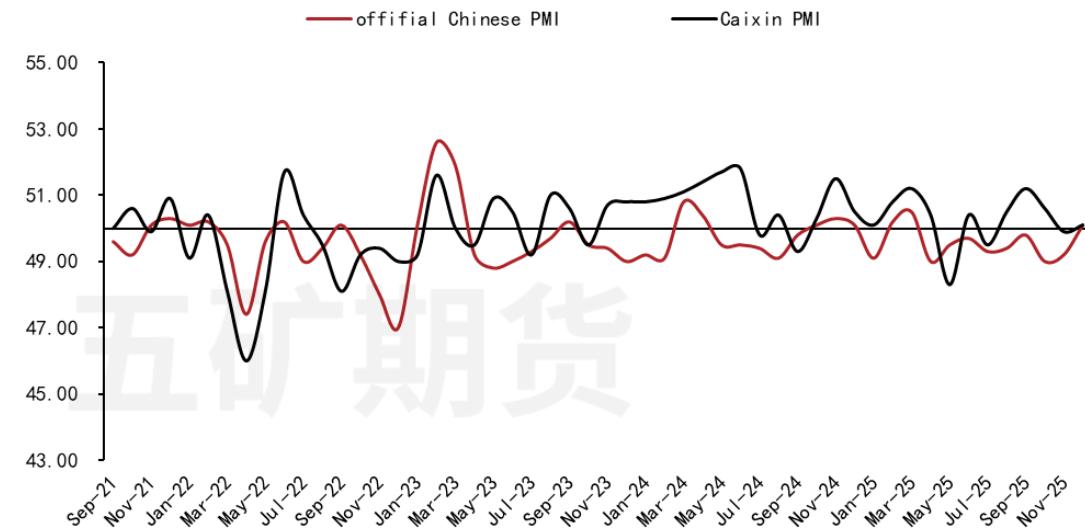
Demand – China

Figure 21: Monthly Apparent Consumption of Refined Copper in China (10kt)



Sources: Customs, SMM, MYMETAL, Minmetals Futures

Figure 22: Chinese Manufacturing PMI



Sources: WIND, Minmetals Futures

- Assuming recovering net imports, China's refined copper apparent consumption in December is estimated at 1.36 Mt, down dramatically YoY. Full-year 2025 apparent demand reached ~16.29 Mt (+4.3% YoY). Leading indicators improved: both official and Caixin Manufacturing PMIs rebounded above 50 in December, signaling a return to expansionary territory.



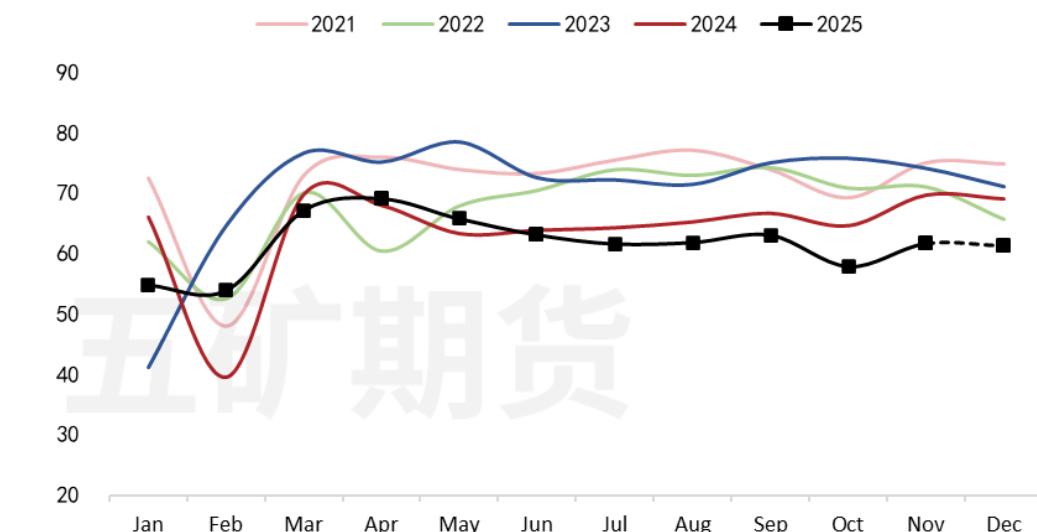
Demand – China

Figure 23: Cumulative Production and Year-on-Year Growth Rate of Copper Products in China (10kt, %)



Sources: WIND, Minmetals Futures

Figure 24: Average Operating Rate of Copper Product Enterprises in China (%)



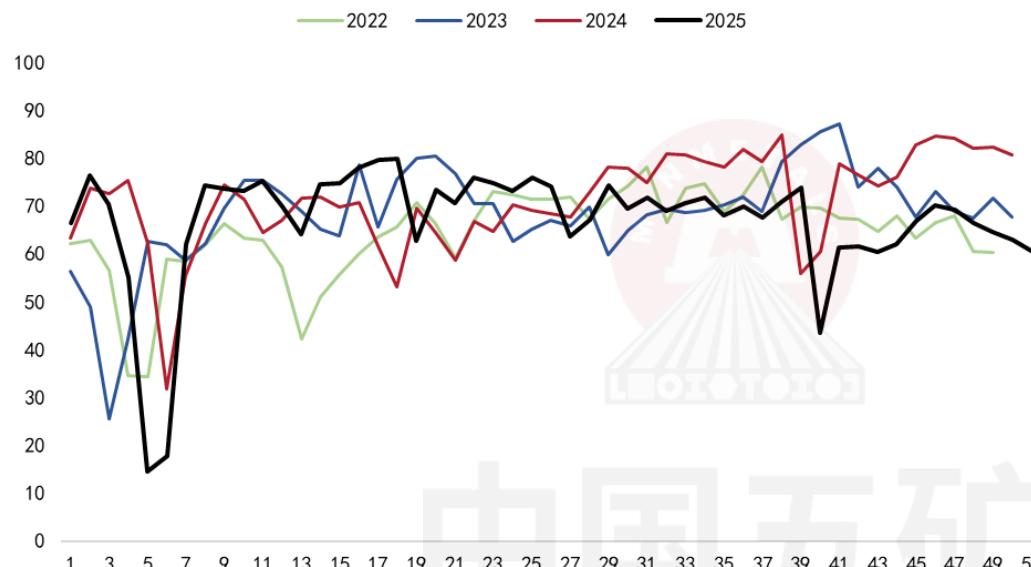
Sources: SMM, Minmetals Futures

- Cumulative copper product output grew 4.9% YoY in January–November 2025, though the pace slowed MoM. According to SMM data, average operating rates for copper products are expected to have declined in December 2025, and to stabilize MoM in January.



Demand – China

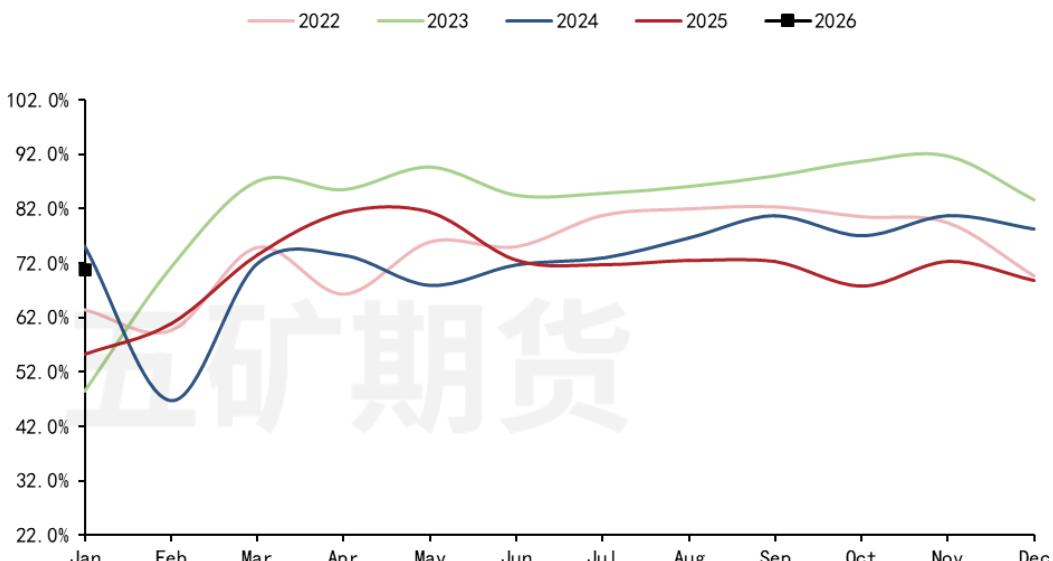
Figure 25: Weekly Operating Rate of Chinese Electrolytic Copper Rod Manufacturing Enterprises (%)



Sources: SMM, Minmetals Futures

- Refined copper rod mill operating rates weakened MoM in December and ran below 2024 levels, as high prices increasingly weighed on margins. Wire and cable sector activity underperformed expectations, though a modest recovery is anticipated in January.

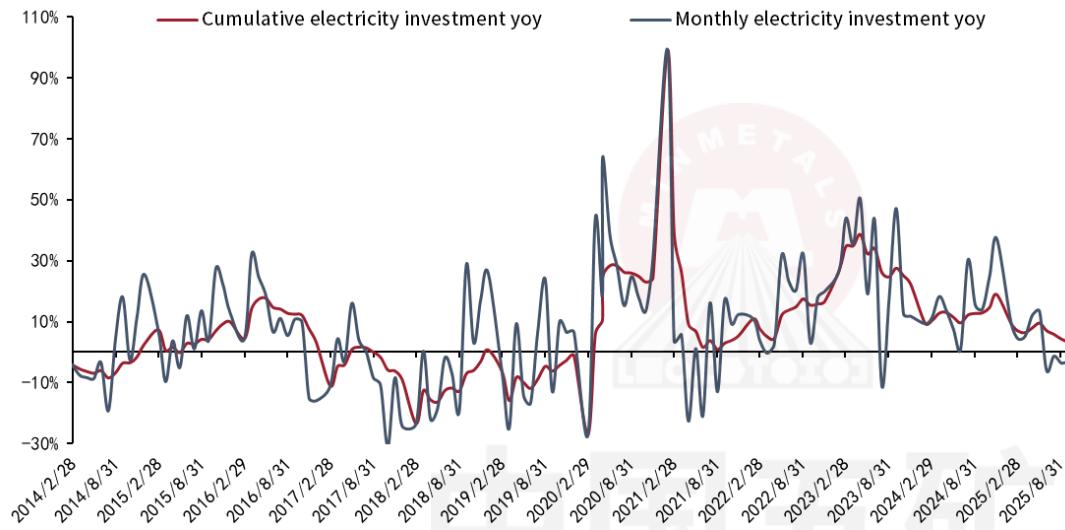
Figure 26: Operating Rate of Chinese Wire and Cable Enterprises (%)



Sources: SMM, Minmetals Futures

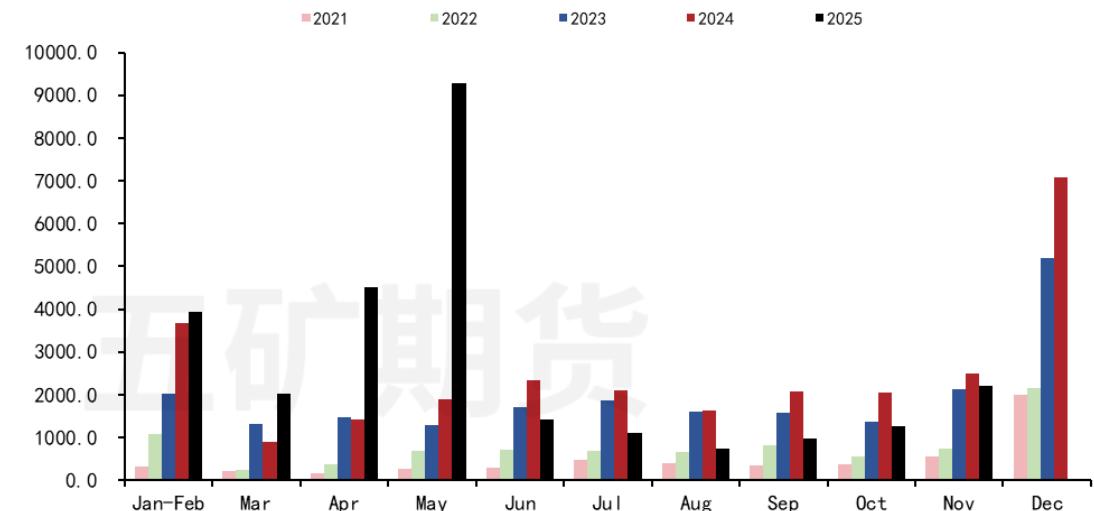
Demand – China

Figure 27: YoY Growth Rate of Power Supply and Grid Investment in China



Sources: NEA, Minmetals Futures

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

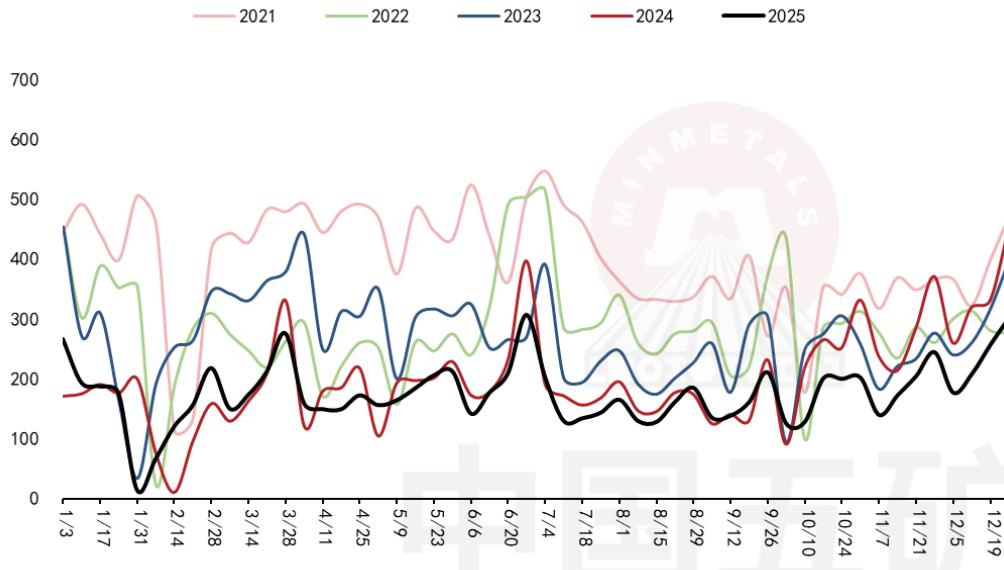


Sources: NEA, Minmetals Futures

- Power sector investment (generation + grid) posted another YoY decline in November, with the contraction deepening. New PV installations remained down YoY but improved MoM, suggesting marginal recovery. Wind power additions grew strongly YoY, exceeding expectations. PV module production is expected to remain under pressure in January.

Demand – China

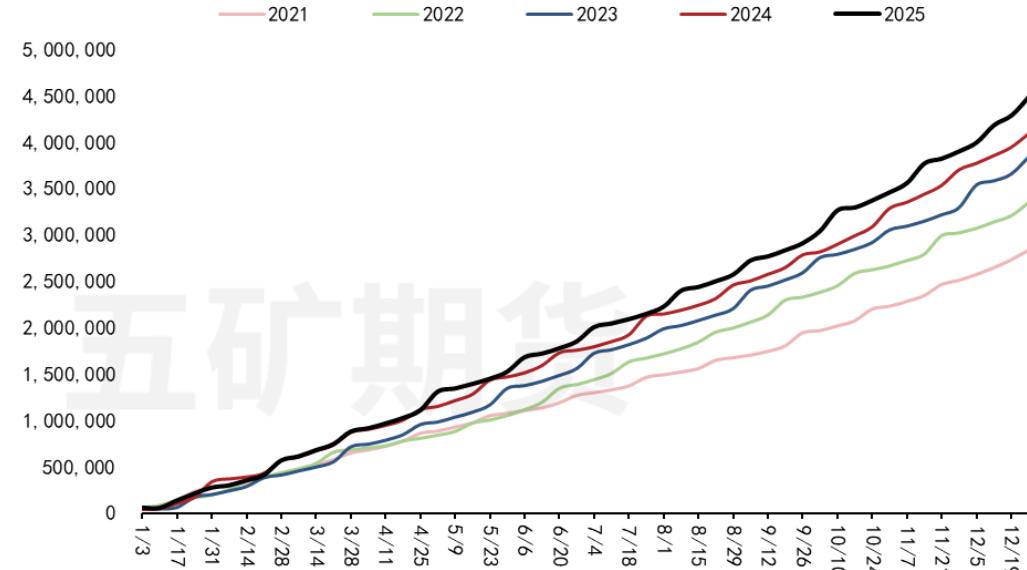
Figure 29: Residential Property Transaction Area in 30 Major Cities (10k sqm)



Sources: WIND, Minmetals Futures

- High-frequency data shows property sales in 30 major Chinese cities in December 2025 remained below year-ago levels. However, appliance production schedules for January signal improvement. Meanwhile, wholesale auto sales data for December 2025 stayed robust.

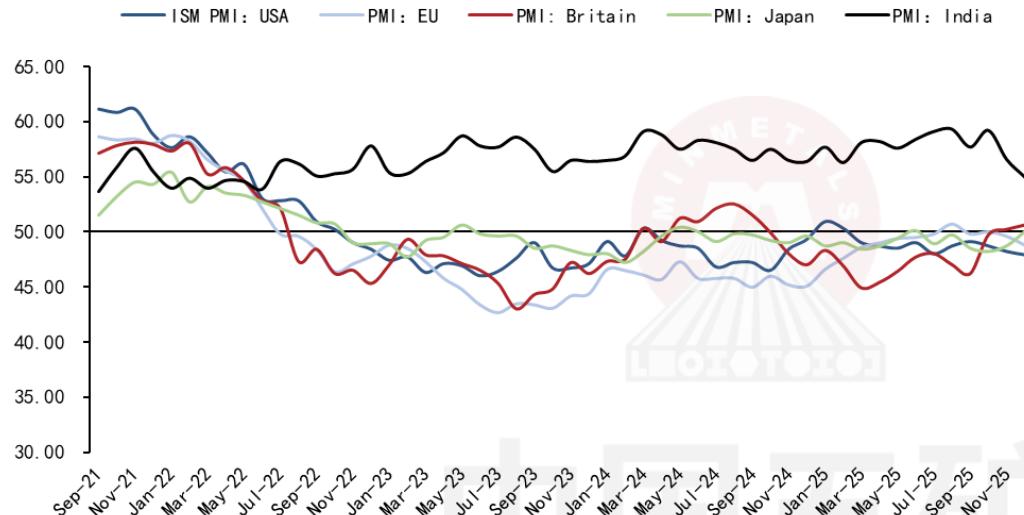
Figure 30: Weekly Sales of Passenger Vehicles: Manufacturer Wholesale: Cumulative Value (units)



Sources: WIND, Minmetals Futures

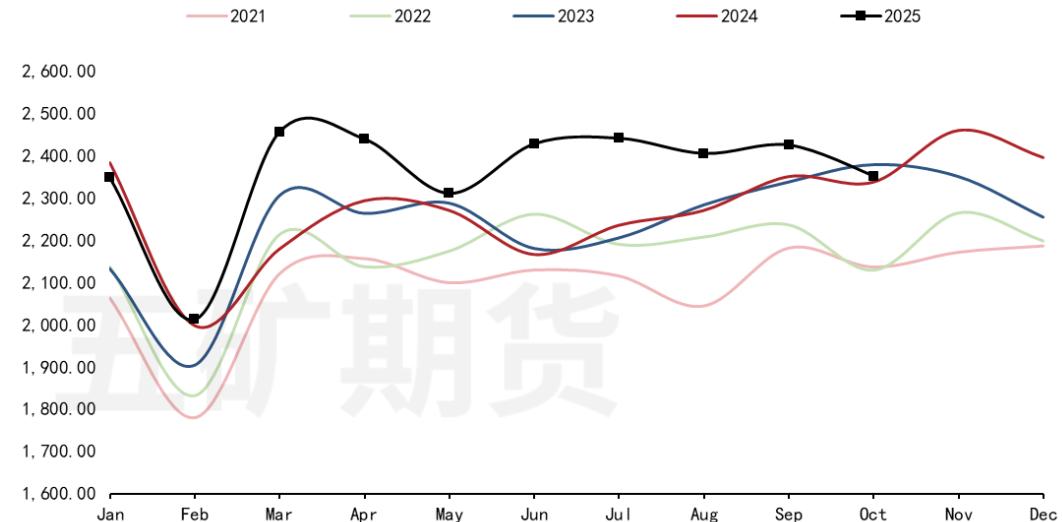
Demand – Overseas

Figure 31: Manufacturing PMI of Major Overseas Countries



Sources: WIND, Minmetals Futures

Figure 32: Seasonal Global Refined Copper Consumption (kt)



Sources: WIND, ICSG, Minmetals Futures

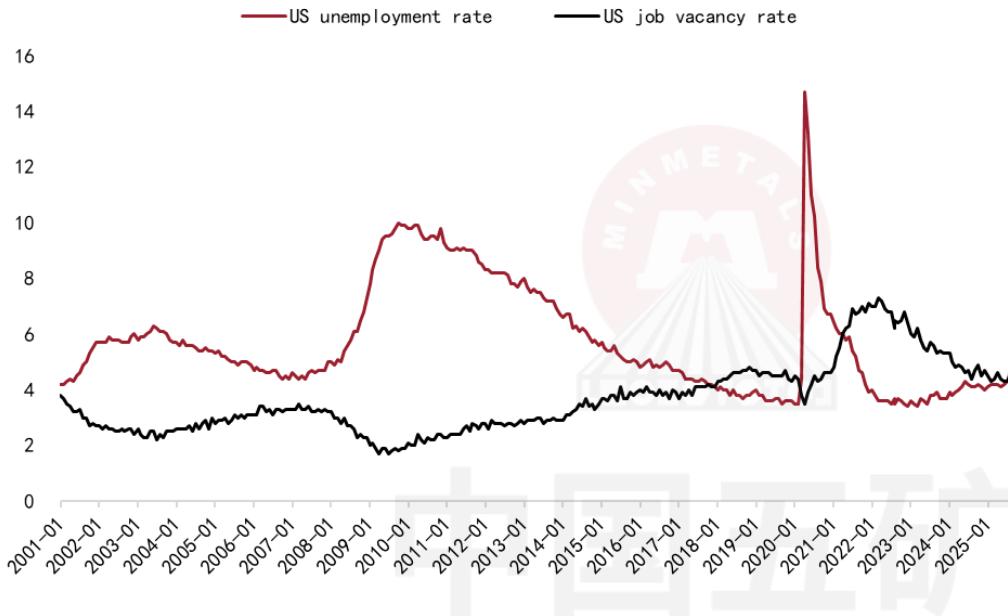
- Overseas manufacturing PMIs diverged in December: the UK and Japan continued to improve, while the Eurozone weakened. Per ICSG, global refined copper consumption in October 2025 rose modestly YoY, with January–October 2025 demand up ~5.1% YoY.

04

Macro Analysis

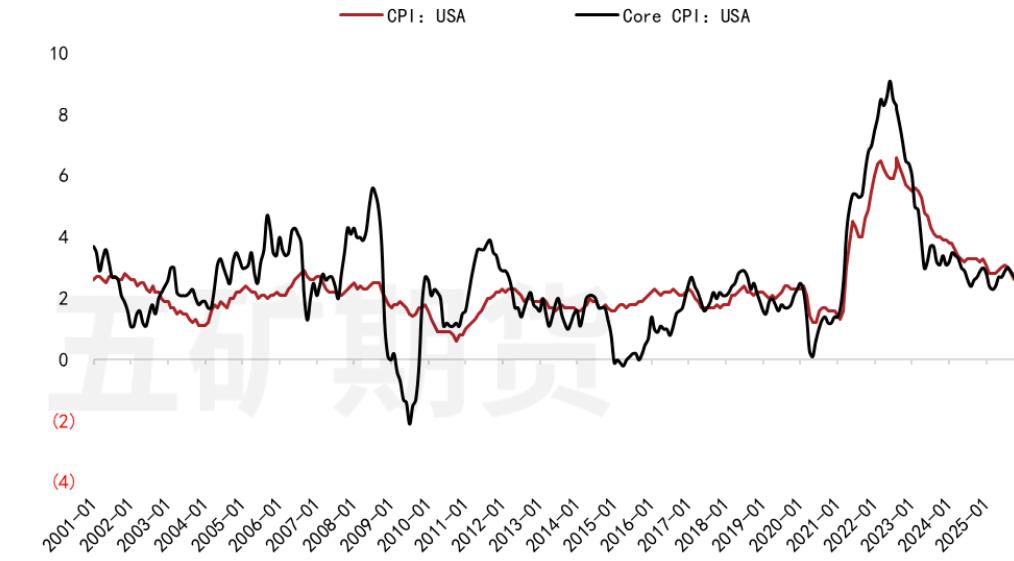
Fed Policy

Figure 33: U.S. Unemployment Rate & Job Openings Rate (%)



Sources: WIND, Minmetals Futures

Figure 34: U.S. Core CPI YoY & CPI YoY (%)

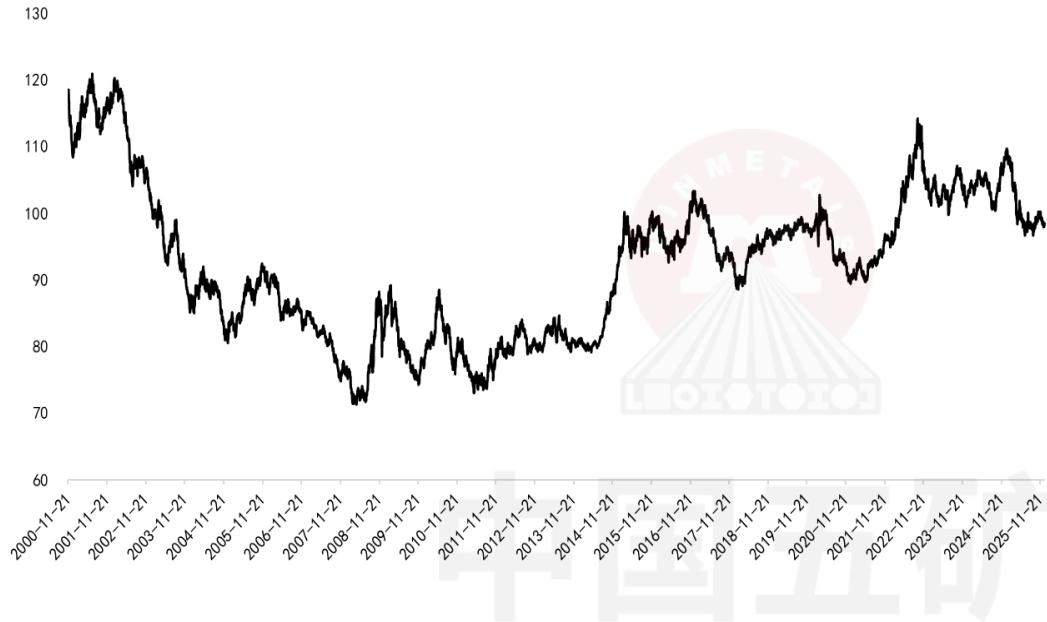


Sources: WIND, Minmetals Futures

- November 2025 U.S. data showed rising unemployment and softening inflation, with core CPI below expectations.
- Against this backdrop, the Fed's dovish stance remains firmly in place. While another rate cut at the January FOMC meeting is unlikely after recent easing, renewed weakness in incoming data could revive cut expectations.

Dollar Index & U.S. Inflation Expectation

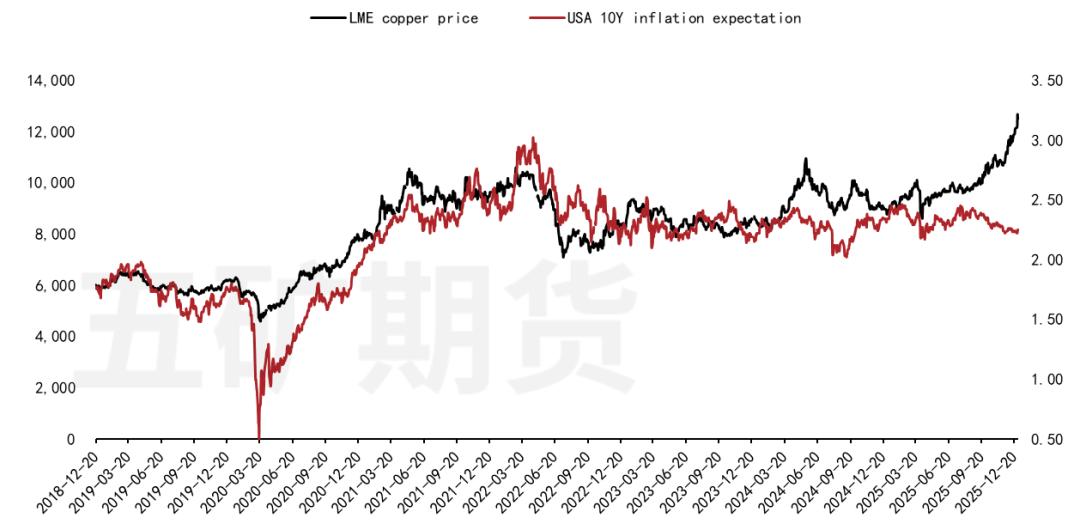
Figure 35: U.S. Dollar Index



Sources: WIND, Minmetals Futures

- The U.S. Dollar Index traded with a weak bias in December 2025, and its medium-term trajectory remains bearish under current policy guidance. The U.S. 10-year breakeven inflation rate has stabilized, now diverging from copper's price trend.

Figure 36: LME Copper Price & U.S. 10-Year Inflation Expectation (USD/ton, %)



Sources: WIND, Minmetals Futures

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

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