



五矿期货有限公司

Macro Factors Mixed, Industrial Support Remains.

Copper Monthly Report

March 6, 2026

Wu Kunjin (Non-Ferrous Metal Group)

☎ 0755-23375135

✉ wukj1@wkqh.cn

👤 Futures Practice Qualification: F3036210

👤 Investment Consulting Qualification: Z0015924

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Monthly Review

Monthly Assessment and Strategy Recommendation

- ◆ **Supply:** Copper concentrate supply remains tight, with output from Chile, the largest copper-producing country, running low. Blister copper supply remains relatively ample, with processing fees at elevated levels. Domestic refined copper production declined in February 2026, generally in line with expectations. Production is expected to rebound in March, maintaining YoY growth.
- ◆ **Demand:** Apparent consumption of refined copper in China is estimated to grow YoY in February 2026. Downstream sectors resumed normal production after the Spring Festival, with consumption estimated slightly weaker than the same period last year. Overseas manufacturing sentiment remains strong, with demand expectations improving.
- ◆ **Import/Export:** In February 2026, the import loss for SHFE copper spot oscillated and widened. The price spread between COMEX copper and LME copper oscillated weakly, remaining negative. COMEX inventory continued transferring to LME North American warehouses.
- ◆ **Inventory:** Inventories at the three major exchanges increased in February 2026, with SHFE and LME showing larger increases. Bonded zone inventory declined slightly. Total inventory increased significantly, but structural issues persist. China's inventory accumulation is expected to slow markedly in March.
- ◆ **Outlook:** Entering March, China's refined copper production is expected to rebound. Downstream production resumption combined with reduced scrap copper substitution advantage should narrow the supply surplus. Overseas demand expectations are improving, easing inventory accumulation pressure. On the macro front, ongoing Middle East conflicts and rising overseas inflation expectations increase the possibility of tighter policy and global economic slowdown pressure. However, under baseline assumptions, the Fed is unlikely to raise rates, and geopolitical issues may strengthen the value of strategic resources. Domestic policy remains relatively stable during the "Two Sessions," with new energy system development and new quality productive forces continuing to provide strong support for copper demand. Overall, Middle East conflicts may continue to cause "pulse-style" shocks, while support comes from strategic resource value attributes, tight mine supply, and seasonal downstream consumption recovery. Copper prices are expected to trade in a range. Range reference: SHFE main contract CNY 97,000-108,000/t; LME 3M USD 12,400-13,800/t. **Suggestion:** Wait on sidelines or go long after pullback.

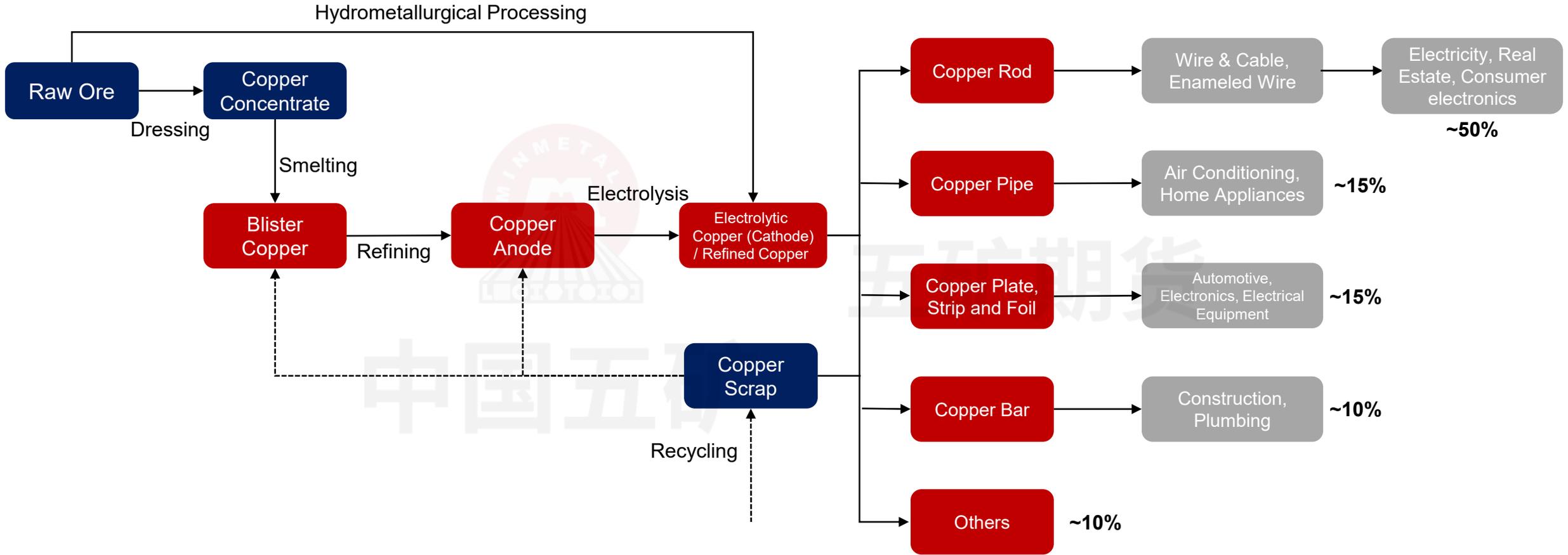
China Refined Copper Supply-Demand Balance (10,000 t)



五矿期货有限公司

2024	Production	Import	Export	Net Import	SHFE Inventory	Change	Outside SHFE	Change	Bond Inventory	Change	Apparent Demand	yoy	Cumulative	Apparent Demand	yoy	Inventory/Demand
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%	130.0	130.0	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%	229.1	229.1	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%	346.5	346.5	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%	470.5	470.5	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%	593.5	593.5	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%	713.0	713.0	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%	845.0	845.0	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%	979.3	979.3	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%	1125.5	1125.5	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%	1257.1	1257.1	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%	1404.0	1404.0	2.8%	1.3%
Dec	112.0	40.8	1.7	39.1	7.4	(3.5)	3.0	0.5	1.4	(3.9)	158.0	20.6%	1562.0	1562.0	4.1%	0.8%
2025	Production	Import	Export	Net Import	SHFE Inventory	Change	Outside SHFE	Change	Bond Inventory	Change	Apparent Demand	yoy	Cumulative	Apparent Demand	yoy	Inventory/Demand
Jan	101.3	29.7	1.7	28.0	10.9	3.5	5.7	2.7	1.3	(0.1)	123.2	-5.3%	123.2	123.2	-5.3%	1.3%
Feb	105.8	30.5	3.2	27.3	26.8	15.9	10.9	5.2	4.4	3.1	108.9	9.9%	232.1	232.1	1.3%	3.0%
Mar	112.2	35.4	6.8	28.6	23.5	(3.3)	10.4	(0.5)	11.1	6.7	137.9	17.4%	370.0	370.0	6.8%	3.2%
Apr	112.6	30.0	7.8	22.2	8.9	(14.6)	4.4	(6.0)	9.4	(1.7)	157.1	26.7%	527.1	527.1	12.0%	1.6%
May	113.8	29.3	3.4	25.9	10.5	1.6	3.4	(1.0)	5.3	(4.1)	143.2	16.4%	670.3	670.3	12.9%	1.4%
Jun	113.5	33.7	7.9	25.8	8.2	(2.3)	5.0	1.6	6.3	1.0	139.0	16.3%	809.3	809.3	13.5%	1.4%
Jul	117.5	33.6	11.8	21.8	7.3	(0.9)	4.8	(0.2)	7.5	1.2	139.2	5.5%	948.5	948.5	12.3%	1.4%
Aug	117.2	30.7	3.7	27.0	8.0	0.7	4.8	0.0	8.4	0.9	142.6	6.1%	1091.1	1091.1	11.4%	1.5%
Sep	112.0	37.4	2.6	34.8	9.5	1.5	6.2	1.4	8.1	(0.4)	144.3	-1.3%	1235.4	1235.4	9.8%	1.7%
Oct	109.2	32.3	6.6	25.7	11.6	2.1	7.6	1.4	10.7	2.7	128.8	-2.2%	1364.1	1364.1	8.5%	2.1%
Nov	108.8	30.5	14.3	16.2	9.8	(1.8)	7.4	(0.2)	10.6	(0.1)	127.1	-13.5%	1491.2	1491.2	6.2%	2.0%
Dec	112.0	30	10	20.2	11.2	1.4	9.0	1.6	9.7	(1.0)	130.2	-17.6%	1621.4	1621.4	3.8%	2.1%
2026	Production	Import	Export	Net Import	SHFE Inventory	Change	Outside SHFE	Change	Bond Inventory	Change	Apparent Demand	yoy	Cumulative	Apparent Demand	yoy	Inventory/Demand
JanE	117.9			21.0	23.3	12.1	10.3	1.3	9.9	0.2	125.3	1.7%	125.3	125.3	5.5%	3.1%
FebE	114.4			20.0	39.2	15.9	14.5	4.2	8.9	(1.0)	115.0	5.6%	240.3	240.3	3.5%	4.5%
MarE	120.0			22.0							140.0	1.5%	380.3	380.3	2.8%	

Industrial Chain



— Upstream — Midstream — Downstream

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Spot Market & Futures Market

Figure 1: SHFE Copper Main Continuous Contract Trend (CNY/t)



Sources: Wenhua, Minmetals Futures

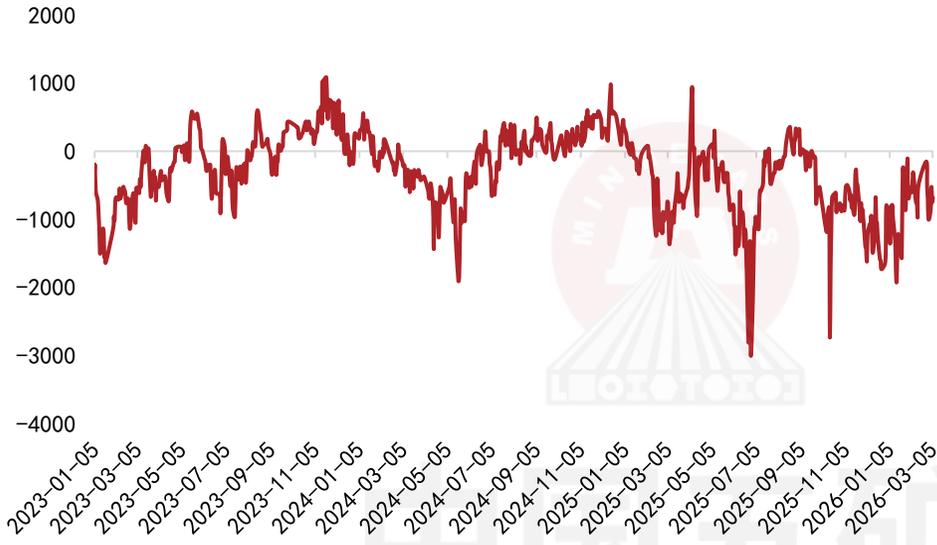
Figure 2: LME 3M Copper Price Trend (USD/t)



Sources: Wenhua, Minmetals Futures

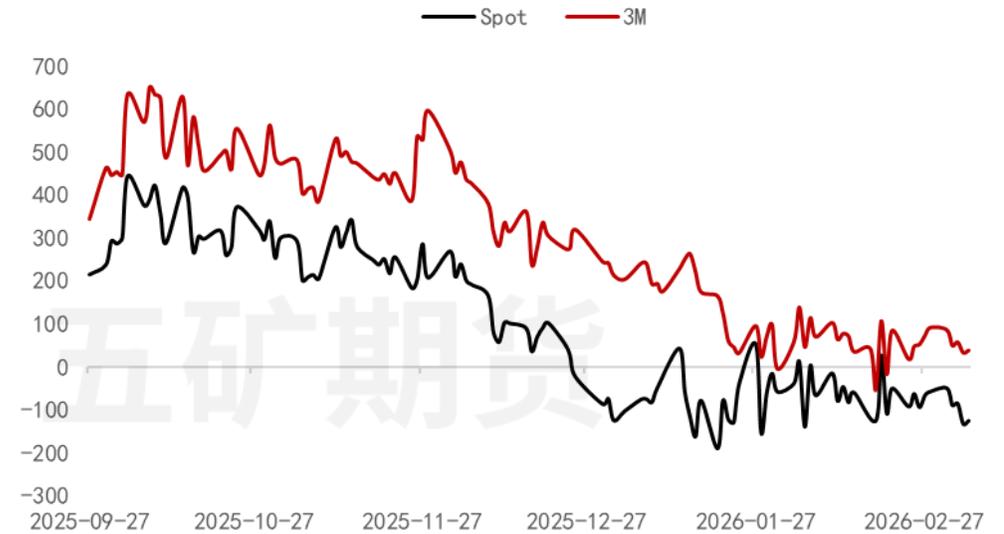
- Copper prices consolidated with oscillation in February 2026. Against the macro backdrop of US-Iran negotiations and tariff uncertainties, market sentiment fluctuated repeatedly. Combined with cooling Fed rate cut expectations, macro factors remained mixed, with copper prices fluctuating at high levels.
- During the month, the SHFE copper main contract rose 0.23%, and the LME 3M contract rose 1.73%. The US dollar index stabilized during the period, while the offshore RMB appreciated. In early March, copper prices oscillated downward under the disturbance of geopolitical factors and inventory changes.

Figure 3: China Electrolytic Copper Import Profit/Loss (CNY/t)



Sources: SMM, Minmetals Futures

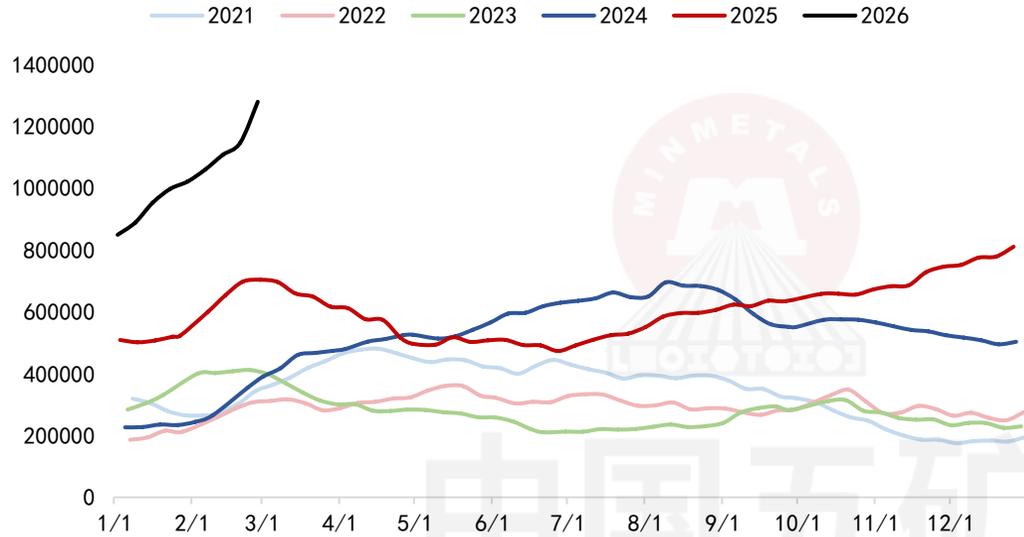
Figure 4: COMEX Copper vs LME Copper Price Spread (USD/t)



Sources: WIND, Minmetals Futures

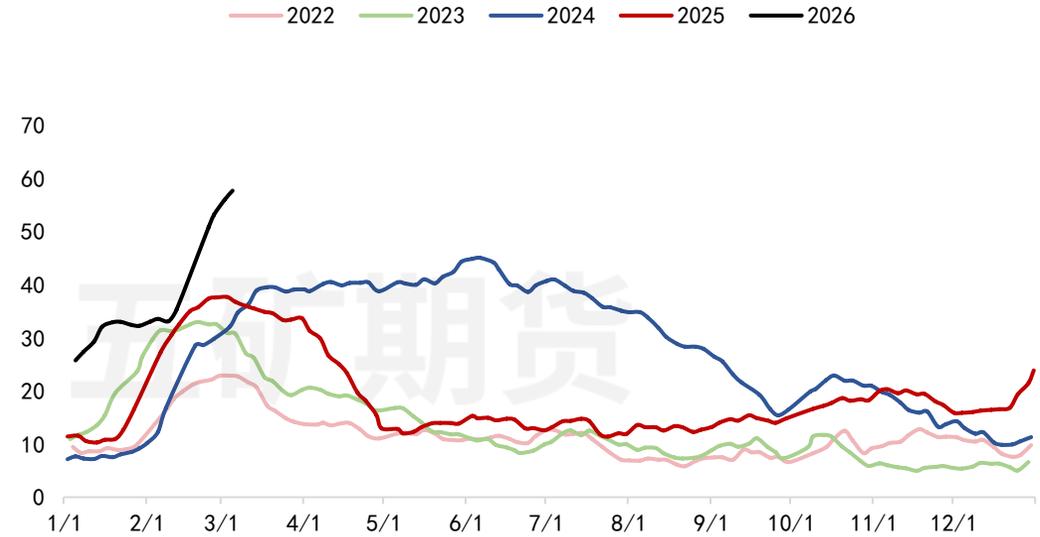
- In February 2026, the import loss for SHFE copper spot oscillated and widened, with overall loss magnitude remaining modest. The COMEX-LME copper price spread oscillated weakly in February, weakening in early March, though expectations for future tariff imposition have not been eliminated.

Figure 5: Copper Inventory at Three Major Exchanges Plus Shanghai Bonded Zone (t)



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

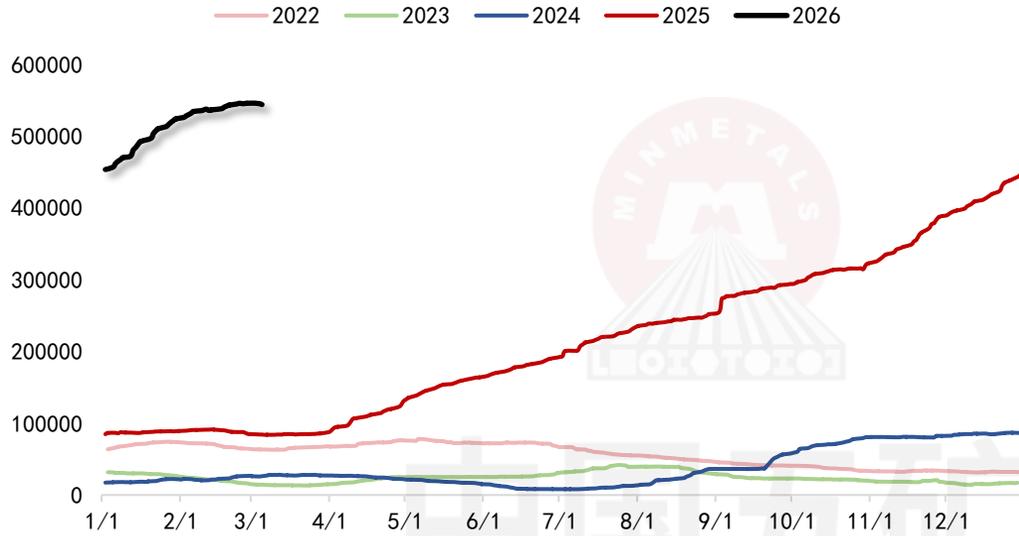
Figure 6: China Electrolytic Copper Social Inventory (10,000 t)



Sources: SMM, Minmetals Futures

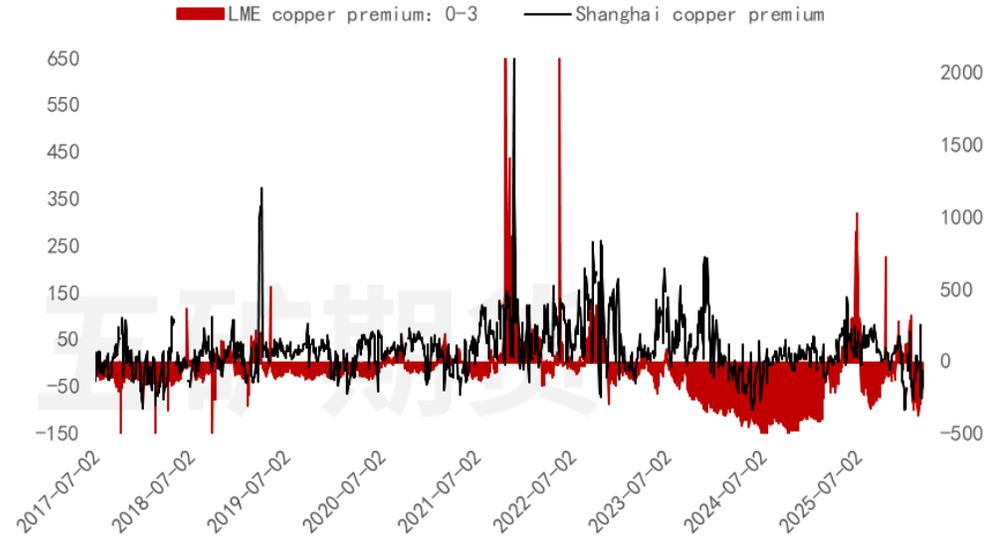
- As of end-February, total inventory at the three major exchanges plus Shanghai bonded zone was approximately 1.284 million t, an increase of 251,000 t MoM and approximately 625,000 t YoY. Inventory structural issues persist (COMEX inventory accounts for a high proportion, approximately 43%, with a YoY increase of 461,000 t).
- China's copper inventory increased significantly during the month. As of end-February, exchange inventory was approximately 392,000 t, an increase of approximately 123,000 t YoY. Non-exchange inventory was approximately 145,000 t. Bonded zone inventory declined slightly, with an absolute level of approximately 89,000 t as of end-February, an increase of approximately 45,000 t YoY.

Figure 7: COMEX Copper Inventory (t)



Sources: WIND, Minmetals Futures

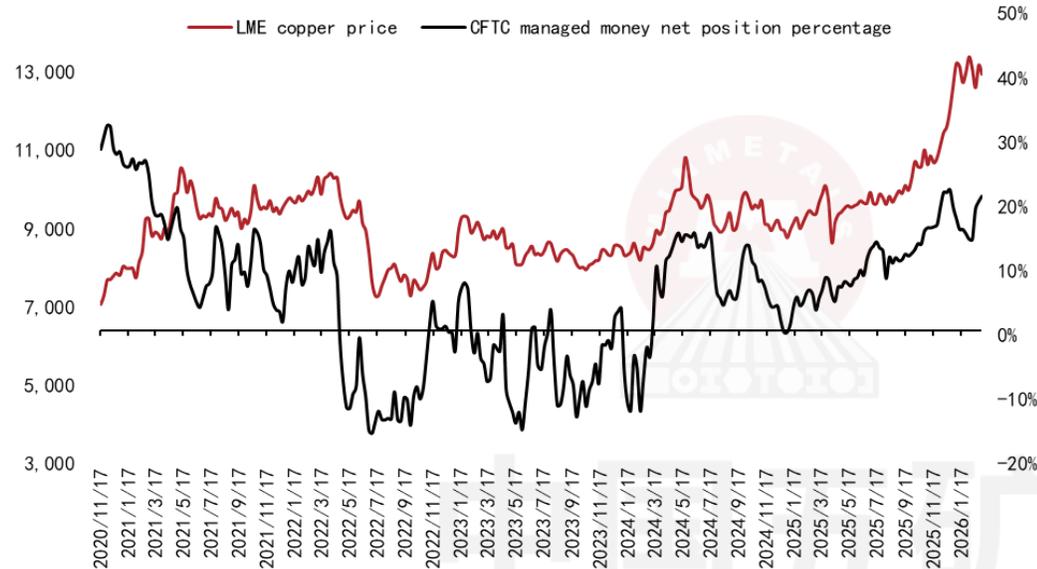
Figure 8: Domestic and Overseas Copper Basis (USD/t, CNY/t)



Sources: LME, WIND, Minmetals Futures

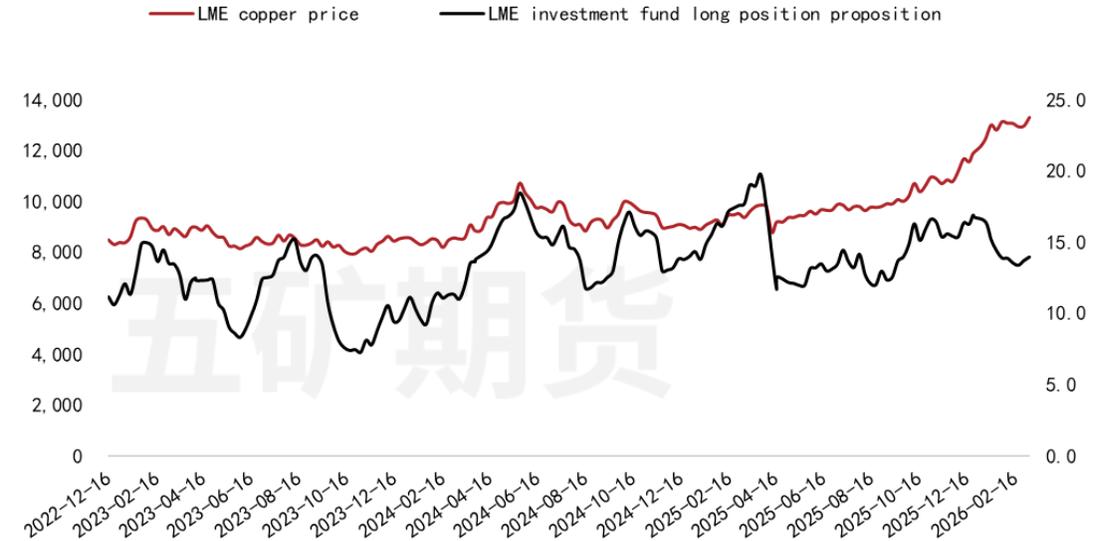
- LME copper inventory accumulated in February, reaching approximately 254,000 t as of end-February, an increase of approximately 79,000 t MoM. The increase mainly came from US and Asian warehouses. In early March, LME US copper inventory increased by approximately 53,000 t compared to end-January. Total COMEX copper inventory continued to increase, reaching approximately 545,000 t as of end-February.
- Regarding basis, LME market Cash/3M discount oscillated and narrowed in February 2026. Domestic basis weakened, with spot discount to futures at approximately CNY 260/t as of end-February; the discount narrowed in early March.

Figure 9: COMEX Copper Fund Net Position Ratio and Copper Price Trend (USD/t)



Sources: WIND, Minmetals Futures

Figure 10: LME Investment Fund Long Position Ratio



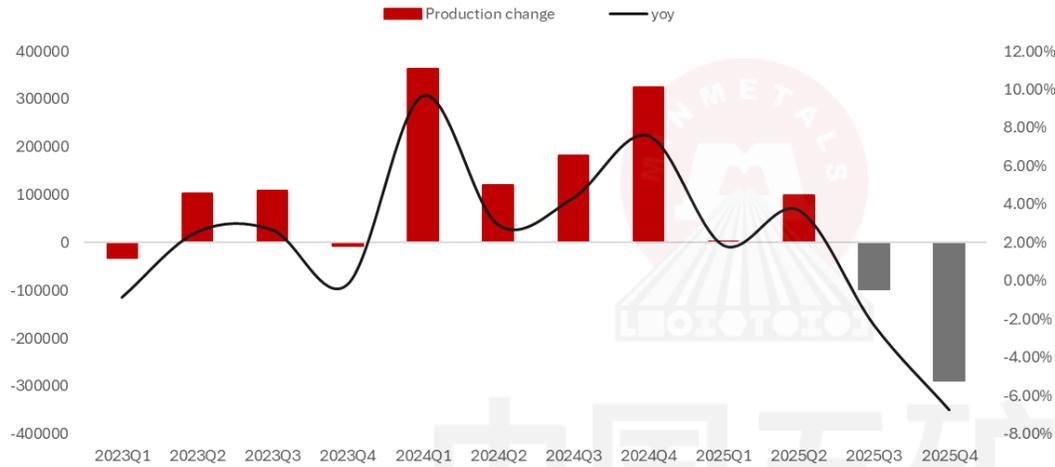
Sources: WIND, Minmetals Futures

- As of late February 2026, CFTC fund positions maintained net long, with the net long ratio rebounding to 20.8%. LME investment fund long position ratio rebounded, with sentiment stabilizing and warming.
- Entering March, market sentiment is expected to be mainly influenced by geopolitical patterns, US policy expectations, mine-side news, and inventory changes.

03

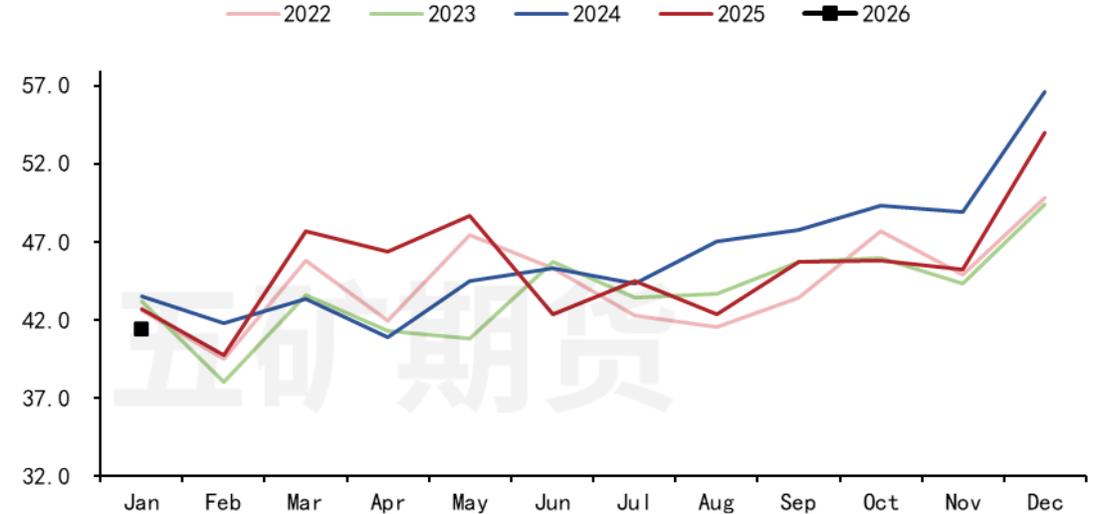
Supply and Demand Analysis

Figure 11: Sample Copper Mine Enterprise Quarterly Production Increment & Growth Rate (t)



Sources: Company Press Release, Minmetals Futures

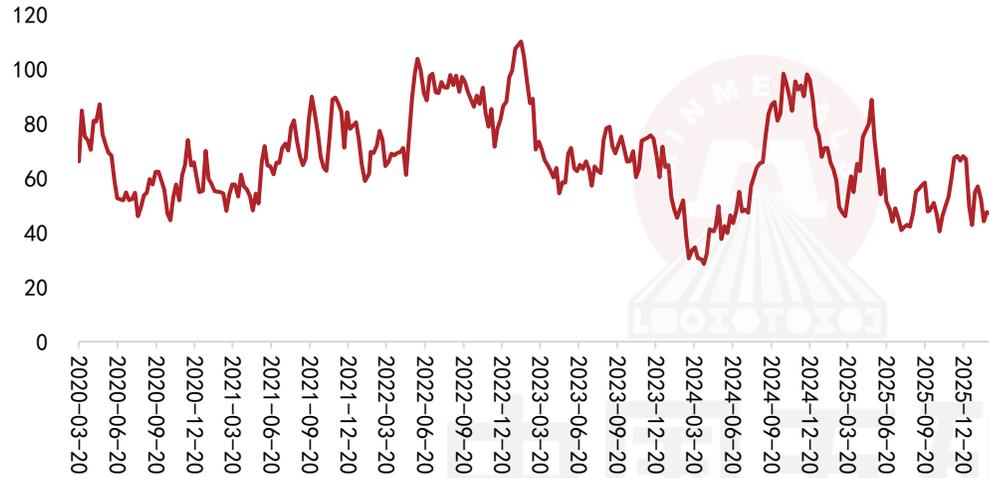
Figure 12: Chile Copper Mine Production (10,000 t)



Sources: Chilean National Statistics Institute, Minmetals Futures

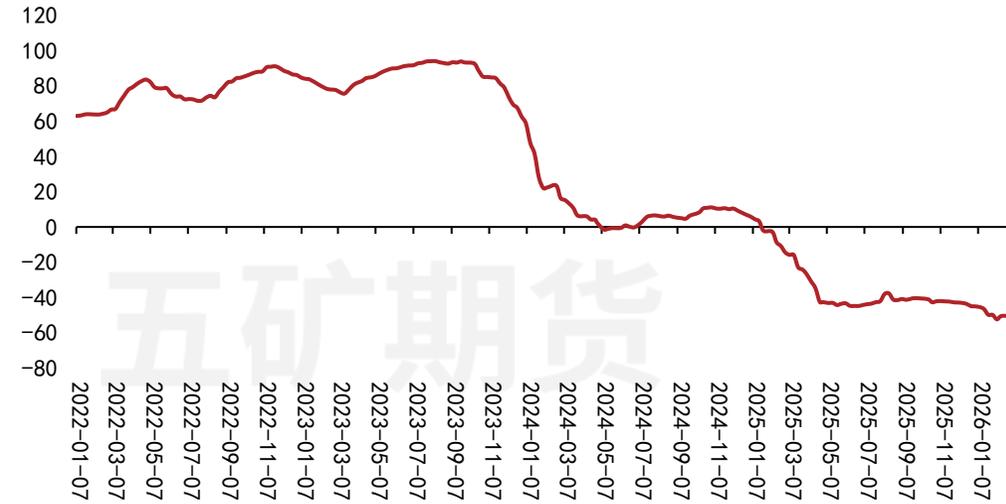
- Global sample mine production was approximately 16.65 million t in 2025, a YoY decrease of approximately 270,000 t (-1.6%). According to 2026 production guidance from listed mining enterprises, sample mine copper production is expected to be approximately 16.86 million t in 2026, a sequential increase of approximately 210,000 t, with the growth rate revised down from previous estimates.
- In January 2026, copper production in Chile, the largest copper-producing country, declined 3% YoY to 414,000 t. Ongoing accident impacts and declining ore grades caused the country's copper production to remain at low levels. Reportedly, one of the important factors affecting fluctuations in Chile's copper production comes from output volatility at Chuquibambilla, the world's largest open-pit copper mine, mainly due to declining ore grades and reduced production efficiency.

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



Sources: IFIND, Minmetals Futures

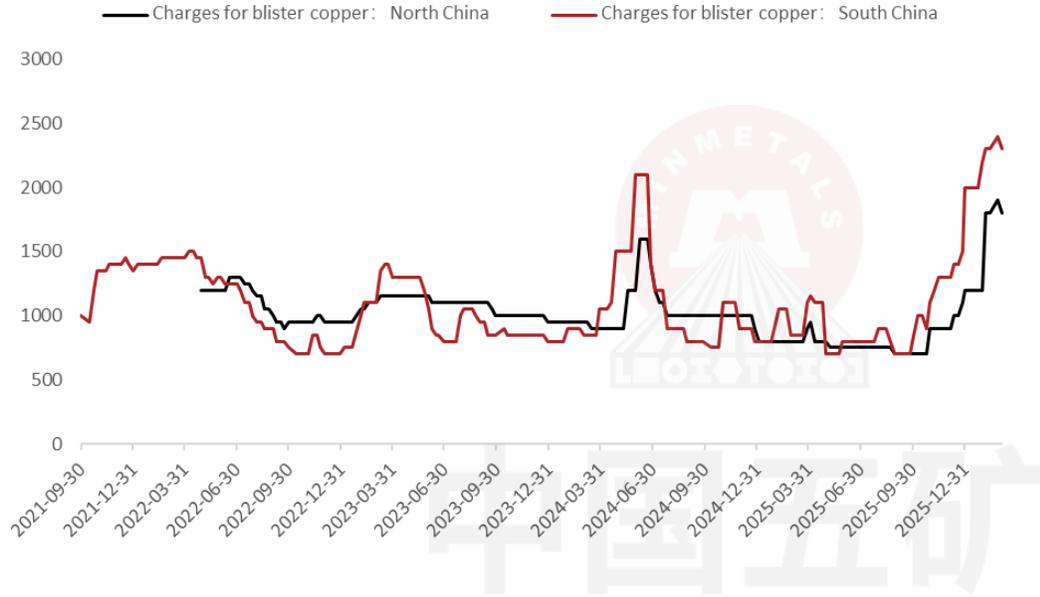
Figure 14: Imported Copper Concentrate Treatment Charge (USD/t)



Sources: SMM, Minmetals Futures

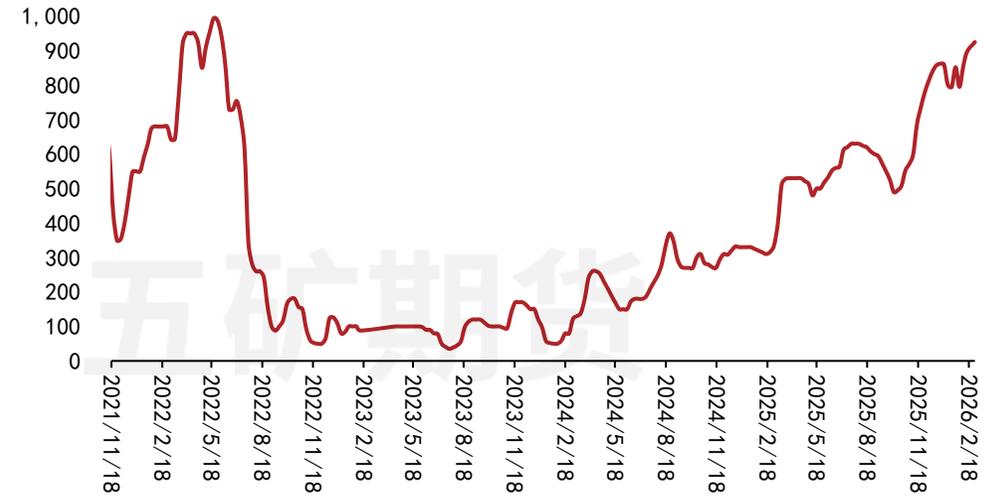
- China's major port copper concentrate inventory rebounded slightly in February, with port spot supply remaining tight. Regarding processing fees, copper concentrate spot prices oscillated downward then rebounded slightly in February 2026, but remained at low levels.

Figure 15: Blister Copper Processing Fee (CNY/t, USD/t)



Sources: SMM, Minmetals Futures

Figure 16: China Mainstream Region Smelting Acid Price (CNY/t)



Sources: WIND, Minmetals Futures

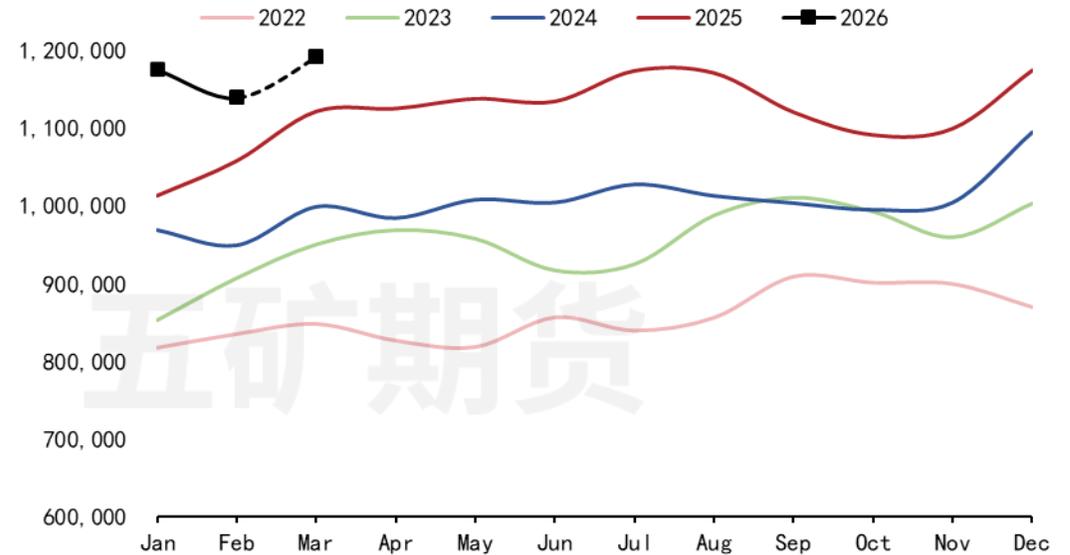
- Domestic blister copper processing fees continued to rise in February 2026, with scrap material supply remaining relatively loose. Smelting by-product sulfuric acid prices in mainstream domestic regions increased, providing positive contribution to smelting revenue.

Figure 17: 2026 China Copper Smelting Enterprise Maintenance Schedule Overview (10,000 t)

Company	Smelter Capacity	refinery capacity	Start time	End time
1	15	40	Mar	Mar
2	40	40	Mar	Mar
3	10	20	Apr	Apr
4	20	20	Apr	Apr
5	40	40	Apr	Apr
6	40	50	Apr	May
7	48	40	Apr	Jun
8	30	35	May	May
9	40	40	May	Jul
10	40	70	Jun	Jul
11	60	35	Jun	Jul
12	26	26	Jun	Jul
13	15	15	Jul	Jul
14	10	10	Jul	Jul
15	40	40	Aug	Aug
16	10	0	Aug	Aug

Sources: MYSTEEL, SMM, Baiinfo, Minmetals Futures

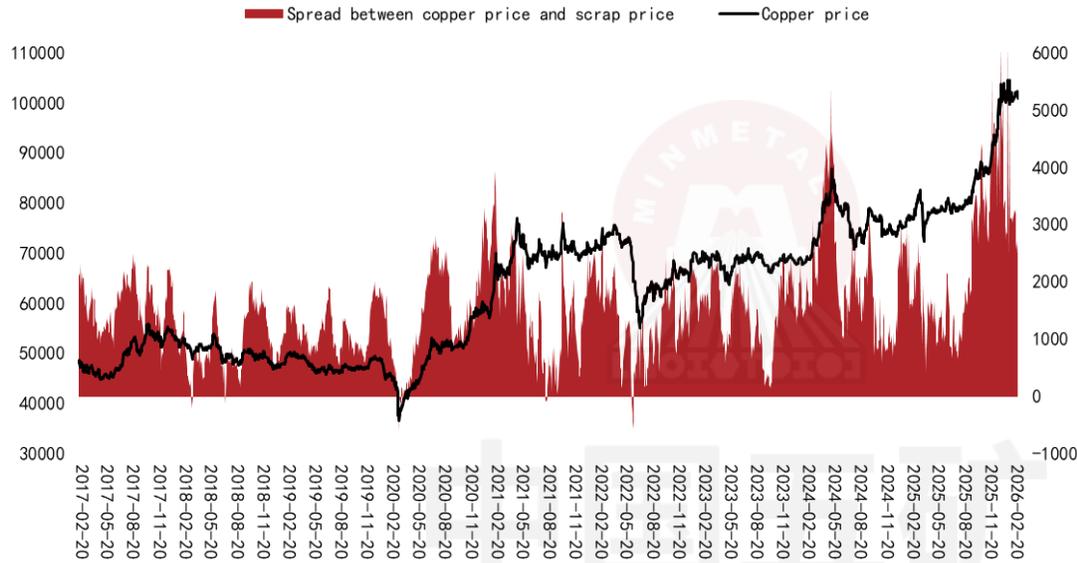
Figure 18: China Refined Copper Monthly Production (10,000 t)



Sources: SMM, Minmetals Futures

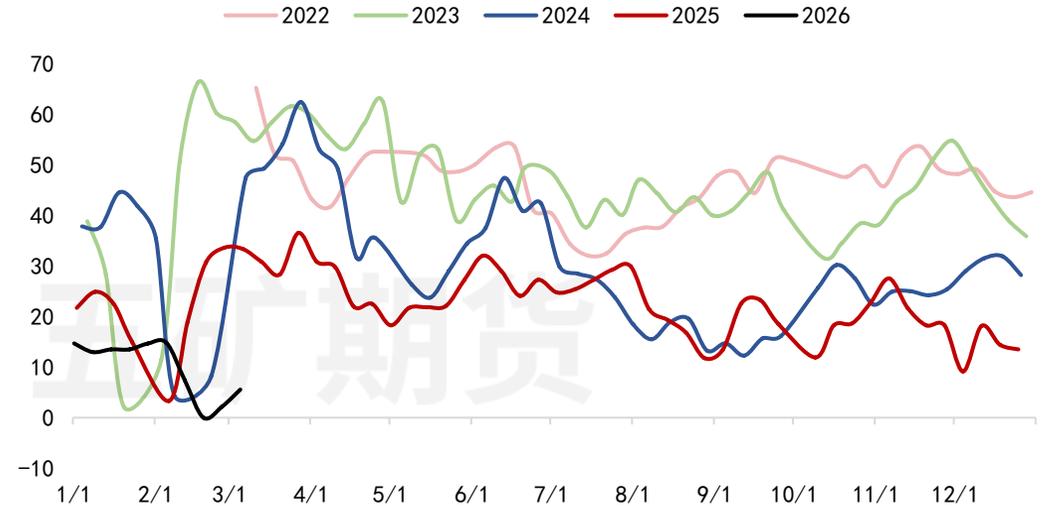
- Affected by reduced trading days, Spring Festival holiday, and some enterprises' statistical cycles, SMM China refined copper production declined sequentially in February 2026, generally in line with expectations.
- In March 2026, with scrap material supply relatively sufficient and smelter maintenance remaining limited, refined copper production is expected to rise, maintaining YoY growth.

Figure 19: China Electrolytic Copper vs 1# Bright Copper Price Spread (CNY/t)



Sources: SMM, WIND, Minmetals Futures

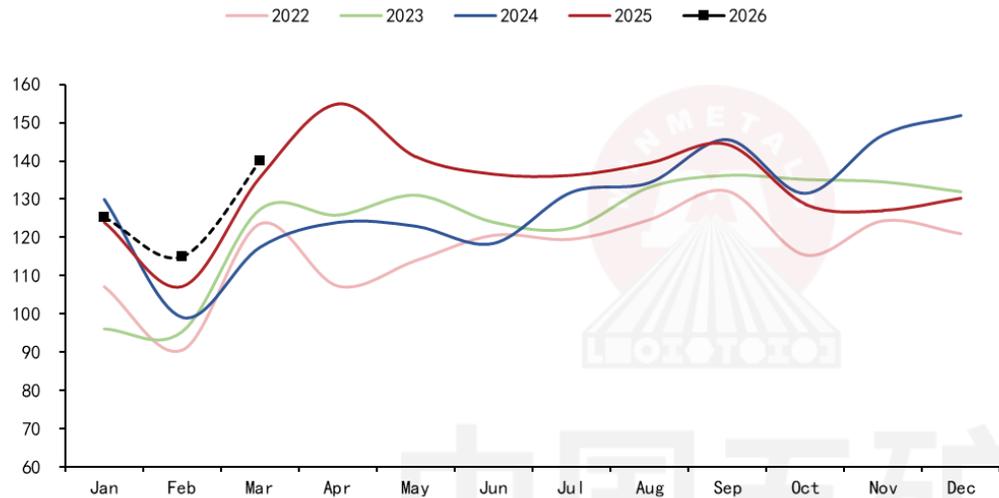
Figure 20: China Recycled Copper Rod Enterprise Weekly Operating Rate



Sources: SMM, Minmetals Futures

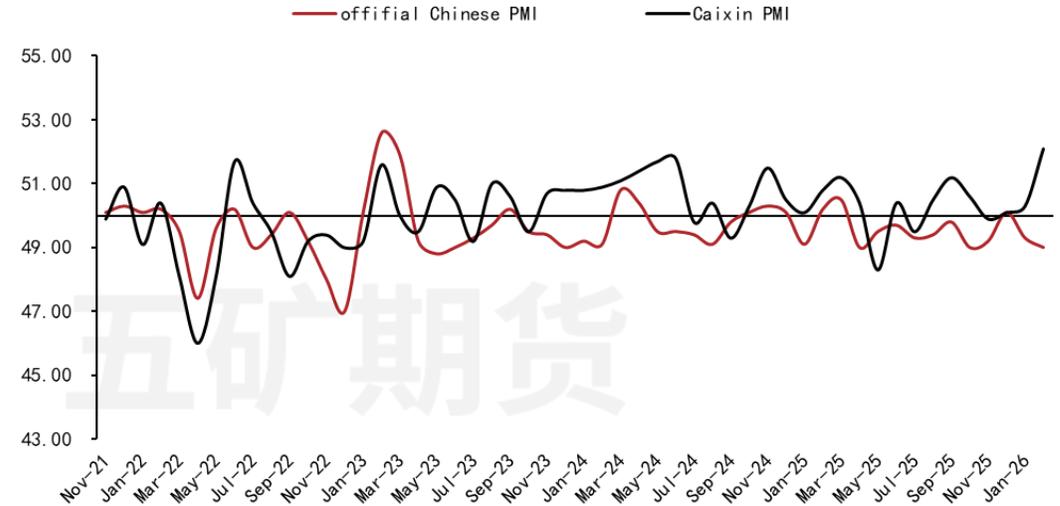
- The average domestic refined-scrap copper price spread was approximately CNY 3,138/t in February 2026, narrowing sequentially. Under uncertain local tax refund policies and Spring Festival impacts, scrap copper substitution advantage weakened.
- Recycled copper rod enterprise operating rates remained weak in February. Tax refund policy impacts on recycled copper rod production remain significant. Meanwhile, the narrowing refined-scrap price spread improved the advantage of producing blister copper/anode plates, with direct scrap copper substitution volume remaining limited.

Figure 21: China Refined Copper Monthly Apparent Consumption (10,000 t)



Sources: Customs, SMM, MYMETAL, Minmetals Futures

Figure 22: China Manufacturing PMI



Sources: WIND, Minmetals Futures

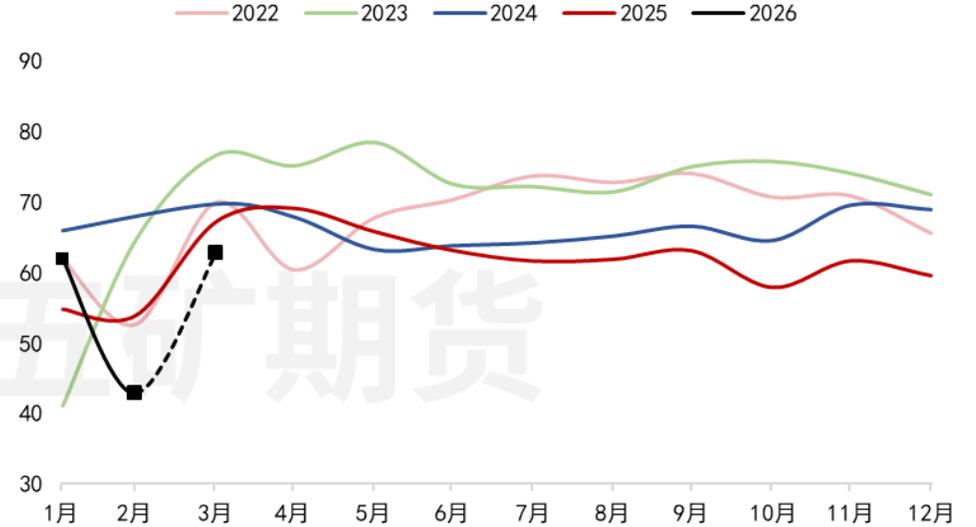
- Under the assumption of stable net imports, domestic refined copper apparent consumption is estimated at 1.15 million t in February, down sequentially but with modest YoY growth. Cumulative apparent consumption for January-February 2026 was approximately 2.403 million t, up 3.5% YoY. From the perspective of leading economic indicators, the official manufacturing PMI fell below the expansion-contraction line in February 2026, while Caixin Manufacturing PMI remained above the line, indicating divergent manufacturing sentiment.

Figure 23: China Copper Material Cumulative Production & YoY Growth Rate (10,000 t, %)



Sources: WIND, Minmetals Futures

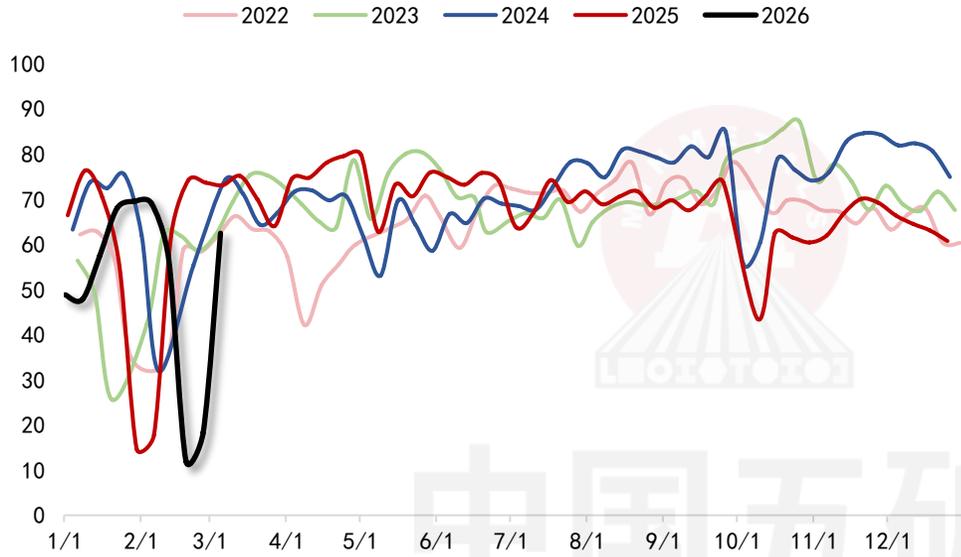
Figure 24: China Copper Material Enterprise Average Operating Rate (%)



Sources: SMM, Minmetals Futures

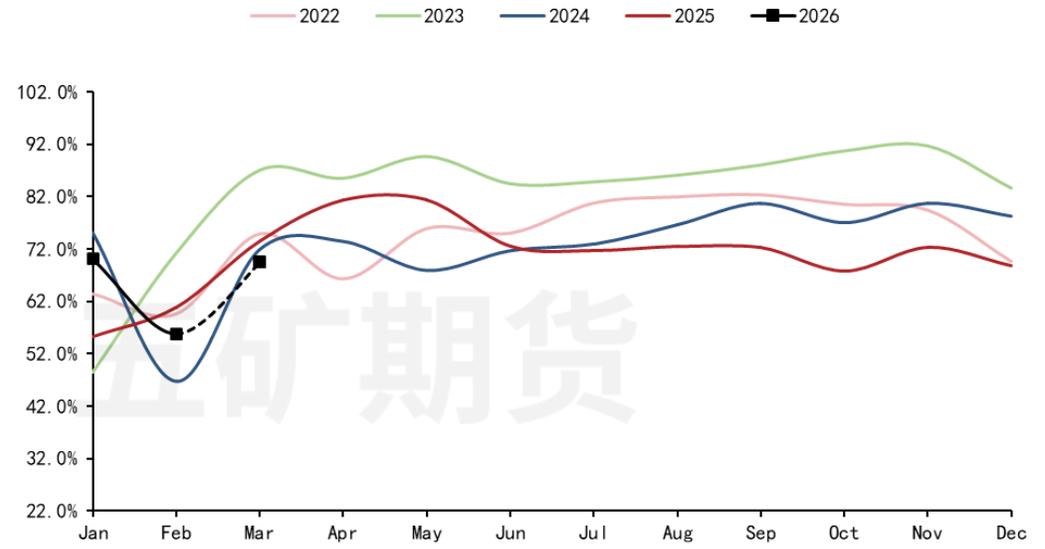
- China's copper material production grew approximately 4.7% cumulatively for the full year 2025, with the growth rate declining sequentially. According to SMM data, copper material average operating rates declined in February 2026. Operating rates are expected to rebound significantly in March, slightly lower YoY.

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



Sources: SMM, Minmetals Futures

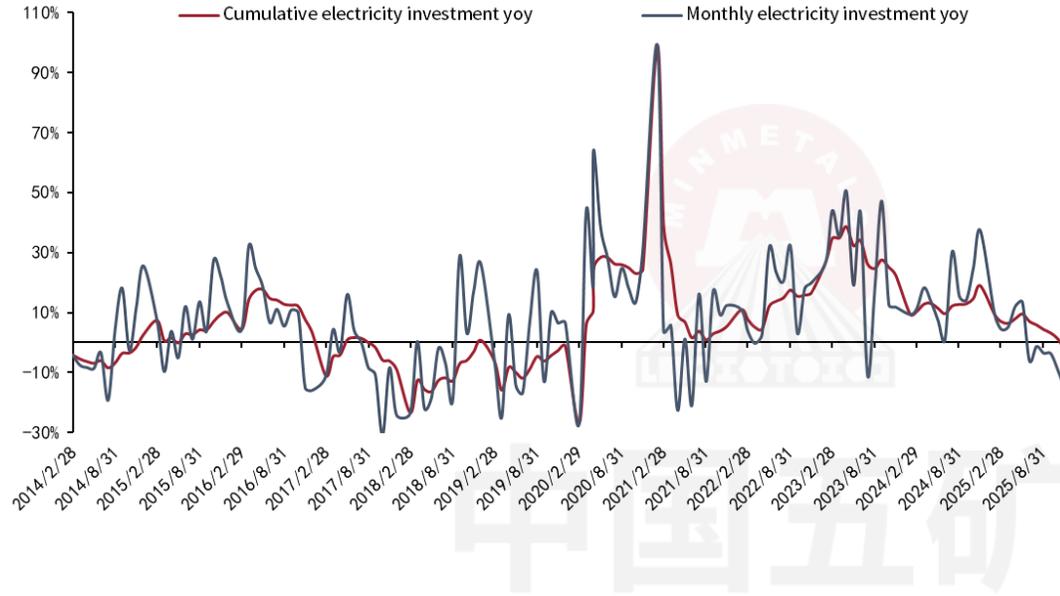
Figure 26: China Wire and Cable Enterprise Operating Rate (%)



Sources: SMM, Minmetals Futures

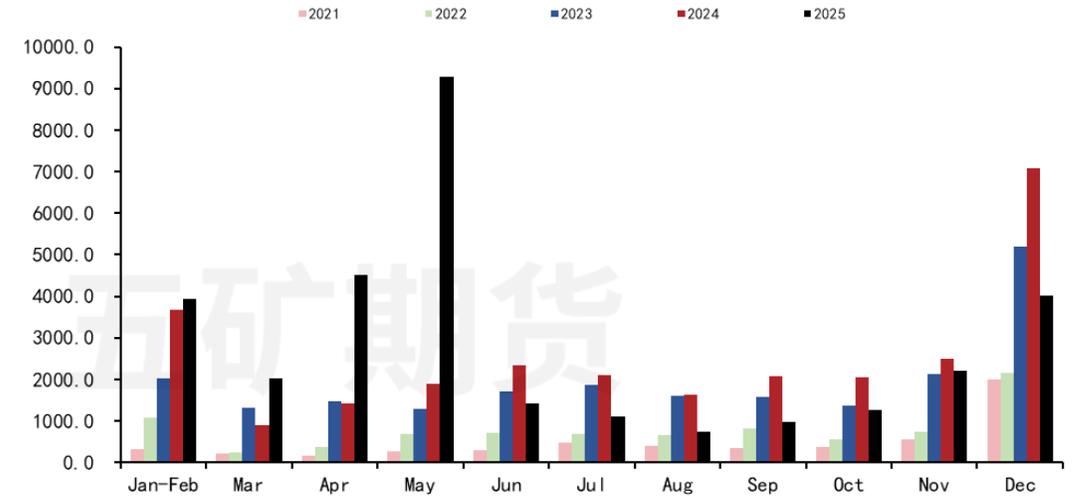
- China's refined copper rod enterprise operating rates declined in February 2026 due to Spring Festival holiday impacts, with average operating rates slightly below the same period in 2025. Post-holiday production resumption was relatively stable. Domestic wire and cable enterprise operating conditions were slightly above expectations during the month, with operating rates expected to rebound in March.

Figure 27: Domestic Power Supply + Grid Investment YoY Growth Rate



Sources: NEA, Minmetals Futures

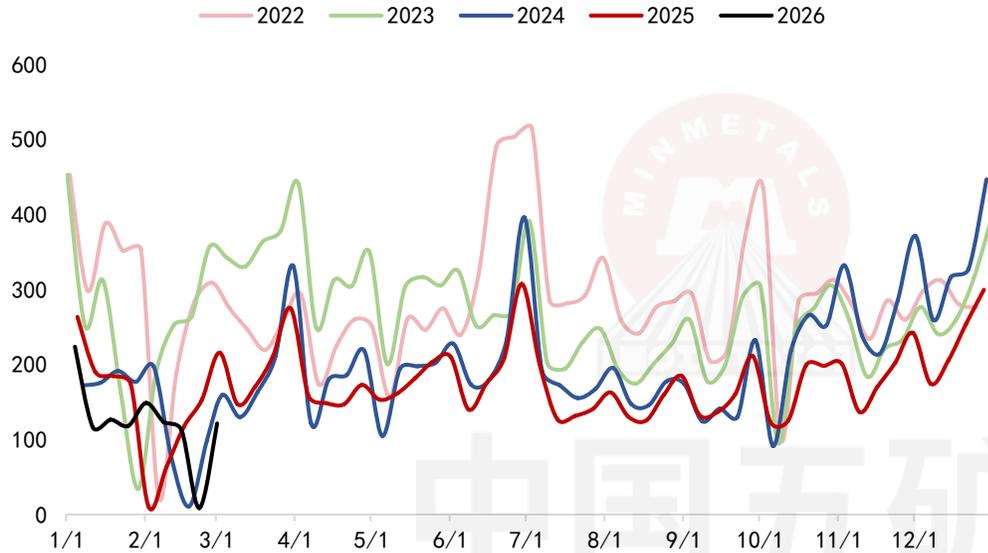
Figure 28: Photovoltaic New Installed Capacity (10,000 kW)



Sources: NEA, Minmetals Futures

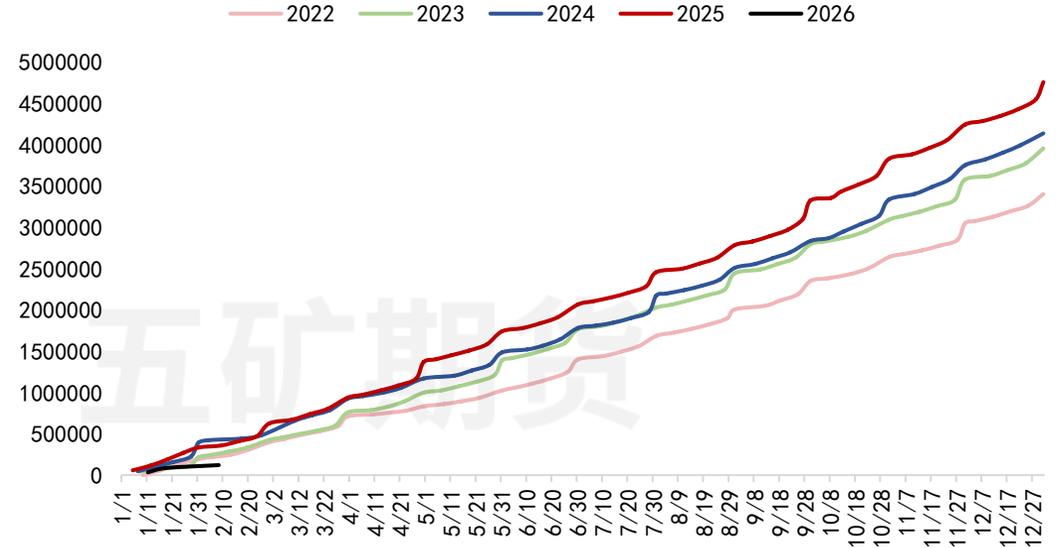
- On the downstream front, power investment (power supply + grid) continued to decline YoY in December 2025, with the decline rate expanding. Photovoltaic new installed capacity continued to decline YoY but increased sequentially, with expectations of marginal recovery. Wind power new installed capacity increased both YoY and sequentially, with related demand better than expected. Entering March, photovoltaic module production scheduling is expected to rebound.

Figure 29:30 Major Cities Commercial Housing Transaction Area (10,000 m²)



Sources: WIND, Minmetals Futures

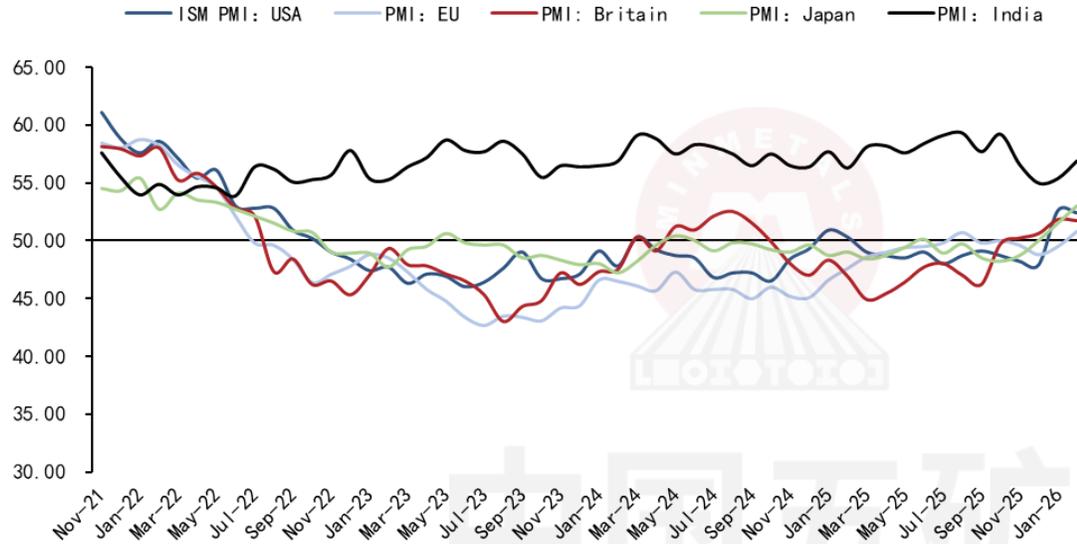
Figure 30: Passenger Vehicle Weekly Sales: Manufacturer Wholesale: Cumulative (units)



Sources: WIND, Minmetals Futures

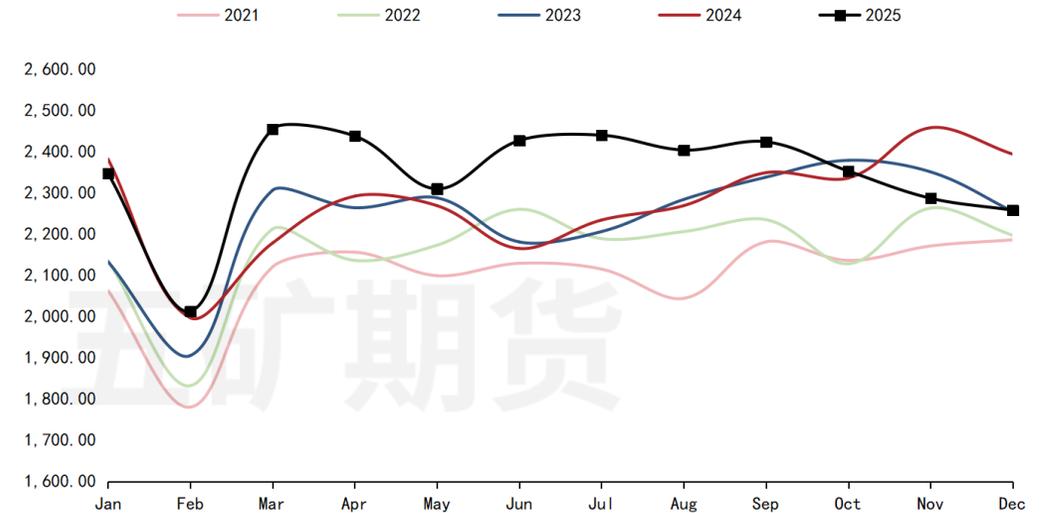
- From high-frequency data perspectives, domestic real estate transaction data was slightly weaker than the same period last year in February 2026. Home appliance production scheduling data in the real estate downstream sector was significantly affected by Spring Festival timing mismatch and high base, with larger YoY declines; declines are expected to narrow in March. February auto sales high-frequency data was weak YoY.

Figure 31: Overseas Major Countries Manufacturing PMI



Sources: WIND, Minmetals Futures

Figure 32: Global Refined Copper Consumption Seasonality (1,000 t)



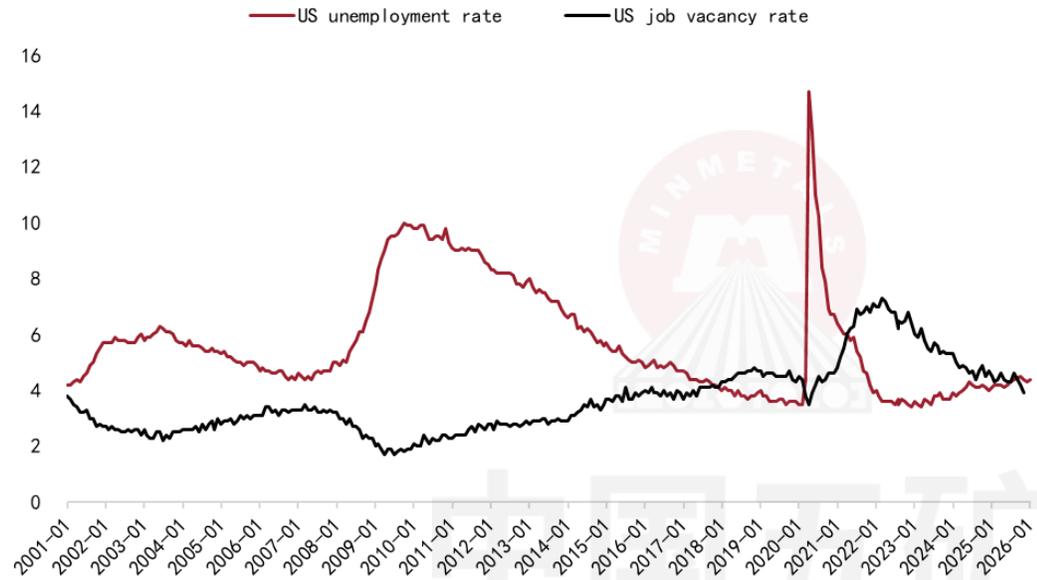
Sources: WIND, ICSG, Minmetals Futures

- Manufacturing sentiment in major overseas economies was relatively strong in February 2026. US and UK manufacturing PMI declined slightly, while Eurozone, Japan, and India manufacturing PMI increased. US ISM Manufacturing recorded 52.4, maintaining strong performance above the expansion-contraction line. According to ICSG data, global refined copper consumption declined 5.7% YoY in December 2025, with full-year 2025 consumption growing approximately 3.2%.

04

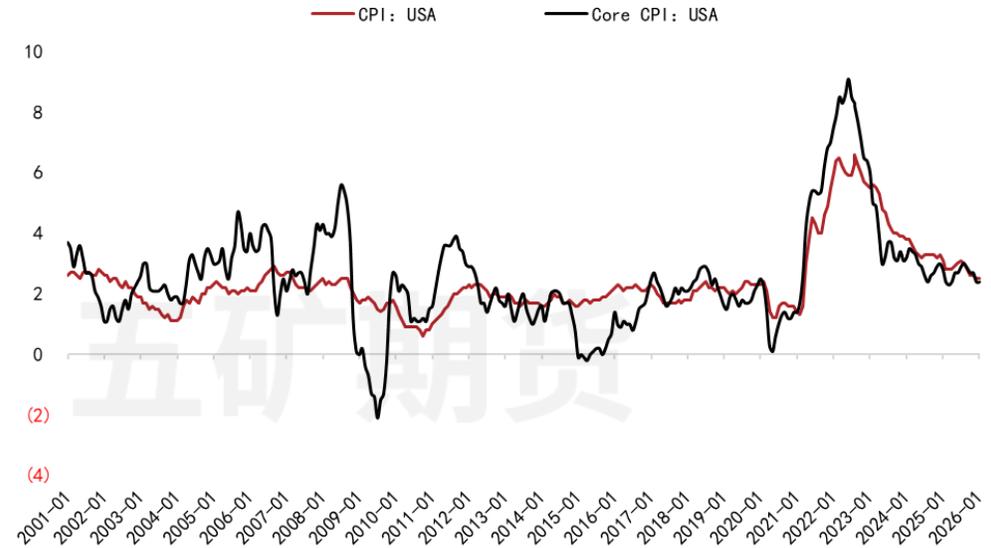
Macro Analysis

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



Sources: WIND, Minmetals Futures

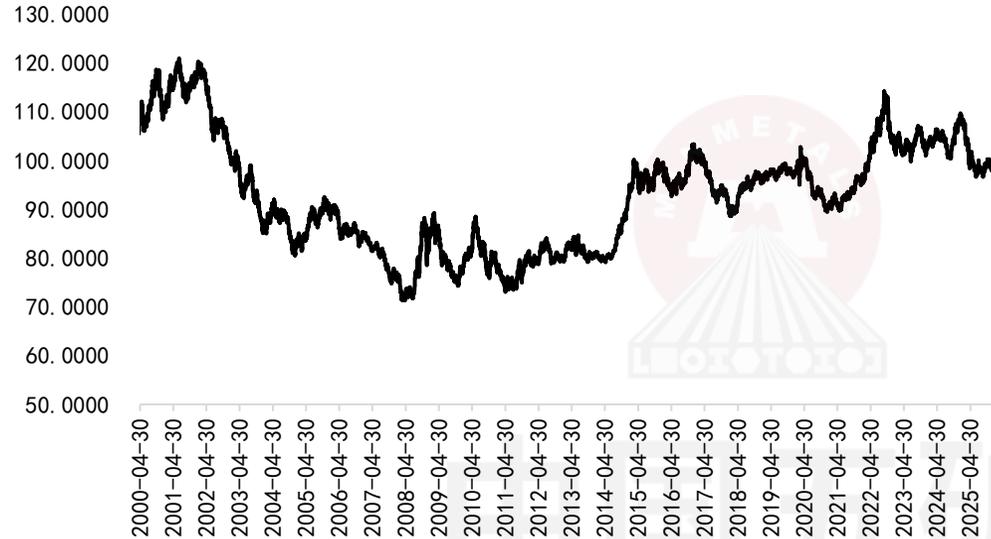
Figure 34: US Core YoY & YoY (%)



Sources: WIND, Minmetals Futures

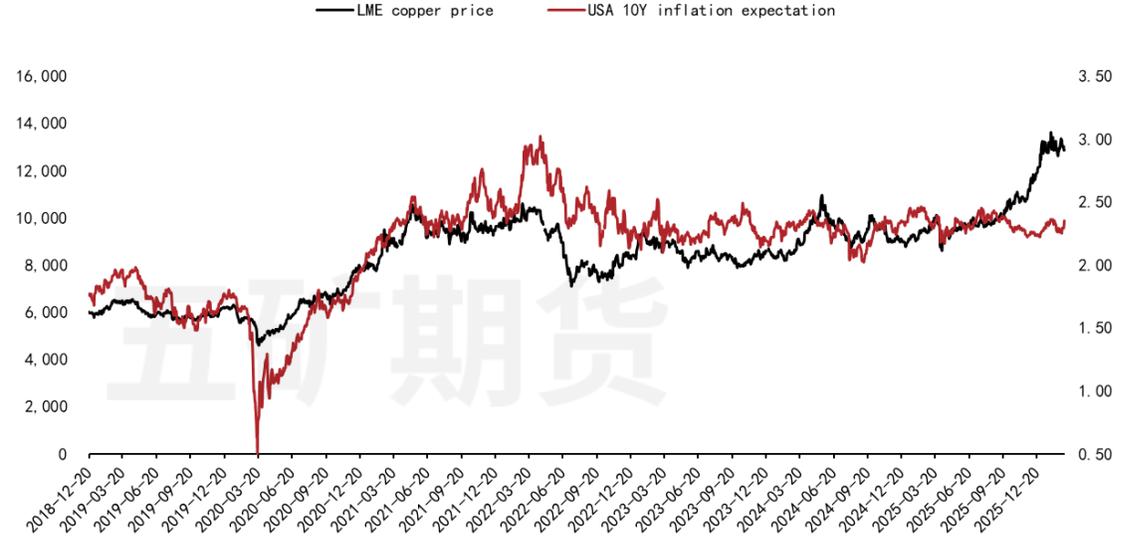
- US unemployment rate declined in January 2026, with inflation data weakening and core inflation in line with expectations. As geopolitical conflicts intensified in March, rising oil prices increased upward pressure on inflation expectations. Short-term rate cut expectation probability remains low, but the probability of Fed monetary policy turning is also not significant.

Figure 35: US Dollar Index



Sources: WIND, Minmetals Futures

Figure 36: LME Copper Price & US 10-Year Inflation Expectation (USD/t, %)



Sources: WIND, Minmetals Futures

- The US dollar index stabilized in February 2026. After Trump nominated Walsh as the next Fed Chair, the dollar's decline eased. In March, affected by geopolitical conflicts, safe-haven funds pushed the US dollar index higher. US 10-year inflation expectations gradually stabilized, remaining relatively divergent from copper price trends.

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

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Hotline

400-888-5398

Headquarter

13-16/F, Minmetals Financial Center, No. 3165 Binhai Ave., Nanshan District, Shenzhen, China



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