中国五矿

五矿期货有限公司

Strong industrial support and improved sentiment favor valuation expansion

Copper Monthly Report

May 8, 2026

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Monthly Review

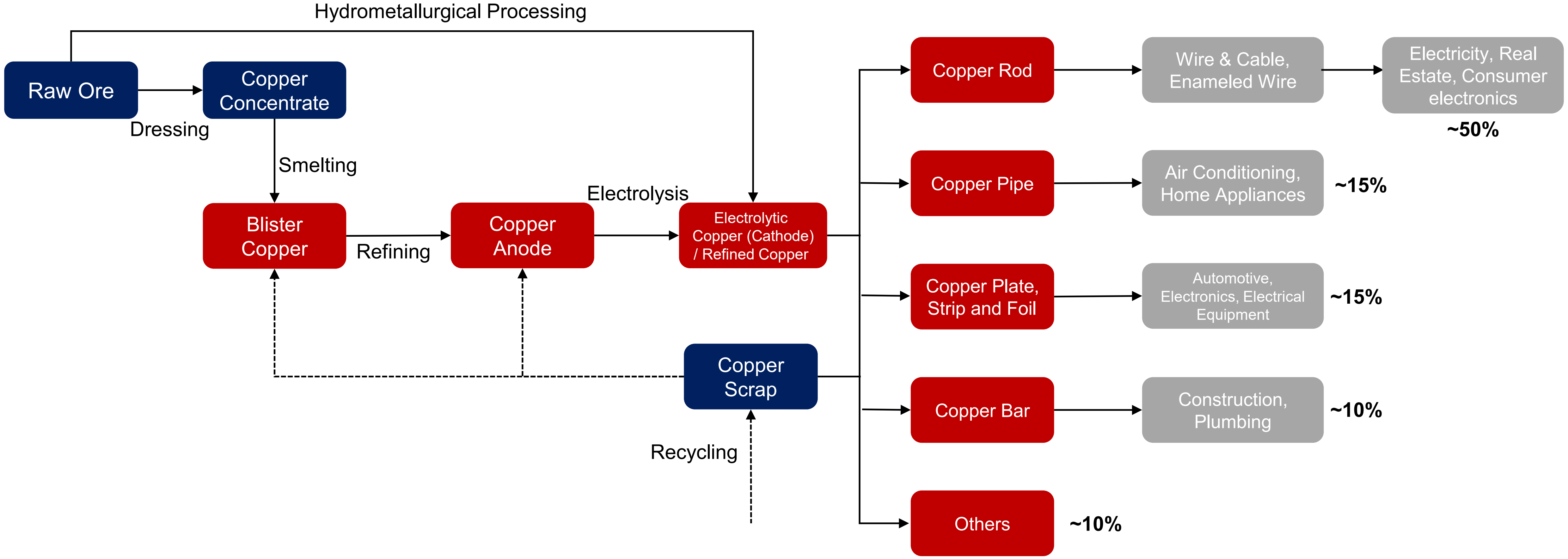
Monthly Assessment and Strategy Recommendation

- **Supply**: Copper concentrate supply remained tight. In Q1 2026, output at major mining companies declined YoY, and full-year production guidance was revised down marginally. Blister copper supply tightened marginally, with processing fees trending lower. In April 2026, domestic refined copper output fell MoM, and with substantial smelter maintenance scheduled for May, production is expected to decrease slightly MoM.
- **Demand**: In April 2026, China's apparent refined copper consumption continued to expand, demonstrating resilient downstream demand. Consumption is expected to stay elevated in May. Overseas manufacturing sentiment improved. While the Middle East situation remains uncertain, the drag on the global economy and copper consumption will be limited provided the conflict does not prolong.
- **Import/Export**: In April 2026, SHFE copper spot import economics improved, and the import window reopened in early May. The COMEX-LME copper price spread strengthened, reinforcing expectations of U.S. tariffs.
- **Inventory**: In April 2026, exchange inventories diverged. SHFE stocks declined significantly, while LME and COMEX inventories increased. Bonded zone stocks fell further, and total inventories decreased MoM. We estimate that destocking in China will slow in May, with overseas inventories potentially shifting toward the United States.
- **Outlook**: Entering May, Chinese refined copper output is expected to decline, while downstream demand remains supported. Combined with limited incremental scrap substitution, supply is forecast to register a modest deficit. Overseas demand sentiment has improved; although actual demand still hinges on the Middle East conflict trajectory, U.S. tariff expectations have intensified supply tightening concerns. On the macro front, sentiment has been buoyed by President Trump's planned visit to China this month, rising odds of a U.S.-Iran deal, and the upcoming Federal Reserve chair transition. Industrially, tight copper raw material supply continues to provide strong price support, with refined copper supply-demand expected to stay in a tight balance. Against the backdrop of rising overseas equity markets, copper prices have room for valuation expansion, and we expect a volatile-but-bullish bias this month. Range reference: SHFE main contract 98,000–110,000 CNY/MT; LME 3M 12,800–14,200 USD/MT.

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

2025	Production	Import	Export	Net Import	SHFE Inventory	Change	Outside SHFE	Change	Bond Inventory	Change	Apparent Demand	yoy	Cumulative Apparent Deamnd
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
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
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
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
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
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
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
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
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
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
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
Dec	112.0	30.0	10.0	20.0	11.2	1.4	9.0	1.6	9.7	(1.0)	130.0	-17.8%	1621.2
2026	**Production**	**Import**	**Export**	**Net Import**	**SHFE Inventory**	**Change**	**Outside SHFE**	**Change**	**Bond Inventory**	**Change**	**Apparent Demand**	**yoy**	**Cumulative Apparent Deamnd**
Jan	117.9	25.1	9.3	15.8	23.3	12.1	10.3	1.3	9.9	0.2	120.1	-2.5%	120.1
Feb	114.4	20.7	7.8	12.9	39.2	15.9	14.5	4.2	8.9	(1.0)	108.3	-0.6%	228.4
Mar	120.0	23.5	5.8	17.6	35.9	(3.3)	5.4	(9.1)	5.9	(3.0)	152.9	10.9%	381.3
Apr	117.9			24.0	19.2	(16.7)	5.1	(0.3)	2.7	(3.2)	162.1	3.2%	543.4
May	116.8			24.0							145.0	1.3%	

Industrial Chain



Upstream **Midstream** **Downstream**

02

Spot Market & Futures Market

Market Review

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

Sources: Wenhua, Minmetals Futures

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

Sources: Wenhua, Minmetals Futures

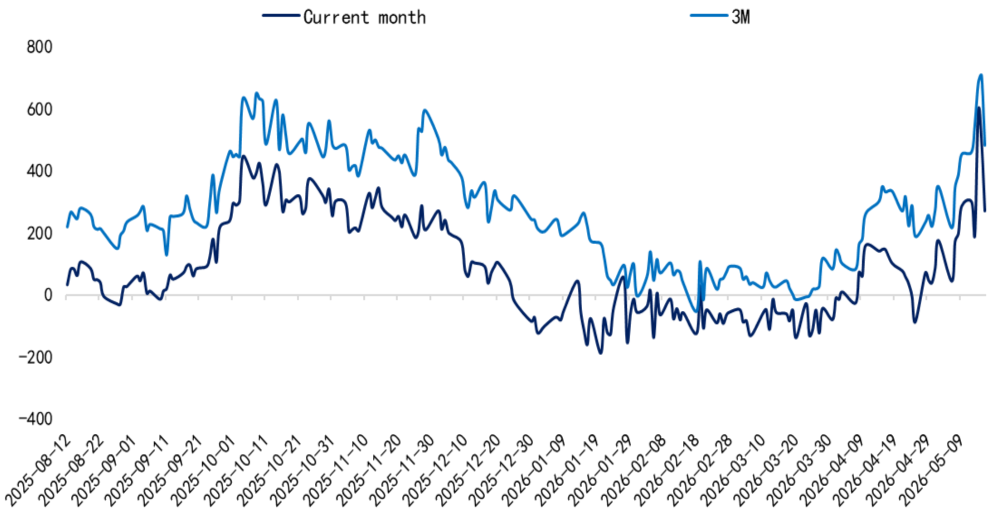
- In April 2026, copper prices rebounded amid volatility. Despite repeated flare-ups in the Middle East conflict, progress in U.S.-Iran negotiations, better-than-expected earnings from major technology companies, loose liquidity driving U.S. equities higher, and falling domestic inventories supported the price recovery.
- SHFE main contract rose 5.97%. LME 3M contract rose 5.14%. The USD index fell, and the offshore RMB appreciated.

Inter-Market Price Spread

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

Sources: SMM, Minmetals Futures

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

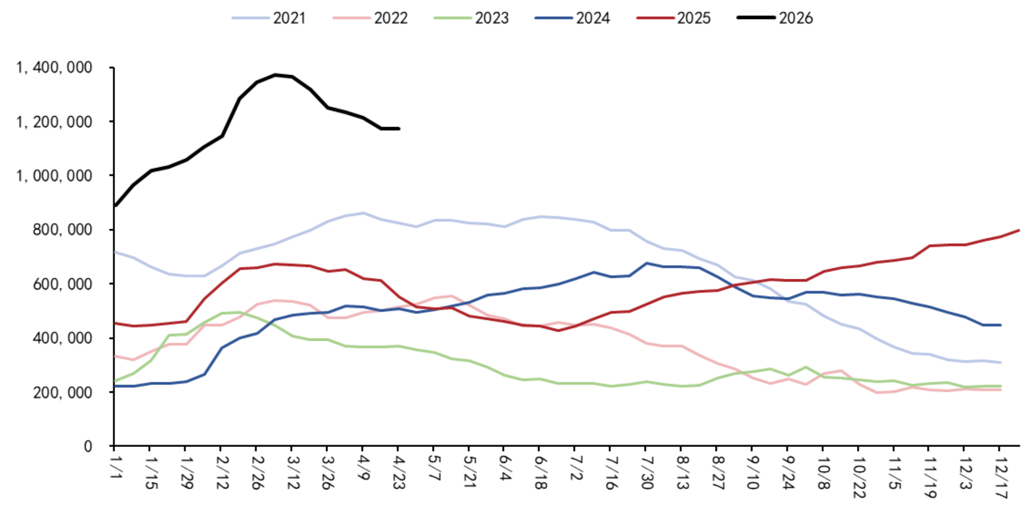


Sources: WIND, Minmetals Futures

- In April 2026, spot import losses on SHFE copper narrowed, and the import window reopened in early May. The COMEX-LME copper spread strengthened during April, as market expectations of U.S. tariffs on electrolytic copper imports rose.

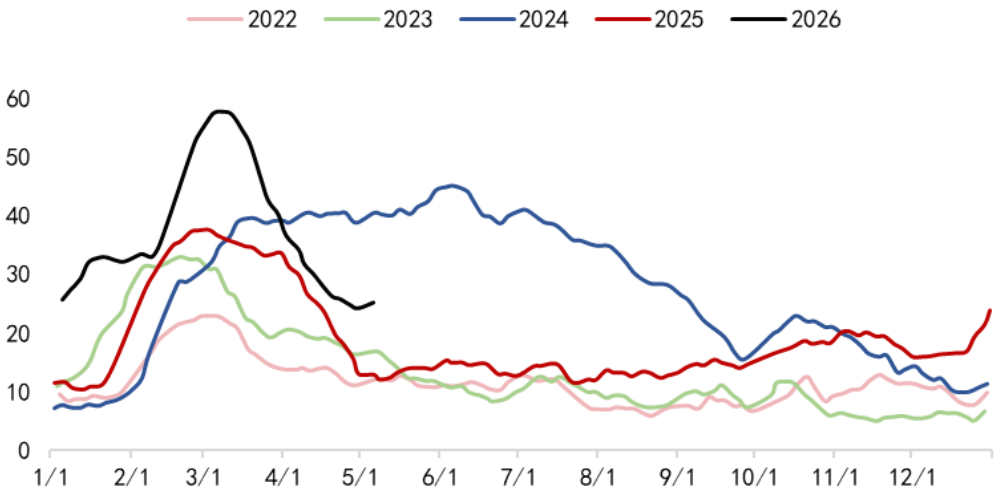
Inventory & Basis

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



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

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

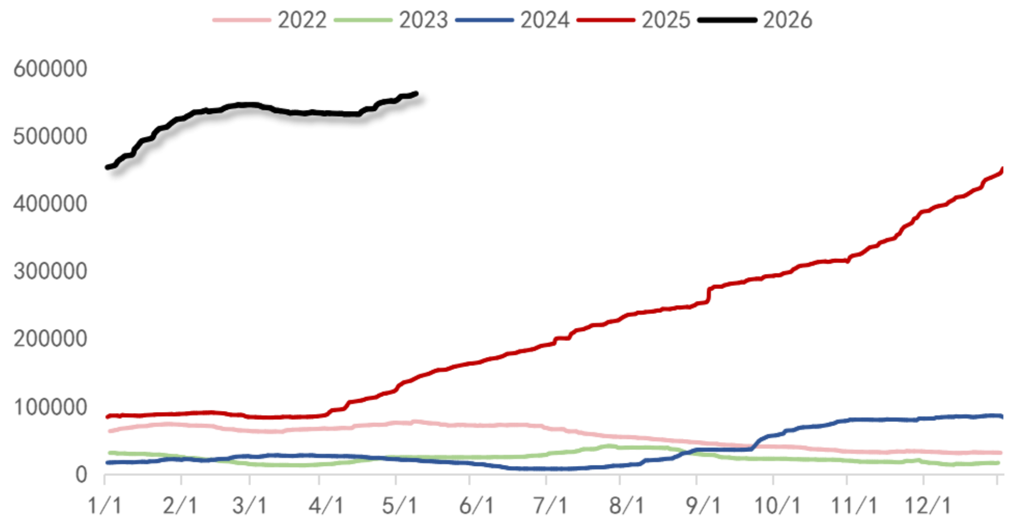


Sources: SMM, Minmetals Futures

- As of end-April, combined inventories at the three major exchanges and the Shanghai bonded zone stood at approximately 1.17 million MT (-144,000 MT MoM). Structural inventory imbalances persisted, with COMEX stocks accounting for roughly 47%. During the month, Chinese copper inventories continued to fall. Exchange inventories reached approximately 192,000 MT at end-April (-167,000 MT MoM), while off-exchange inventories stood at roughly 51,000 MT (-3,000 MT MoM). Bonded zone inventories declined to approximately 27,000 MT at end-April (-36,000 MT MoM).

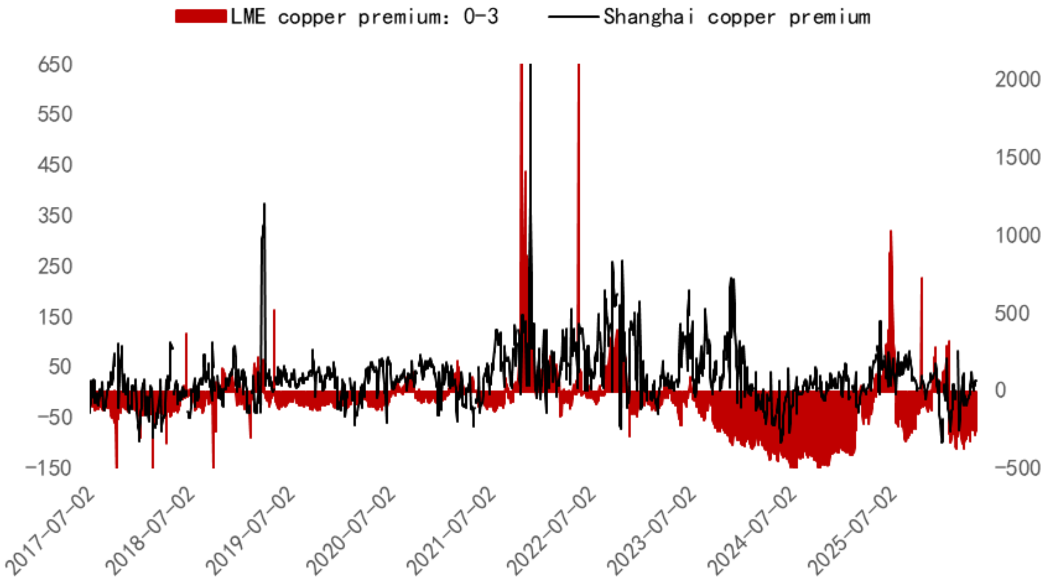
Inventory & Basis

Figure 7: COMEX Copper Inventory (MT)



Sources: WIND, Minmetals Futures

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

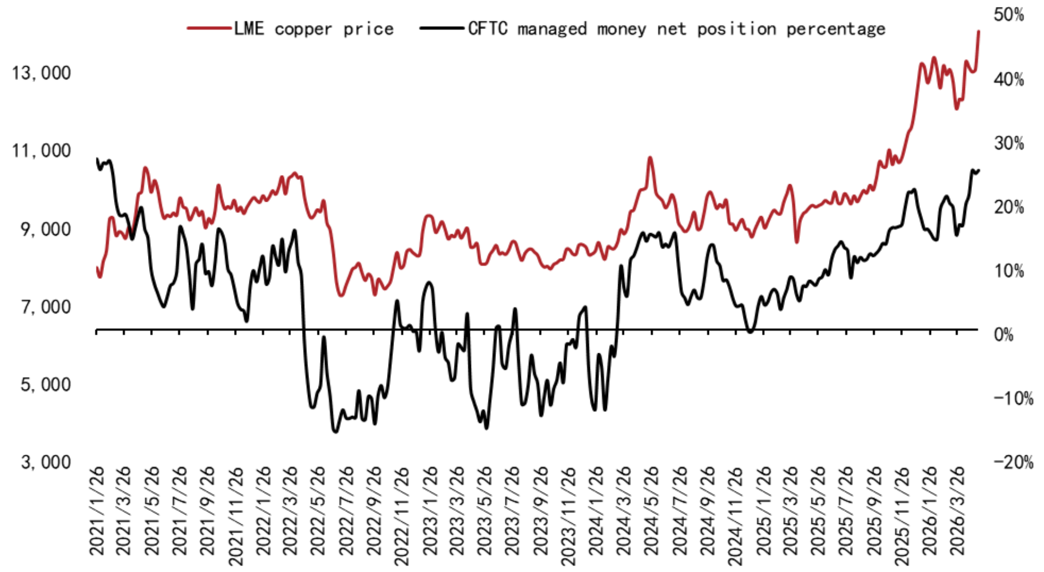


Sources: LME, WIND, Minmetals Futures

- LME copper inventories rose in April, reaching approximately 400,000 MT at month-end (+40,000 MT MoM), with increases concentrated in American and Asian warehouses. LME North American stocks added 21,000 MT. COMEX copper inventories also climbed, reaching approximately 555,000 MT at end-April (+20,000 MT MoM).
- On the basis front, the LME Cash/3M spread remained in contango during April 2026. The domestic basis fluctuated higher, and spot copper in East China moved into a slight premium over futures in early May.

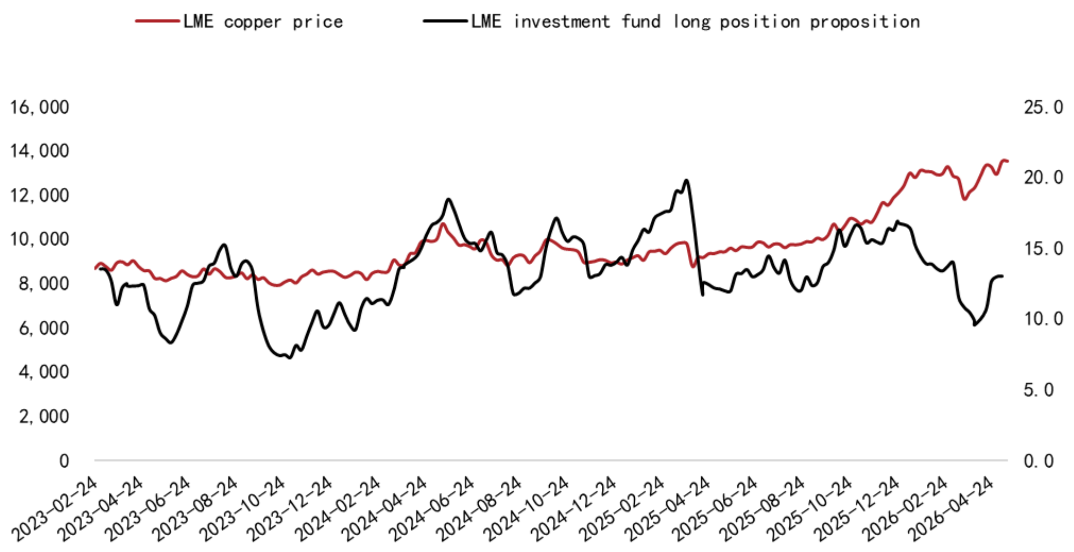
Fund Sentiment

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



Sources: WIND, Minmetals Futures

Figure 10: LME Investment Fund Long Position Ratio



Sources: WIND, Minmetals Futures

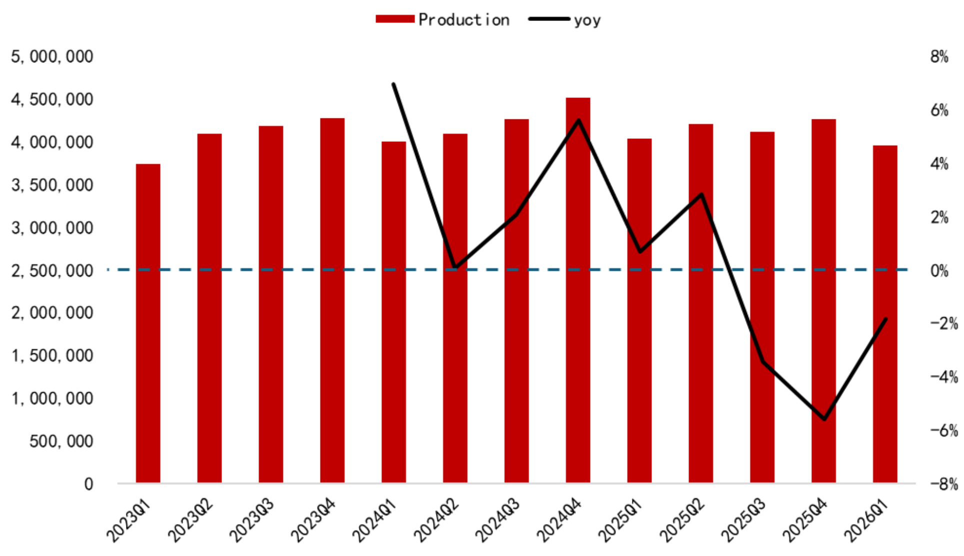
- As of end-April 2026, CFTC fund positions remained net long, with the net-long ratio hitting a record high of 25.6%. LME investment fund long position shares also recovered.
- Speculative sentiment warmed. Entering May, market sentiment will be driven primarily by the Middle East situation, inventory changes, and mine-side developments.

03

Supply and Demand Analysis

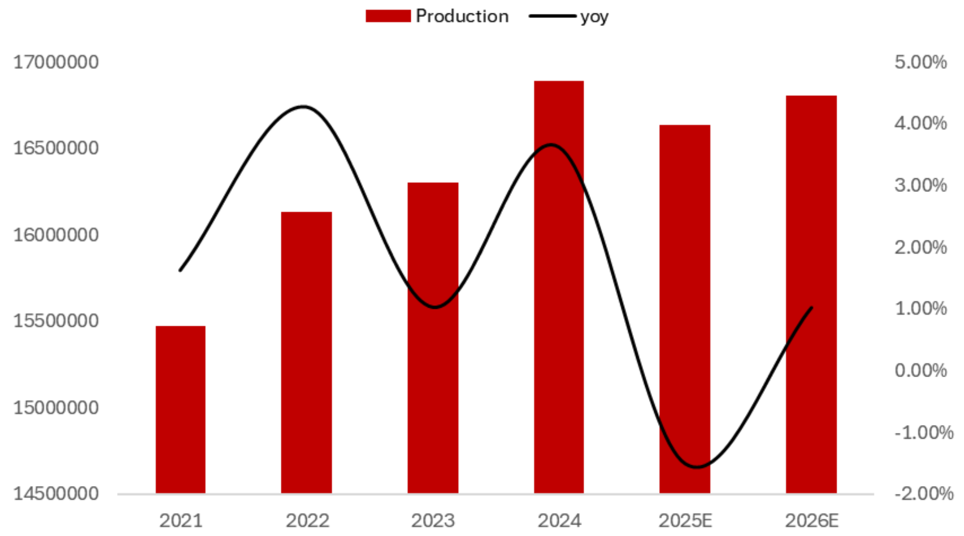
Supply – Copper Mines

Figure 11: Sample Copper Mining Companies Quarterly Output (MT) and YoY Growth Rate



Sources: Company Press Release, Minmetals Futures

Figure 12: Sample Copper Mining Companies Output Forecast (MT)

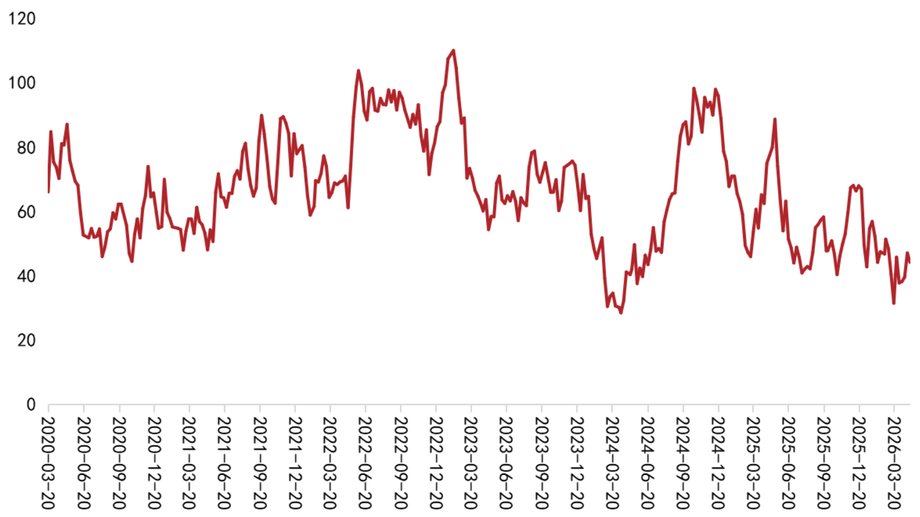


Sources: Peru Ministry of Energy and Mines, Minmetals Futures

- In Q1 2026, copper concentrate output at sample large and medium-sized mining companies fell 1.8% YoY to 3.96 million MT. The year-on-year decline was driven by slower-than-expected production recovery at affected mines in 2025 and weaker-than-anticipated output at existing operations.
- During Q1 2026, some miners lowered annual production guidance (e.g., Freeport, Ivanhoe Mines), while First Quantum and others marginally raised their full-year targets. On balance, full-year guidance for major mining companies was revised down marginally, reinforcing the tight supply picture at the mine level.

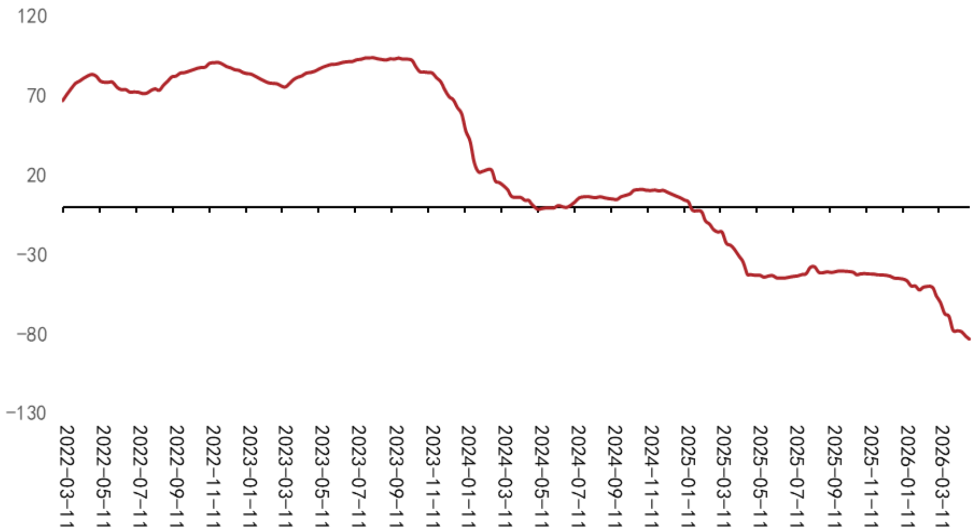
Supply – Copper Mines

Figure 13: China Major Ports Copper Concentrate Inventory (10,000 MT)



Sources: IFIND, Minmetals Futures

Figure 14: Imported Copper Concentrate Smelting TC (USD/MT)

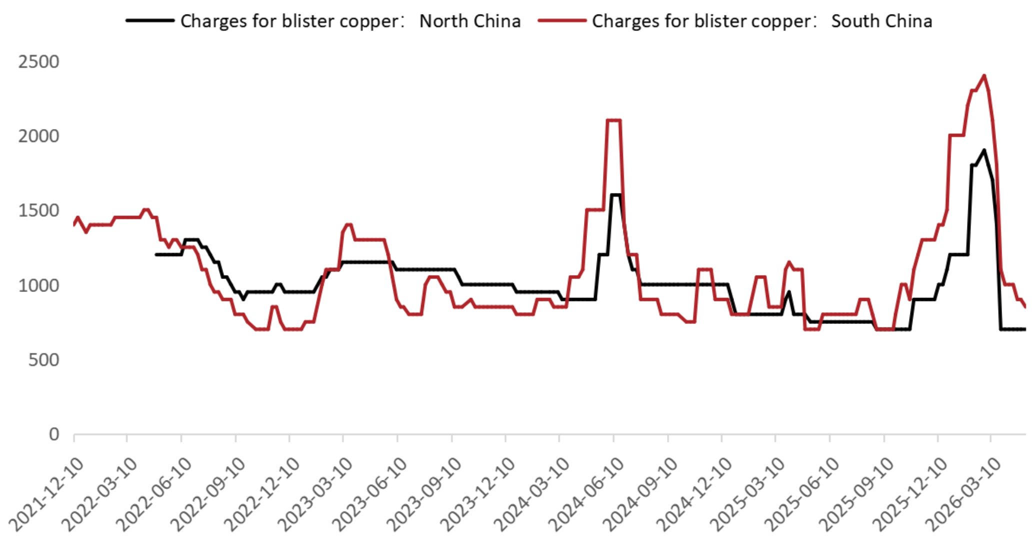


Sources: SMM, Minmetals Futures

- In April, copper concentrate inventories at major Chinese ports fluctuated downwards, and spot supply at ports remained tight. Regarding treatment charges, the spot TC for copper concentrate continued its downward trend in April 2026. It was quoted at -83.3 USD/dmt at the end of April, and fell further to -93.64 USD/dmt in early May, hitting a historical low.

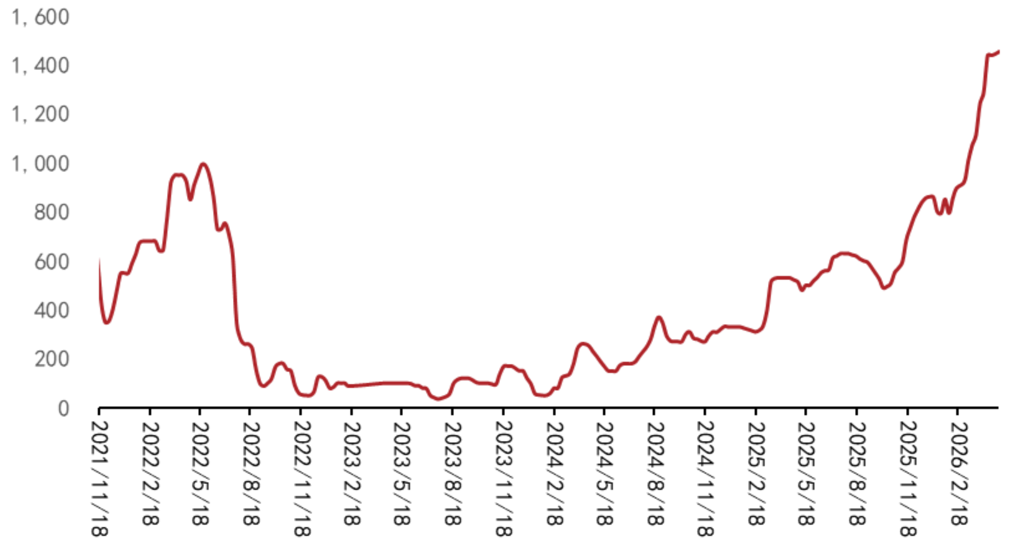
Supply – Refined Copper

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



Sources: SMM, Minmetals Futures

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



Sources: WIND, Minmetals Futures

- In April 2026, domestic blister copper processing fees trended lower amid volatility, and cold feed supply remained marginally tight. Sulfuric acid prices, a key smelter by-product, continued to rise in major domestic regions, providing a positive contribution to smelter revenues.

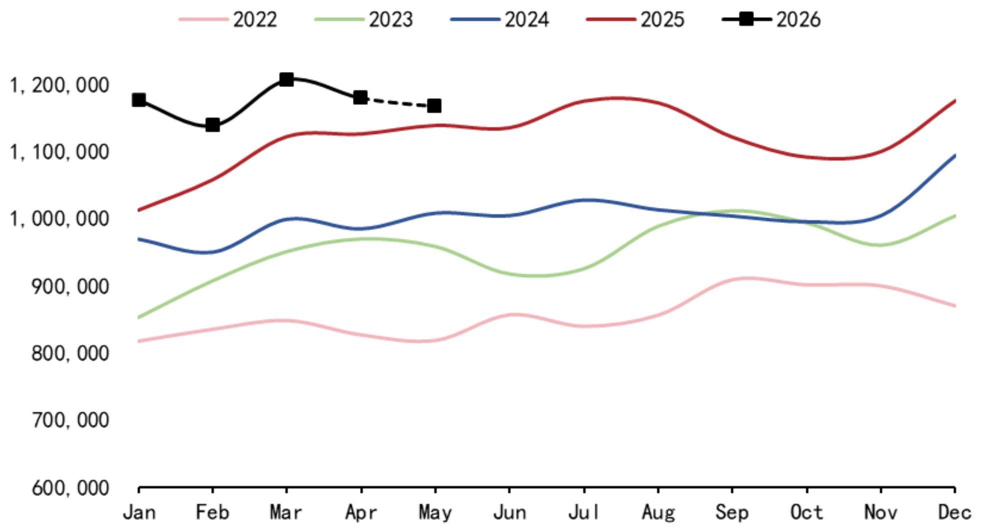
Supply – Refined Copper

Figure 17: China Copper Smelter Maintenance Schedule (10,000 MT)

Company	SmelterCapacity	RefinryCapacaty	StartTime	EndTime
1	15	40	Mar	Mar
2	40	40	Mar	Mar
3	30	60	Mar	Apr
4	0	30	Mar	Apr
5	10	20	Apr	Apr
6	40	50	Apr	May
7	35	40	Apr	Apr
8	48	40	Apr	Jun
9	20	20	May	May
10	40	50	May	Jun
11	40	55	Jun	Jun
12	40	70	Jun	Jul

Sources: MYSTEEL, SMM, Baiinfo, Minmetals Futures

Figure 18: China Refined Copper Monthly Output (10,000 MT)

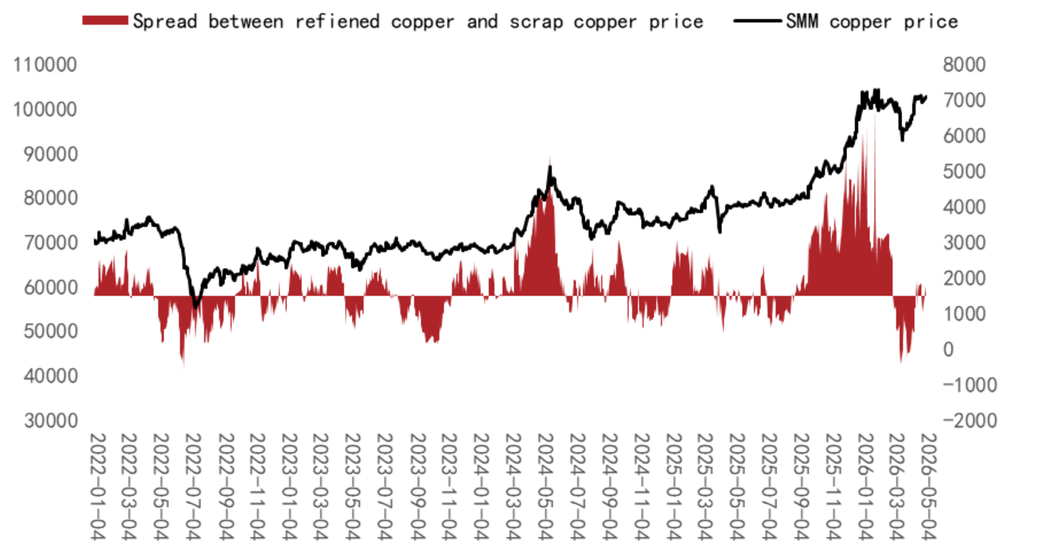


Sources: SMM, Minmetals Futures

- Maintenance activity at Chinese copper smelters increased in April, and refined copper output fell MoM, though the absolute level was marginally above expectations.
- In May, the impact of maintenance remains significant, and blister supply is not sufficient. Output is estimated to fall by approximately 11,000 MT.

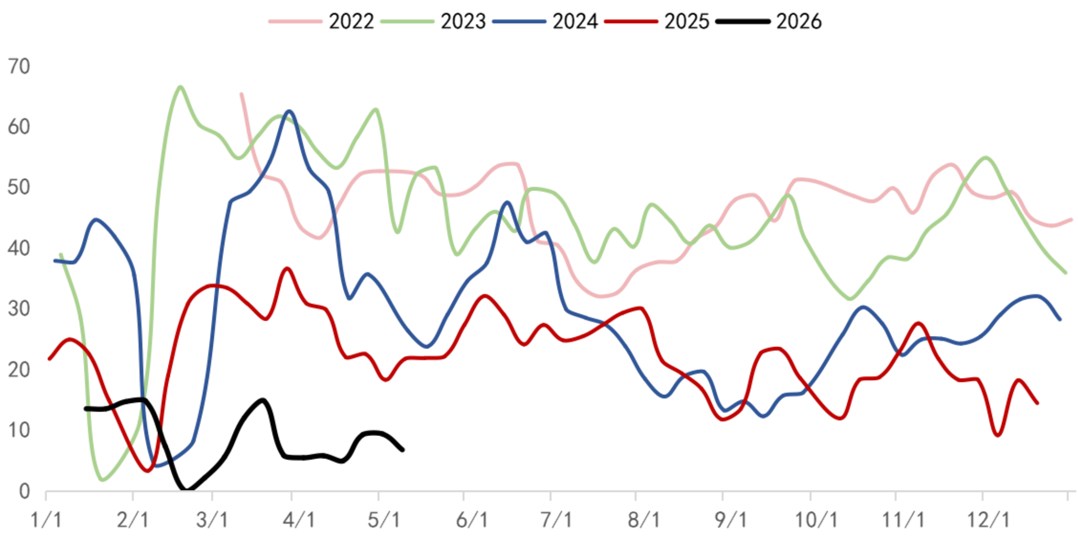
Supply – Recycled Copper

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



Sources: SMM, WIND, Minmetals Futures

Figure 20: China Recycled Copper Rod Enterprise Weekly Operating Rate

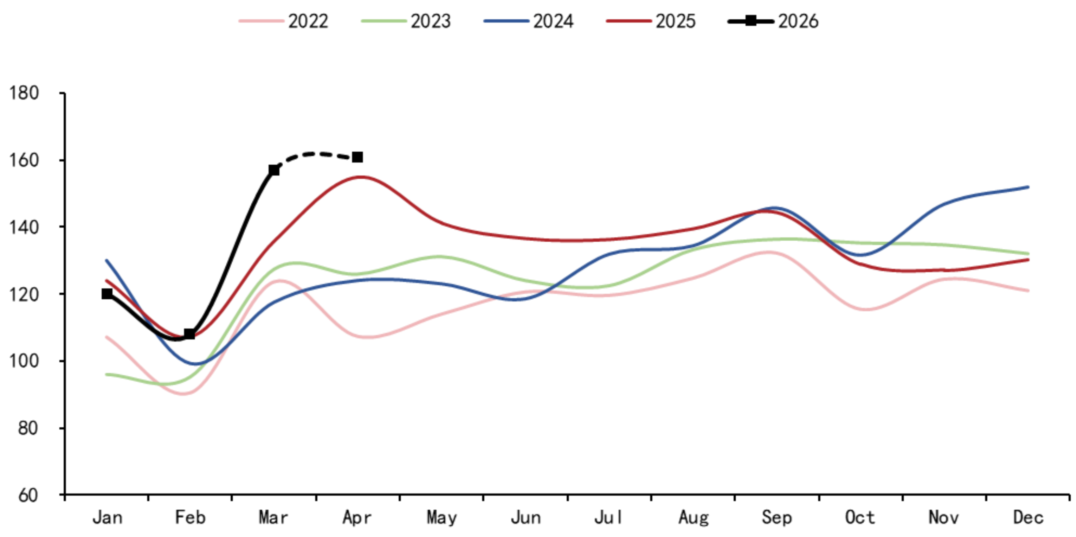


Sources: SMM, Minmetals Futures

- In April 2026, the domestic refined-to-scrap copper spread averaged approximately 945 CNY/MT, expanding MoM but only marginally, as the copper price recovery lifted the differential.
- Operating rates at scrap copper rod producers rebounded during April but remained at relatively low levels, limiting direct scrap substitution volumes.

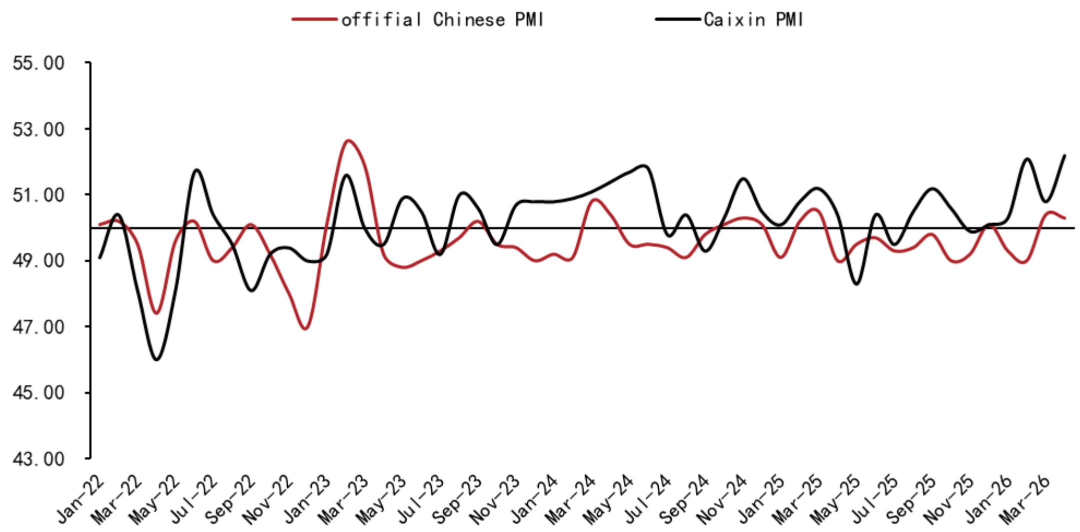
Demand – China

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



Sources: Customs, SMM, MYMETAL, Minmetals Futures

Figure 22: China Manufacturing PMI

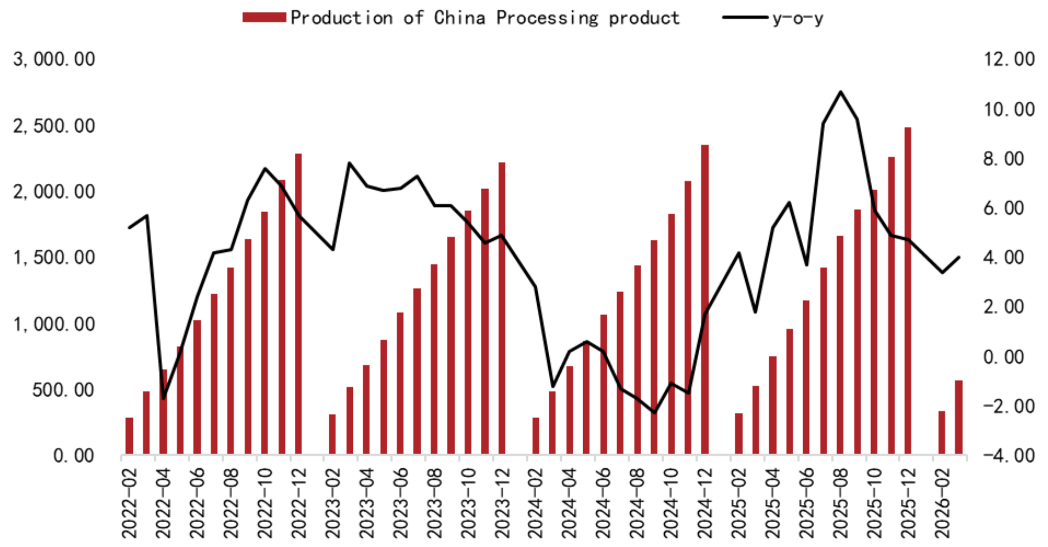


Sources: WIND, Minmetals Futures

- Assuming net imports were flat MoM, apparent refined copper consumption in April is estimated at 1.61 million MT (+2.2% YoY), bringing the Jan-Apr 2026 cumulative total to approximately 5.46 million MT (+3.5% YoY).
- Leading economic indicators showed that China's official manufacturing PMI and the RatingDog manufacturing PMI both remained above the boom-bust threshold in April 2026, with the RatingDog gauge moving higher, signaling improving manufacturing sentiment.

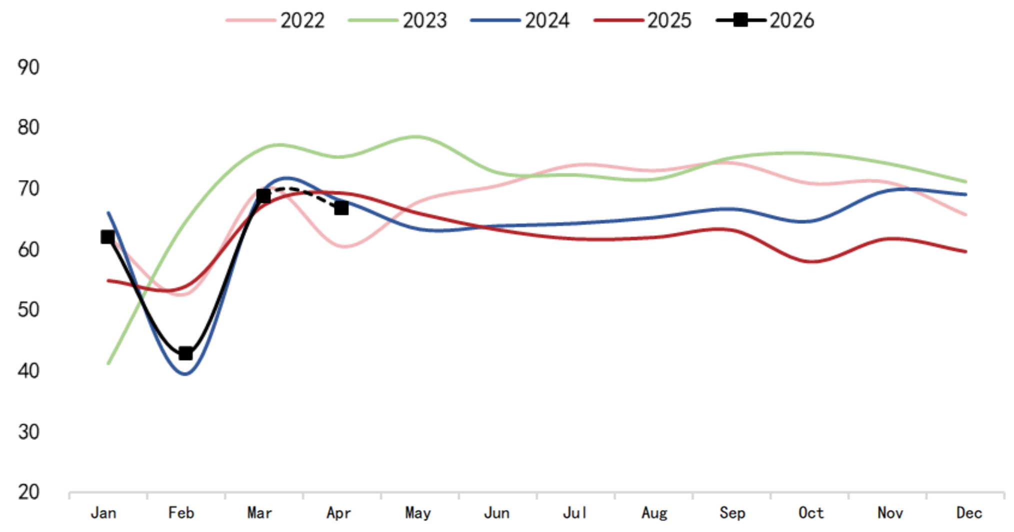
Demand – China

Figure 23: China Copper Products Cumulative Output & YoY Growth Rate (10,000 MT, %)



Sources: WIND, Minmetals Futures

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

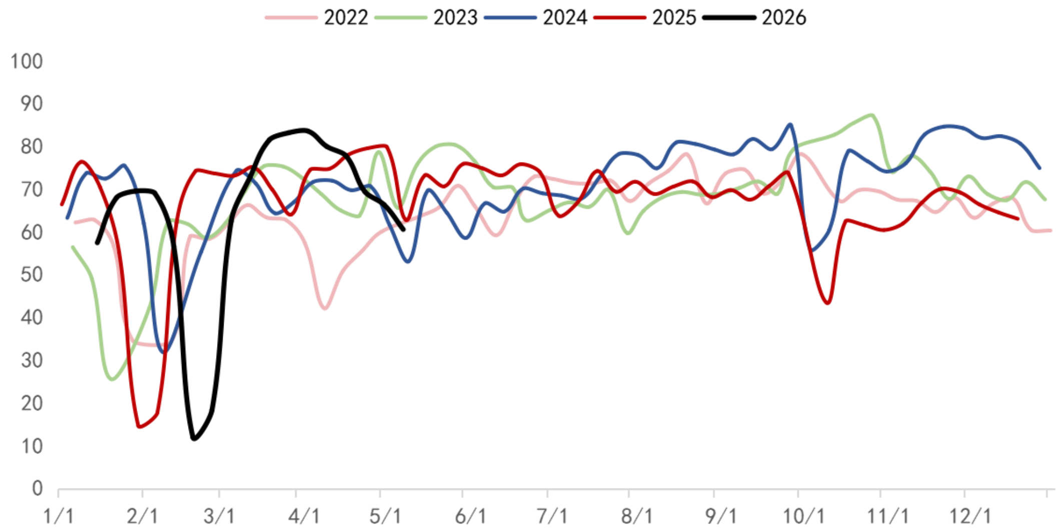


Sources: SMM, Minmetals Futures

- In Jan-Mar 2026, China's cumulative copper semis output expanded by approximately 4.0% (+4.0% YoY), with the growth pace accelerating from the Jan-Feb level. In April 2026, the weekly average operating rate of copper semis producers edged lower MoM, SMM data showed.

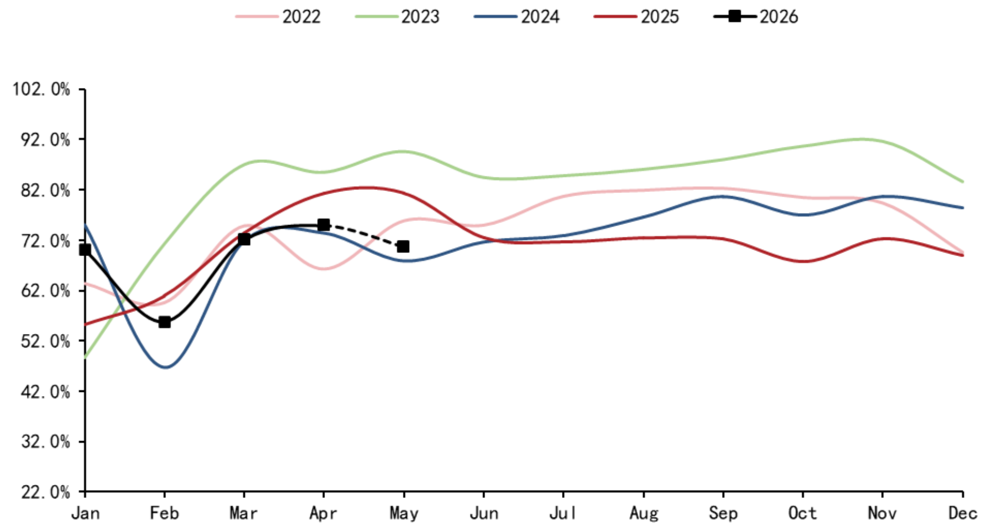
Demand – China

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



Sources: SMM, Minmetals Futures

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

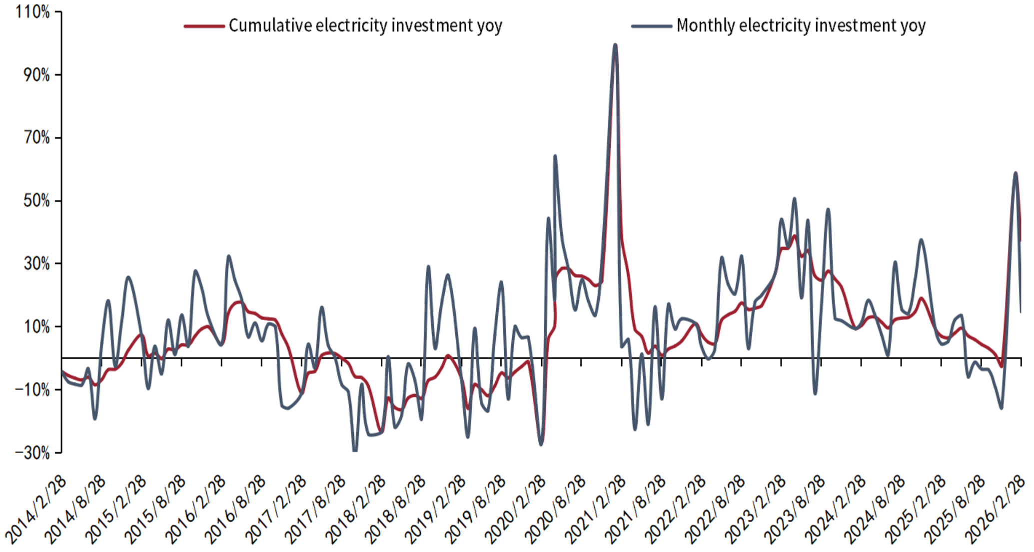


Sources: SMM, Minmetals Futures

- In April 2026, operating rates at Chinese refined copper rod producers declined, with the average rate gradually falling below the year-ago level. Wire and cable producer operating rates rose during the month but are expected to soften in May, underperforming the same period last year.

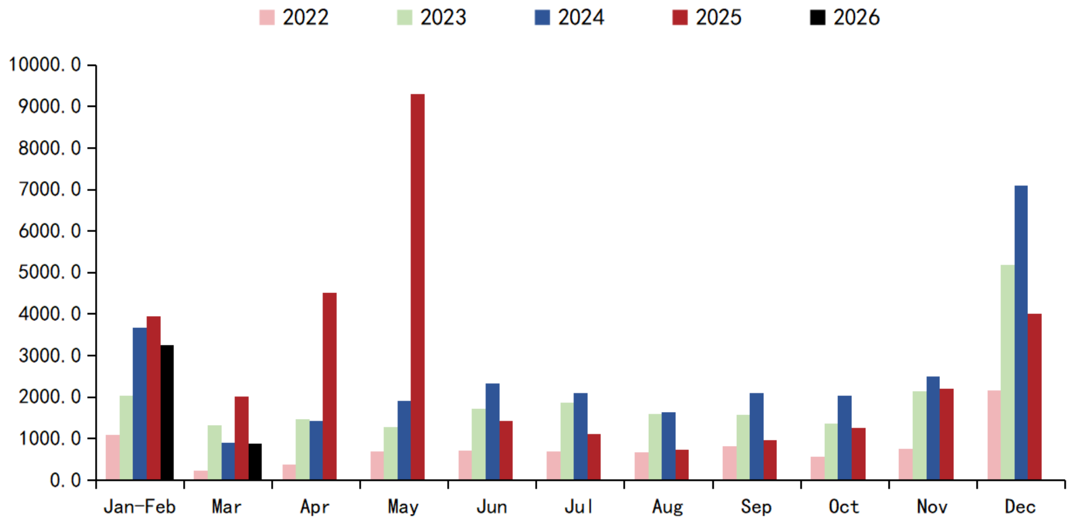
Demand – China

Figure 27: Domestic Power + Grid Investment YoY Growth Rate



Sources: NEA, Minmetals Futures

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

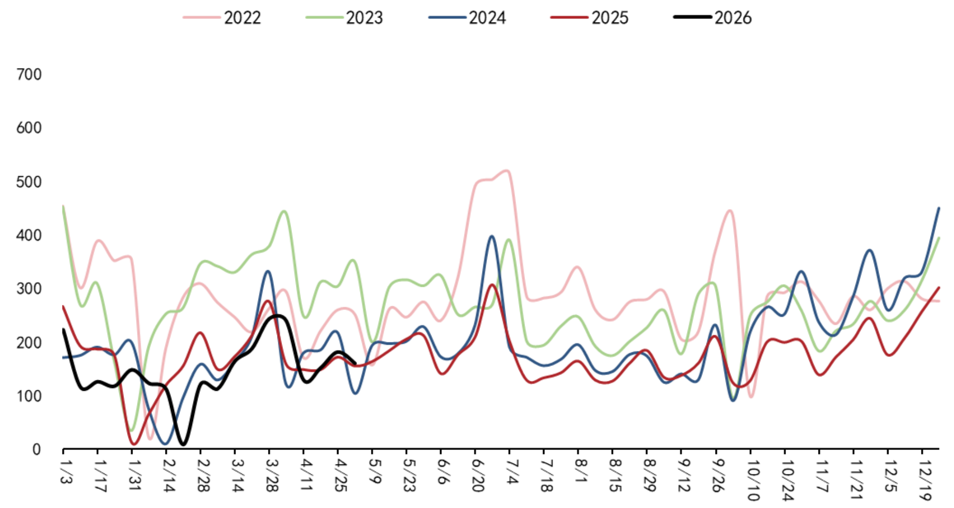


Sources: NEA, Minmetals Futures

- On the downstream front, power sector investment (power sources + grid) maintained strong YoY growth in March 2026, though the pace slowed from the first two months. New photovoltaic installations recorded a sharp YoY drop, while wind power additions also fell. April-May PV and wind installations face a high base effect and will likely underperform year-ago levels.

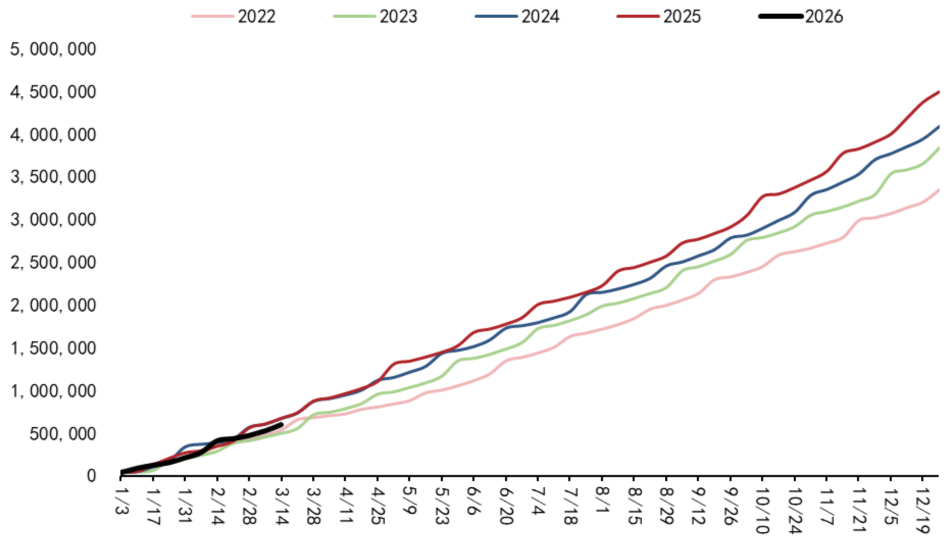
Demand – China

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



Sources: WIND, Minmetals Futures

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

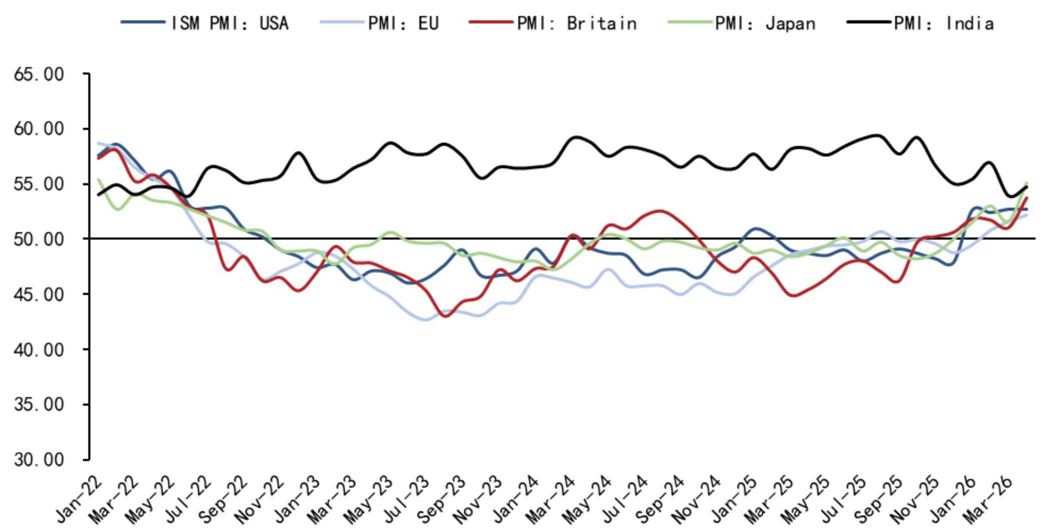


Sources: WIND, Minmetals Futures

- High-frequency data showed that China's property transaction volume in April 2026 was slightly better than the year-ago period. Policy easing in Shenzhen, Guangzhou, Tianjin and other cities at end-April may support marginal improvement in transactions. Auto sales high-frequency data in April underperformed year-ago levels.

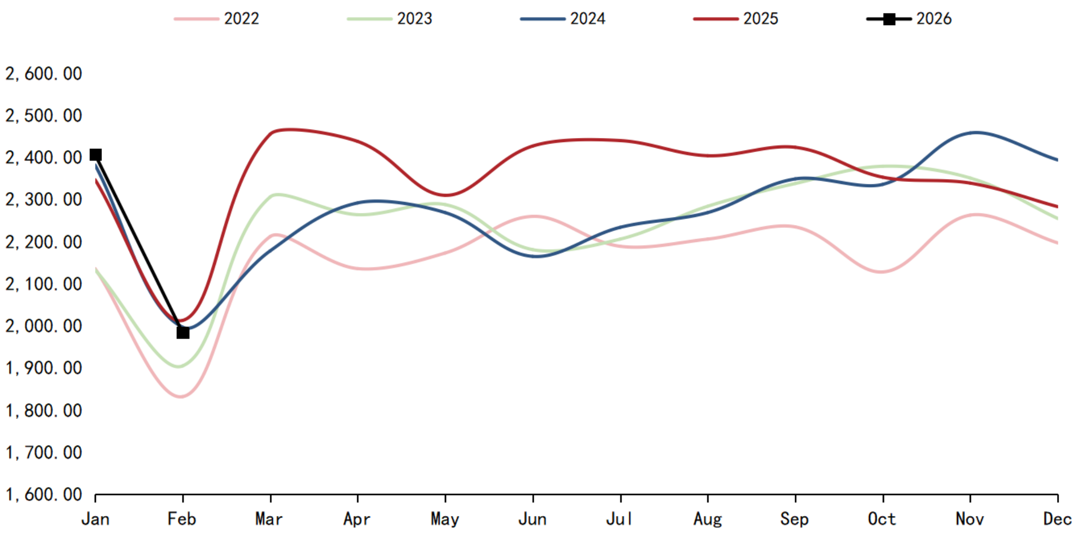
Demand – Overseas

Figure 31: Overseas Major Countries Manufacturing PMI



Sources: WIND, Minmetals Futures

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



Sources: WIND, ICSG, Minmetals Futures

- In April 2026, manufacturing sentiment improved across major overseas economies. The Eurozone, Japan, the United Kingdom, and India all saw better manufacturing PMIs, while the U.S. manufacturing PMI remained at elevated levels.
- Per ICSG data, global refined copper consumption fell 1.4% YoY in February 2026. Cumulative consumption for Jan-Feb 2026 expanded by approximately 0.7% YoY.

04

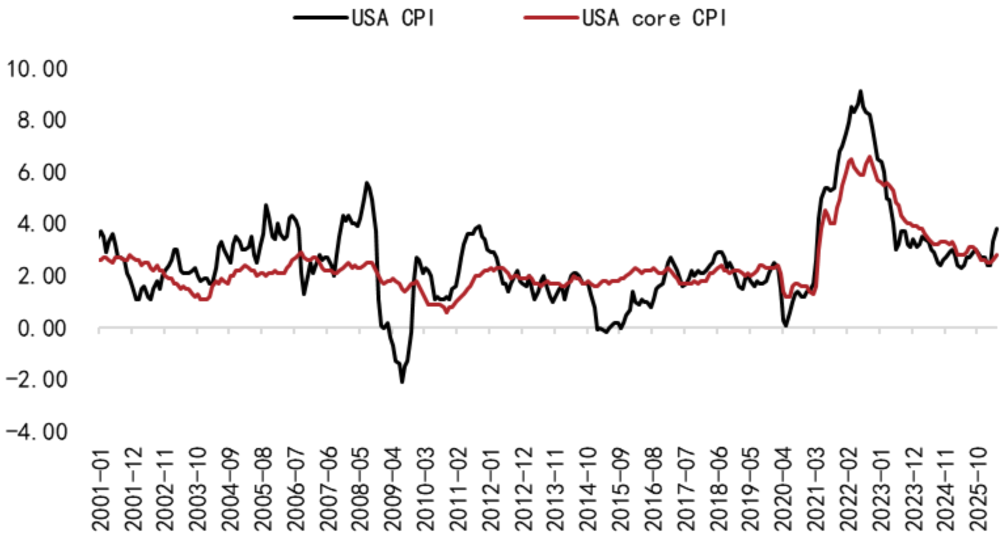
Macro Analysis

Fed Policy

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

Sources: WIND, Minmetals Futures

Figure 34: US Core CPI YoY & CPI YoY (%)

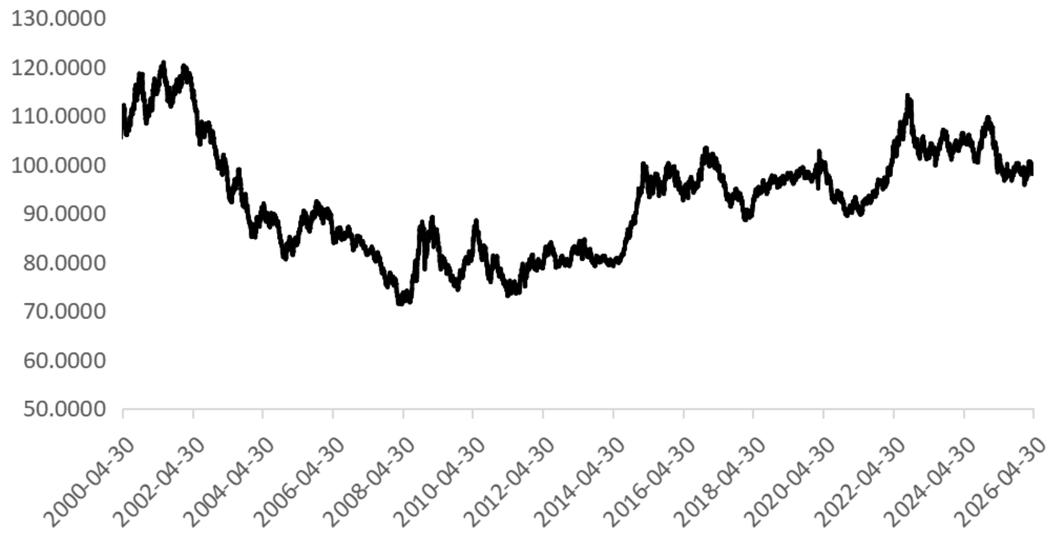


Sources: WIND, Minmetals Futures

- In March 2026, the U.S. unemployment rate declined and inflation data rose, though core inflation increased less than expected. Federal Reserve Chair Powell's term will end this month. Kevin Warsh, the nominee for the next Fed chair, leans toward rate cuts, suggesting limited liquidity pressure in the market.

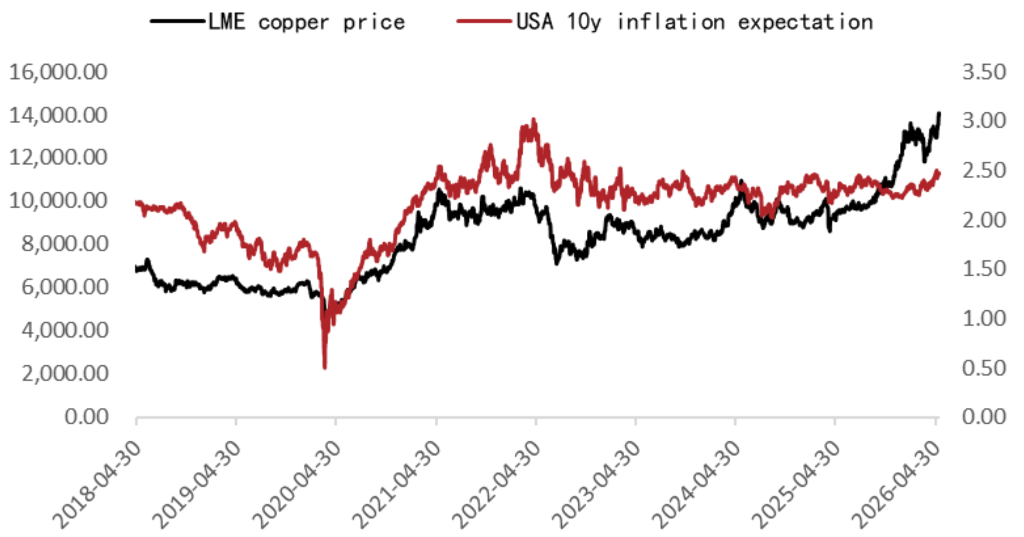
Dollar Index & U.S. Inflation Expectation

Figure 35: USD Index



Sources: WIND, Minmetals Futures

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



Sources: WIND, Minmetals Futures

- In April 2026, the USD Index fell. Amid improved market risk sentiment, the dollar may continue to fluctuate on the soft side. The U.S. 10-year inflation expectation rose, moving broadly in tandem with copper prices.

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