



五矿期货有限公司

Awaiting clarity on macroeconomic trends

Copper Monthly Report

June 5, 2026

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CONTENTS



01 Monthly Review

03 Supply and Demand Analysis

02 Spot Market & Futures Market

04 Macro Analysis

01

Monthly Review

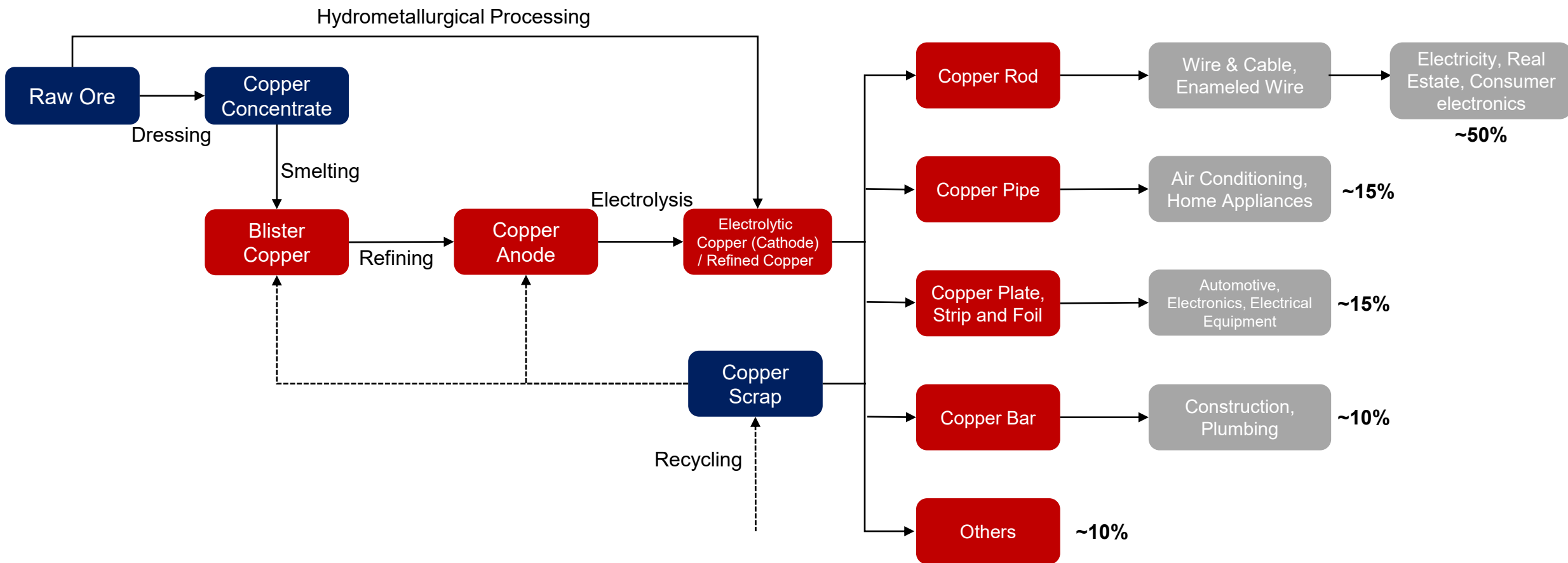
Monthly Assessment and Strategy Recommendation

- ◆ **Supply:** Copper concentrate treatment charges (TC) kept declining, leaving raw material supply tight. Blister copper supply saw marginal easing, and blister copper processing charges rebounded amid fluctuations. Domestic refined copper output dropped MoM in May 2026, as smelter maintenance overlapped with capacity ramp-up of new projects, leading to an estimated slight MoM production decline.
- ◆ **Demand:** China's apparent consumption of refined copper slowed in May 2026 with downstream demand weakening marginally, and consumption is projected to edge down further in June. Manufacturing activity overseas remained robust. Eased tensions in the Middle East improved consumption expectations, while tariff policies added uncertainties to the market.
- ◆ **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:** Inventories across three major exchanges diverged in May 2026. SHFE and LME copper stocks decreased, while COMEX stocks rose. Bonded warehouse inventories picked up, driving a modest MoM increase in total copper inventories. China's copper stocks are expected to rise further in June, and overseas inventories will continue shifting toward the U.S.
- ◆ **Outlook:** In June, China's refined copper output is forecast to dip slightly. Downstream sectors are entering the off-season, and increased scrap copper substitution will likely create a mild surplus of refined copper. Overseas demand prospects have improved, while expected U.S. tariffs may exacerbate structural shortages abroad. On the macro front, U.S.-Iran negotiations may reach partial agreements with lingering uncertainties. The Federal Reserve's first policy meeting under the new chair will be critical to setting the tone for subsequent monetary policies. In general, Copper raw material supply will remain tight, underpinning high copper prices. Refined copper supply and demand show divergent trends between domestic and overseas markets. Amid uncertainties over U.S.-Iran talks and the Fed's policy stance, copper prices will face heightened two-way volatility in June, with risks of periodic rallies and pullbacks coexisting. Range reference: SHFE main contract 100,000 – 112,000 CNY/MT; LME 3M 13,000 – 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 Demand	yoy
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	-5.3%
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	1.3%
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	6.8%
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	12.0%
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	12.9%
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	13.5%
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	12.3%
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	11.4%
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	9.8%
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	8.5%
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	6.2%
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	3.8%
2026	Production	Import	Export	Net Import	SHFE Inventory	Change	Outside SHFE	Change	Bond Inventory	Change	Apparent Demand	yoy	Cumulative Apparent Demand	yoy
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	5.5%
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	-1.6%
Mar	120.0	23.5	5.8	17.6	35.9	(3.3)	5.4	(9.1)	6.4	(2.5)	152.4	10.5%	380.8	2.9%
Apr	117.9	31.6	2.6	29.0	19.2	(16.7)	5.1	(0.3)	2.7	(3.7)	167.6	6.7%	548.4	4.0%
May	116.9			26.0	17.6	(1.6)	6.9	1.8	3.7	1.0	141.7	-1.0%	690.1	2.9%
Jun	116.8			26.0							138.0	-0.7%		



— Upstream — Midstream — Downstream

02

Spot Market & Futures Market

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



Sources: Wenhua, Minmetals Futures

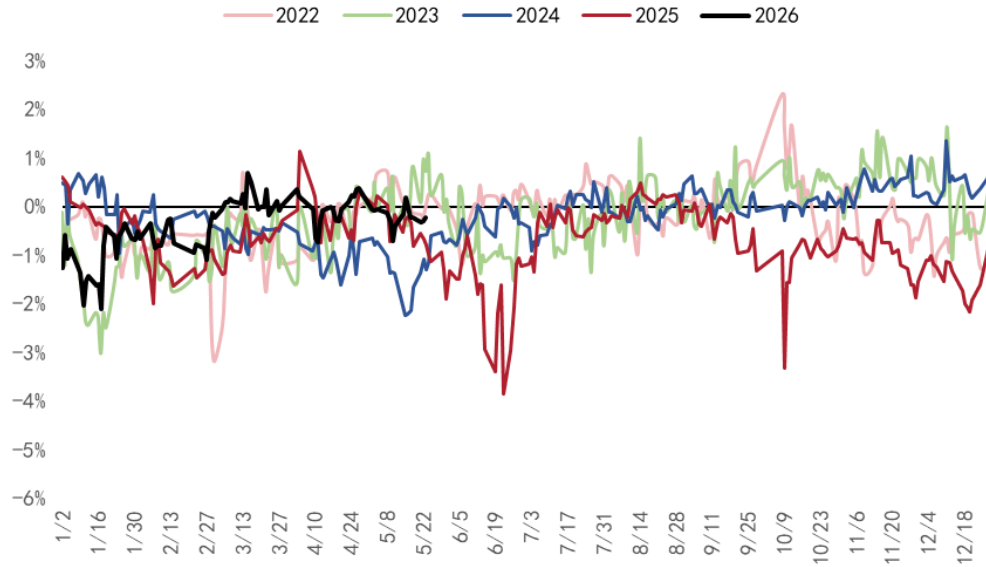
Figure 2: LME 3M Copper Price Trend (USD/MT)



Sources: Wenhua, Minmetals Futures

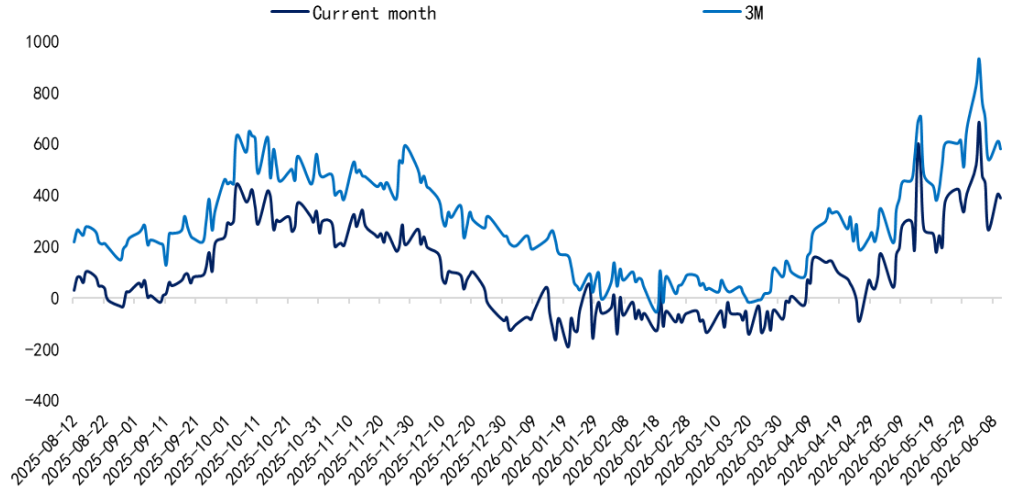
- Copper prices trended higher with fluctuations in May 2026, driven by progressing U.S.-Iran negotiations, strong overseas equity markets and mounting expectations of U.S. copper tariffs.
- SHFE main copper contract rose by 3.93% MoM, and LME 3M copper gained 4.55%. The U.S. Dollar Index rebounded during the period, while offshore RMB continued to appreciate.

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



Sources: SMM, Minmetals Futures

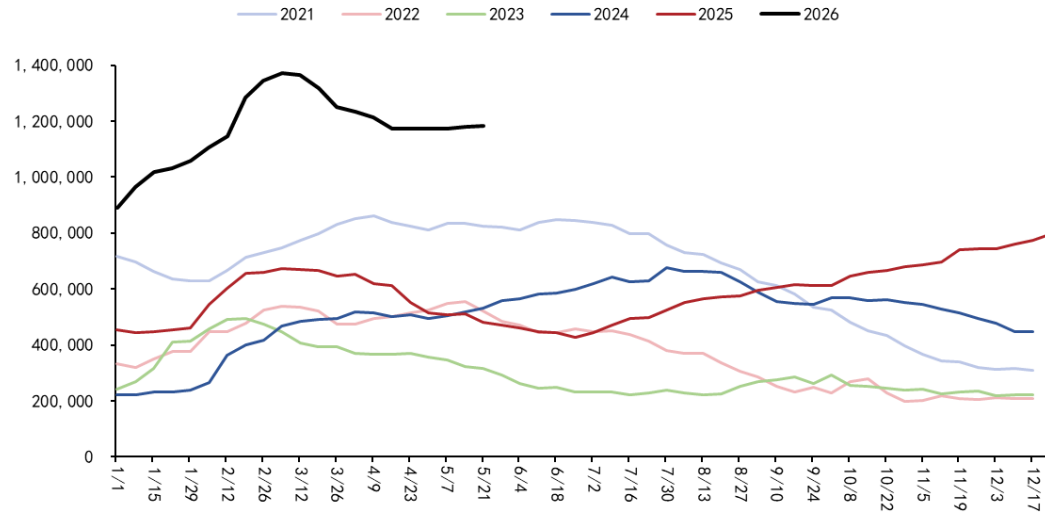
Figure 4: COMEX Copper vs LME Copper Price Spread (USD/MT)



Sources: WIND, Minmetals Futures

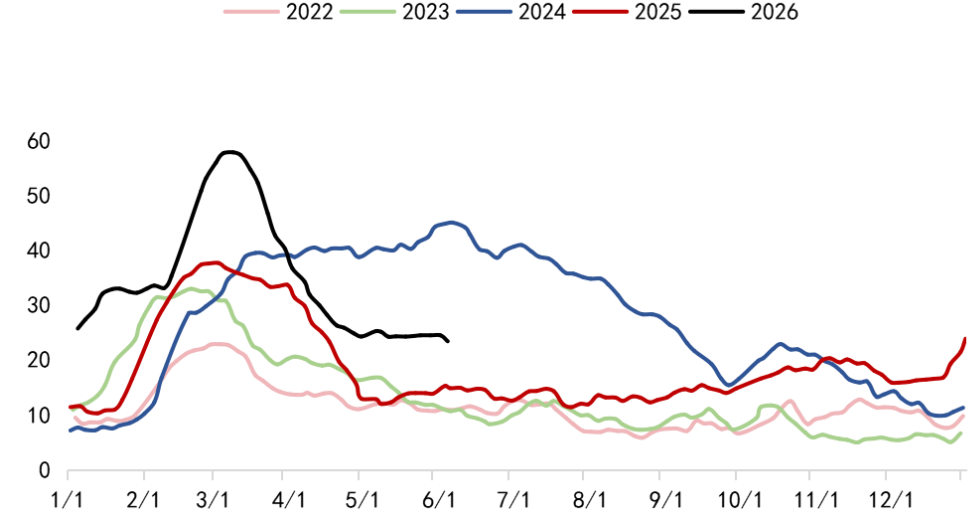
- SHFE copper spot imports stayed near the break-even point in May 2026, and import losses expanded in early June. The price spread between COMEX copper and LME copper widened in May before retreating in early June, reflecting rising market expectations for U.S. copper tariffs.

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



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

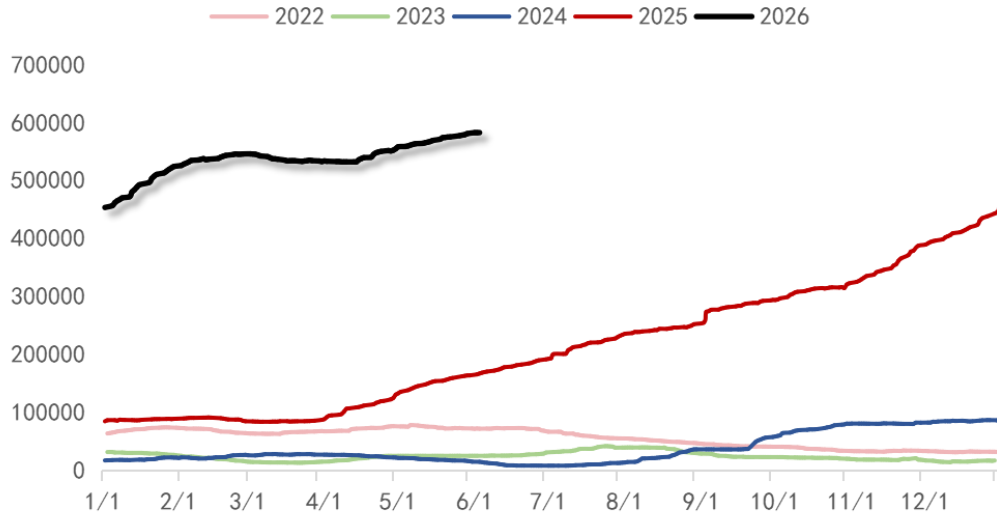
Figure 6: China Electrolytic Copper Social Inventory (10,000 MT)



Sources: SMM, Minmetals Futures

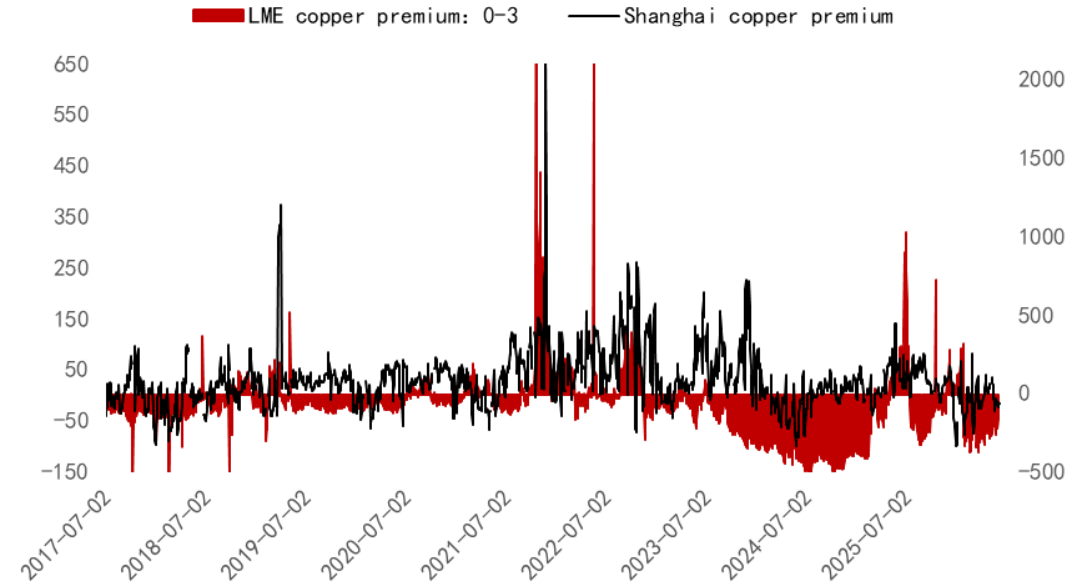
- Total copper inventories across three major exchanges plus Shanghai bonded warehouses stood at 1.184 million tons at end-May, up 10,000 tons from end-April. Structural inventory imbalance persisted, with COMEX stocks accounting for approximately 54% of the total.
- Domestic copper inventories remained relatively stable. Exchange-held copper stocks totaled 176,000 tons at end-May, down 16,000 tons MoM. Off-exchange inventories reached 69,000 tons, up 18,000 tons MoM. Bonded warehouse stocks rebounded to 37,000 tons, a MoM increase of 10,000 tons.

Figure 7: COMEX Copper Inventory (MT)



Sources: WIND, Minmetals Futures

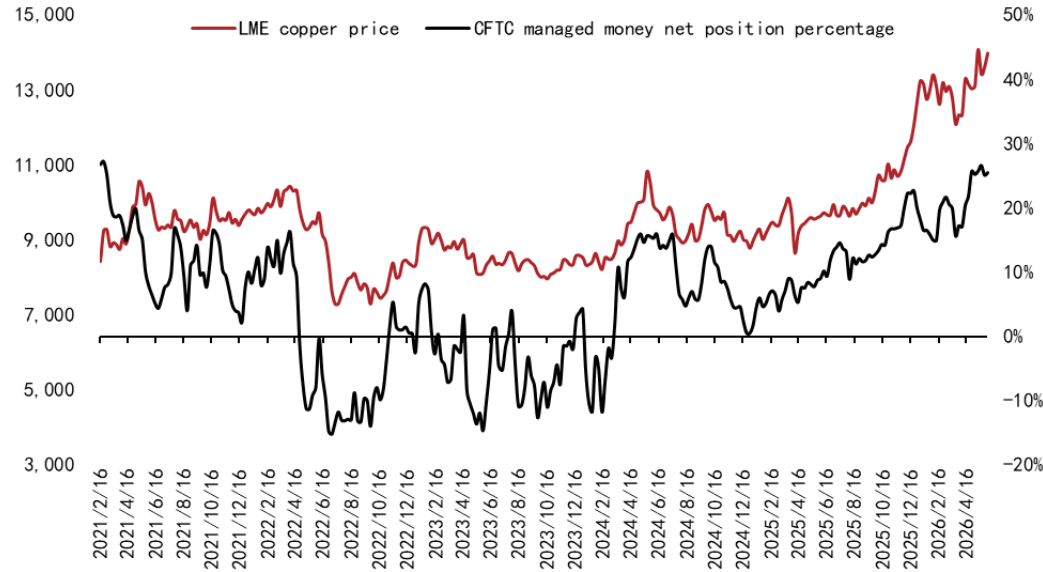
Figure 8: Domestic and Overseas Copper Basis (USD/MT, CNY/MT)



Sources: LME, WIND, Minmetals Futures

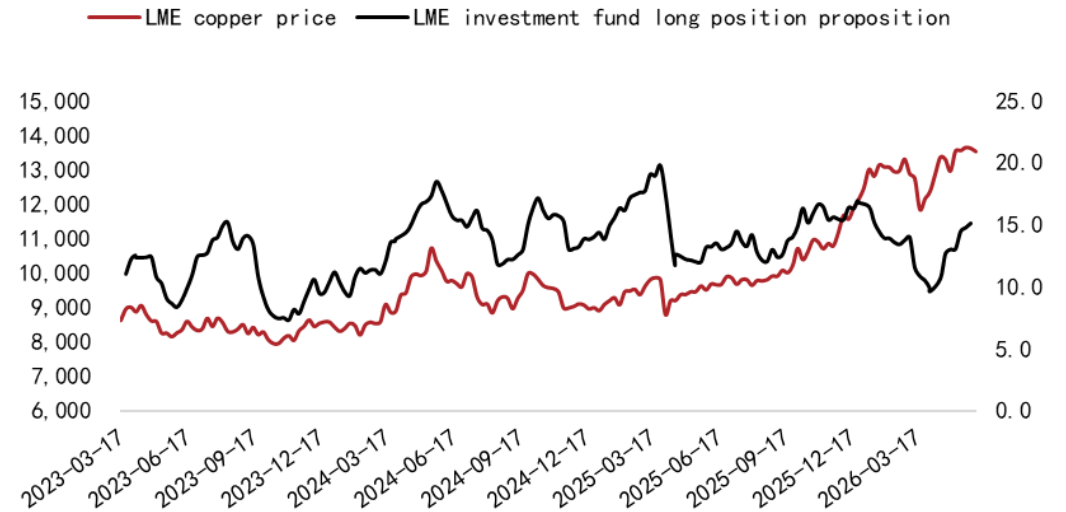
- LME inventories fell to 389,000 tons at end-May, a decrease of 11,000 tons from end-April, mainly drawn down from American warehouses. COMEX inventories rose to 581,000 tons at end-May, adding 26,000 tons MoM.
- The cash-to-3M backwardation of LME copper narrowed amid fluctuations in May. Domestic copper basis weakened, and East China spot copper traded at a slight discount to futures in early June.

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



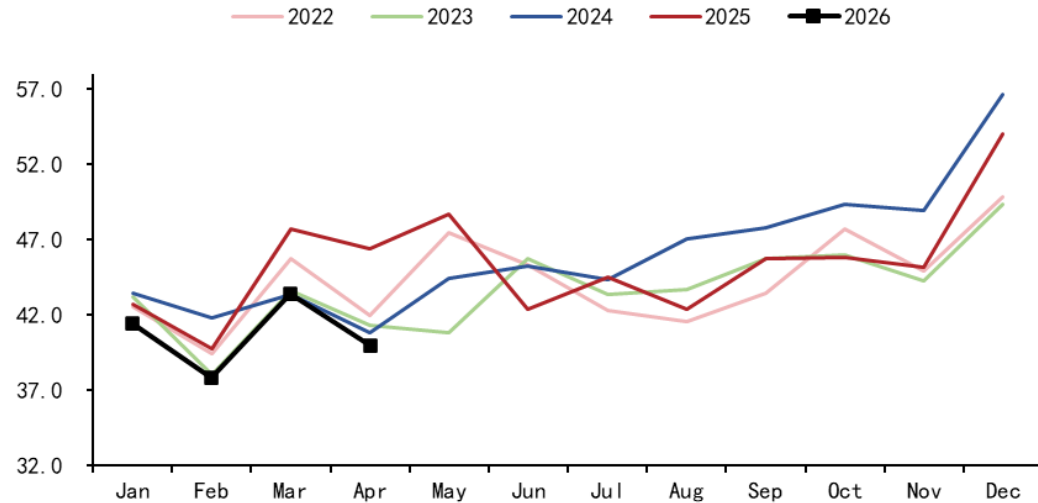
Sources: WIND, Minmetals Futures

- CFTC funds maintained net long positions on COMEX copper at end-May, though the net long ratio declined to 25.0%. LME investment funds increased their long position ratios, showing overall bullish speculative sentiment.
- In June, market sentiment will be mainly influenced by U.S. tariff expectations, inventory movements and equity market performance.

03

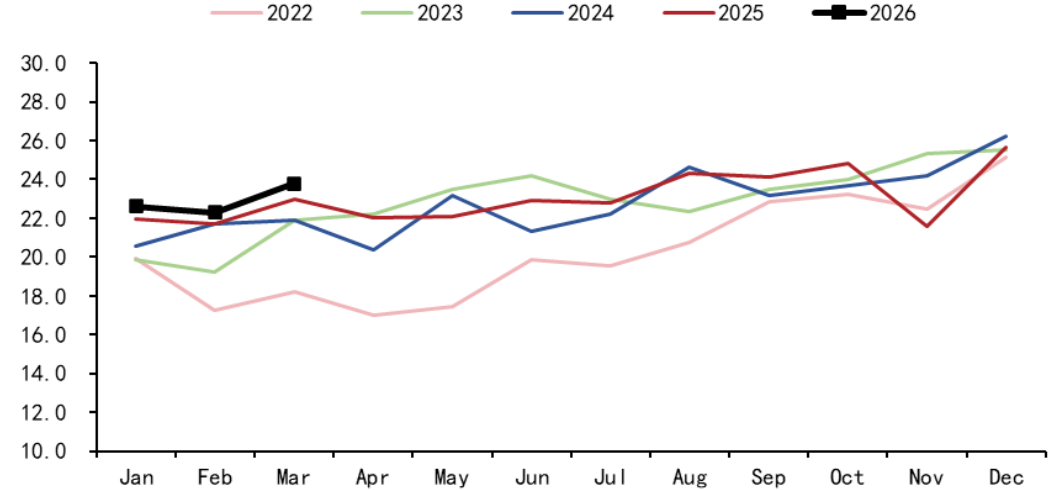
Supply and Demand Analysis

Figure 11: Chile Copper Mine Output (10,000 MT)



Sources: Chilean National Statistics Institute, Minmetals Futures

Figure 12: Peru Copper Mine Output (10,000 MT)



Sources: Peru Ministry of Energy and Mines, Minmetals Futures

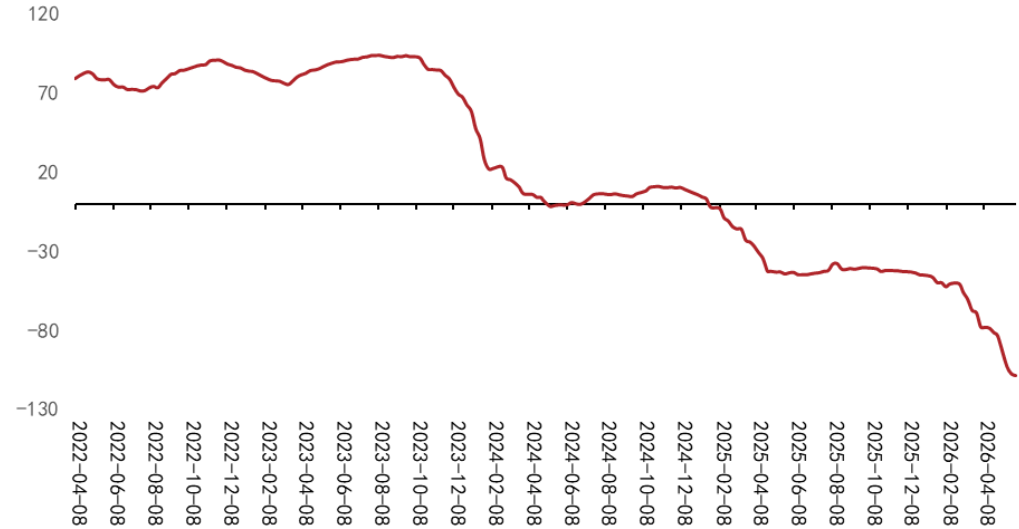
- Chile’s copper output dropped 13.8% YoY to 400,000 tons in April 2026, posting consecutive YoY declines since the start of the year, dragged by high base effects and declining ore grades.
- Peru’s copper production rose MoM and saw a mild YoY gain in March 2026, thanks to output recovery at the Antamina Copper Mine.

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



Sources: IFIND, Minmetals Futures

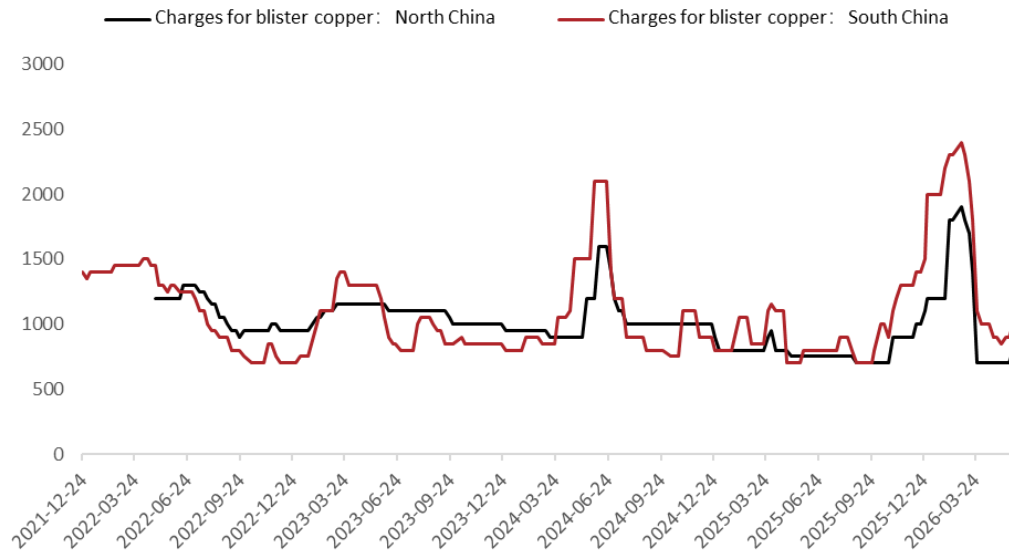
Figure 14: Imported Copper Concentrate Smelting TC (USD/MT)



Sources: SMM, Minmetals Futures

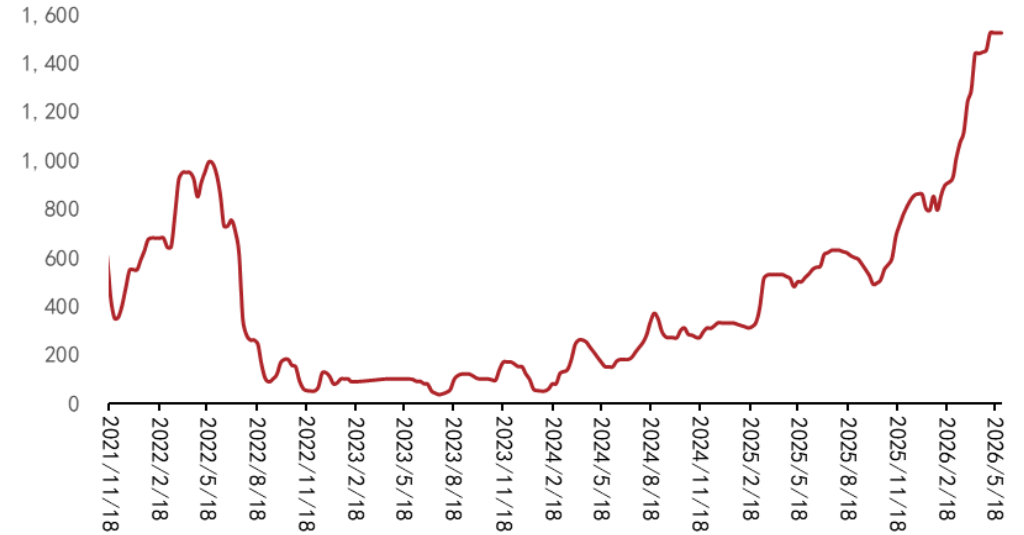
- Copper concentrate inventories at major Chinese ports fluctuated down then up in April and remained at a low level, indicating tight spot supply. Copper concentrate spot TC kept falling in May 2026, hitting a historic low of -108.6 USD/DMT at end-May.

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

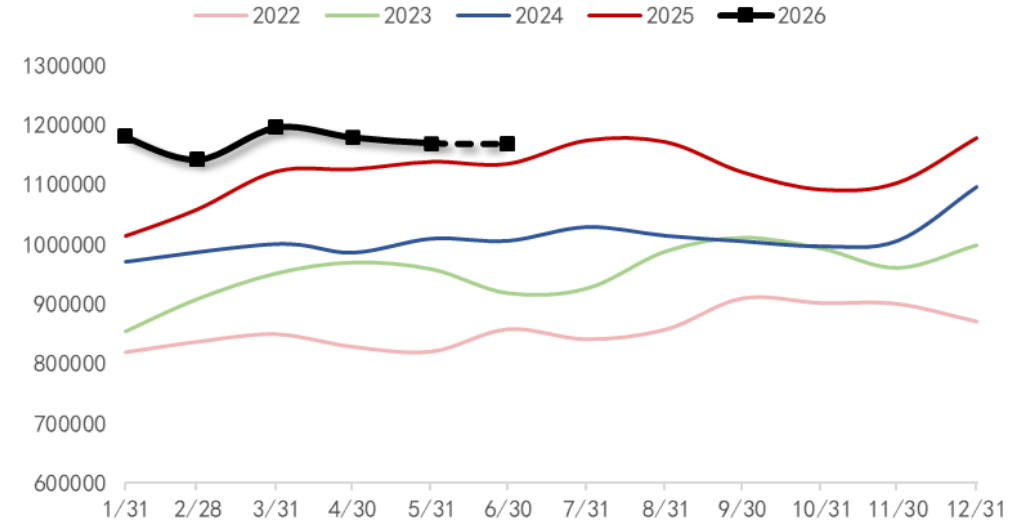
- Domestic blister copper processing charges rebounded amid fluctuations in May 2026, as cold material supply improved marginally. Prices of sulfuric acid (a major by-product of copper smelting) continued to climb at a slower pace, boosting smelters' revenue.

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

Company	Smelter Capacity	Refinery Capacity	Start Time	End Time
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
13	40	70	Jun	Jul
14	20	20	Jul	Jul
15	15	15	Aug	Aug

Sources: MYSTEEL, SMM, Baiinfo, Minmetals Futures

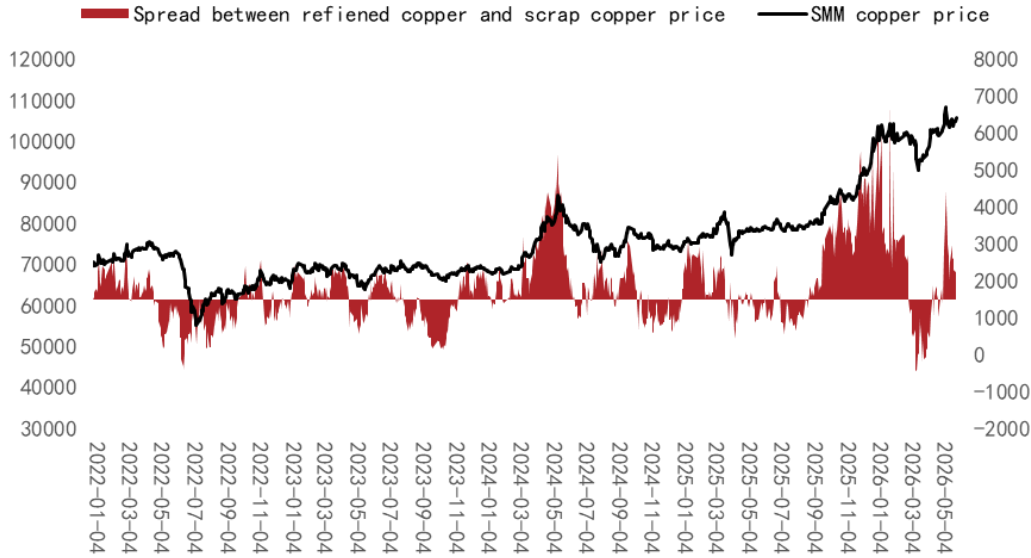
Figure 18: China Refined Copper Monthly Output (10,000 MT)



Sources: SMM, Minmetals Futures

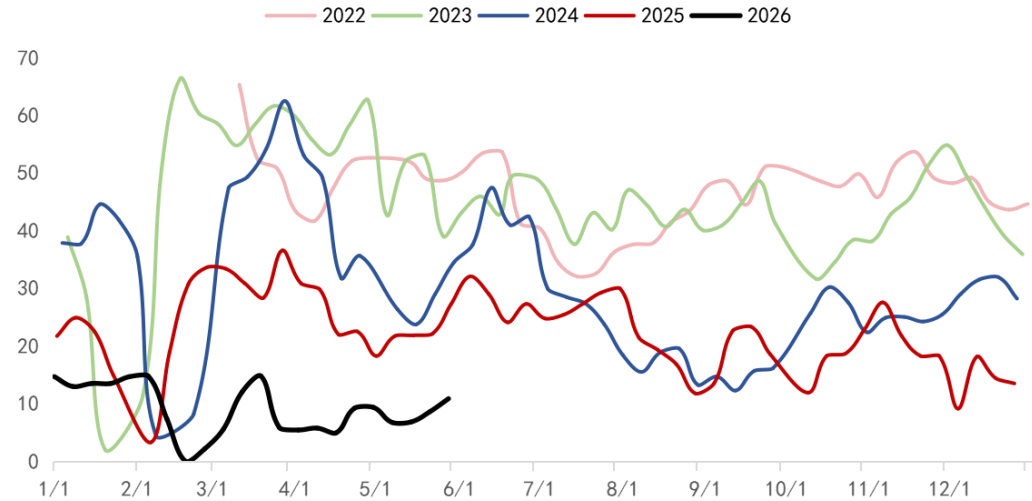
- Copper smelters conducted widespread maintenance in May 2026, leading to a MoM decline in refined copper output, though production remained higher YoY.
- Smelter outages will continue to weigh on output in June. However, improved blister copper supply and higher utilization rates of newly commissioned smelting capacity will partially offset the impact, leading to an estimated slight MoM drop in refined copper production.

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



Sources: SMM, WIND, Minmetals Futures

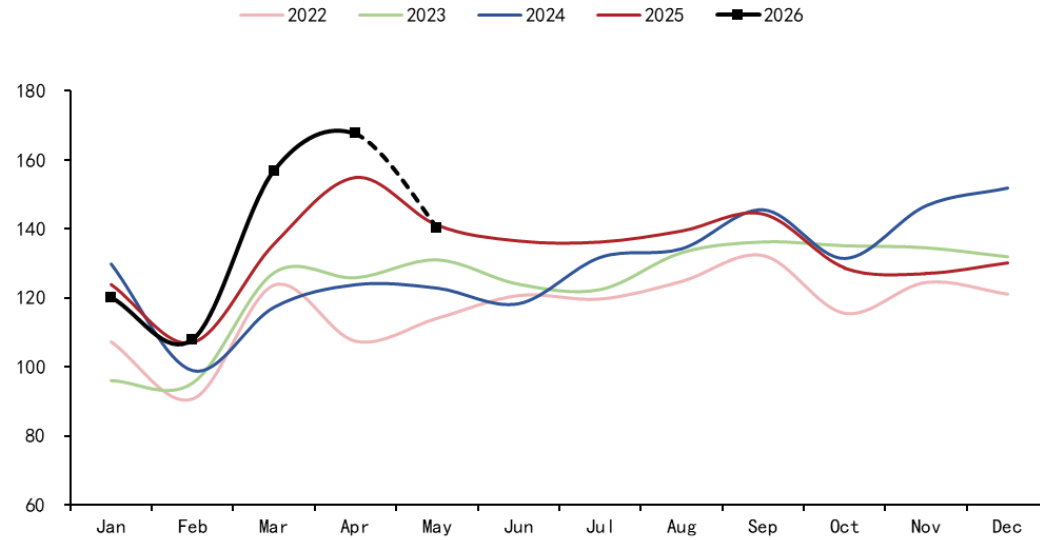
Figure 20: China Recycled Copper Rod Enterprise Weekly Operating Rate



Sources: SMM, Minmetals Futures

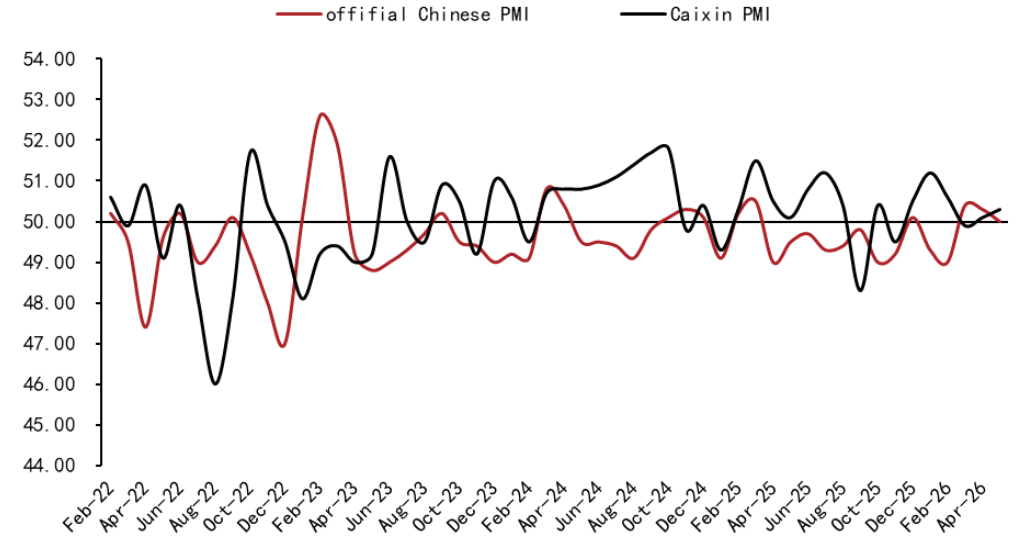
- The price spread between electrolytic copper and #1 bright copper expanded to an average of 2,670 CNY/MT in May 2026. Higher copper prices improved the availability of scrap copper.
- Operating rates of domestic recycled copper rod producers rebounded amid fluctuations but stayed at relatively low levels, with limited direct substitution of scrap copper for refined copper.

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

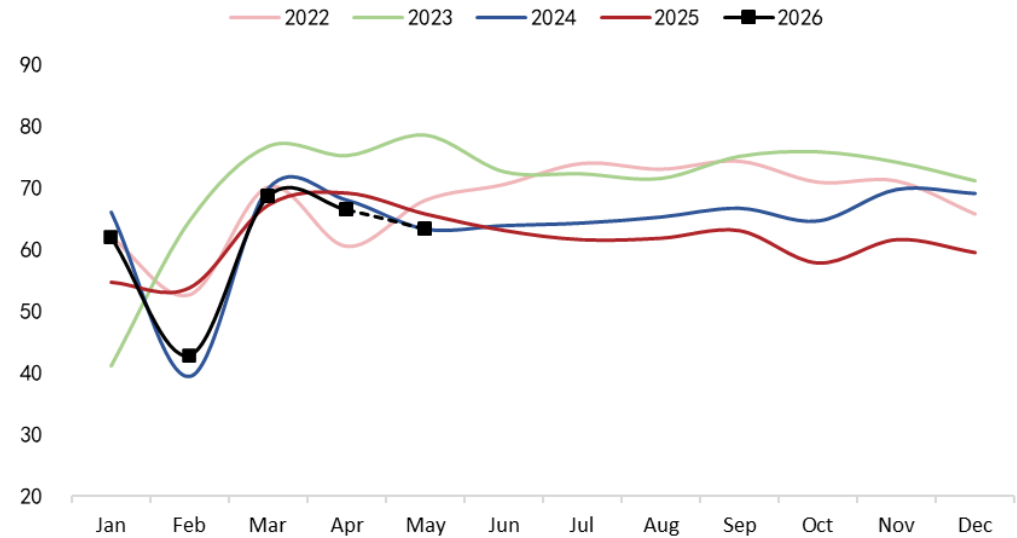
- Driven by lower net imports, China's apparent consumption of refined copper was estimated at 1.417 million tons in May 2026, down 1.0% YoY. Cumulative apparent consumption from January to May 2026 reached 6.942 million tons, up 3.6% YoY. China's official manufacturing PMI declined in May 2026, while RatingDog Manufacturing PMI edged higher, pointing to neutral overall manufacturing sentiment.

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



Sources: WIND, Minmetals Futures

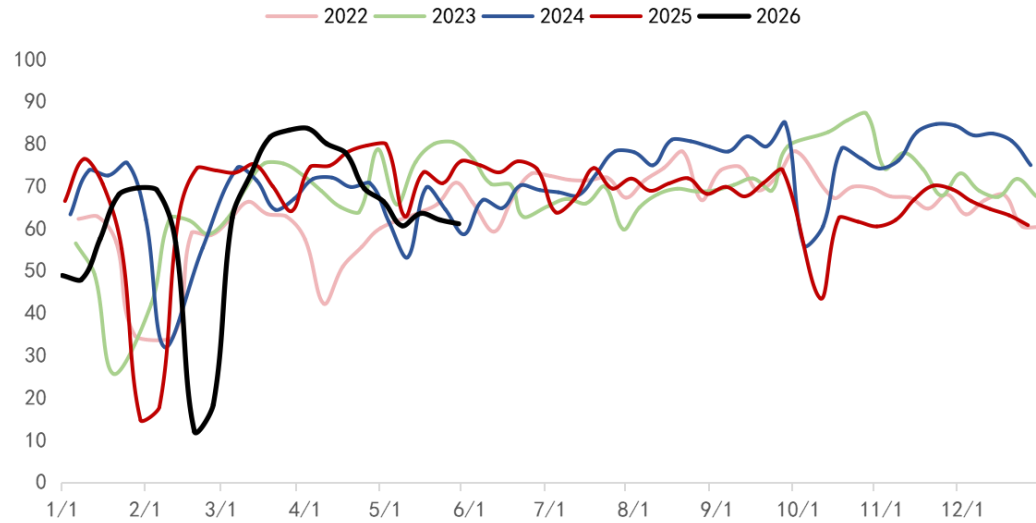
Figure 24: China Copper Material Enterprise Average Operating Rate (%)



Sources: SMM, Minmetals Futures

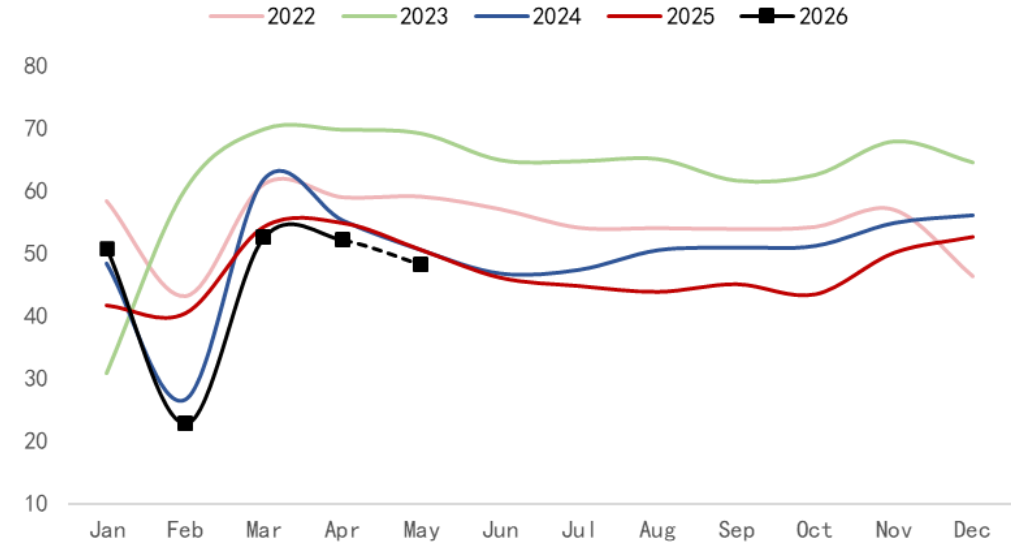
- Cumulative output of Chinese copper products increased by roughly 2.5% from January to April 2026, with growth slowing versus the January-March period. Weekly average operating rates of copper product manufacturers fell in May.

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



Sources: SMM, Minmetals Futures

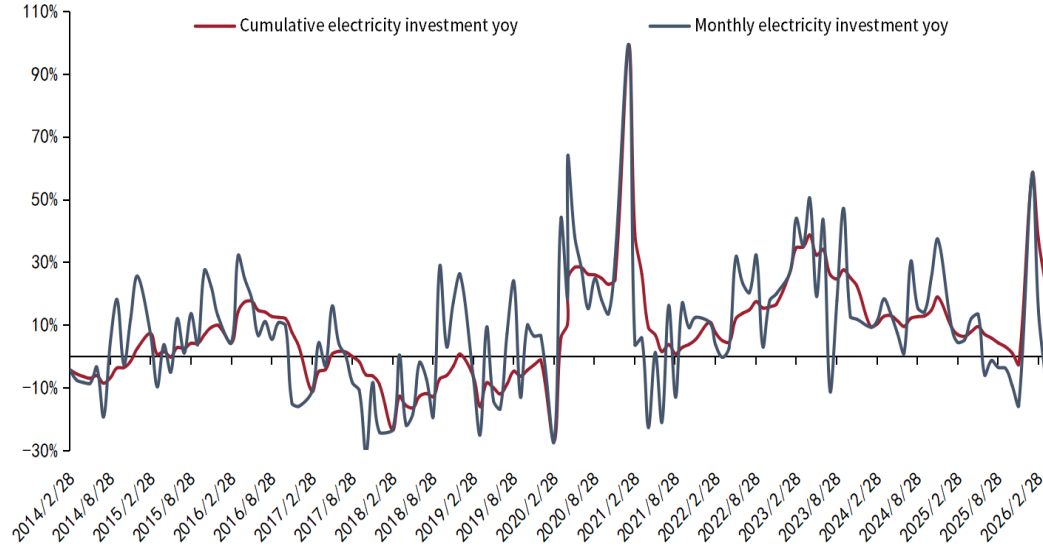
Figure 26: China Wire & Cable Producer Operating Rate (%)



Sources: SMM, Minmetals Futures

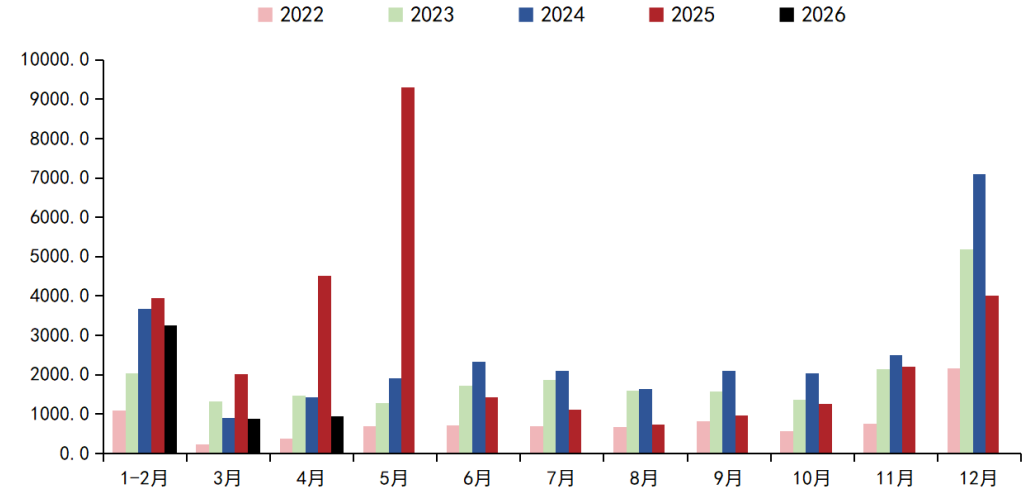
- Operating rates of refined copper rod producers dropped in May, lower than the level in the same period last year. Operating rates of wire and cable enterprises also declined but performed better than expected, and are projected to pick up moderately in June.

Figure 27: Domestic Power + Grid Investment YoY Growth Rate



Sources: NEA, Minmetals Futures

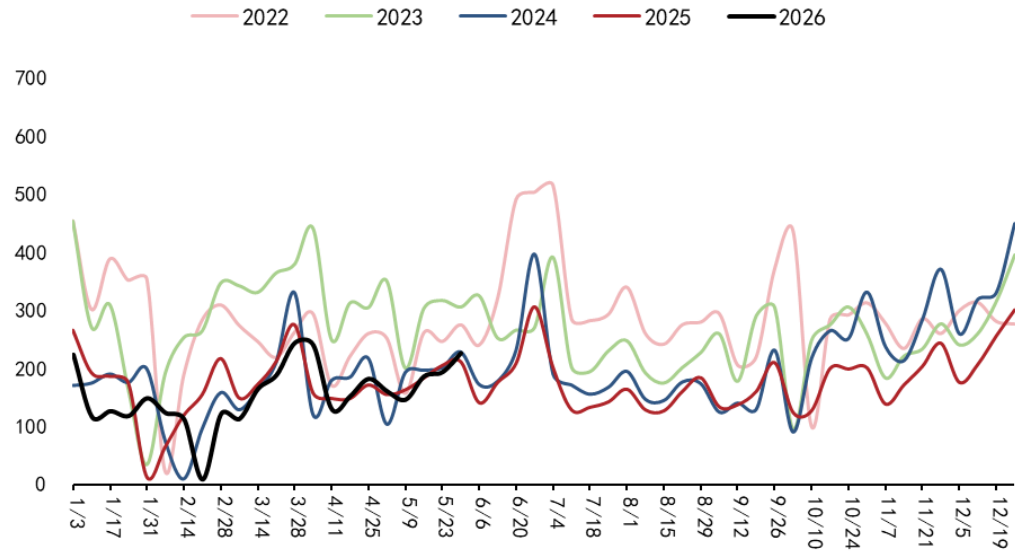
Figure 28: Photovoltaic New Installed Capacity (10,000 kW)



Sources: NEA, Minmetals Futures

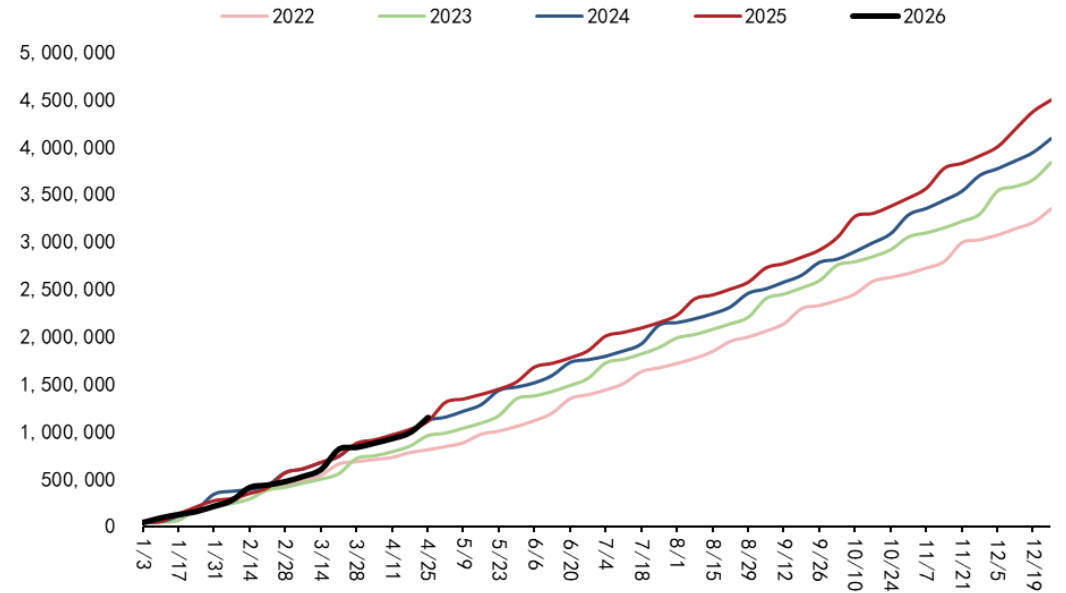
- Power grid & power generation investment recorded a YoY decline in April 2026, mainly due to a high base last year. New installed capacity of photovoltaic systems fell sharply YoY despite a mild MoM increase, while new wind power capacity was slightly higher YoY. New installations of photovoltaic and wind power are likely to weaken notably in May due to an extremely high base effect.

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



Sources: WIND, Minmetals Futures

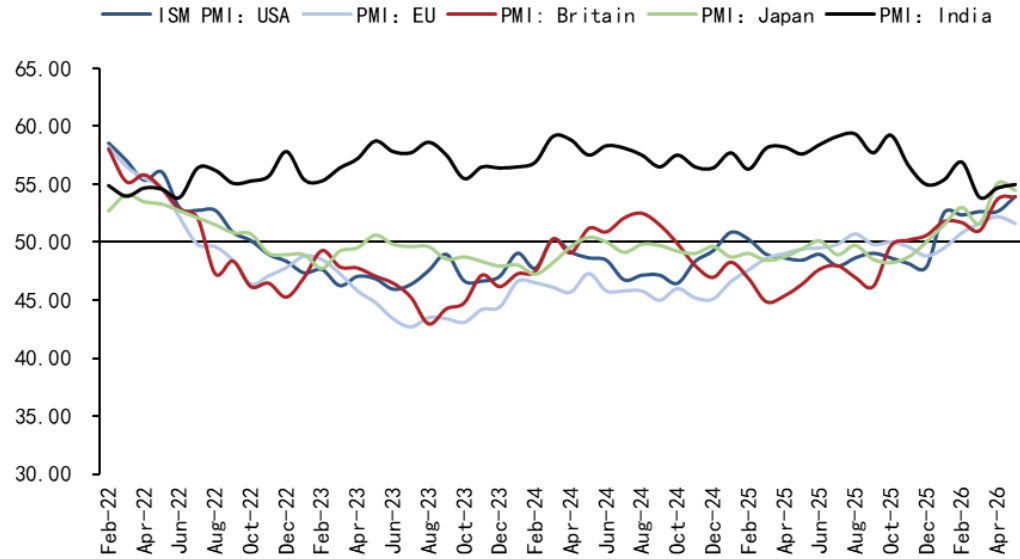
Figure 30: Passenger Vehicle Weekly Sales: Manufacturer Wholesale: Cumulative (units)



Sources: WIND, Minmetals Futures

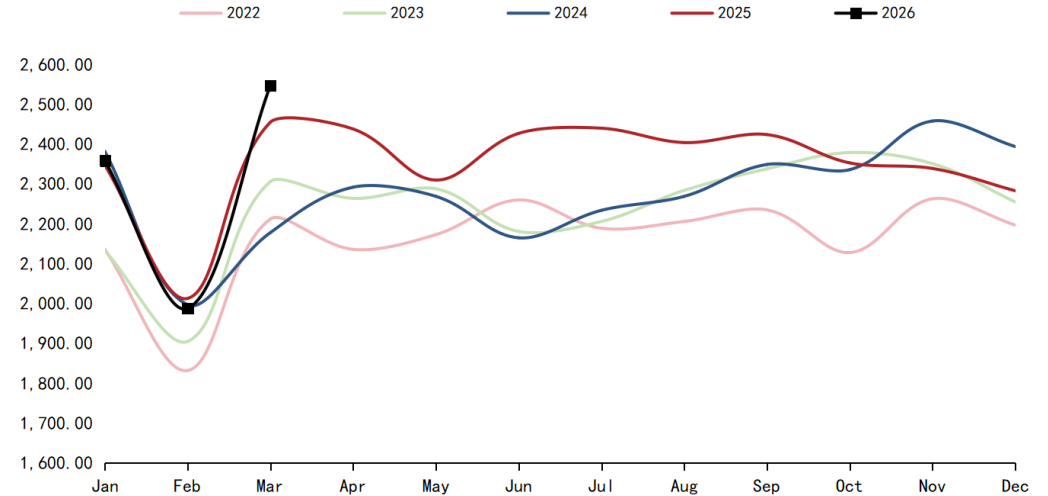
- High-frequency data showed that commercial housing transaction volumes across 30 major cities were roughly flat YoY in May. Property policy easing in Shenzhen, Guangzhou, Tianjin and other cities since late April provided short-term support to housing transactions. Weekly wholesale sales of passenger vehicles rebounded in May.

Figure 31: Overseas Major Countries Manufacturing PMI



Sources: WIND, Minmetals Futures

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



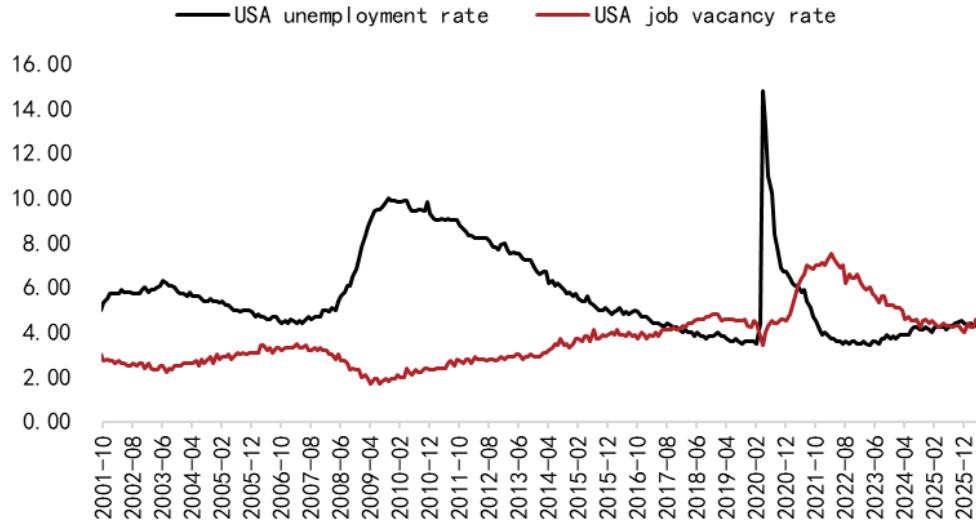
Sources: WIND, ICSG, Minmetals Futures

- Manufacturing activity in major overseas economies continued to improve marginally in May 2026, with solid performance in the U.S., India and the UK. According to ICSG data, global refined copper consumption rose 3.7% YoY in March 2026, with a 1.2% YoY increase recorded for the January-March period.

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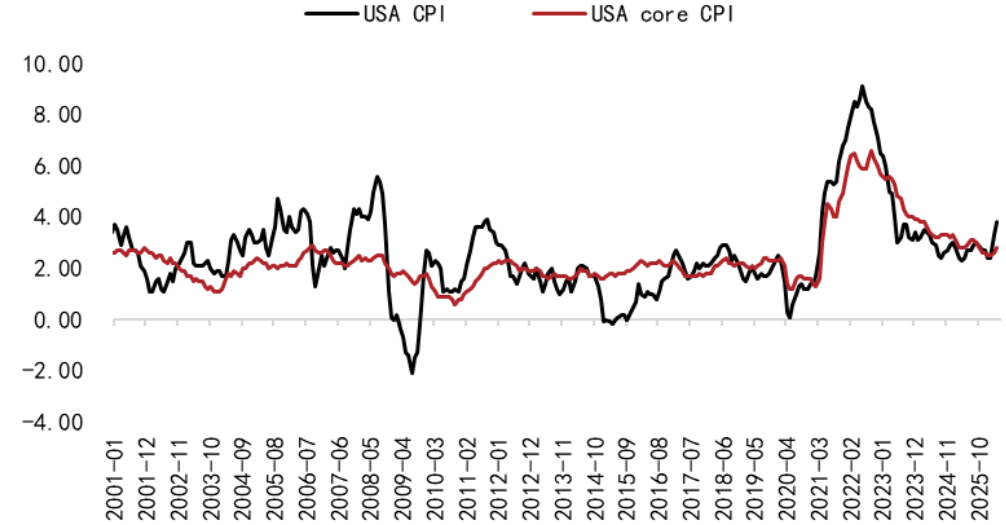
Macro Analysis

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



Sources: WIND, Minmetals Futures

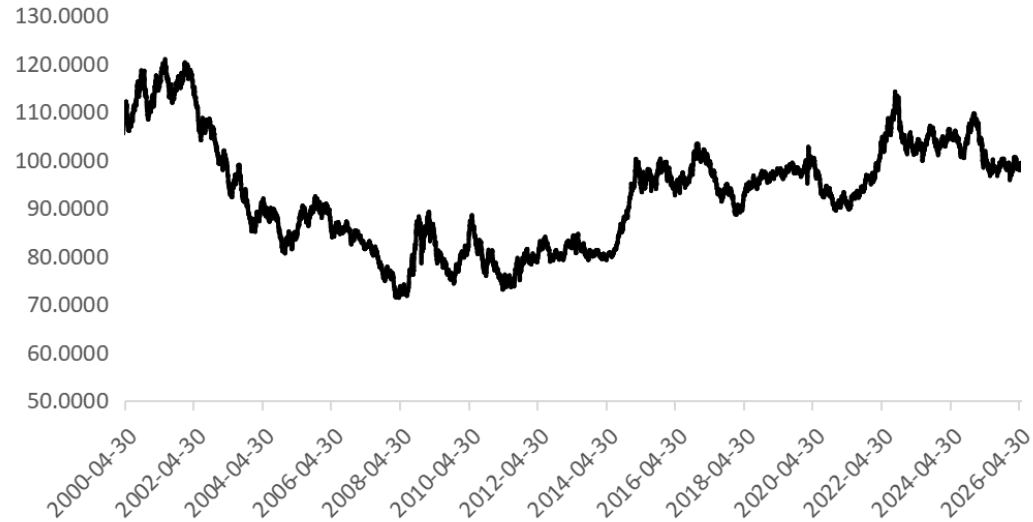
Figure 34: US Core CPI YoY & CPI YoY (%)



Sources: WIND, Minmetals Futures

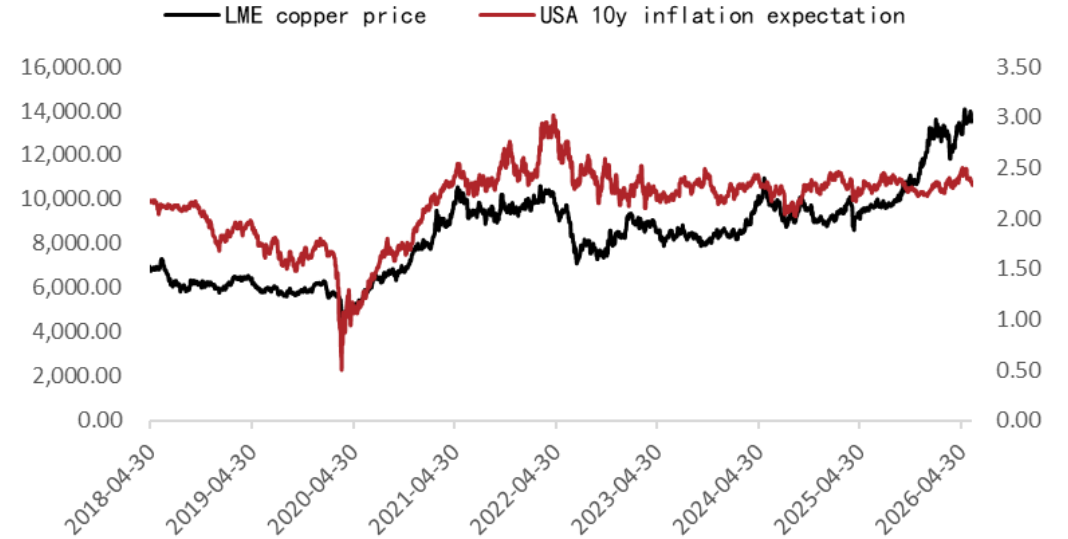
- The U.S. unemployment rate remained stable while job openings increased in April 2026. Commodity inflation rose and core inflation rebounded. The Federal Reserve will hold its first policy meeting under the newly appointed chair in June, whose remarks will set the direction for future monetary policies.

Figure 35: USD Index



Sources: WIND, Minmetals Futures

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



Sources: WIND, Minmetals Futures

- The U.S. Dollar Index trended higher amid fluctuations in May 2026 within a narrow trading range. The 10-year U.S. inflation expectation retreated during the month, moving inversely with LME copper prices.

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

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