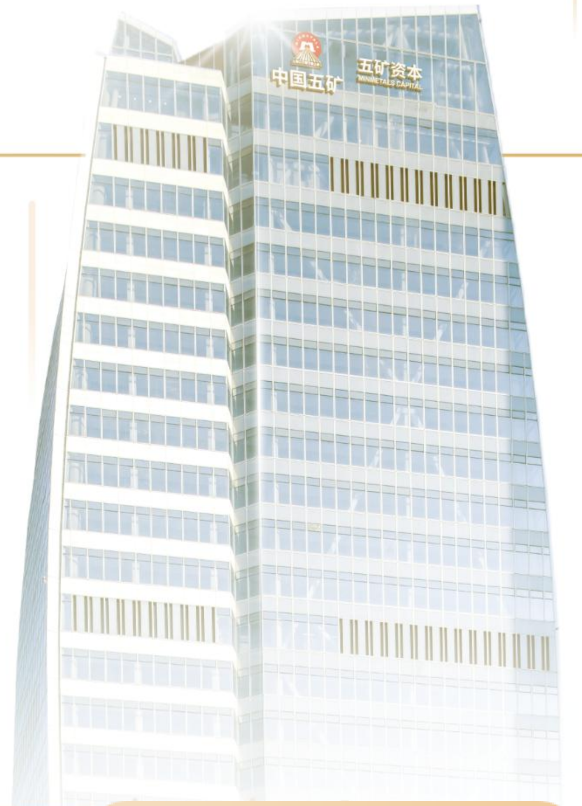
中国五矿

五矿期货有限公司



Inflation expectations cool,
U.S. tariffs remain undecided.

Copper Monthly Report

July 10, 2026

Wu Kunjin (Non-Ferrous Metal Group)

0755-23375135 wukj1@wkqh.cn Futures Practice Qualification: F3036210 Investment Consulting Qualification: Z0015924

CONTENTS

01

Monthly Review

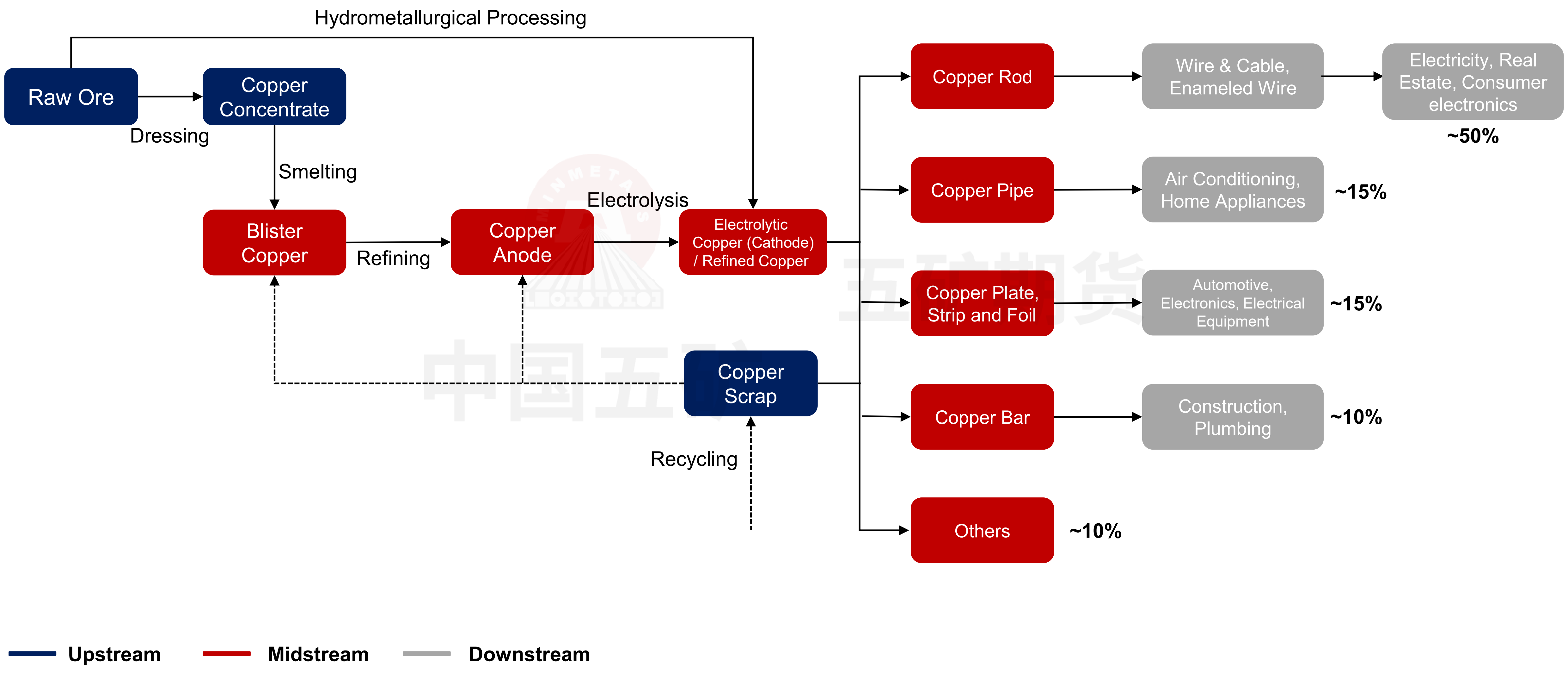
Monthly Assessment and Strategy Recommendation

- **Supply**: Copper concentrate supply remains tight, with the TC/RC index staying at subdued levels. Blister copper supply is constrained and treatment costs fluctuate. Domestic refined copper output fell MoM in June 2026. Smelter maintenance schedules will ease in July, pointing to a sequential production rebound.
- **Demand**: China's apparent refined copper consumption is estimated to maintain growth in June 2026. The copper processing sector enters the traditional off-season, yet consumption holds up well amid limited scrap copper substitution. Overseas manufacturing sentiment weakens, dampening demand expectations.
- **Import/Export**: The loss on domestic spot copper imports narrowed on a volatile path in June, and imports returned to marginal profitability in early July. The COMEX-LME copper price spread widened then contracted, driven by volatile U.S. refined copper tariff expectations.
- **Inventory**: Across three major global exchanges, inventory performance diverged in June: SHFE and LME stocks declined noticeably, while COM inventories built up. Bonded warehouse stocks rose, and aggregate inventories fell MoM. China's domestic stock drawdown is set to continue in July, though overseas inventory flows remain uncertain.
- **Outlook**: Heading into July, domestic refined copper output is projected to rebound while demand holds steady, sustaining mild supply deficits. Overseas demand sentiment has softened, and the overall supply-demand balance hinges on U.S. refined copper tariff developments. On the macro front, Federal Reserve Chair delivered dovish remarks in early July. Market participants will closely monitor U.S. inflation prints mid-month. Softer-than-expected inflation would further reduce odds of Fed rate hikes. China's Politburo meeting looms, with markets pricing neutral policy outcomes. From an industrial perspective, copper raw material supplies stay tight, and refined copper supply-demand dynamics remain uncertain. Heightened U.S. tariff expectations could create upward resonance between macro and industrial fundamentals, while fading tariff fears would cap copper's upside. 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	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 Deamnd	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	27.9	5.8	22.1	35.9	(3.3)	5.4	(9.1)	6.4	(2.5)	156.9	13.8%	385.2	4.1%
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%	552.8	4.9%
May	116.9	31.6	2.0	29.6	17.6	(1.6)	8.2	3.1	3.7	1.0	144.0	0.6%	696.8	4.0%
Jun	114.5			26.0	12.3	(5.3)	8.0	(0.2)	4.7	1.0	145.0	4.3%	841.8	4.0%
Jul	116.6			25.0							145.0	4.2%		

Industrial Chain



02

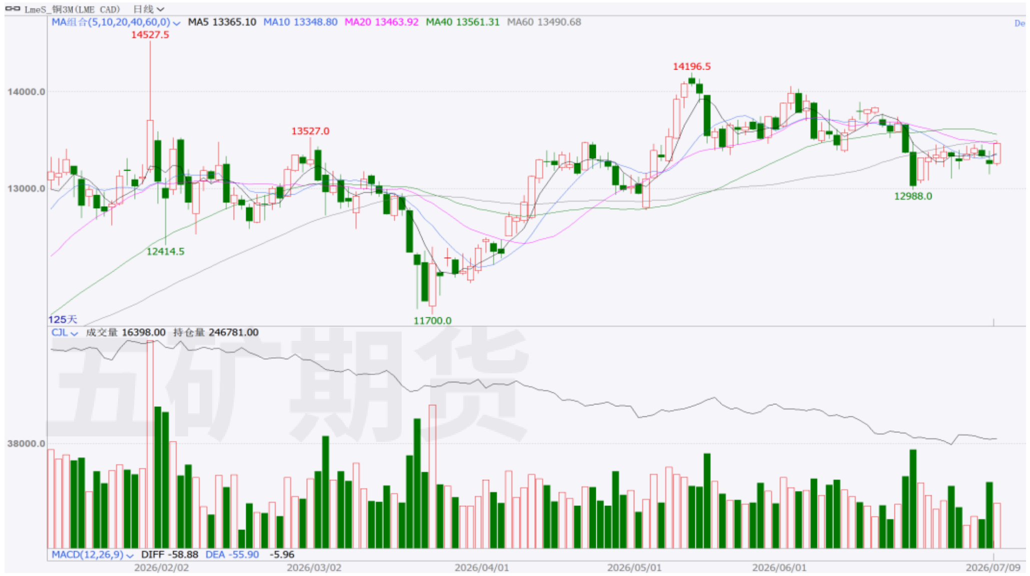
Spot Market & Futures Market

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)

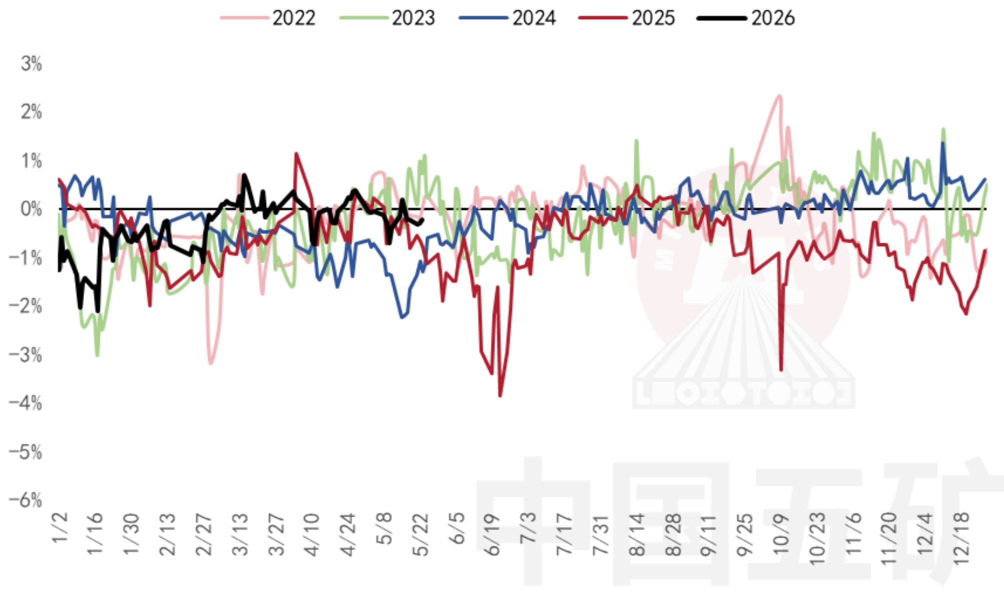


Sources: Wenhua, Minmetals Futures

- Copper prices traded sideways at elevated levels throughout June 2026. Easing Middle East geopolitical tensions lent support, while a correction in overseas tech stocks and a stronger U.S. Dollar Index capped upside.
- The SHFE main contract fell 1.63% MoM, and LME 3M copper lost 1.7% MoM. The U.S. Dollar Index climbed over the month, accompanied by depreciation in offshore RMB.

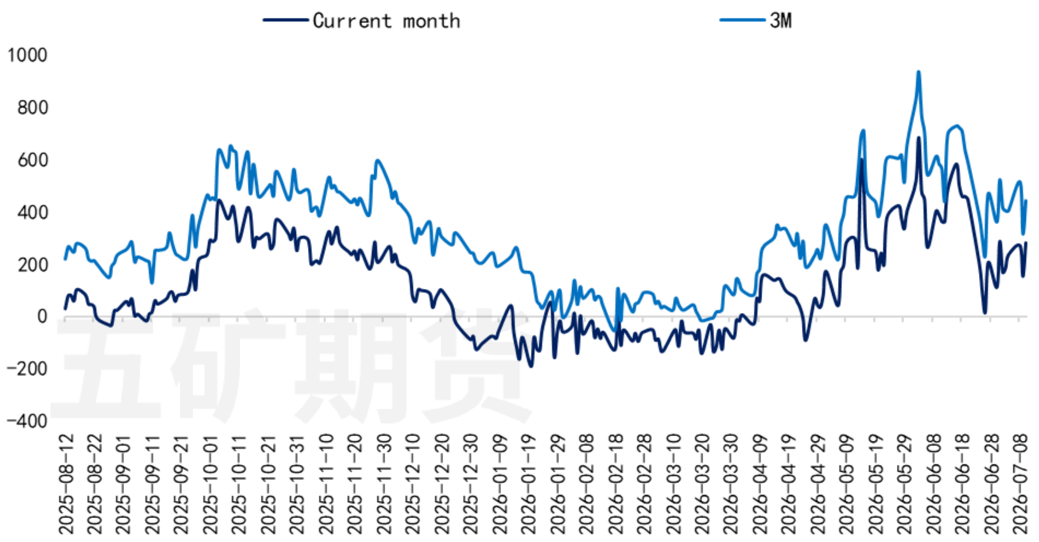
Inter-Market Price Spread

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

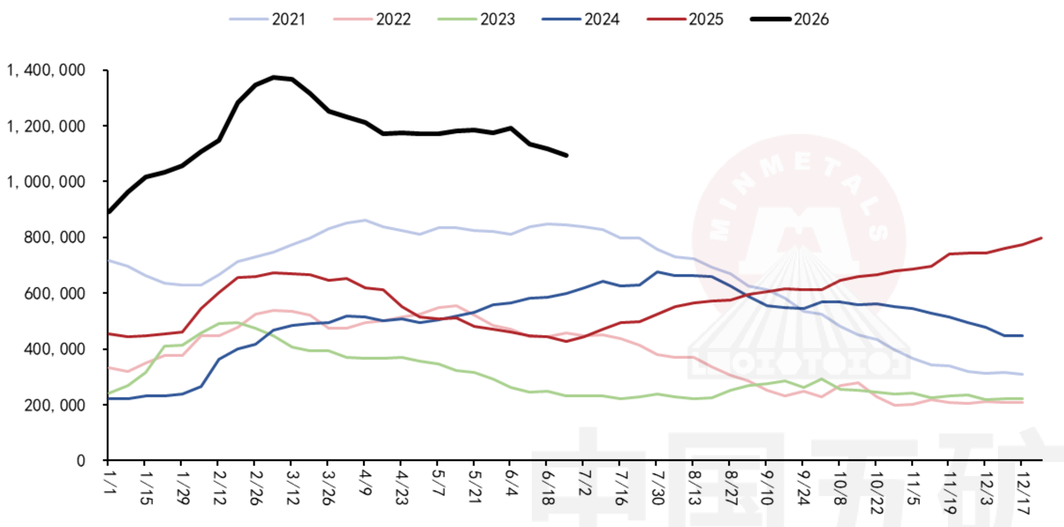
- The import loss on domestic spot copper narrowed in June and turned marginal profit in early July. The COMEX-LME spread widened then retreated over the month, tracking volatile market expectations for U.S. copper tariffs. As of now, U.S. authorities have not confirmed whether tariffs will be imposed on refined copper imports.

Inventory & Basis

五矿期货有限公司

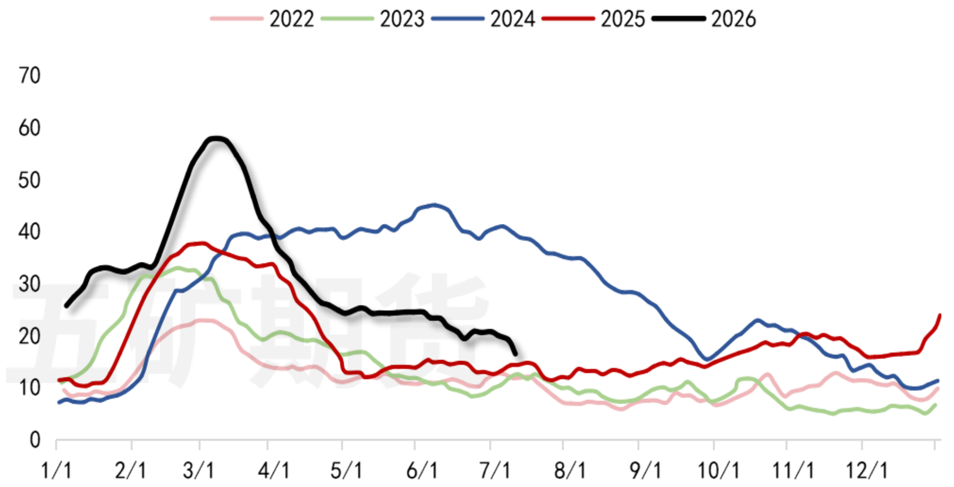
中国五矿

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)

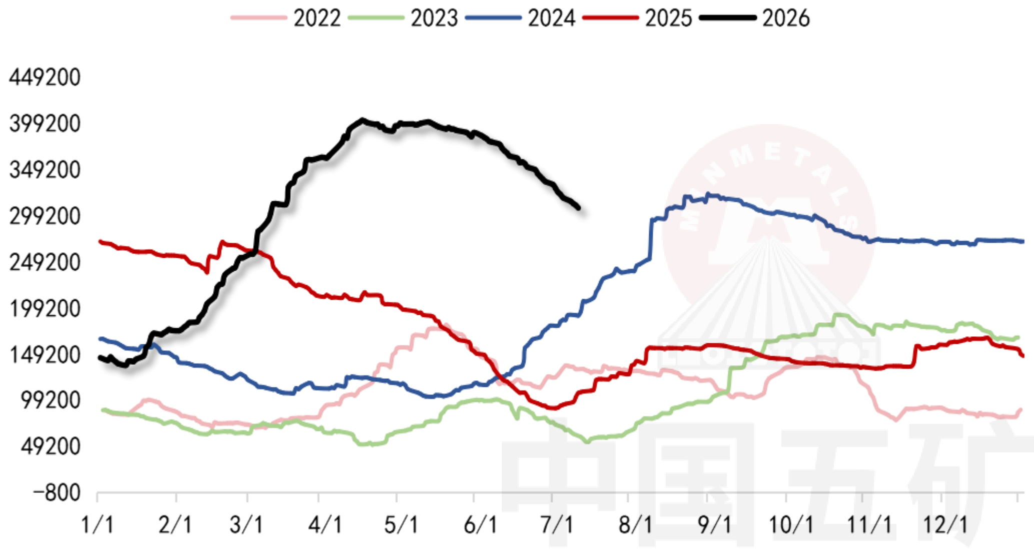


Sources: SMM, Minmetals Futures

- As of early July, aggregate copper stocks across three exchanges plus Shanghai bonded warehouses stood at 1.095 million tonnes, down 890,000 tonnes from end-May. Inventory structural imbalance persists (COMEX stocks accounting for roughly 55% of total holdings).
- Domestic exchange stocks fell on a volatile path over June, reaching 123,000 tonnes in early July, a reduction of 53,000 tonnes versus end-May. Off-exchange inventories totalled 42,000 tonnes, down 27,000 tonnes. Bonded warehouse holdings rebounded to 43,000 tonnes, up 5,00

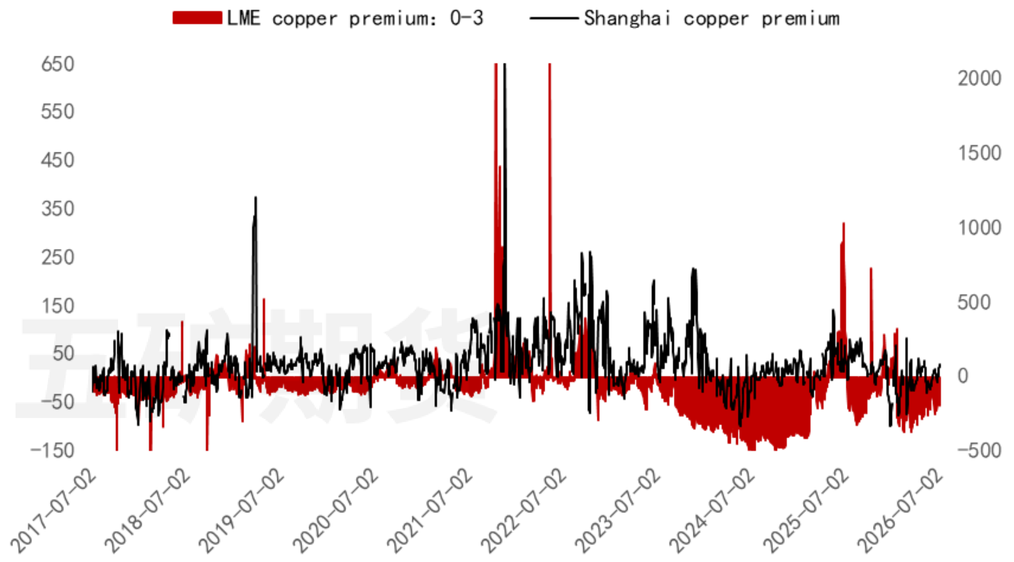
Inventory & Basis

Figure 7: COMEX Copper Inventory (MT)



Sources: WIND, Minmetals Futures

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

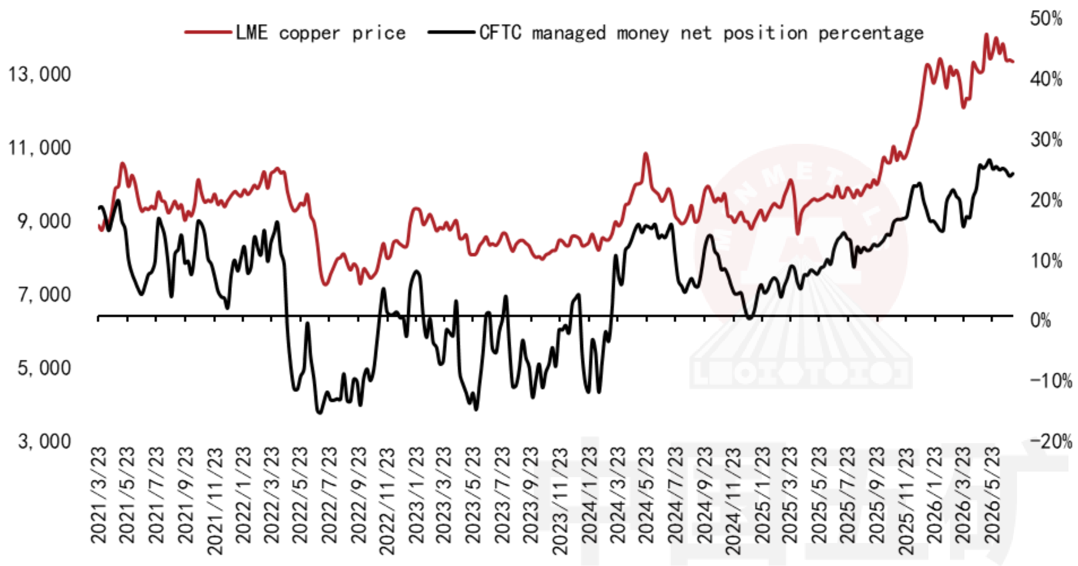


Sources: LME, WIND, Minmetals Futures

- LME stocks declined in June and hit 308,000 tonnes in early July, falling 81,000 tonnes from end-May. Warehouse drawdowns were recorded across European, Asian and American LME locations, with North American stocks down 25,000 tonnes. COMEX inventories built up to 612,000 tonnes, up 31,000 tonnes from end-May.
- On the basis front, the LME cash/3M discount expanded in June, while domestic spot basis strengthened; spot copper traded at a premium of over 100 CNY per metric ton versus futures in early July.

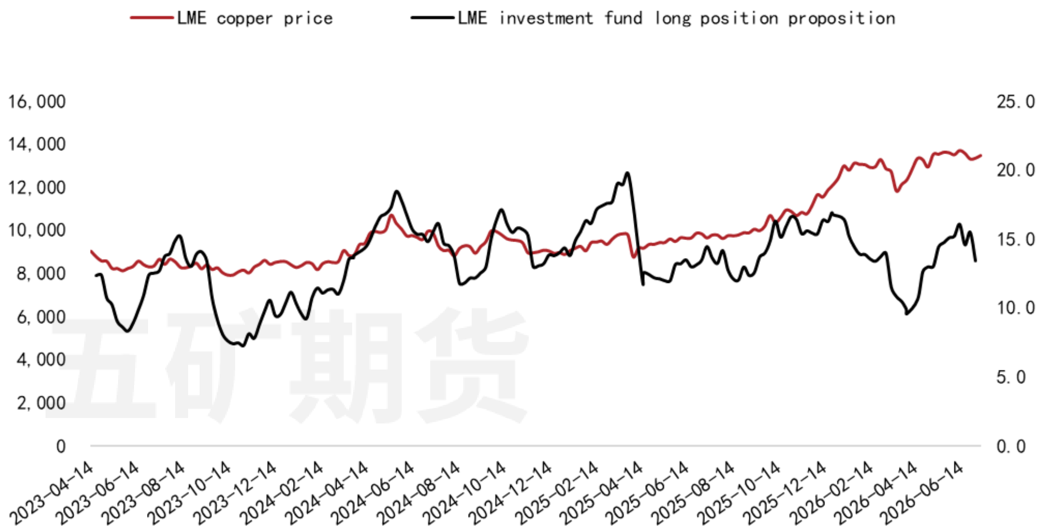
Fund Sentiment

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

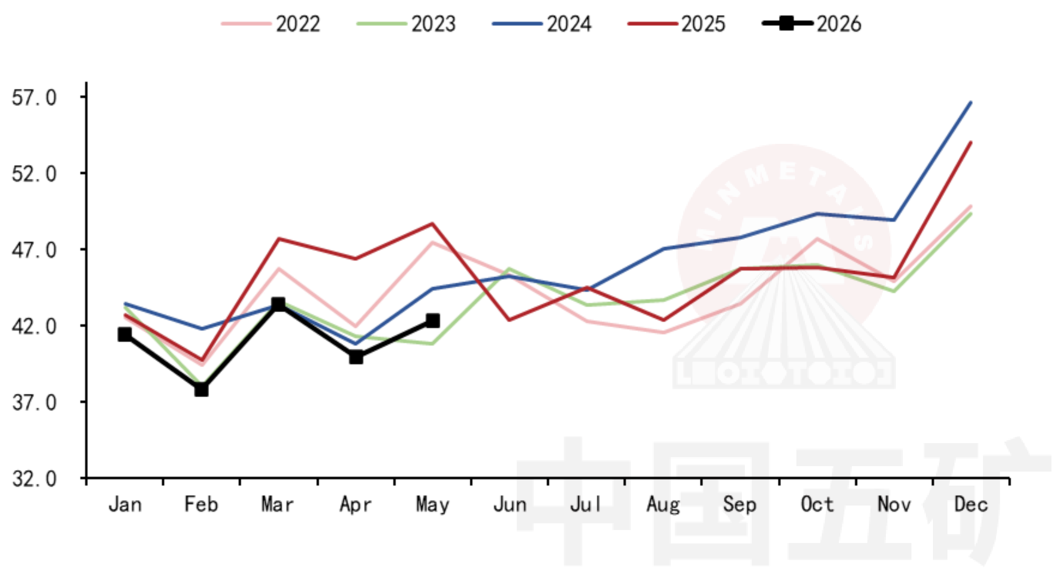
- As of end-June, CFTC funds maintained net long exposure though the net long ratio slipped. LME fund long holdings rose then fell sequentially, showing growing caution among speculative capital.
- July price moves will be largely driven by U.S. tariff outlook, Fed policy expectations and inventory shifts.

03

Supply and Demand Analysis

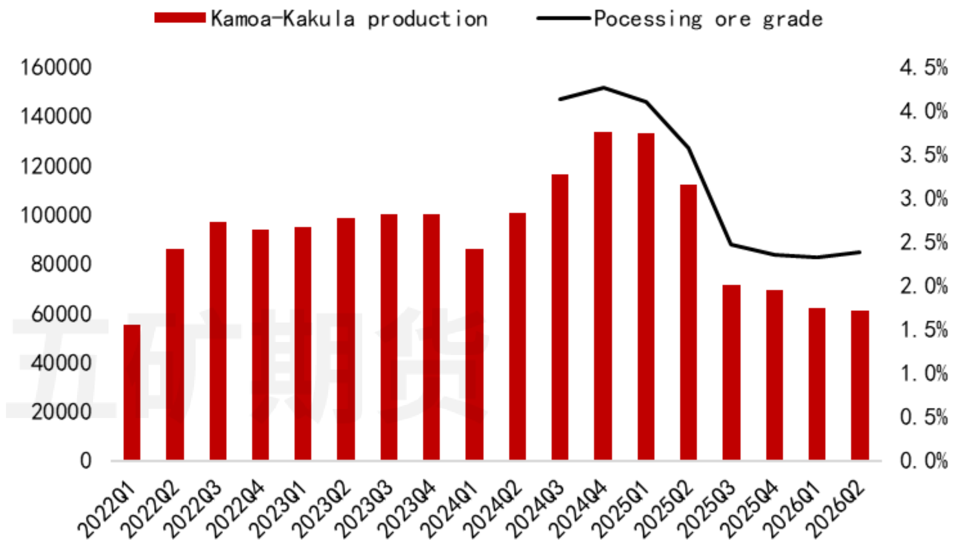
Supply – Copper Mines

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



Sources: Chilean National Statistics Institute, Minmetals Futures

Figure 12: Kamoa Copper Mine Output (MT) & Processed Ore Grade

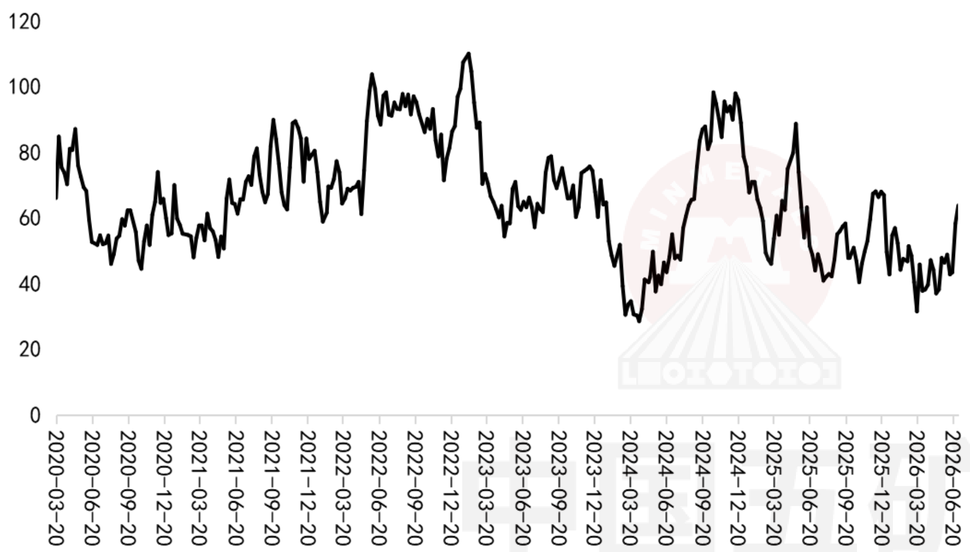


Sources: Company Press Release, Minmetals Futures

- Chile’s mine output rebounded MoM in May but recorded double-digit YoY declines. Production recovery remains slow and volumes stay relatively low.
- Ivanhoe Metals released Q2 operational results: Kamoa’s quarterly output fell MoM, with H1 production only hitting around 40% of the full-year guidance midpoint. The company kept its annual production target unchanged, with notable output expansion expected in H2 as mining capacity recovers.

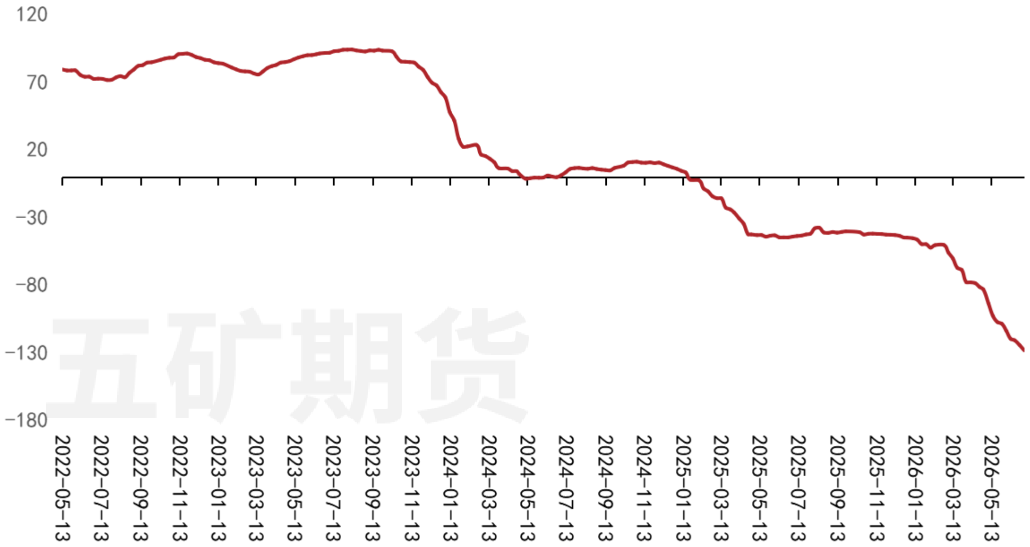
Supply – Copper Mines

Figure 13: Copper Concentrate Inventories at Major Chinese Ports (10,000 MT)



Sources: IFIND, Minmetals Futures

Figure 14: Imported Copper Concentrate TC Index

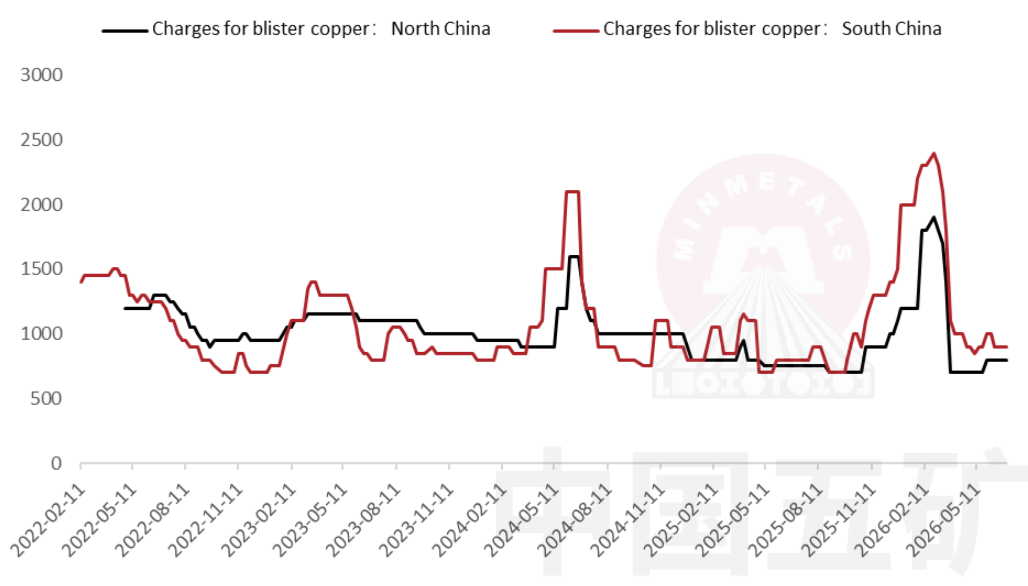


Sources: SMM, Minmetals Futures

- Port concentrate stocks edged higher on volatility in June, easing marginal spot supply tightness. The spot TC index for imported concentrates continued to slide, hitting -128.3 in early July, near all-time lows.

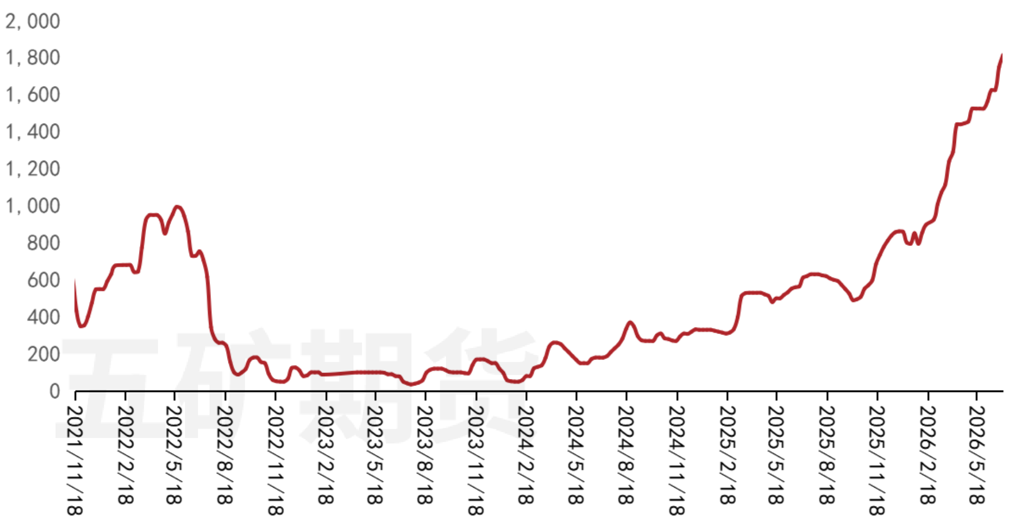
Supply – Refined Copper

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

- Blister treatment charges fluctuated in June amid tight cold scrap supply. Sulfuric acid, a key smelter by-product, trended higher and lifted smelter operating margins.

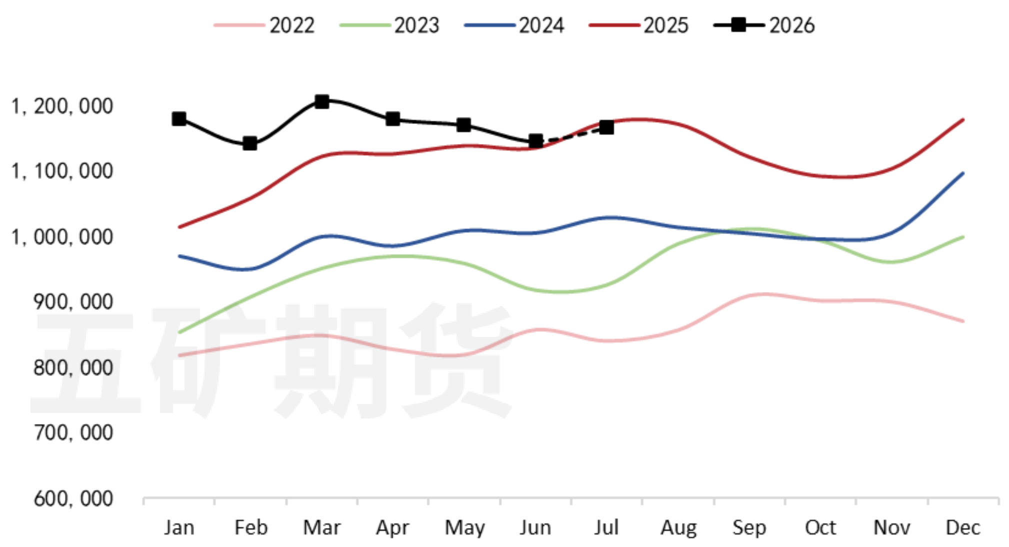
Supply – Refined Copper

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

Company	Smelter Capacity	Refinry Capacaty	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	40	40	Jun	Aug
15	20	20	Jul	Jul
16	15	15	Aug	Aug
17	40	40	Sep	Nov

Sources: MYSTEEL, SMM, Baiinfo, Minmetals Futures

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

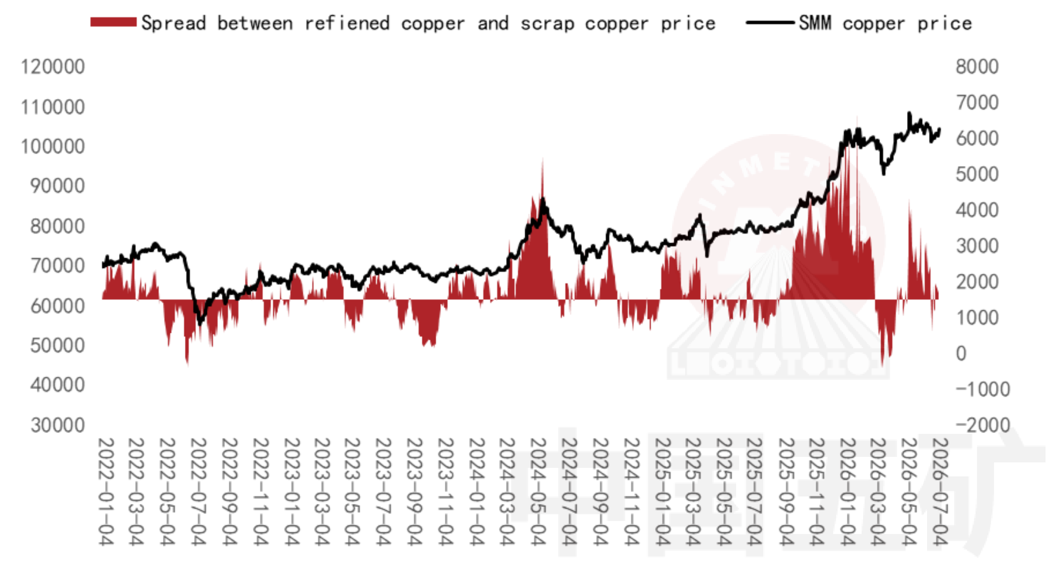


Sources: SMM, Minmetals Futures

- Numerous smelter maintenance runs weighed on June output, dragging down YoY growth.
- Maintenance pressure eases in July alongside new capacity ramp-ups, pointing to an estimated sequential output gain of roughly 20,000 tonnes.

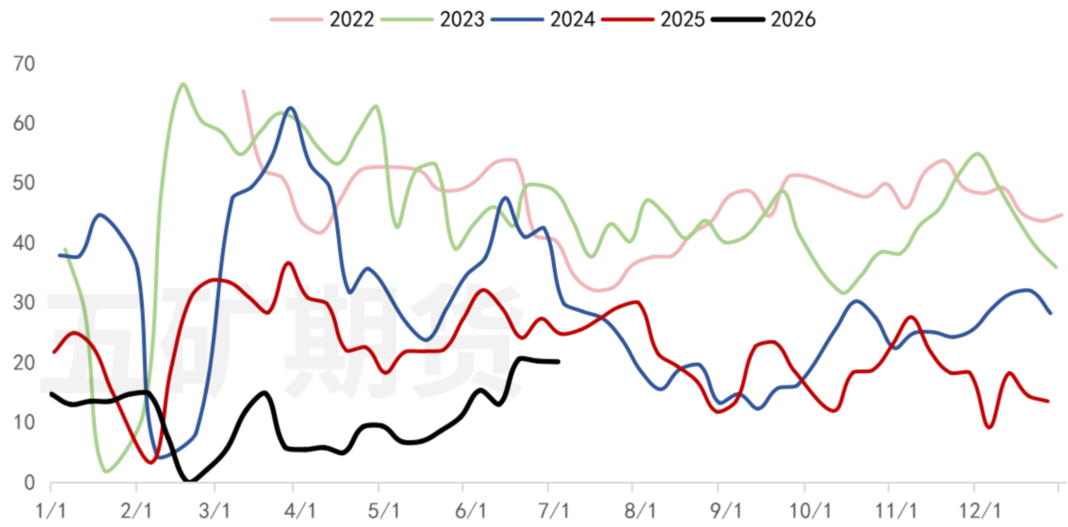
Supply – Recycled Copper

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

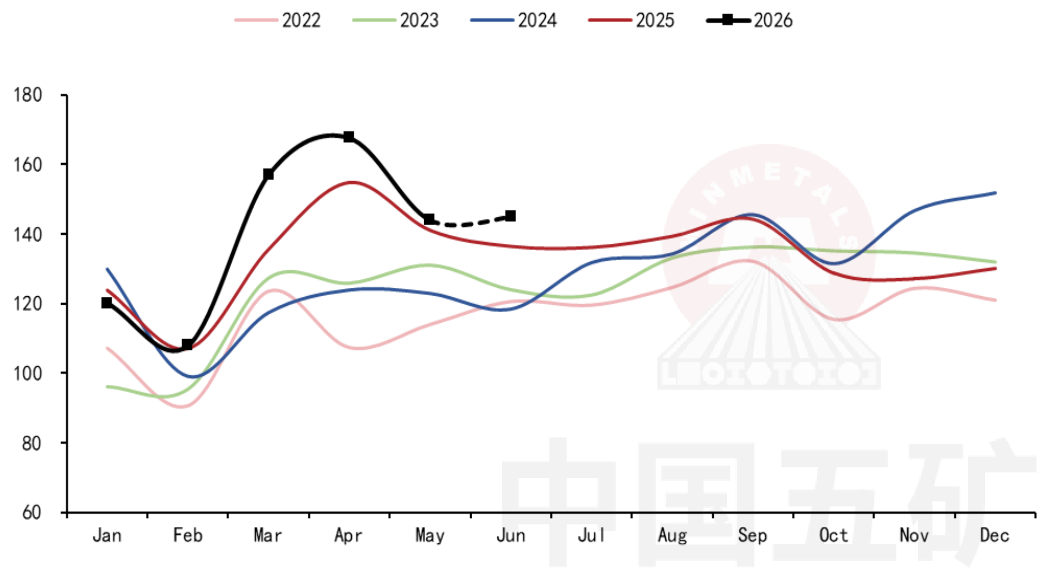


Sources: SMM, Minmetals Futures

- The price spread between electrolytic copper and #1 bright copper expanded to an average of 2,130 CNY/MT in June 2026, narrowing MoM amid volatile copper prices.
- Operating rates at recycled copper rod manufacturers rebounded on a fluctuating basis in June, leading to a marginal rise in direct scrap copper substitution volumes.

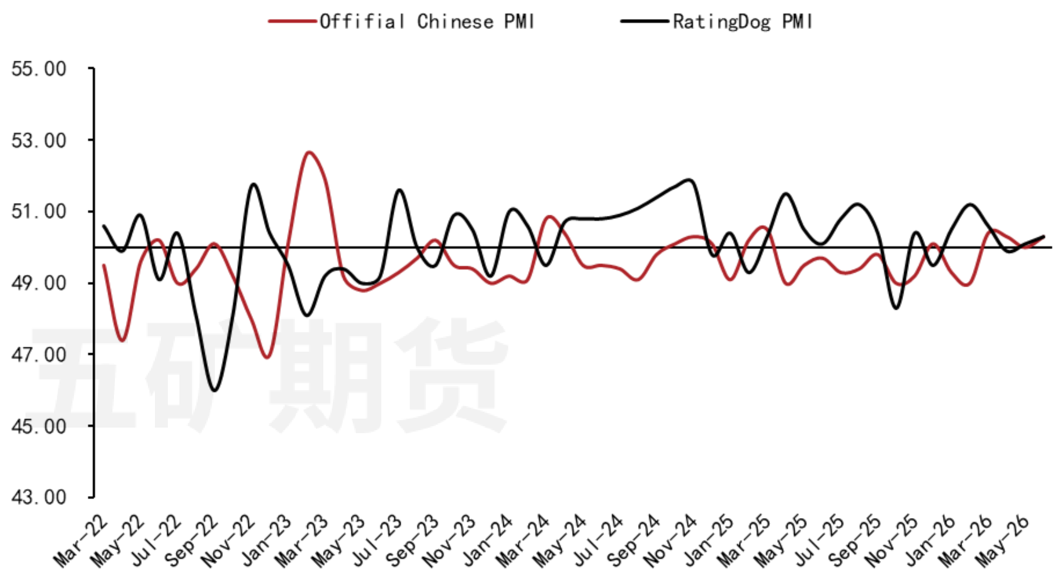
Demand – China

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



Sources: Customs, SMM, MYMETAL, Minmetals Futures

Figure 22: China Manufacturing PMI

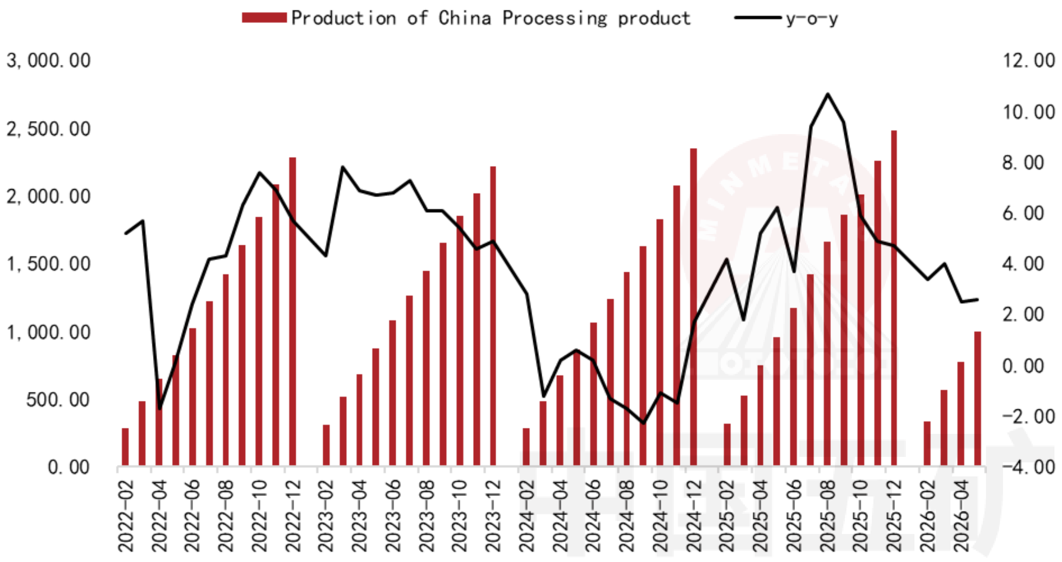


Sources: WIND, Minmetals Futures

- Assuming lower sequential net imports, June apparent refined copper consumption is estimated at 1.45 million tonnes, up 4.3% YoY. Cumulative Jan-Jun consumption for 2026 stands at roughly 8.415 million tonnes, a 4.0% YoY increase.
- Both official and private manufacturing PMIs edged higher in June, signalling marginal industrial improvement.

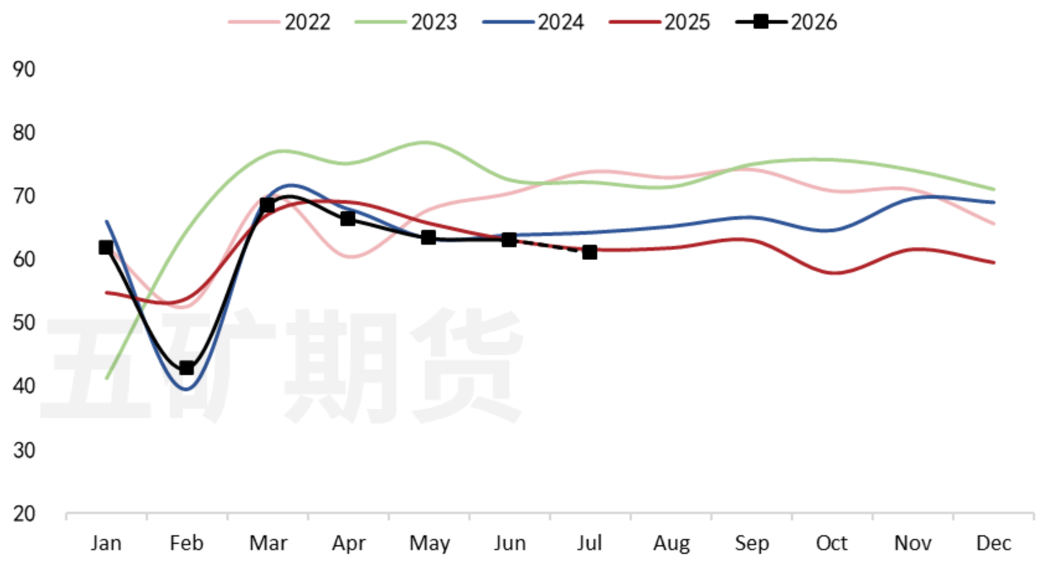
Demand – China

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 (%)

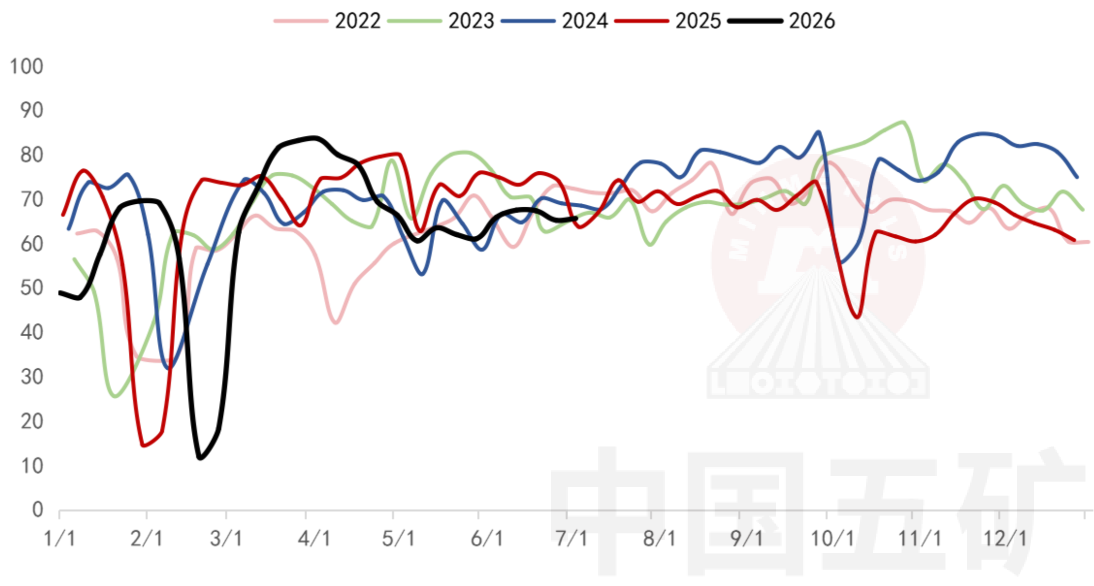


Sources: SMM, Minmetals Futures

- Cumulative Jan-May copper semi output rose around 2.6% YoY, accelerating versus the Jan-Apr reading. Semi mill operating rates fell MoM in June and are projected to slide seasonally in July.

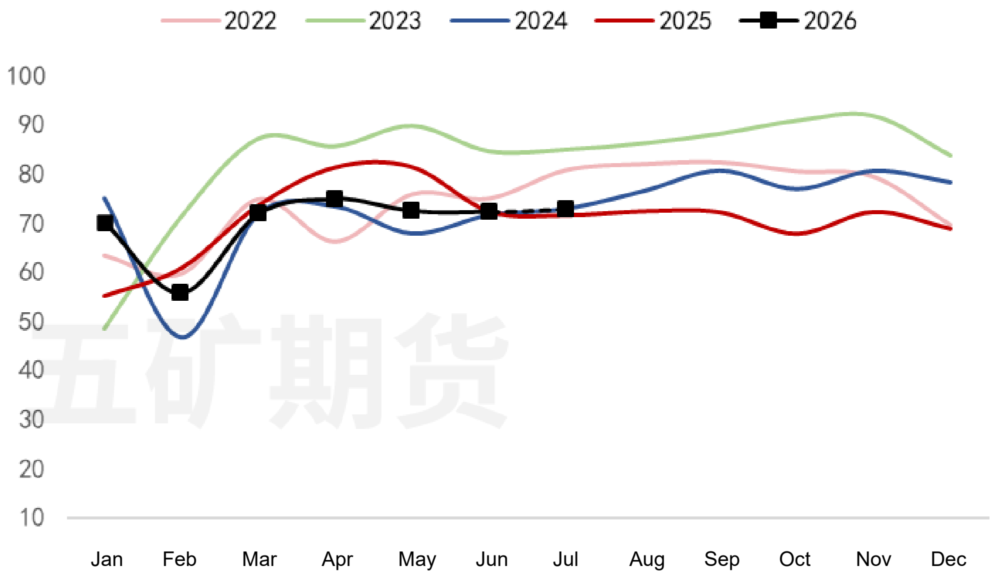
Demand – China

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



Sources: SMM, Minmetals Futures

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

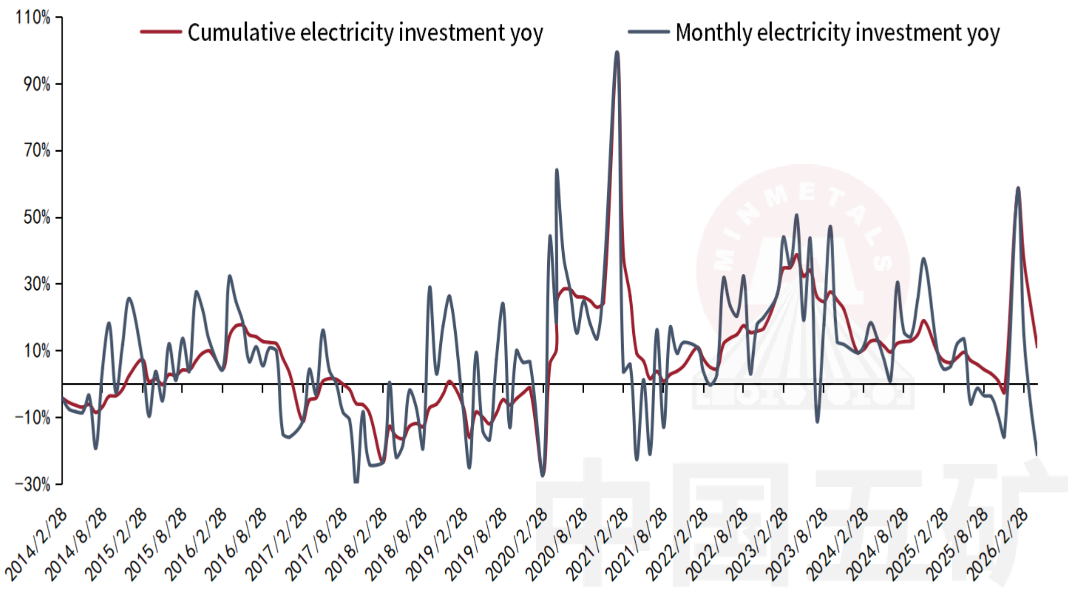


Sources: SMM, Minmetals Futures

- Rod mill run rates fluctuated in June and averaged below last year’s levels. Cable plant utilization slipped in June, with a mild sequential recovery expected in July, slightly above the prior year.

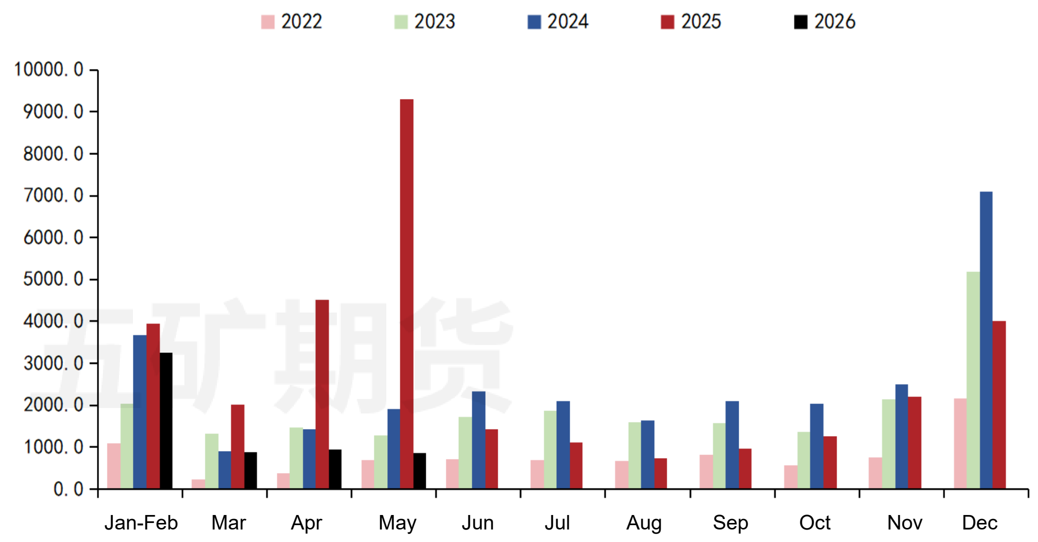
Demand – China

Figure 27: Domestic Power + Grid Investment YoY Growth Rate



Sources: NEA, Minmetals Futures

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

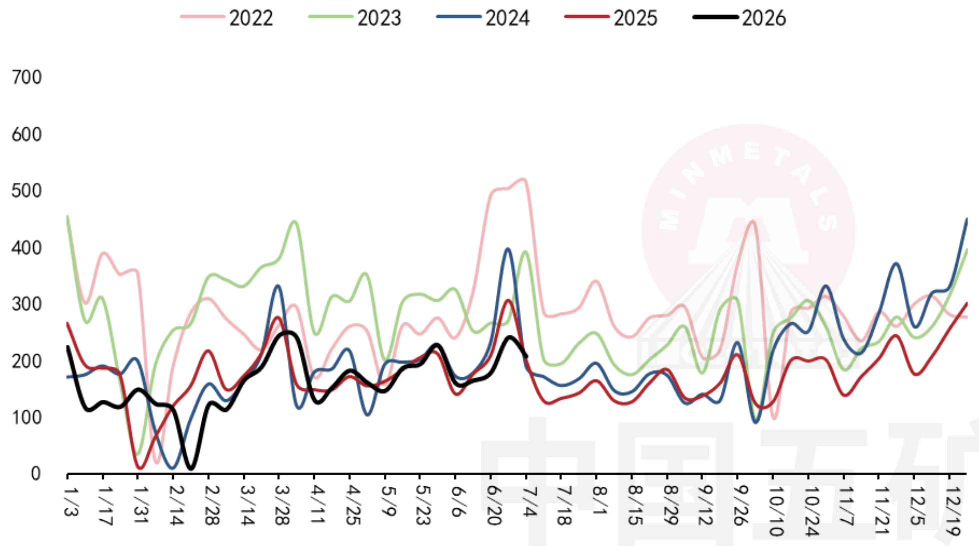


Sources: NEA, Minmetals Futures

- Power generation and grid investment recorded sharp YoY declines in May due to high base effects. New PV and wind installation volumes also fell YoY, with contraction set to narrow in June as last year's base moderates.

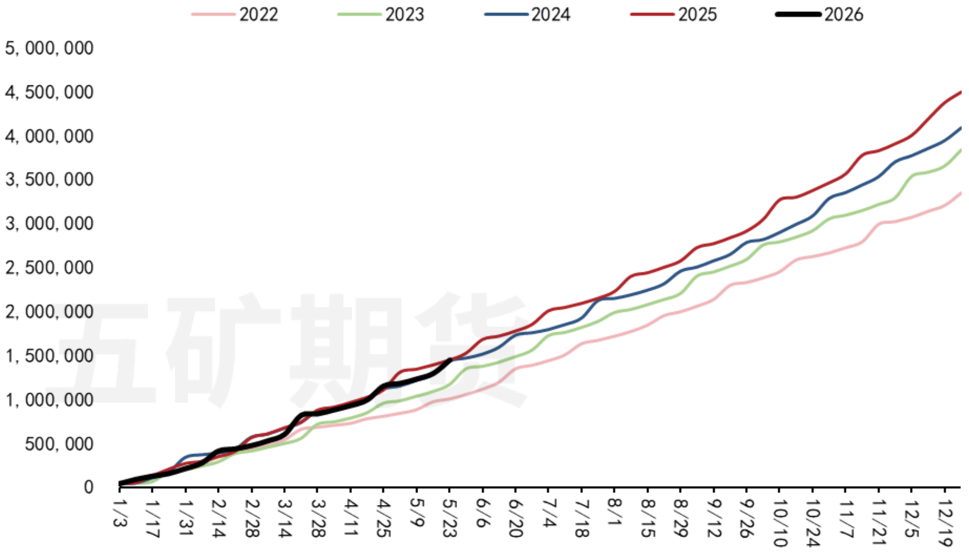
Demand – China

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)

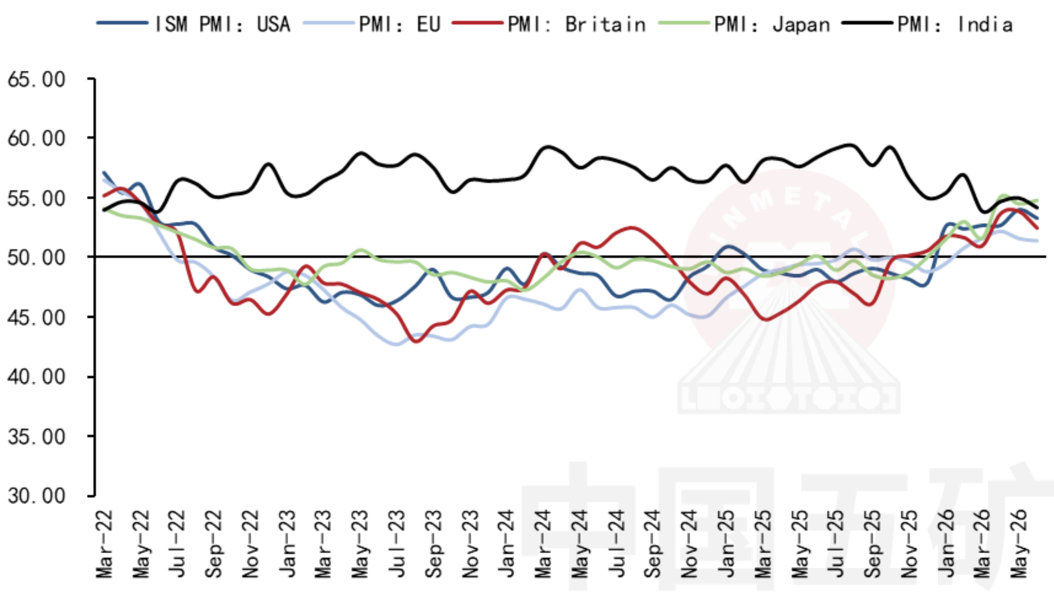


Sources: WIND, Minmetals Futures

- June property transaction volumes softened versus last year after policy stimulus faded. Auto wholesale data improved sequentially but remained slightly down YoY.

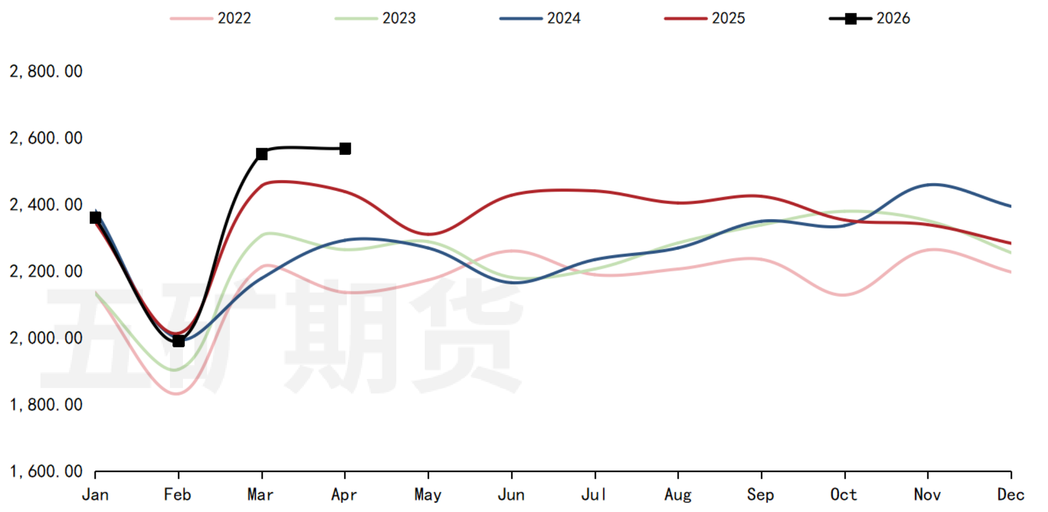
Demand – Overseas

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

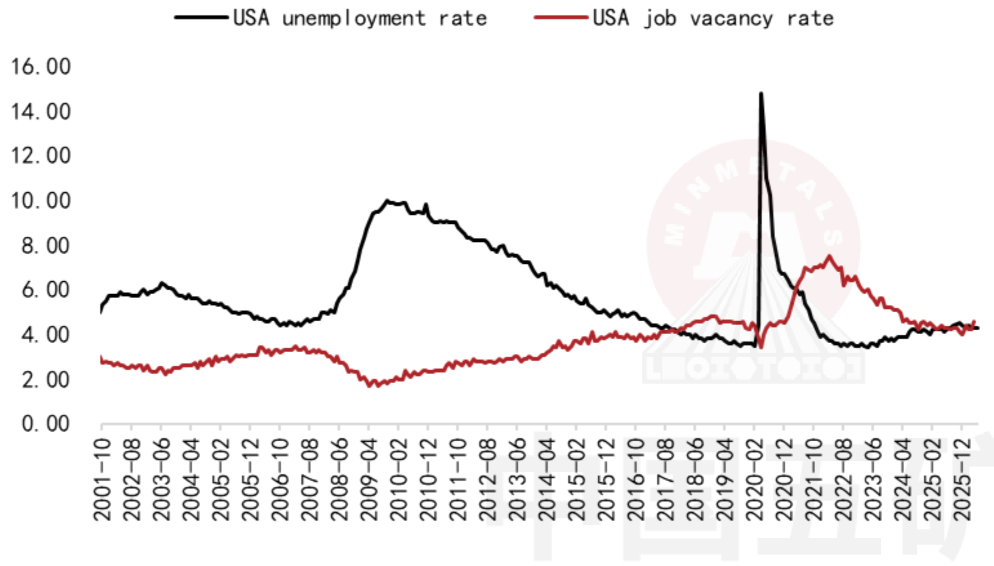
- Manufacturing sentiment across major overseas economies continued to weaken in June, though Eurozone, U.S., Japanese, UK and Indian manufacturing sectors stayed within expansion territory.
- Per ICSG statistics, global refined copper consumption rose 5.3% YoY in April, with Jan-April cumulative consumption up roughly 2.4% YoY.

04

Macro Analysis

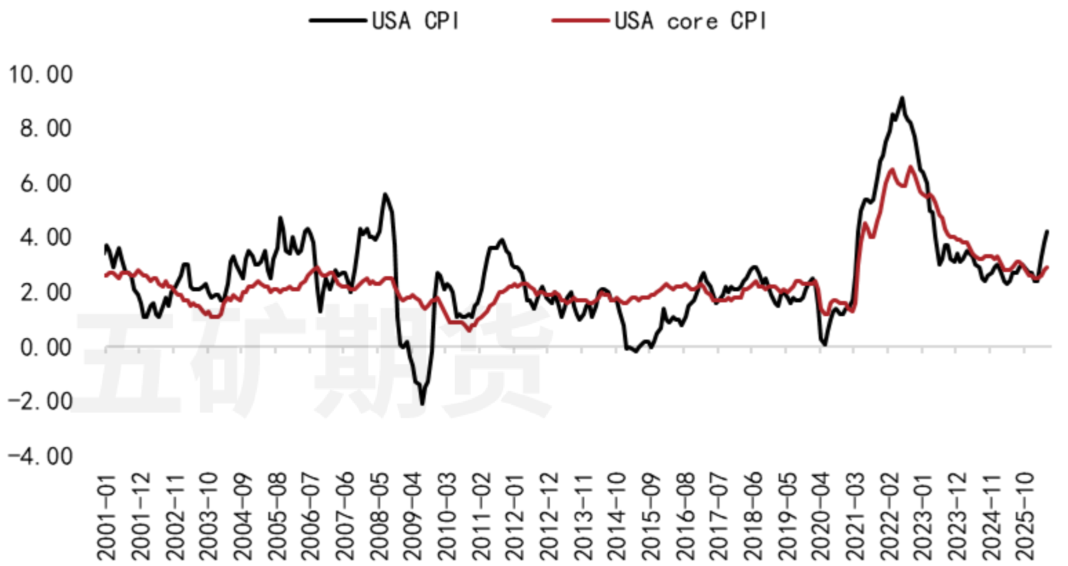
Fed Policy

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



Sources: WIND, Minmetals Futures

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

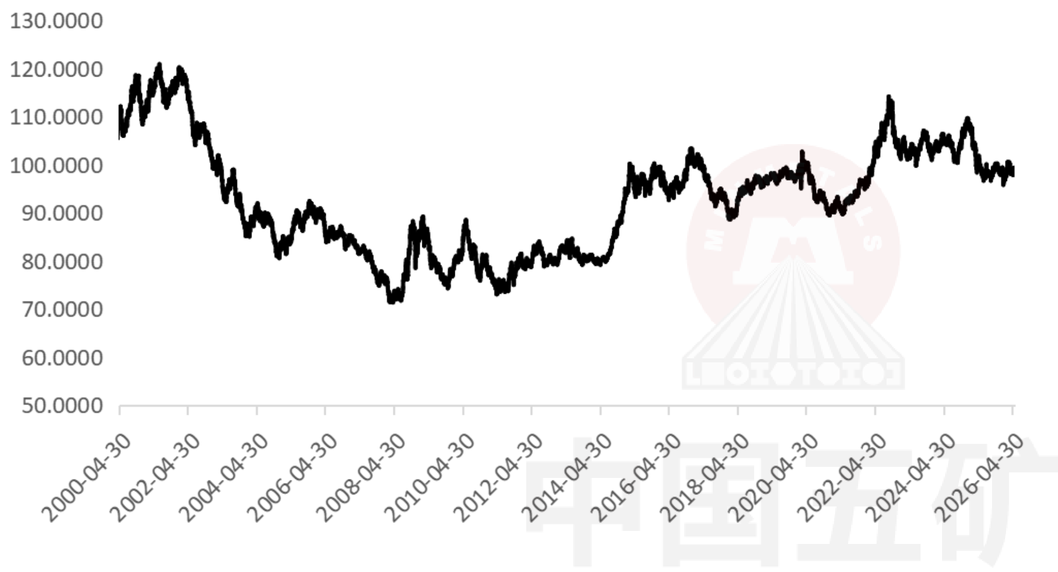


Sources: WIND, Minmetals Futures

- U.S. unemployment declined in June while non-farm payrolls missed market estimates. May headline and core CPI both edged higher. Easing Middle East tensions dragged crude oil prices lower and cooled inflation expectations. A softer June CPI print would further reduce the probability of Fed rate hikes.

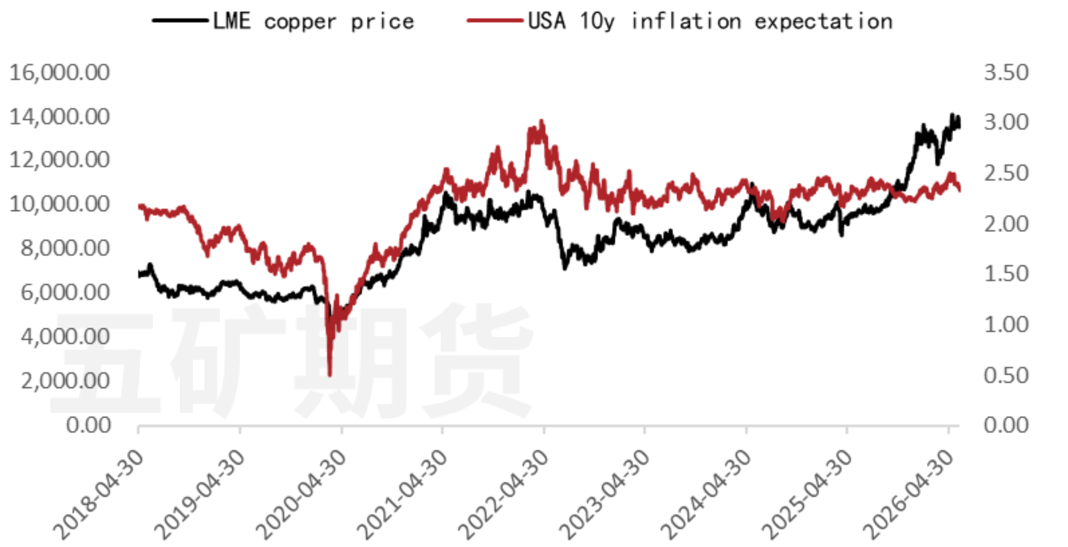
Dollar Index & U.S. Inflation Expectation

Figure 35: USD Index



Sources: WIND, Minmetals Futures

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



Sources: WIND, Minmetals Futures

- The U.S. Dollar Index trended higher in June with further upside potential. Lower long-term inflation expectations exerted downward pressure on copper valuations.

Disclaimer

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

All information in this report is based on reliable sources. We strive to provide you with accurate data, objective analysis, and comprehensive point of view. However, we must state that we are not responsible for any loss that may be incurred by those information. This report does not provide customized investment recommendations, nor consider the specific financial situation and objectives of the readers. The Research Team of Minmetals Futures suggests that investors should independently evaluate specific investments and strategies, and it is recommended that investors should seek the advice of professional financial advisers. Whether a specific investment or strategy is appropriate or not depends on the investors' own situation and goals. Any views mentioned in this report are for reference only and do not constitute a trading advice.

Expert in Finance-Industry Integration
Reliable Choice of Wealth Management

Website www.wkqh.cn www.minfutures.com/english/index

Hotline 400-888-5398

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