



五矿期货有限公司
MINMETALS FUTURES CO.,LTD



Mounting macro headwinds weigh on market sentiment

Copper Monthly Report

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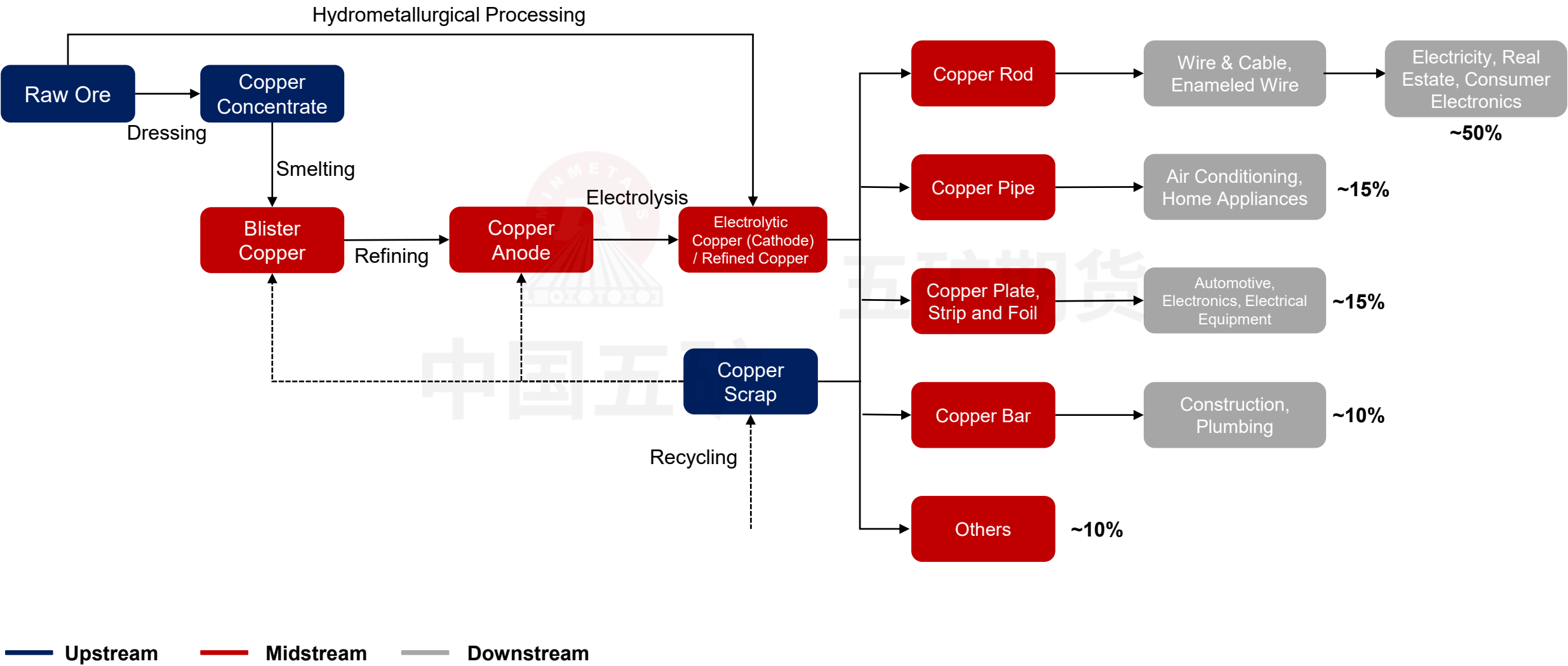
Monthly Review

Monthly Assessment and Strategy Recommendation

- ◆ Supply: Copper concentrate supply remained tight, with the copper concentrate treatment charge (TC) index hitting a fresh low. Blister copper supply stayed relatively stable and refining charges (RC) moved within a range. China's refined copper output in September 2026 fell short of expectations, and October output is projected to decline further.
- ◆ Demand: China's refined copper apparent consumption in September 2026 is estimated to have fallen YoY, and downstream operating rates are likely to retreat seasonally in October, with copper demand projected to weaken sequentially. Manufacturing conditions overseas continued to diverge, leaving demand expectations relatively neutral.
- ◆ Trade: In September 2026, the import window for SHFE copper spot reopened, and the current domestic–overseas price spread favors imports. The COMEX–LME copper price spread drifted lower amid volatility, and expectations of a US refined copper tariff have not been dispelled.
- ◆ Inventory: In September 2026, inventories across the three major exchanges declined, with SHFE stocks falling while COMEX and LME inventories continued to rise. Bonded-zone inventories declined, and total inventories fell MoM. Chinese inventories are projected to pick up in October, while overseas inventory changes remain uncertain.
- ◆ Outlook: Into October, China's refined copper output is projected to fall further and demand to retreat seasonally, leaving supply in a slight surplus. Overseas demand expectations are relatively neutral, and the supply–demand balance still hinges on shifts in expectations about US tariffs on refined copper. On the macro front, the Middle East conflict has cooled over the near term but the risk of escalation over the medium term persists, major overseas central banks may keep monetary policy relatively tight, and domestic asset prices remain weak, weighing further on sentiment. On the fundamentals, copper raw-material supply remains tight, and refined copper supply and demand is subject to shifts in US tariff expectations, though expectations of tighter conditions at the margin have eased; the midpoint of copper's price range or its peak may drift lower this month. Reference range for the SHFE copper main contract: CNY105,000–112,000/t; for LME 3M: USD13,600–14,800/t.

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

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	33.3	4.9	28.4	12.3	(5.3)	8.0	(0.2)	4.7	1.0	147.4	6.0%	844.2		4.3%
Jul	112.8	28.0	3.5	24.5	6.9	(5.4)	5.6	(2.4)	2.9	(1.8)	146.9	5.5%	991.1		4.5%
Aug	114.7	25.0	5.0	20.0	7.2	0.3	3.8	(1.8)	3.3	0.4	135.8	-4.8%	1126.9		3.3%
Sep	112.1			22.0	3.9	(3.3)	3.5	(0.3)	1.9	(1.4)	139.1	-3.6%	1266.0		2.5%
Oct	108.5			22.0							128.0	-0.6%			



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Spot & Futures Markets

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



Sources: Wenhua, Minmetals Futures

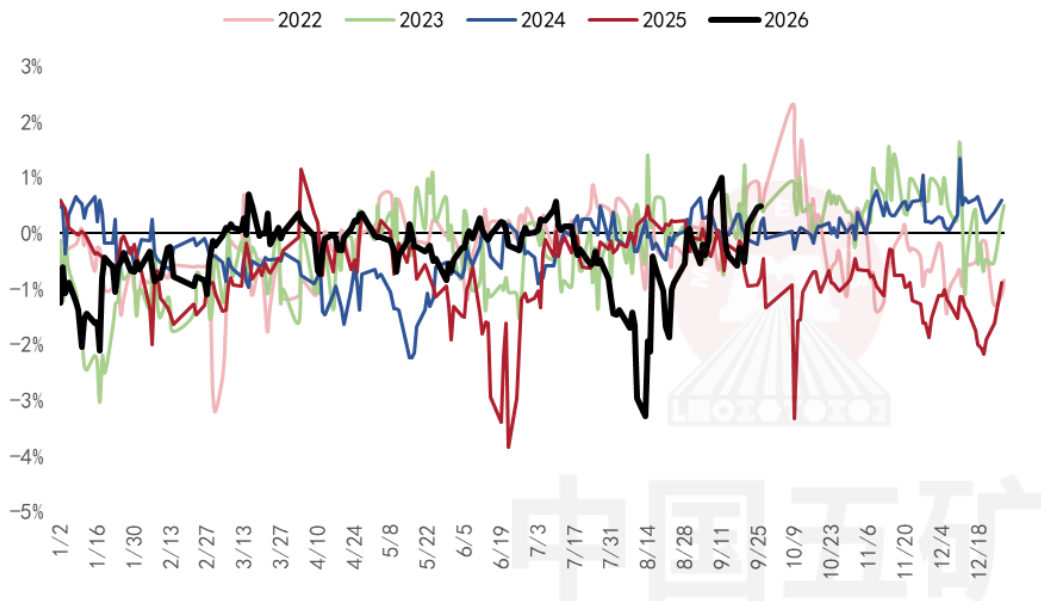
Figure 2: LME 3M Copper Price Trend (USD/t)



Sources: Wenhua, Minmetals Futures

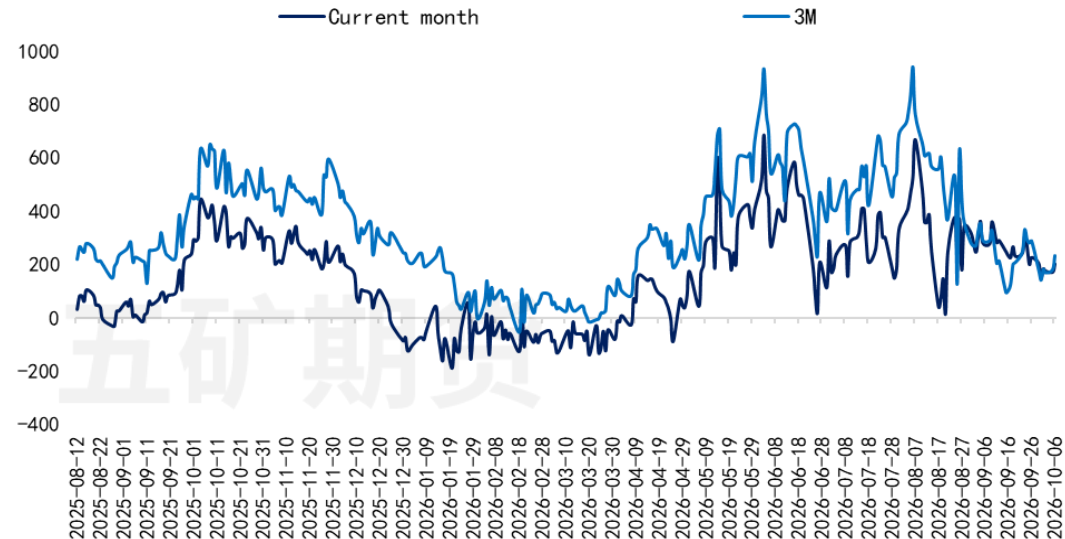
- In September 2026, copper prices swung widely: rising disruption to copper mine supply and the drawdown of already-low Chinese inventories briefly lifted prices to a record high, before the US shelving of refined copper tariffs pulled them back. Over the month, the SHFE copper main contract rose 0.53% and the LME 3M contract gained 0.84%. Copper prices spiked and then retreated in early October.

Figure 3: China Electrolytic Copper Import Profit/Loss Ratio



Sources: WIND, SMM, Minmetals Futures

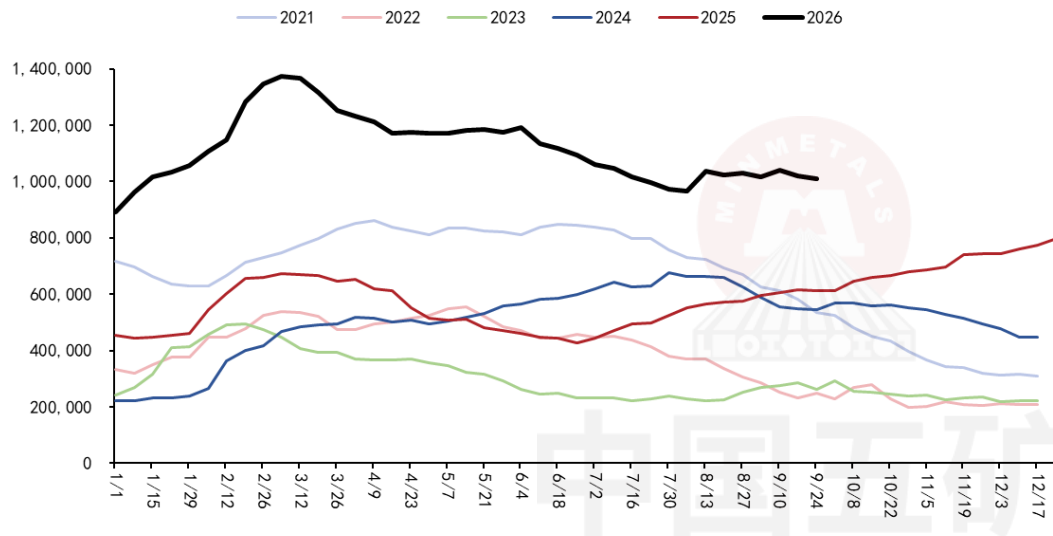
Figure 4: COMEX Copper vs LME Copper Price Spread (USD/t)



Sources: SMM, Minmetals Futures

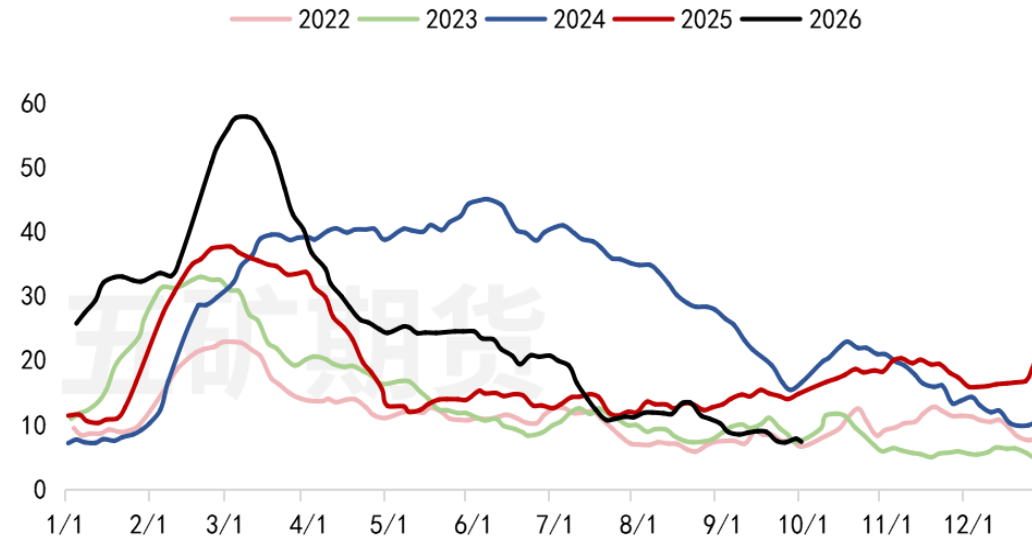
- In September 2026, the import window for SHFE copper spot reopened. The COMEX–LME copper price spread drifted lower during the month but stayed positive; although news that the White House has shelved copper tariffs for now narrowed the spread, expectations of a refined copper tariff have not been dispelled.

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



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

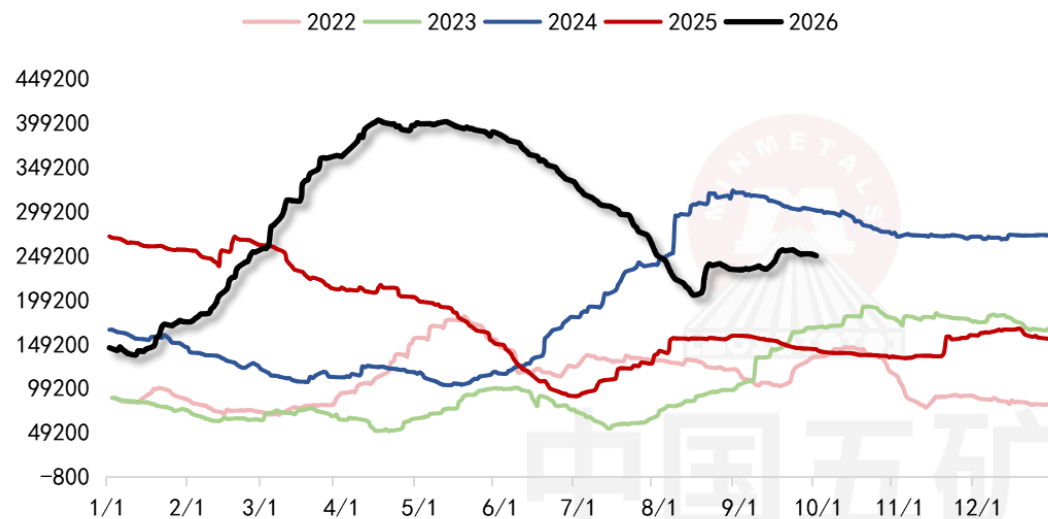
Figure 6: China Electrolytic Copper Social Inventory (10,000 t)



Sources: SMM, Minmetals Futures

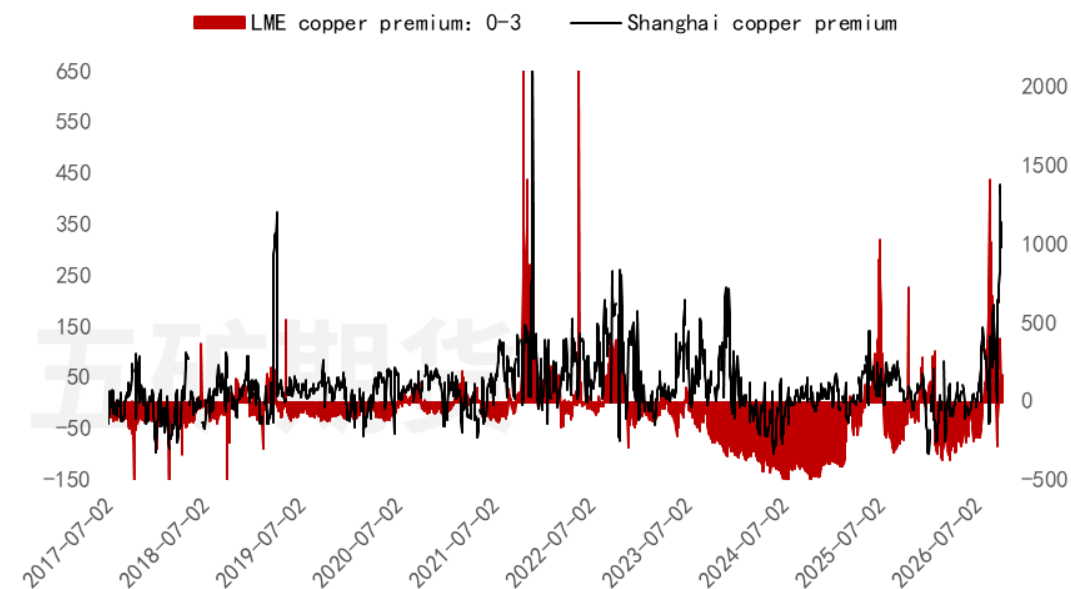
- As of end-September, inventories at the three exchanges plus the Shanghai bonded zone stood at about 1.0090 million tonnes, down 15,000 t from end-August, with the structural imbalance in inventories still in place (COMEX accounts for a high share, about 69.5%). China's copper inventories declined during the month: exchange inventories stood at about 39,000 t at end-September, down about 33,000 t from end-August, while off-exchange inventories were about 35,000 t, down 3,000 t from end-August. Bonded-zone inventories declined, reaching an absolute level of about 19,000 t at end-September, down 14,000 t from end-August.

Figure 7: LME Copper Inventory (t)



Sources: WIND, Minmetals Futures

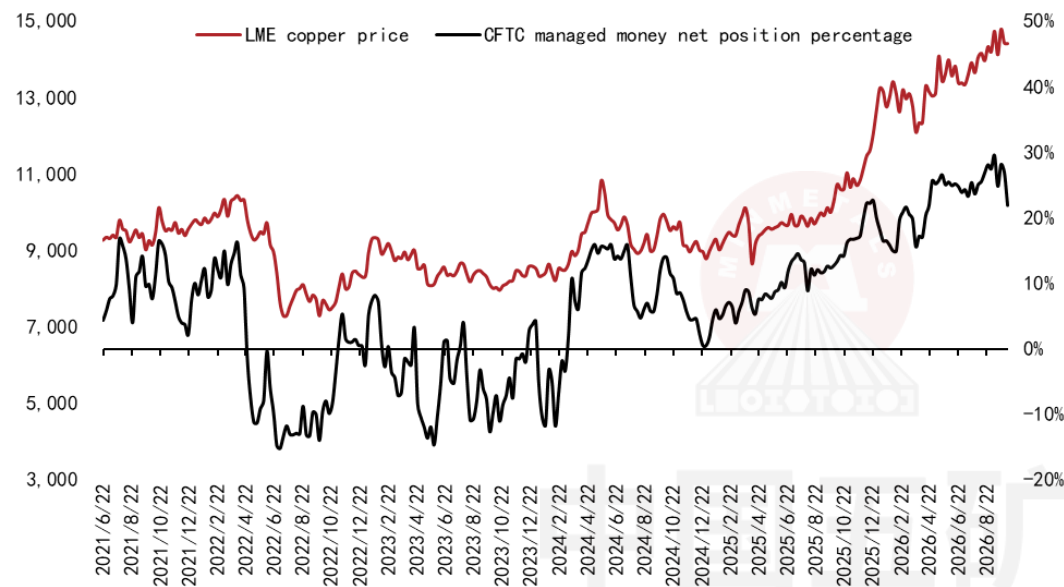
Figure 8: Domestic and Overseas Copper Basis (USD/t, CNY/t)



Sources: LME, WIND, Minmetals Futures

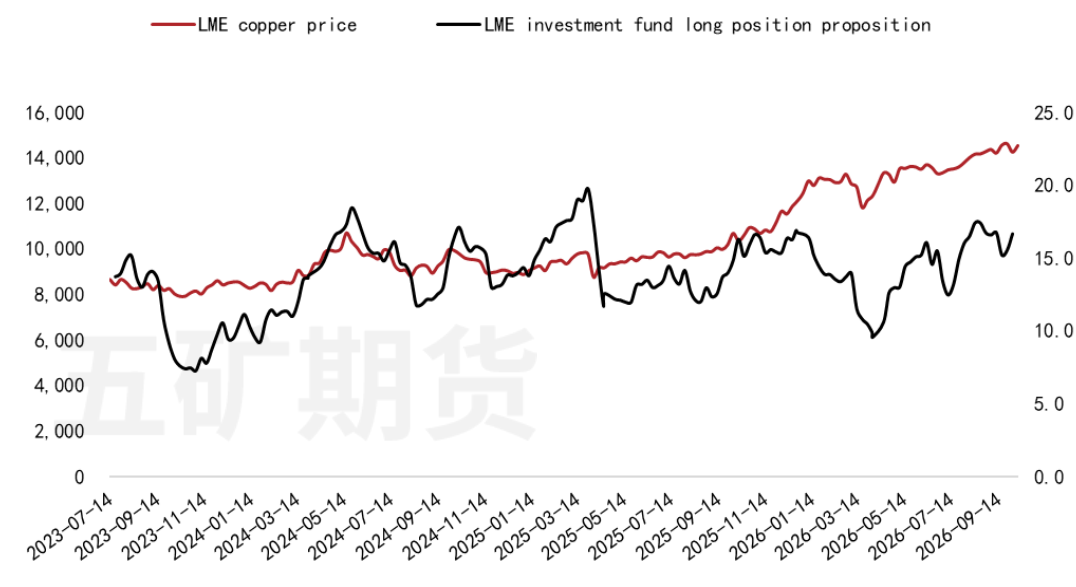
- LME copper inventories rose in September, ending the month at about 249,000 t, up 15,000 t from end-August, with Asian and European inventories declining and North American inventories rising; LME North American inventories currently stand at about 127,000 t. COMEX copper inventories continued to rise, reaching about 701,000 t at end-September, up 20,000 t from end-August.
- On the basis side, the LME Cash/3M premium retreated in September 2026; the domestic basis firmed, with spot in East China trading at a premium of about CNY975/t to futures at end-September.

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



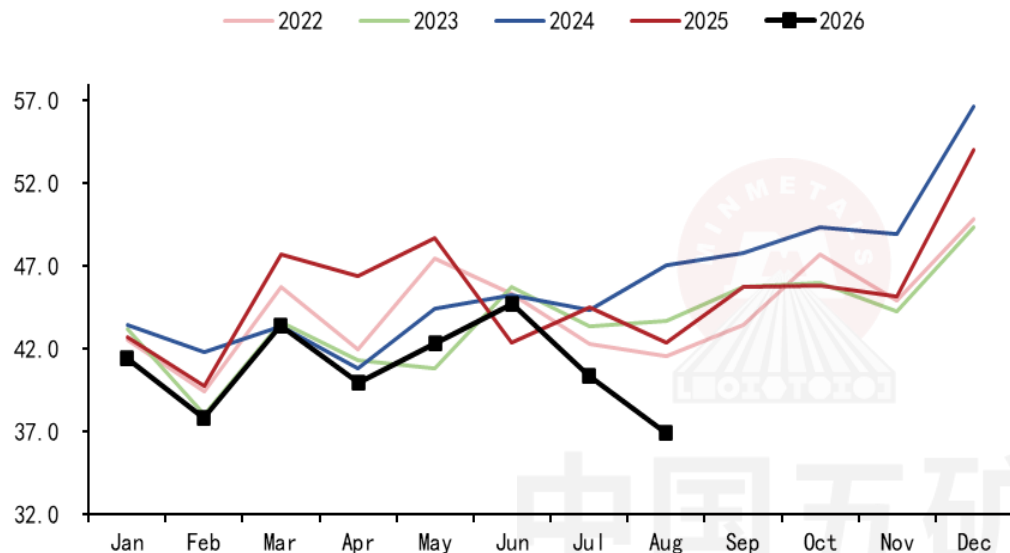
Sources: WIND, Minmetals Futures

- As of end-September 2026, CFTC fund positions stayed net long, with the net-long ratio drifting lower; the LME investment fund long-position share retreated, and speculative bullish sentiment cooled.
- Looking into October, market sentiment will be driven mainly by the macro backdrop, US tariff expectations, demand expectations and shifts in raw-material supply and demand.

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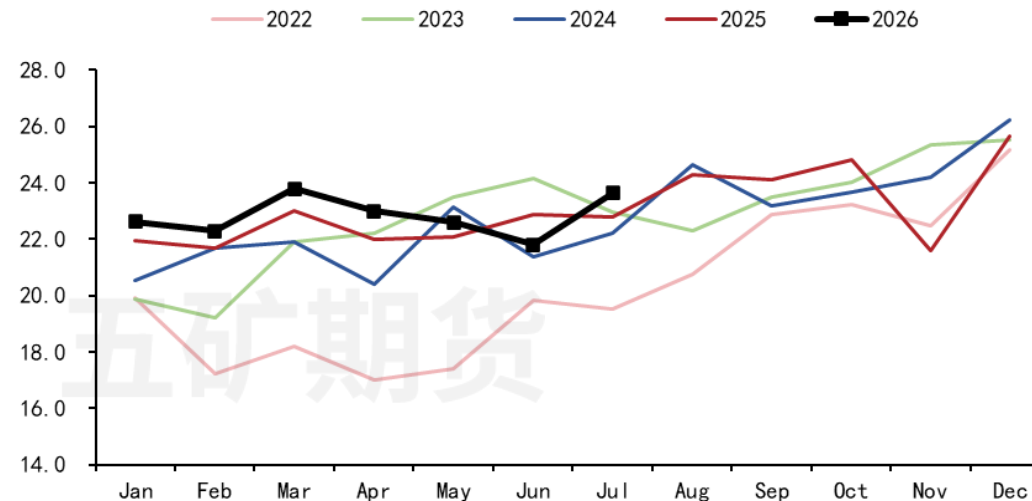
Supply and Demand Analysis

Figure 11: Chile Copper Output (10,000 t)



Sources: Chilean statistics bureau, Minmetals Futures

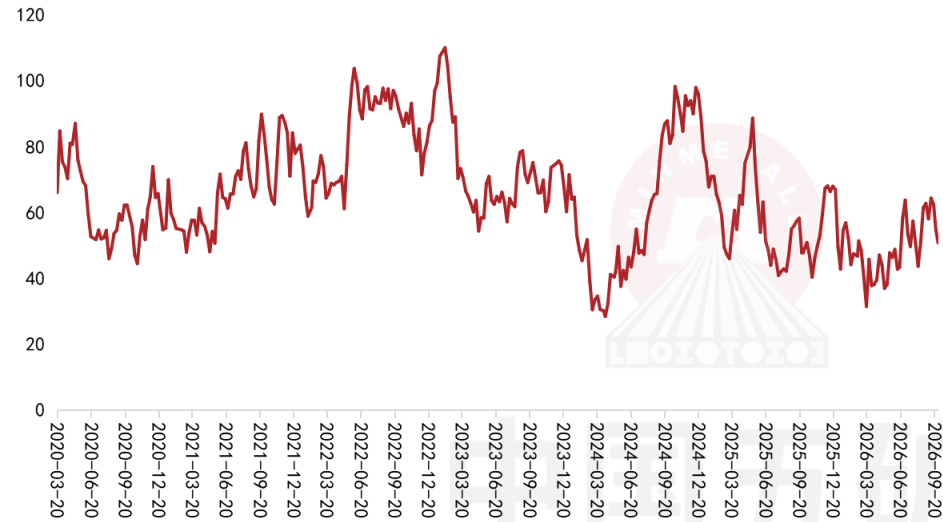
Figure 12: Peru Copper Output (10,000 t)



Sources: Peruvian Mining Ministry, Minmetals Futures

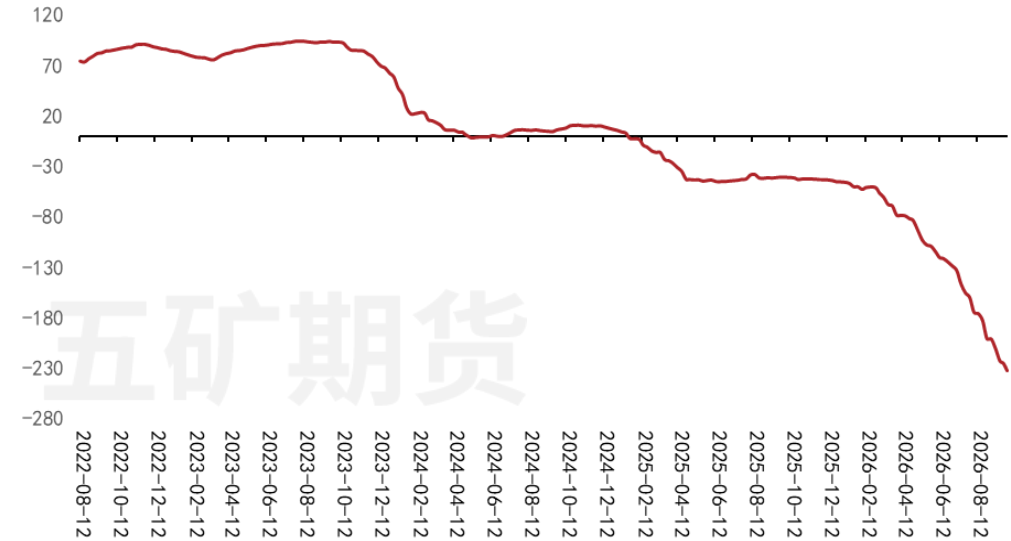
- Chilean copper output continued to fall in August, down 12.8% YoY — an absolute decline of about 55,000 t — as the impact of abnormal storms continued to disrupt copper mine mining and processing. At the same time, falling ore grades also weighed on output. Peru's copper mine output swung into YoY growth in July and rose markedly MoM. The El Niño index continues to climb, and its disruption to mining production and transport in South America should not be overlooked.

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



Sources: IFIND, Minmetals Futures

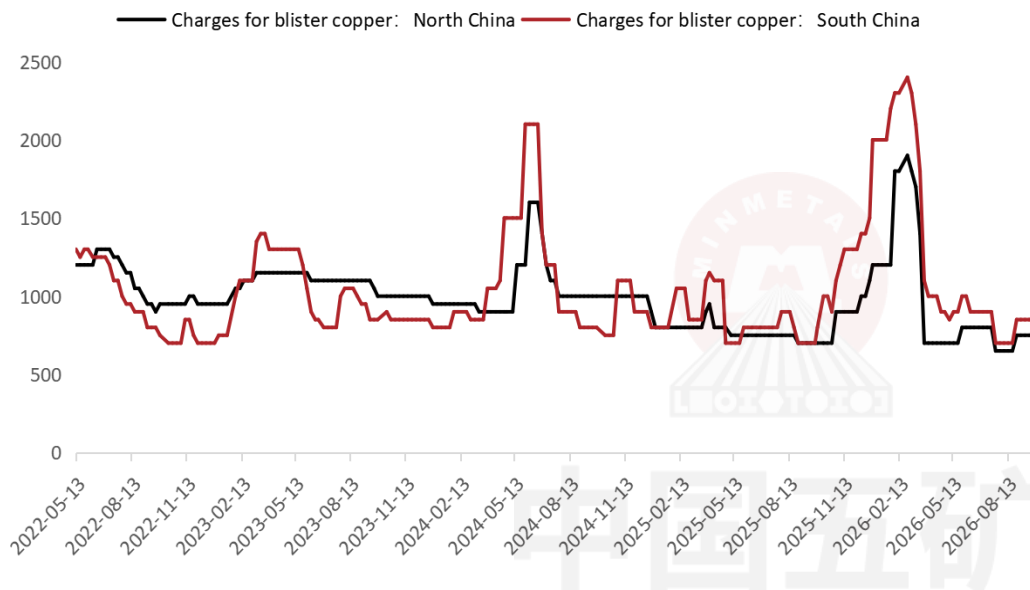
Figure 14: Imported Copper Concentrate TC Index



Sources: SMM, Minmetals Futures

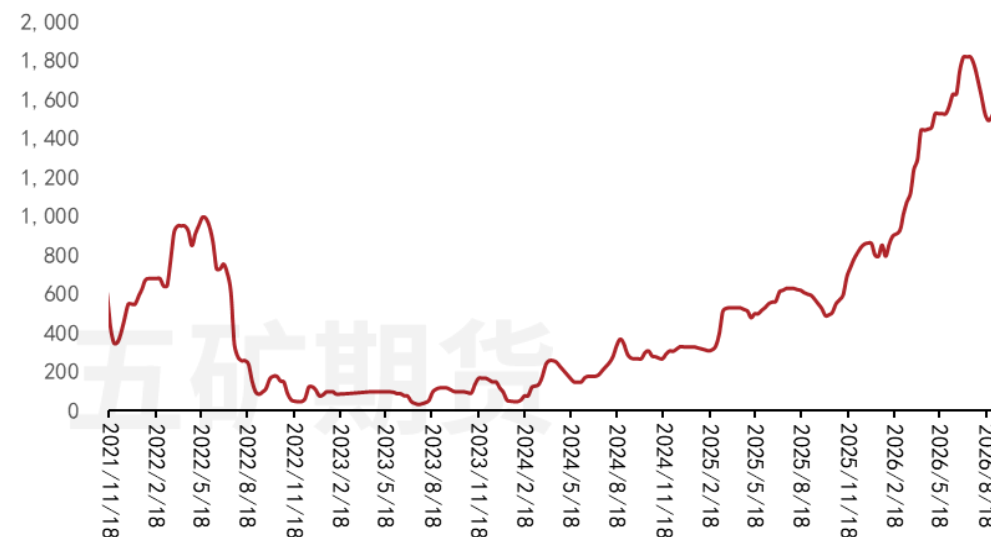
- Copper concentrate inventories at China's major ports moved in a range in September, with no trend change in spot port supply. On treatment charges, the imported copper concentrate spot TC index kept falling in September 2026, standing at -231.7 at end-September — the lowest on record.

Figure 15: Blister Copper Refining Charges (CNY/t, USD/t)



Sources: SMM, Minmetals Futures

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



Sources: WIND, Minmetals Futures

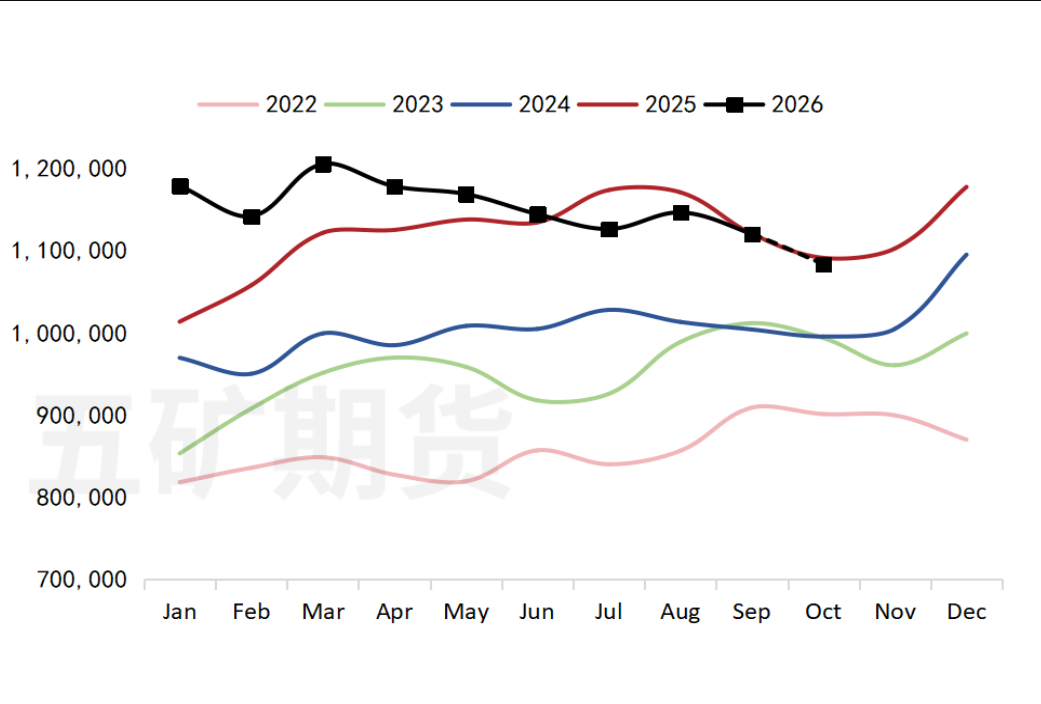
- In September 2026, domestic blister copper refining charges (RC) moved within a low range and scrap and secondary feed supply held broadly steady. Prices for sulphuric acid, the smelting by-product, moved in a range across mainstream domestic regions, contributing positively to smelting revenue.

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

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	40	40	Jun	Aug
15	20	20	Jul	Jul
16	15	15	Aug	Aug
17	40	40	Sep	Nov
18	24	24	Oct	Oct
19	40	50	Oct	Oct
20	50	50	Oct	Oct
21	50	50	Oct	Dec
22	30	40	Nov	Nov
23	50	100	Nov	Nov
24	15	15	Nov	Dec

Sources: MYSTEEL, SMM, Baiinfo, Minmetals Futures

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

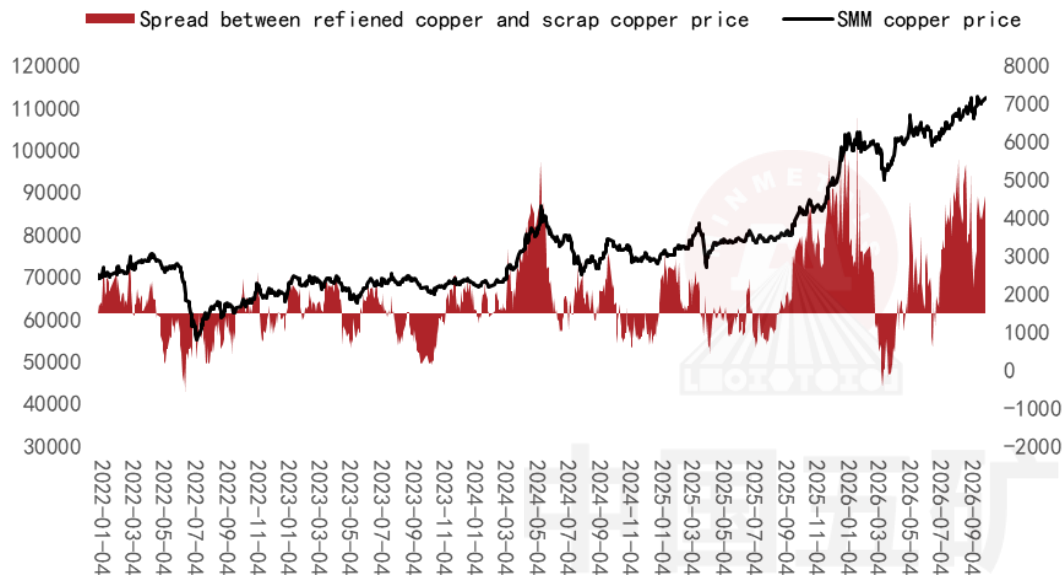


Sources: SMM, Minmetals Futures

- In September, the impact of maintenance at Chinese copper smelters exceeded expectations, with refined copper output falling MoM and edging down YoY. Looking into October, maintenance effects persist, scrap and secondary feed supply remains relatively tight, and refined copper output is projected to decline MoM and stay at a low level for the year.

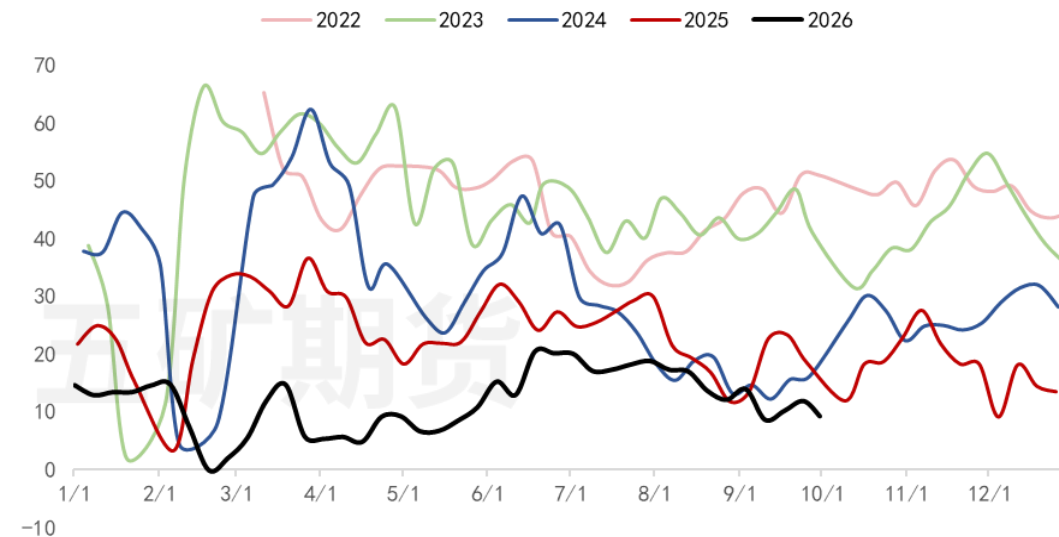
Supply – Recycled Copper

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



Sources: SMM, WIND, Minmetals Futures

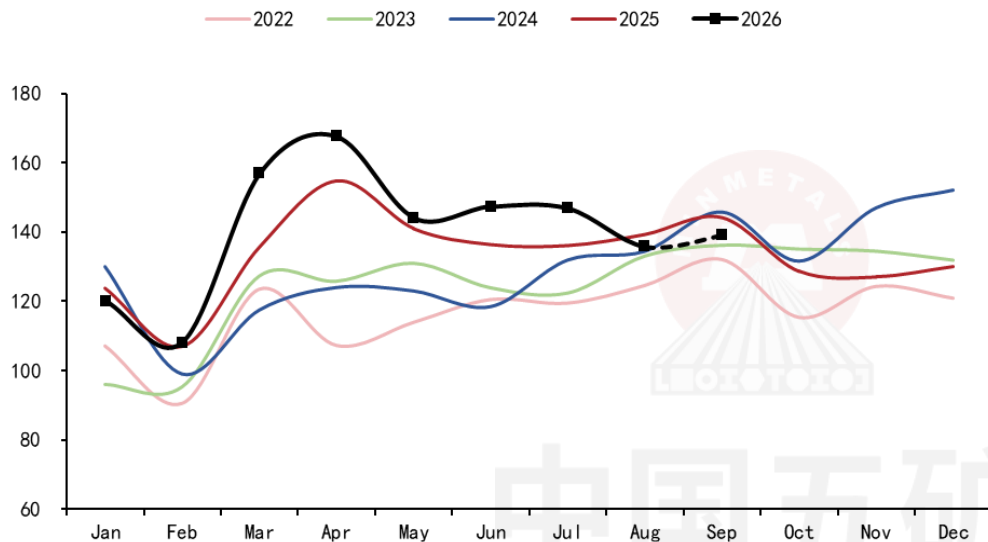
Figure 20: China Recycled Copper Rod Enterprise Weekly Operating Rate



Sources: SMM, Minmetals Futures

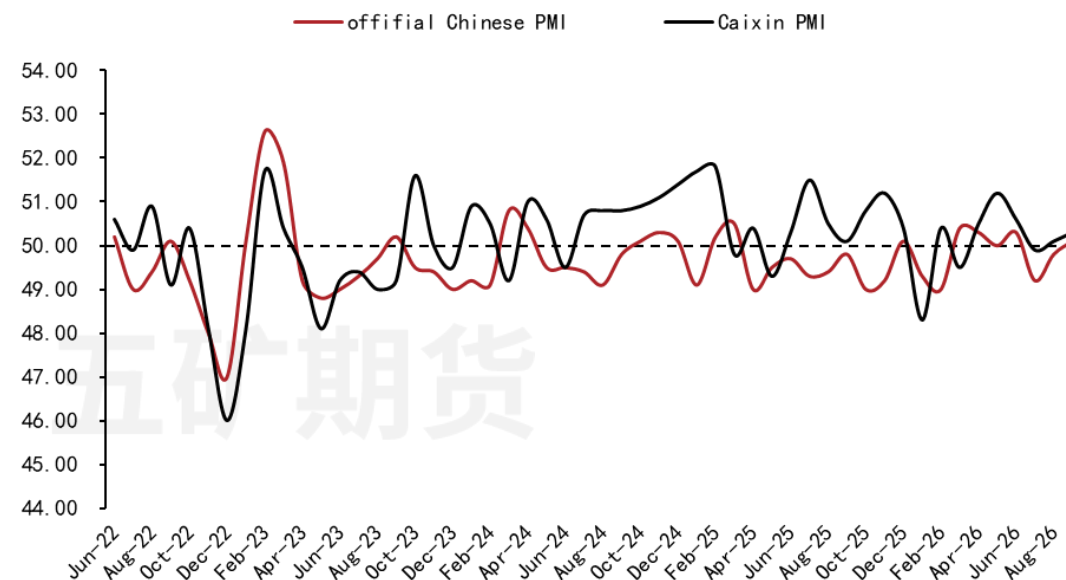
- In September 2026, the average domestic refined–scrap copper spread was about CNY3,625/t, narrowing MoM, as copper scrap feedstock supply stayed tight amid policy disruption and the spread contracted at the margin. Recycled copper rod producers' operating rate hovered at a low level in September, with direct scrap substitution staying at a low level.

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



Sources: Customs, SMM, MYMETAL, Minmetals Futures

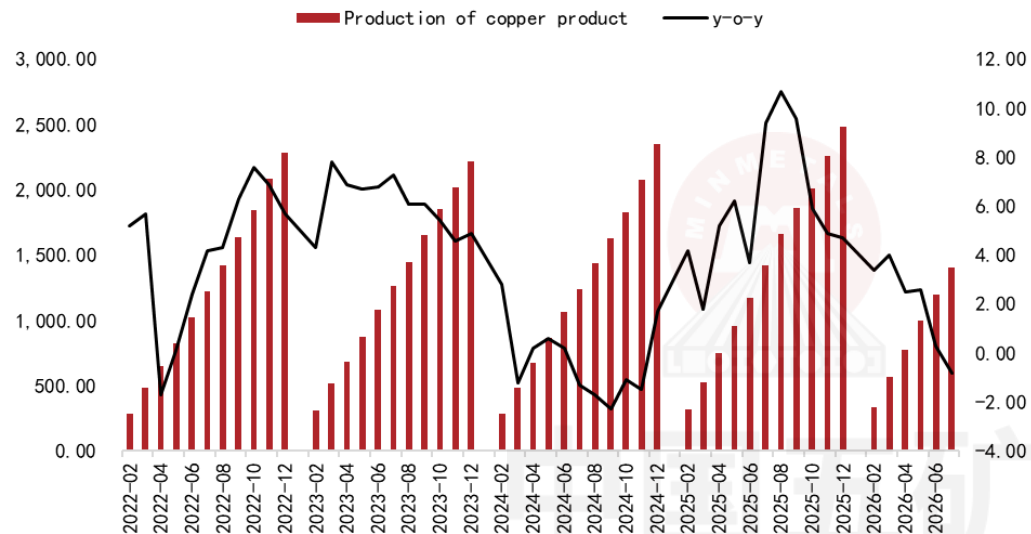
Figure 22: China Manufacturing PMI



Sources: WIND, Minmetals Futures

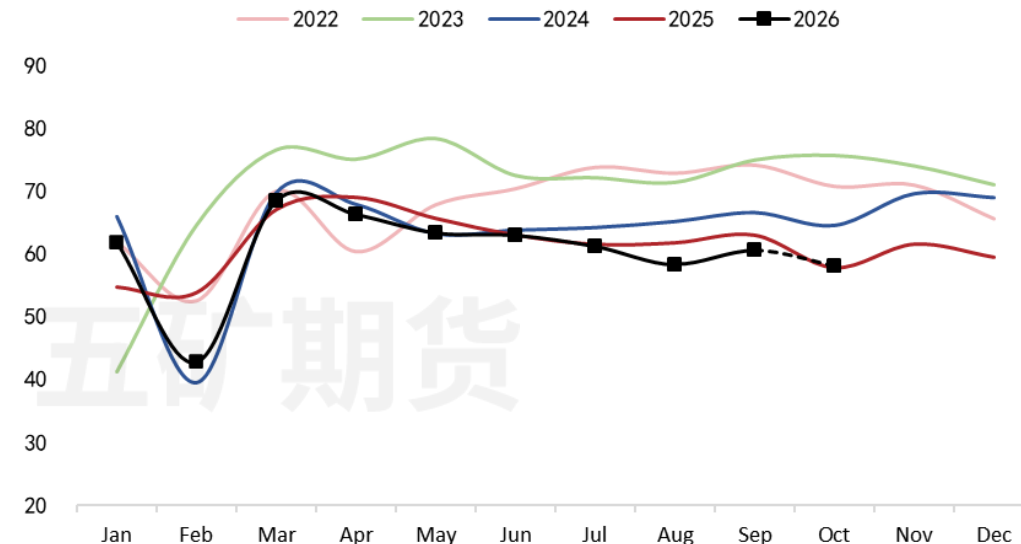
- Assuming net imports held steady MoM, China's refined copper apparent consumption in September is estimated at 1.3910 million t, down about 3.5% YoY; cumulative apparent consumption over January–September 2026 reached about 12.6580 million t, up 2.5% YoY. On economic leading indicators, China's official manufacturing PMI and the RatingDog manufacturing PMI both rebounded in September 2026, with manufacturing returning to moderate expansion.

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



Sources: WIND, Minmetals Futures

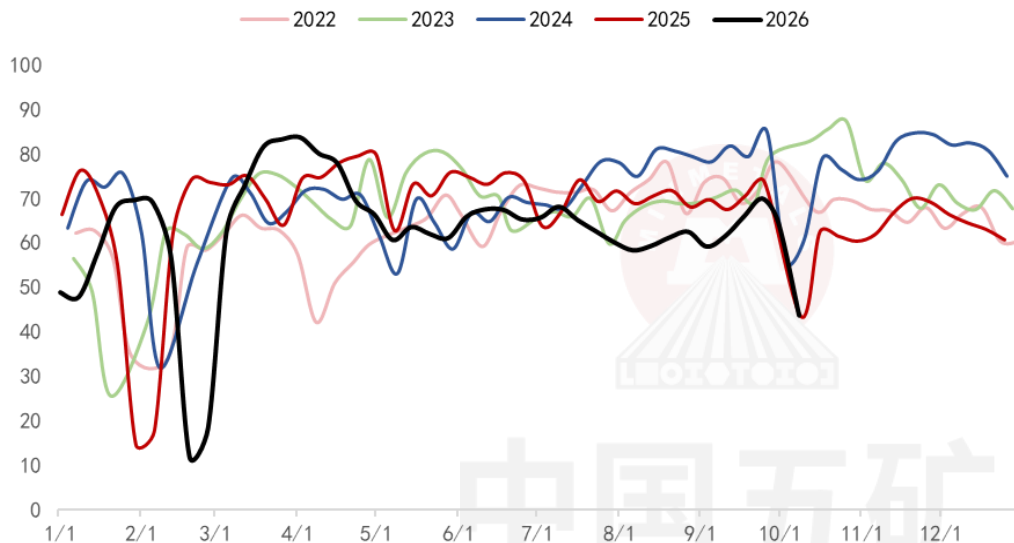
Figure 24: China Copper Products Enterprise Average Operating Rate (%)



Sources: SMM, Minmetals Futures

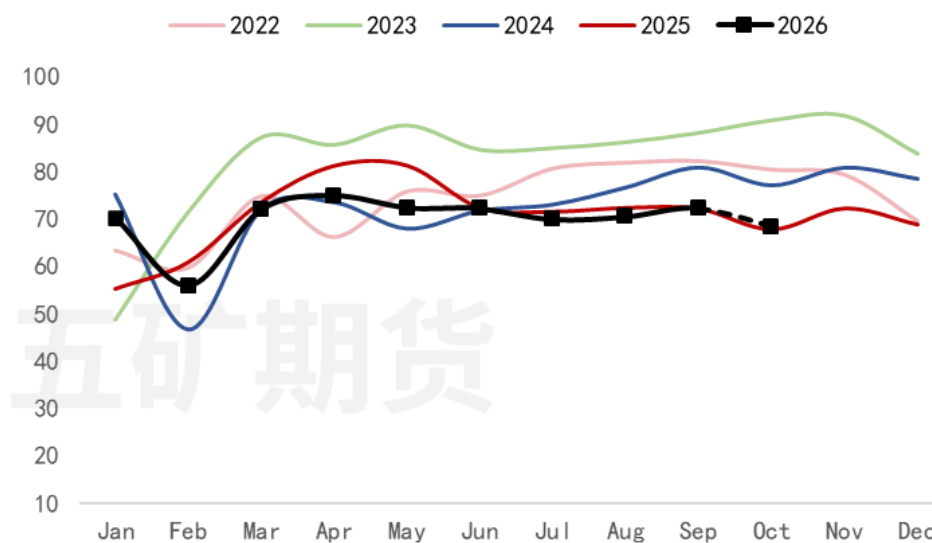
- China's copper product output fell about 1.8% YoY on a cumulative basis over January–August 2026, decelerating from the January–July pace. Per SMM, the average copper product operating rate picked up in September 2026, and the October rate is projected to retreat.

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



Sources: SMM, Minmetals Futures

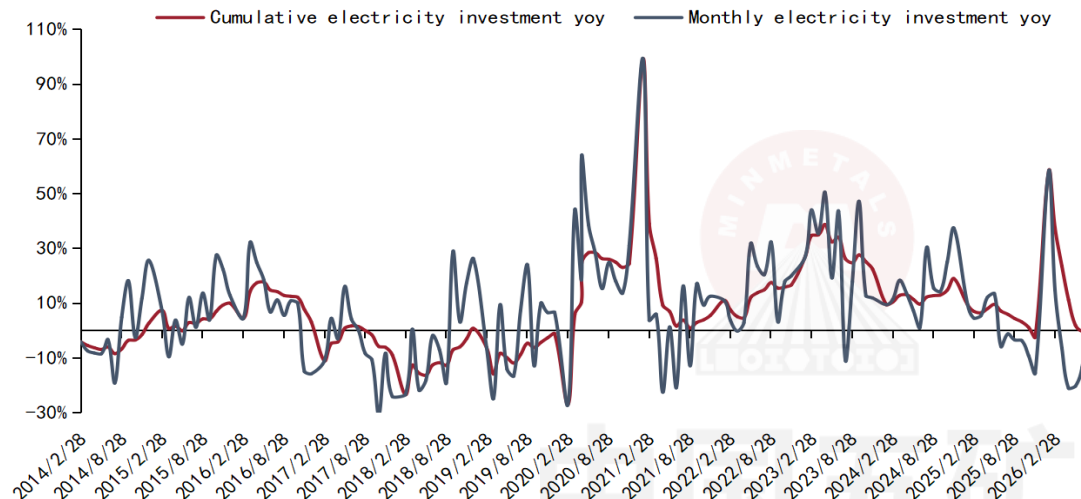
Figure 26: China Wire & Cable Producer Operating Rate (%)



Sources: SMM, Minmetals Futures

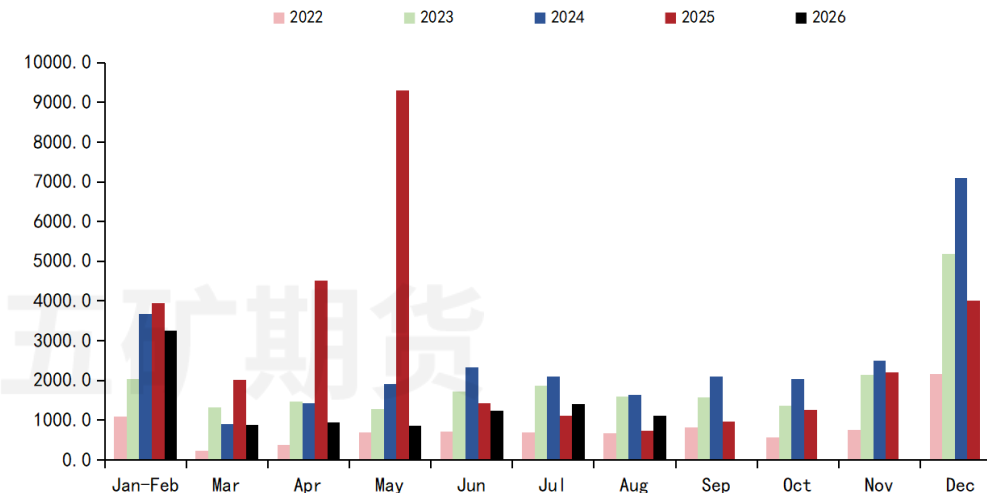
- China's refined copper rod producers' operating rate trended higher amid volatility in September 2026, with the average rate below the year-ago level. Domestic wire and cable producers' operating rate rose during the month, marginally short of expectations, and the October rate is projected to retreat.

Figure 27: Domestic Power + Grid Investment YoY Growth Rate



Sources: NEA, Minmetals Futures

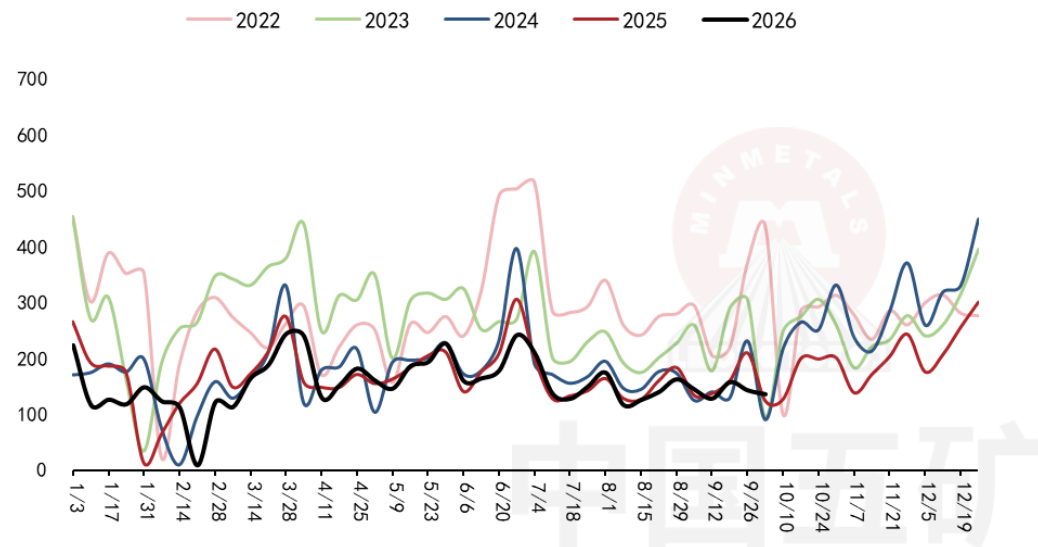
Figure 28: Photovoltaic New Installed Capacity (10 MW)



Sources: NEA, Minmetals Futures

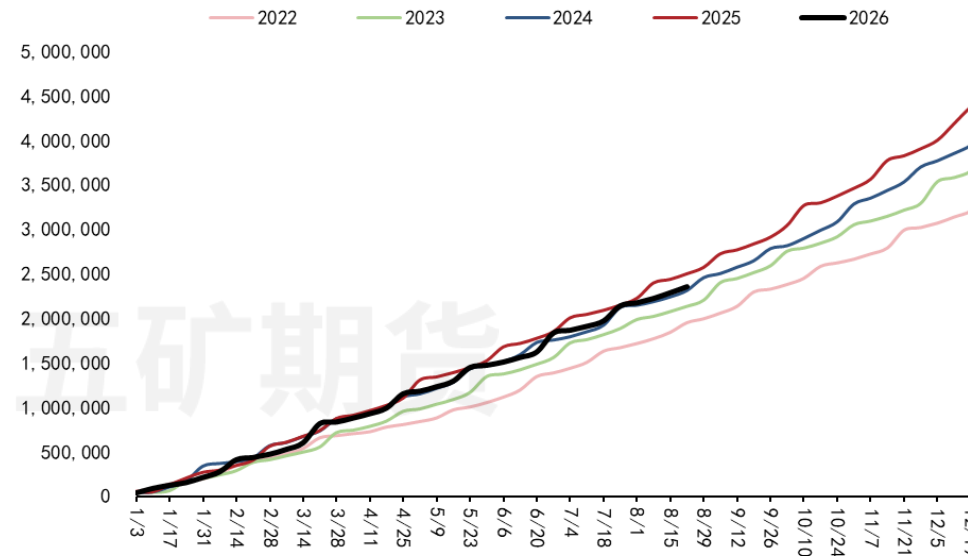
- On the downstream side, power investment (generation plus grid) in August 2026 swung back to YoY growth, with grid investment posting a considerable increase; new PV installations declined MoM while extending YoY growth, and new wind installations also extended YoY growth while declining MoM.

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



Sources: WIND, Minmetals Futures

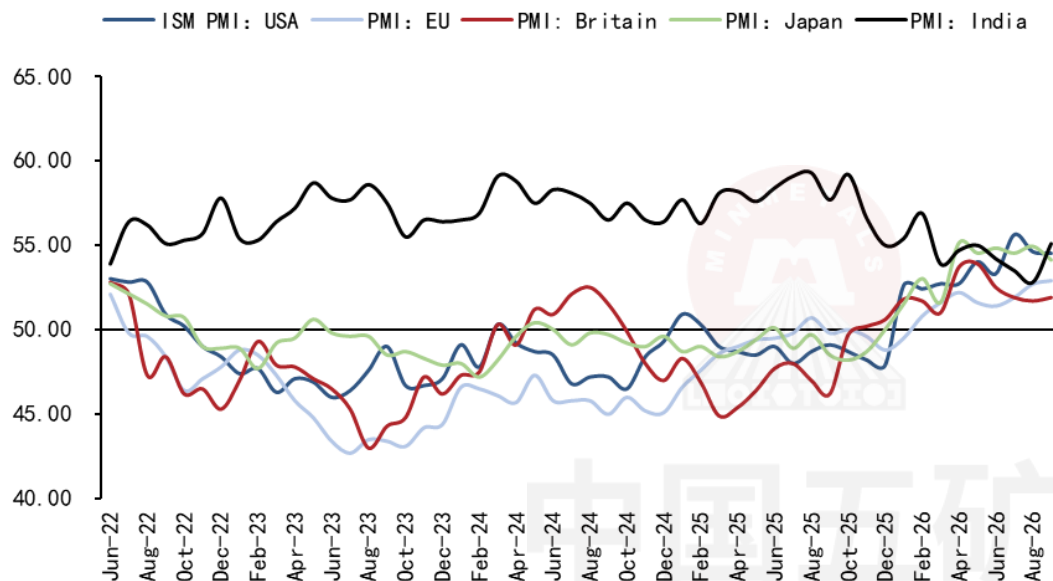
Figure 30: Passenger Vehicle Weekly Sales: Manufacturer Wholesale: Cumulative (units)



Sources: WIND, Minmetals Futures

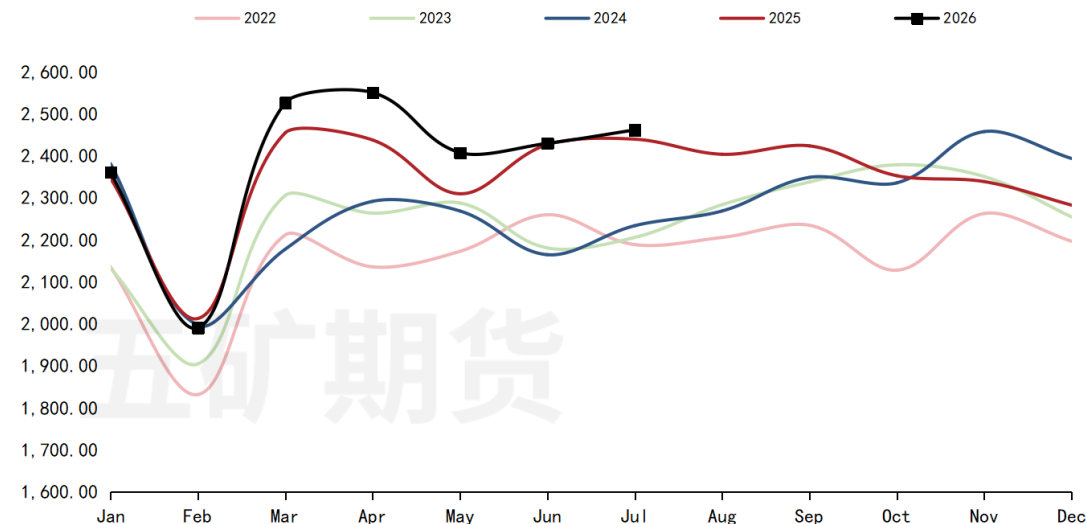
- High-frequency data show China's property transaction figures in September 2026 remained weaker than a year earlier. The Ministry of Finance rolled out a mortgage interest subsidy at end-September, although it targets mostly third- and fourth-tier cities, and the policy effect remains to be seen; September auto-sales high-frequency data stayed soft YoY.

Figure 31: Overseas Major Countries Manufacturing PMI



Sources: WIND, Minmetals Futures

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



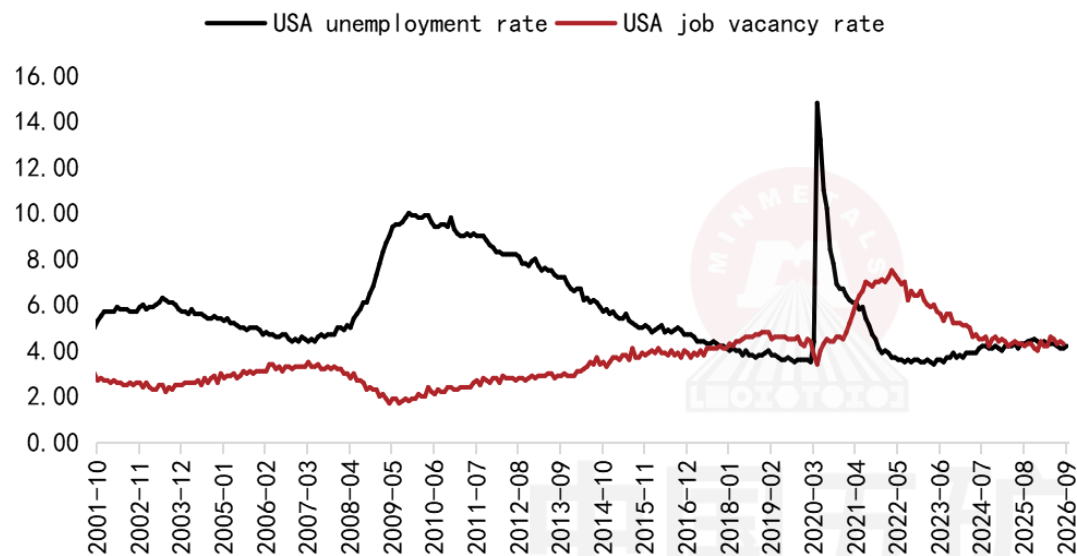
Sources: WIND, ICSG, Minmetals Futures

- In September 2026, manufacturing conditions across major overseas economies diverged: conditions in the eurozone, the UK and India improved, while those in the US and Japan weakened slightly. Per ICSG data, global refined copper consumption rose about 0.9% YoY in July 2026, with January–July global consumption up about 1.8%.

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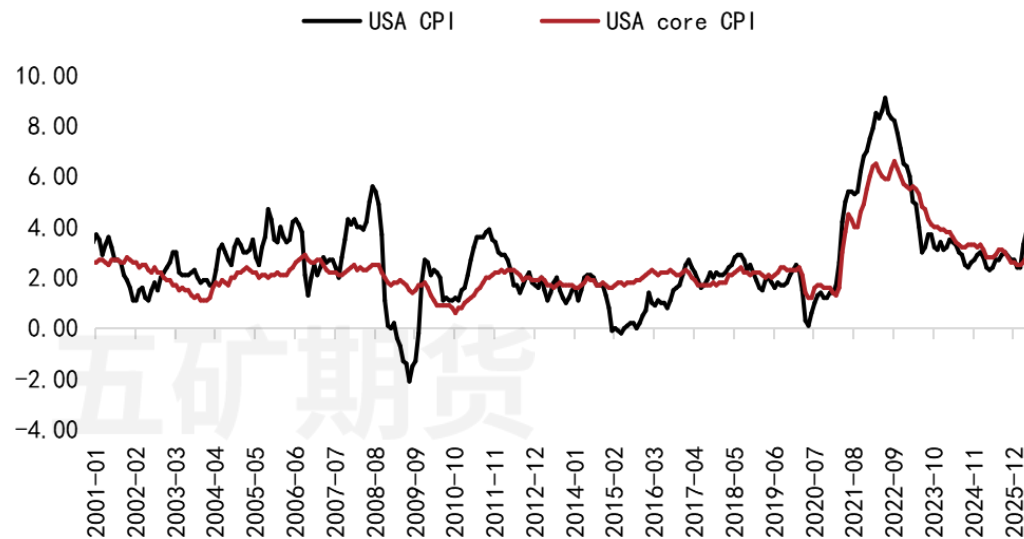
Macro Analysis

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



Sources: WIND, Minmetals Futures

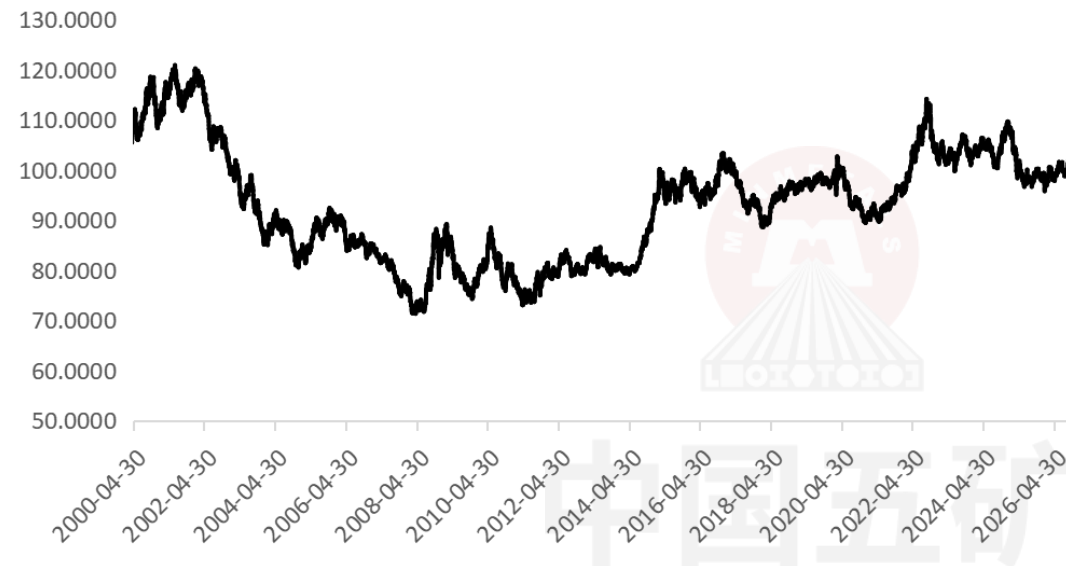
Figure 34: US Core CPI YoY & CPI YoY (%)



Sources: WIND, Minmetals Futures

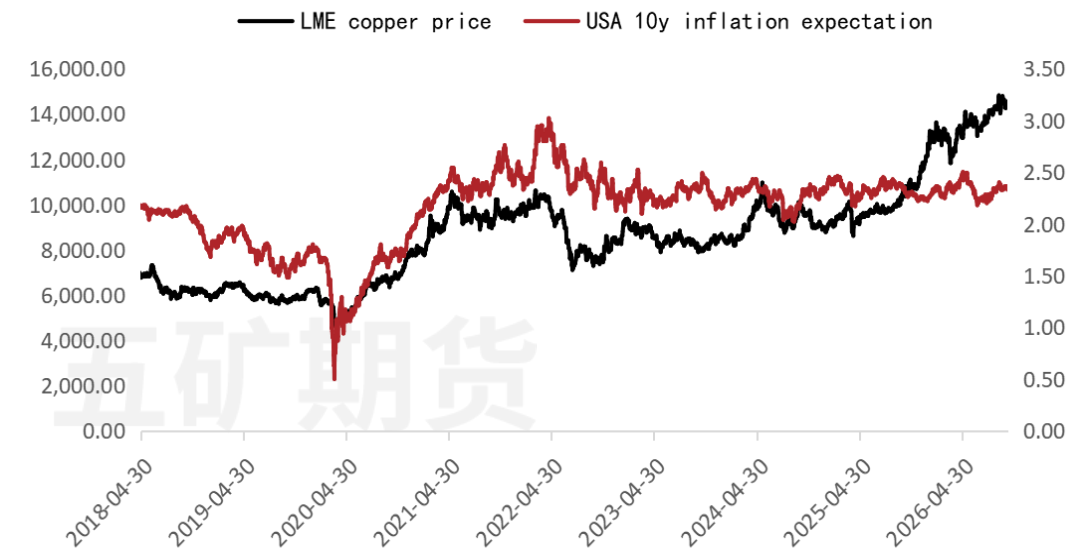
- Recent US inflation data did not exceed expectations, and labor market data remained weak. The market has clearly scaled back its bets on a rate hike at the October policy meeting, but further hikes remain possible this year and uncertainty persists.

Figure 35: USD Index



Sources: WIND, Minmetals Futures

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



Sources: WIND, Minmetals Futures

- The USD Index rebounded amid volatility in September 2026, and further Fed rate hikes may keep it trading with a firm bias. US 10-year inflation expectations moved in a range, and the odds still favor a downward move ahead: if geopolitical tensions are eased to hold down inflation expectations (a less likely outcome), that would be relatively supportive of copper prices; if the Fed pushes inflation expectations lower through rate hikes (a more likely outcome), that would be relatively negative for copper prices.

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