BLUGLANCE™

11-Sep-26

GLOBAL COPPER MARKET PULSE

Global Copper Market:

A product of Bluglance Consulting

Prices, Spreads, Premiums & Strategies

Daily Report

www.bluglance.com

Market Vibes: Current Environment

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Copper in Local Currencies

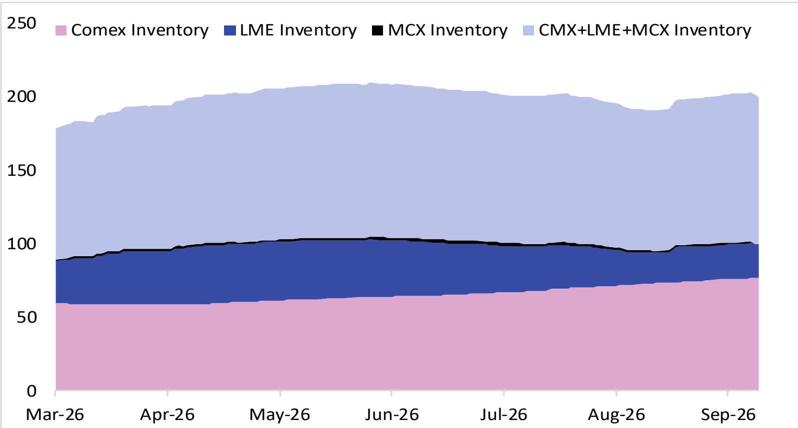
	10-Sep	09-Sep	% Change	YTD % Chg.
LME 3M	14234	14768	-3.62	14.57
CME	6.4670	6.8035	-4.95	12.70
MCX	1372.7	1424.5	-3.64	7.11
SHFE	111730	111120	0.55	13.80

Copper in US$ (Without Duty in MT)

	10-Sep	09-Sep	% Change	YTD % Chg
LME 3M	14234	14768	-3.62	14.57
CME	14257	14999	-4.95	12.70
MCX	14381	14978	-3.98	0.86
SHFE	16646	16569	0.47	18.51

Note: Prices Regional Exchange Closing Time

Comex vs LME Global Inventory (‘000 MT)



Exchange Inventory

Exchange Inventory (MT)					
LME	10-Sep	09-Sep	Change	MTD Chg.	YTD Chg.
	234750	235825	-1075	475	87325
CME	10-Sep	09-Sep	Change	MTD Chg.	YTD Chg.
	767664	767495	169	8775	276942
MCX	09-Sep	08-Sep	Change	MTD Chg.	YTD Chg.
	11127	11382	-255	-2924	8452
SHFE	04-Sep	28-Aug	Change	MTD Chg.	YTD Chg.
	63000	72428	-9428	-9428	-82342
Total	1076541	1087130	-10589	-3102	290377

Copper Arbitrage Windows

Arbitrage Windows		
	Price	Import
Changjing Price	112530	112530
LME Spot	14222.85	
USDCNY	6.7122	95467
Import Cost (13%)	14319.99	109787
Arbitrage Ratio (LME vs SHFE)		**1.0250**

If the Arbitrage Ratio >1, imports are Profitable and the arbitrage window is open
If the Arbitrage Ratio < 1, imports are profitable and the arbitrage window is closed

Copper Corrects as U.S. Tariff Premium Unwinds. The news that the White House has not yet approved the proposed 15% tariff on refined copper imports, expected from 1 January 2027, triggered a sharp correction across global copper markets. COMEX copper fell nearly 5%, with similar weakness seen on the LME. Since the news emerged after Shanghai markets had closed, the impact was reflected in SHFE trading this morning.

Market Reacts to a Repricing of Expectations: Over the past three months, the market had priced in a high probability of tariff implementation. This led to massive imports of refined copper into the U.S., pushing COMEX inventories above 750,000 MT while tightening supplies elsewhere. These factors helped copper rally to a record high near $14,850/MT.

Market Structure Shifts: Following the news, copper corrected toward the $14,200/MT level. The LME Cash-to-3M spread moved from a backwardation of $40–50/MT into contango, while the CME-LME premium, previously around $150–200/MT, compressed to nearly flat. These developments indicate a rapid unwinding of the tariff-related premium.

$14,000 Remains a Key Support: In the near term, bullish momentum has weakened and profit-taking may continue. However, from both a technical and psychological perspective, $14,000/MT appears to be a strong support zone. A fresh catalyst will be needed for prices to resume their upward trend.

Fundamentals Remain Bullish: The latest development is not bearish for copper fundamentals. Mine supply remains constrained, treatment charges are still negative, and demand from power grids, electrification, AI infrastructure and data centres continues to grow. The underlying market remains structurally tight.

Indian Market Remains Supportive: MCX warehouse inventories have declined below 12,000 MT and are currently around 11,000 MT. MCX copper remains cheaper than import parity, encouraging physical demand and stock withdrawals. This tightening is also visible in nearby futures spreads.

BLUGLANCE Perspective: We view the current decline as a correction within an ongoing bull market rather than the beginning of a bear trend.

For the remainder of September, copper is likely to trade in a broader range of $13,800–14,600/MT, with $14,000–14,200/MT acting as strong support and $14,650–14,700/MT serving as key resistance levels.

Source: Bloomberg, Bluglance

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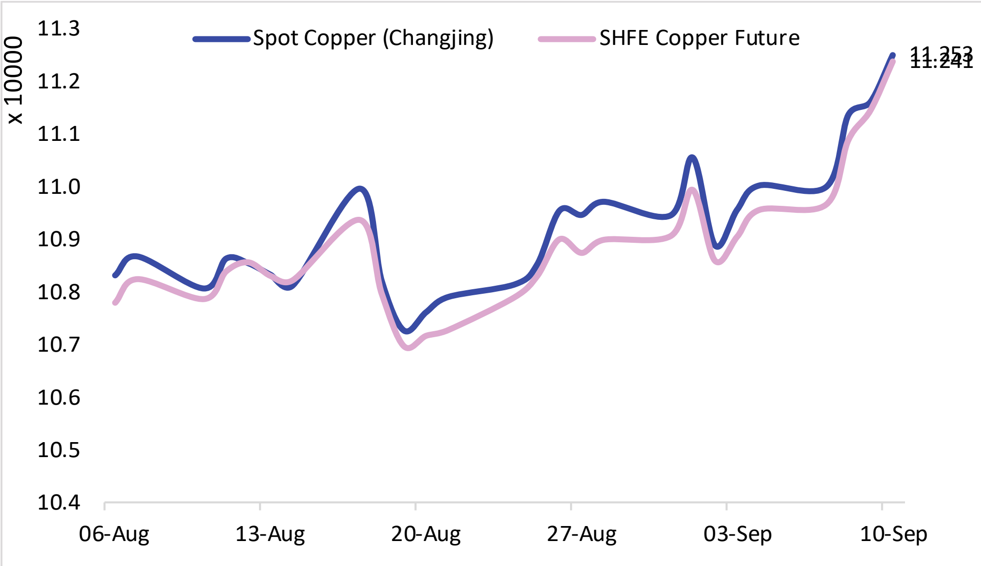
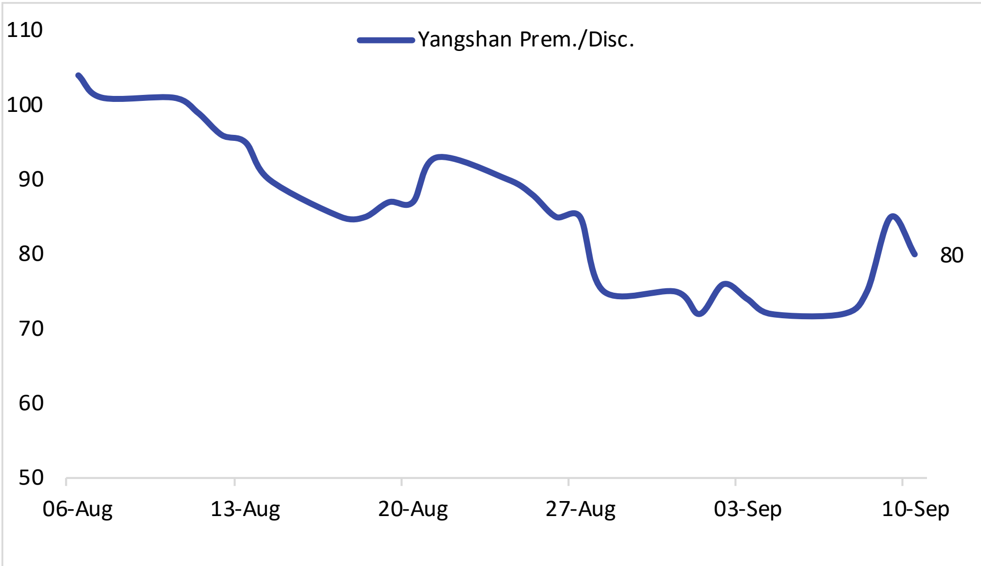
China Spot Copper Changjiang vs SHFE Copper Fut.



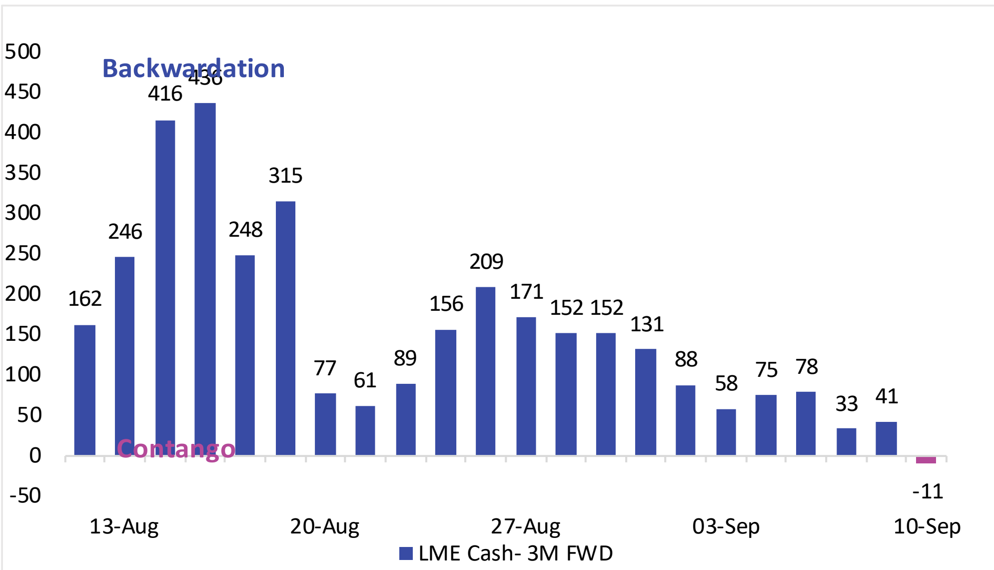
Shanghai spot copper continues to trade at a premium over SHFE futures, highlighting resilient physical demand despite record-high copper prices. The spot market has remained firm through August and early September, indicating that consumers are still actively securing nearby material.

Yangshan Copper Prem. / Disc. vs Spot LME Copper



The **Yangshan copper premium has recovered to the low-$80s/MT after falling from above $120/MT to the $70s/MT in August**, supported by improved Chinese import demand and continued inventory drawdowns. While the premium remains below recent highs, the rebound suggests that physical copper demand in China remains resilient despite the recent correction in global prices.

LME Cash - 3M FWD Spread



The LME Cash-to-3M spread has shifted from backwardation into contango, indicating that the immediate supply tightness seen in recent weeks has eased. With the nearby premium disappearing, LME Cash is now trading below the 3-Month contract and has become the preferred benchmark for physical pricing, reflecting a more balanced short-term market.

Source: Bloomberg, Bluglance

The Basis Brief: Spreads

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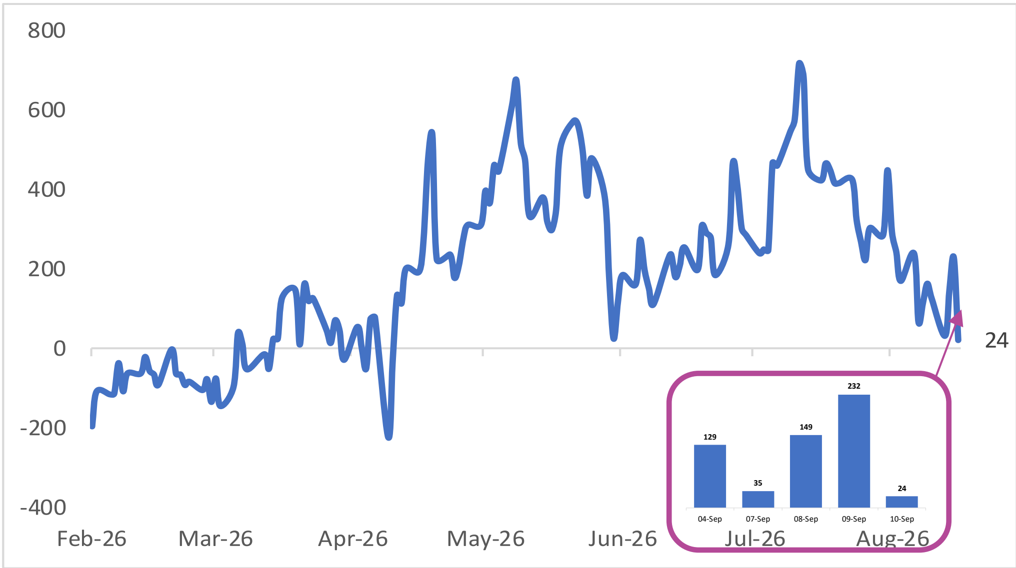
The CME-LME copper spread has narrowed sharply from peaks above $700/MT in July to nearly flat levels currently, reflecting the unwinding of the U.S. tariff-driven premium. The collapse in the arbitrage follows reports that the proposed U.S. refined copper tariff may be delayed, reducing the incentive to move metal into the U.S.

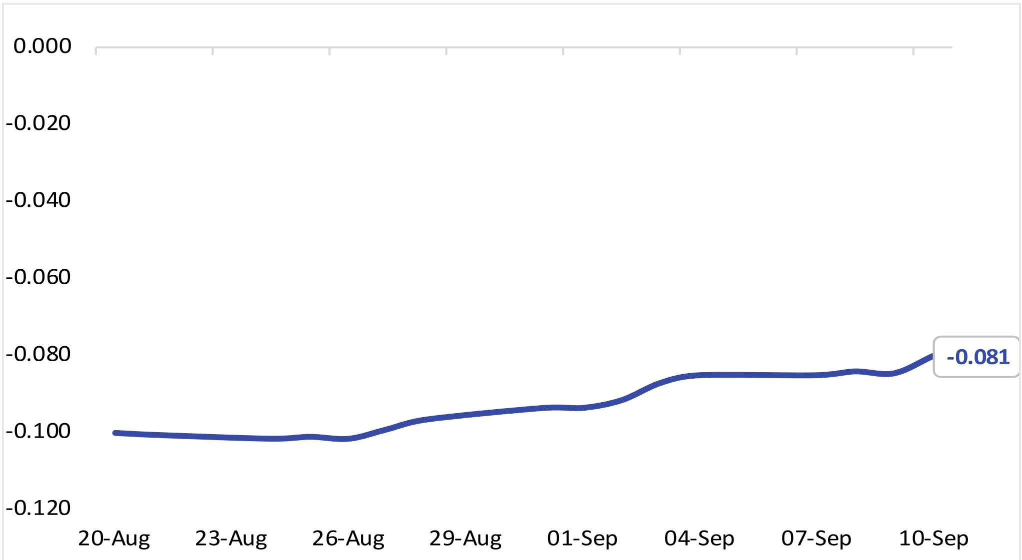
The normalization of the spread suggests that market distortions created by aggressive U.S. inventory accumulation are easing, with copper pricing increasingly returning to underlying global supply-demand fundamentals.

CME Near Month LME 3M Spread (US$/MT)



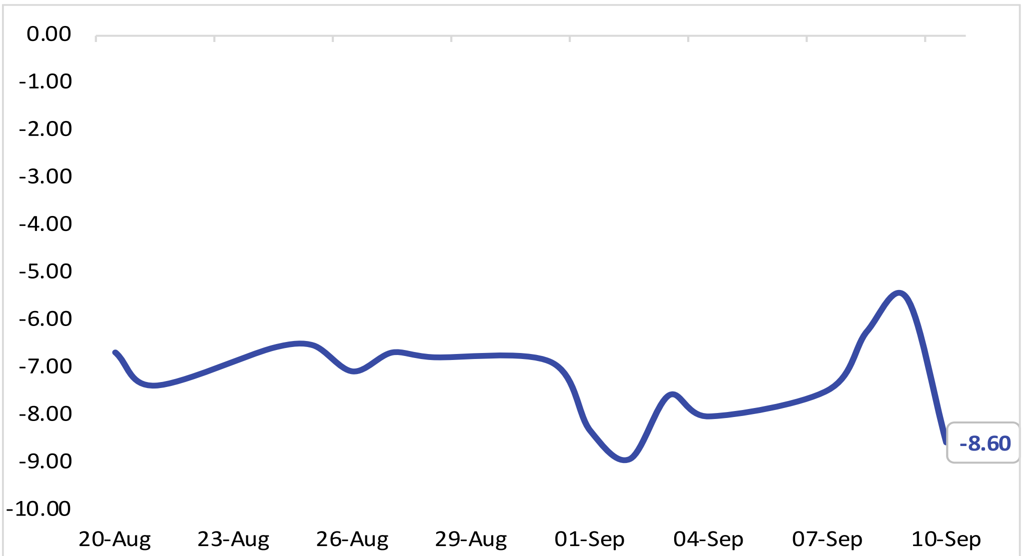
CME Calendar Spread is in the negative, but no major change yet however, believe as we now have to observe the inflow/outflow trend of copper stock at the exchange, the spread between near and next may get distorted.

CME Near-Next Spread (US$/lb)



MCX Calendar Spread is negative and hovering around a contango of Rs. 8 lower than the previous month's average amid MCX to LME parity distortions, and stocks have been declining.

MCX Near - Next Spread (Rs./Kg.)



Source: Bloomberg, Bluglance

+91-9167221247 commodity@bluglance.com Mumbai, Hyderabad & UAE

Trade Logic: Technical & COTR

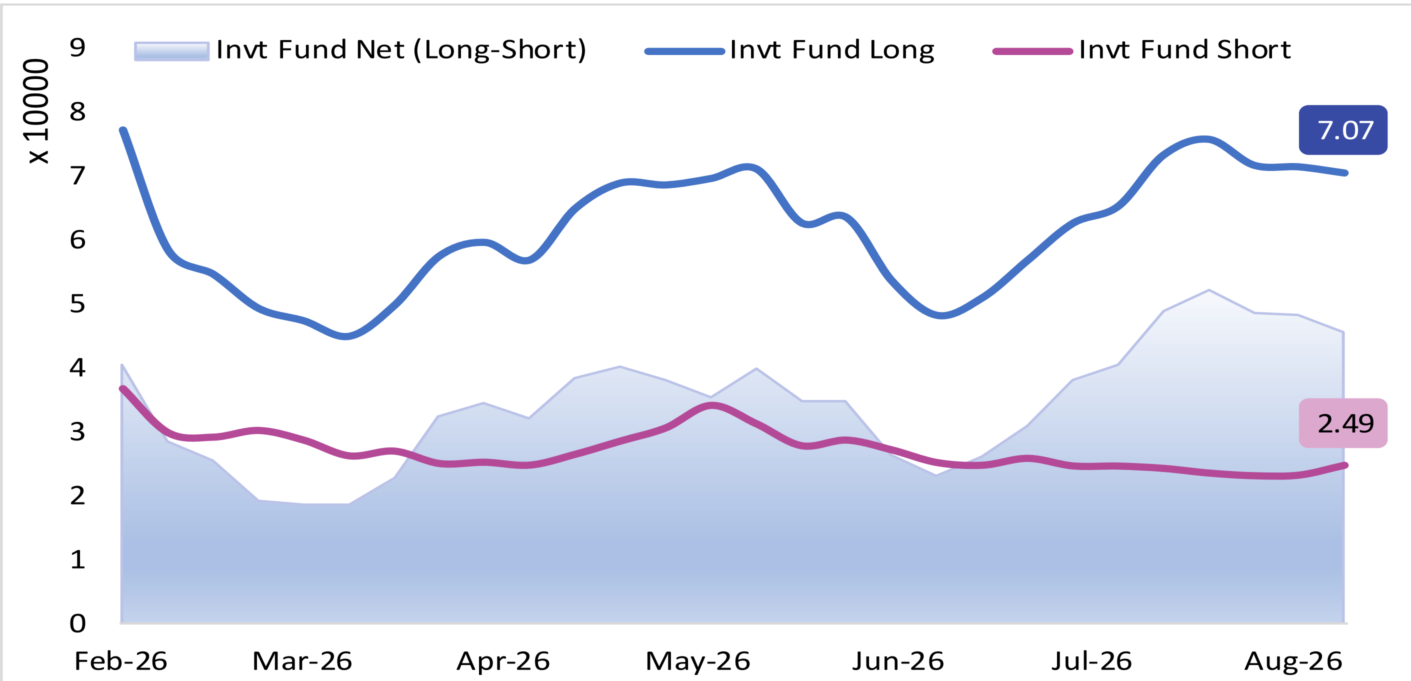
Technical Analysis

Pivot Levels

	Open	High	Low	Close	Pivot	Supt.2	Supt.1	Resi.1	Resi.2
LME 3M FWD Copper	14769	14875	14147	14234	14419	13691	13962	14690	15147

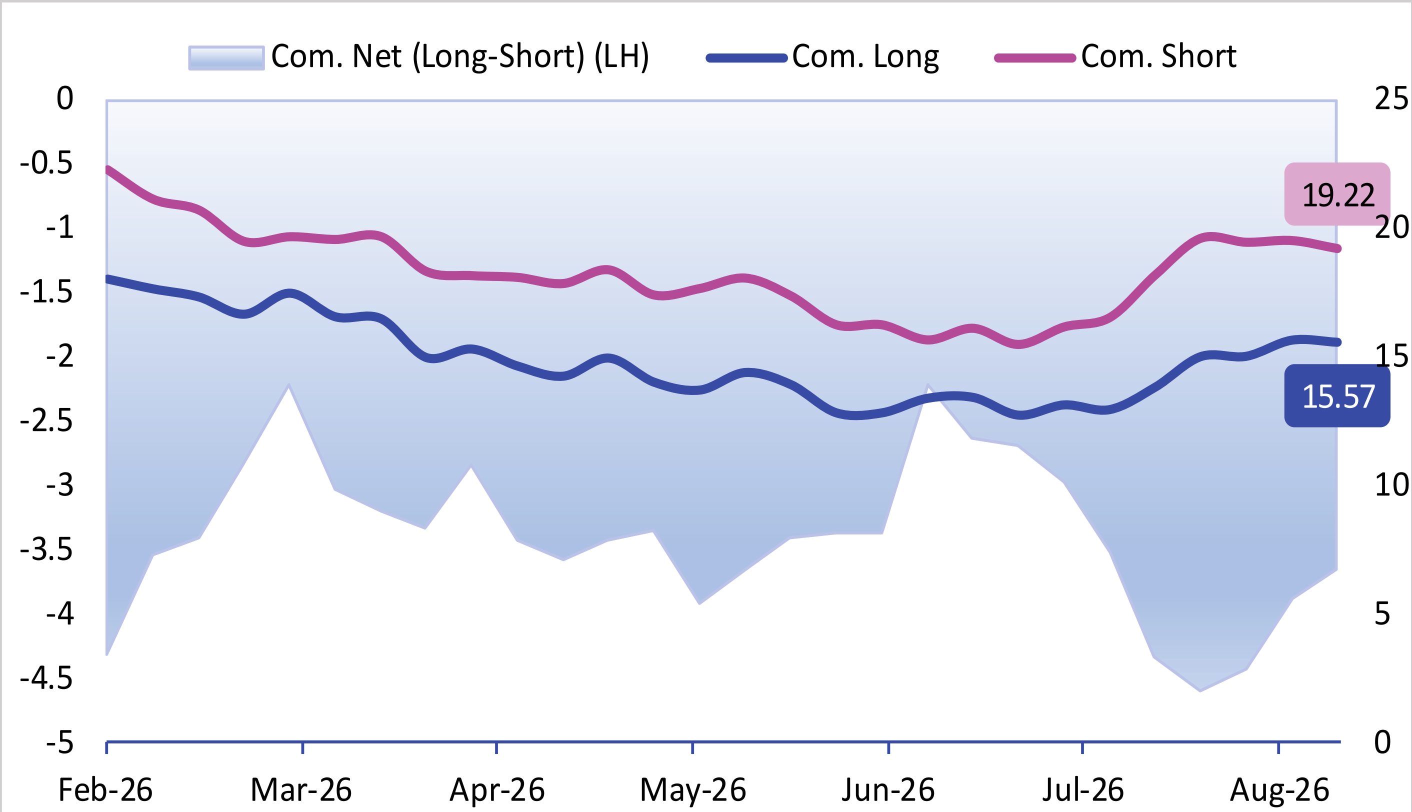
LME Commitment of Traders Report (COTR)

Investment Funds COTR



Source: Bloomberg, Bluglance

Commercial Undertaking COTR



Economic Events						
Time	Country	Relevance	Event	Period	Survey	Prior
11:30	UK		Industrial Production YoY	Jul	0.20%	-0.20%
11:30	UK		Manufacturing Production YoY	Jul	2.00%	0.50%
11:30	UK		Trade Balance GBP/Mn	Jul	-£5150m	-£5537m
18:00	US		CPI YoY	Aug	3.40%	3.40%
18:00	US		Core CPI YoY	Aug	2.40%	2.50%
19:30	US		U. of Mich. Sentiment	Sep P	51	51.7

Source: Bloomberg, Bluglance

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