BLUGLANCE™

12-Aug-26

GLOBAL COPPER MARKET PULSE

Global Copper Market:

A product of Bluglance Consulting

Prices, Spreads, Premiums & Strategies

Daily Report

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Market Vibes: Current Environment

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Copper in Local Currencies

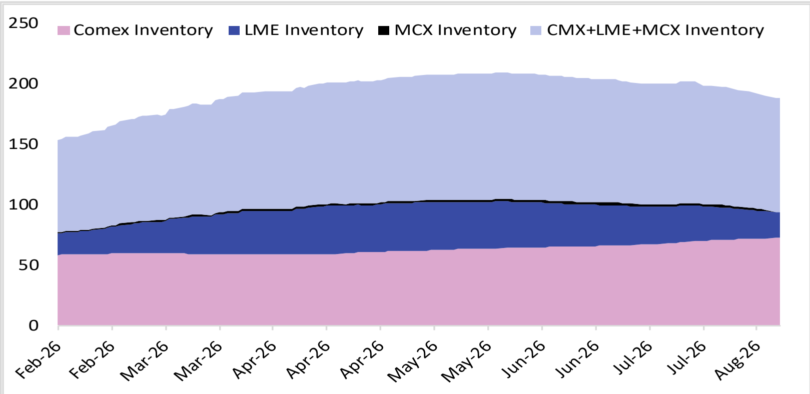
	11-Aug	10-Aug	% Change	YTD % Chg.
LME 3M	14157	14160	-0.02	13.95
CME	6.6340	6.6160	0.27	15.62
MCX	1379.2	1377.0	0.16	7.62
SHFE	107960	107620	0.32	9.98

Copper in US$ (Without Duty in MT)

	11-Aug	10-Aug	% Change	YTD % Chg
LME 3M	14157	14160	-0.02	13.95
CME	14626	14586	0.27	15.62
MCX	14450	14449	0.00	1.35
SHFE	16005	15953	0.32	13.97

Note: Prices Regional Exchange Closing Time

Comex vs LME Global Inventory ('000 MT)



Exchange Inventory

Exchange Inventory (MT)				
LME	**11-Aug**	**10-Aug**	**Change**	**YTD Chg.**
	214550	218300	-3750	67125
CME	**11-Aug**	**10-Aug**	**Change**	**YTD Chg.**
	728159	725875	2284	237437
MCX	**10-Aug**	**09-Aug**	**Change**	**YTD Chg.**
	15130	16037	-907	12455
SHFE	**07-Aug**	**31-Jul**	**Change**	**YTD Chg.**
	70116	69334	782	-75226
Total	1027955	1029546	-1591	241791

Copper Arbitrage Windows

Arbitrage Windows		
	Price	**Import**
Changjing Price	108660	108660
LME Spot	14352.36	
USDCNY	6.7456	96815
Import Cost (13%)	14522.29	111338
Arbitrage Ratio (LME vs SHFE)		**0.9760**

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

LME 3-Month Copper is currently trading around USD 14,190/MT, holding firm above the USD 14,000/MT level, while LME Cash Copper is near USD 14,386/MT. The 3-Month contract closed at USD 14,157/MT, marginally lower by 0.02% in the previous session.

The key development remains the strengthening LME nearby structure. The Cash-3M spread has widened further into backwardation at around USD 196/MT, indicating strong demand for nearby material and tighter prompt availability.

The Yangshan premium remains elevated near USD 99/MT, although it has moderated from recent highs. This suggests that Chinese import demand remains supportive, but the recent decline in the premium indicates that the pace of demand improvement may be moderating.

Total visible exchange inventories declined by 1,591 MT to around 1.03 million MT. LME stocks fell by 3,750 MT, while MCX inventories declined by 907 MT. This was partly offset by a 2,284 MT build at CME and a 782 MT increase at SHFE.

Supply & Demand Fundamentals: Chinese spot copper continues to trade at a premium to SHFE futures, with the latest Changjiang spot price around 108,660 yuan/MT versus SHFE futures near 108,410 yuan/MT. However, the LME-SHFE import arbitrage ratio remains below 1 at around 0.976, indicating that the import window remains closed. This suggests that physical demand remains firm, although current price parity is limiting the incentive for Chinese buyers to increase fresh imports.

Copper supply risks have increased following operational disruptions in major producing regions. Indonesia's Gresik smelter, which processes ore from the Grasberg mine, remains shut after a boiler leak, with repairs potentially extending until September. Meanwhile, Chile has lowered its 2026 copper production forecast to 5.27 million MT amid weak first-half output.

Codelco's production challenges remain significant, although the Chilean government has allowed the miner to retain its full USD 2.42 billion 2025 profit, providing additional funding for mine-renewal and production-stabilisation projects. The impact on near-term supply is limited, but successful execution could improve production capacity over the longer term.

Macro Watch: The macro backdrop remains mixed for copper. Oil prices remain volatile as uncertainty around the Strait of Hormuz persists, although reports of progress in US-Iran discussions could limit further upside in crude. Meanwhile, the US Dollar Index is trading around 99.86, with a softer dollar providing underlying support to industrial metals.

Today's US CPI data will be closely watched, with a softer-than-expected reading potentially strengthening expectations for a dovish Fed stance and supporting copper through a weaker dollar, while a hotter print could weigh on industrial metals. The US Federal Budget Balance is also due later in the day, although its impact on copper is likely to be secondary.

Today's Key Watch:

- US CPI YoY (Jul): Forecast 3.40%, Prior 3.50% (18:00 IST)
- US Core CPI MoM (Jul): Forecast 0.20%, Prior 0.00% (18:00 IST)
- US Core CPI YoY (Jul): Forecast 2.50%, Prior 2.60%
- US Federal Budget Balance (Jul): Forecast -$383.0B, Prior -$291.1B (23:30 IST)

Outlook: Copper continues to maintain a strong underlying structure, supported by declining LME inventories, elevated physical premiums and pronounced backwardation. We expect LME 3-Month Copper to trade in the $14,000–14,500/MT range in the near term.

Bias: Bullish

Source: Bloomberg, Bluglance

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The Basis Brief: Premia/Discount

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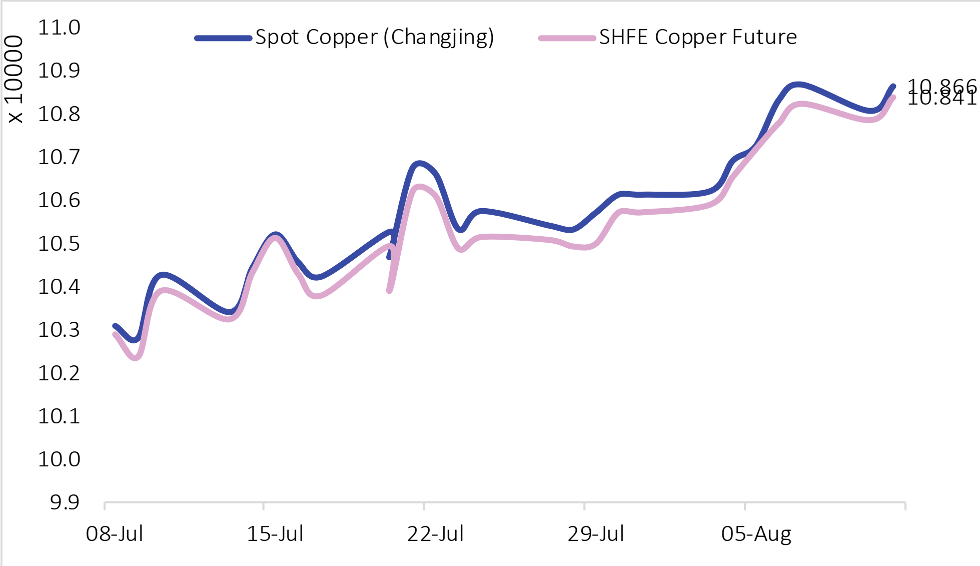
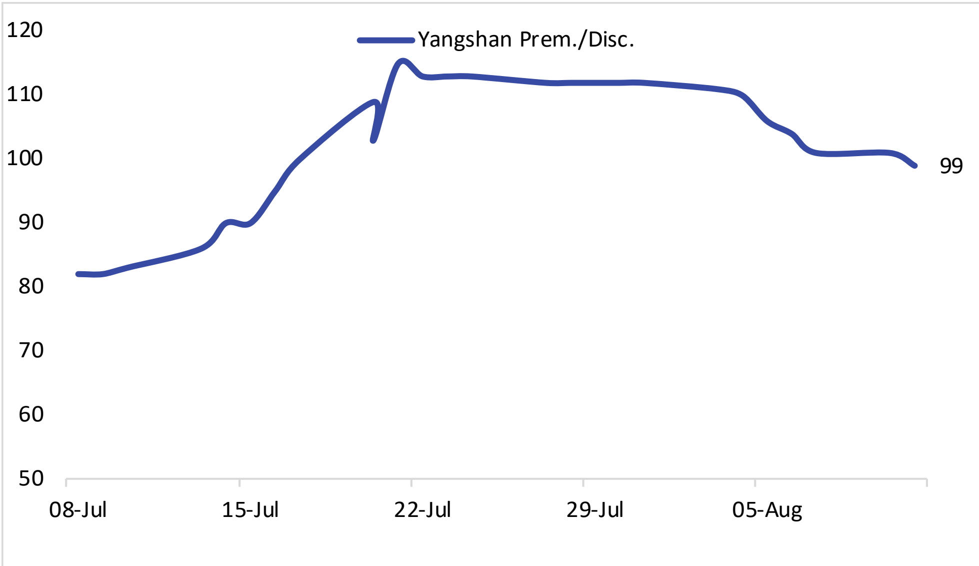
The Chinese spot demand has been higher in recent days, and action is also visible on the SHFE prices. However, the C1 and C2 data set Copper at SHFE holds a Contango of about 430 Yuan/MT amid higher stocks

China Spot Copper Changjiang vs SHFE Copper Fut.



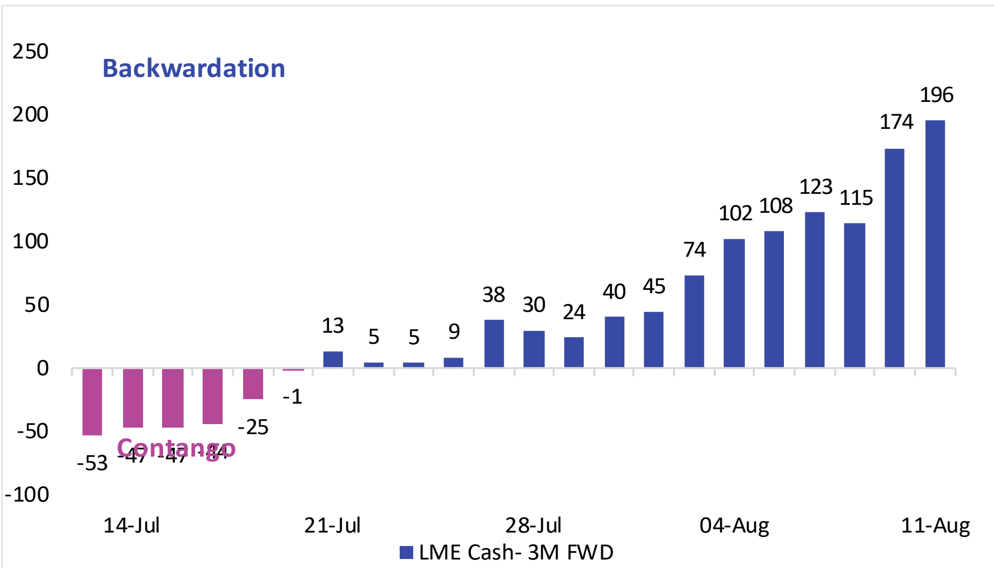
The premium is holding strong above $99/MT, adding a lot more conviction that copper demand in China is very robust, especially the (ore and concentrate + refined Cu)

Yangshan Copper Prem. / Disc. vs Spot LME Copper



The contango has reduced considerably to $196/MT, and is likely to remain tight if good demand continues to come from China. Amid the higher inventory, the C structure is still supportive, else we would have been seeing copper in backwardation by now

LME Cash - 3M FWD Spread



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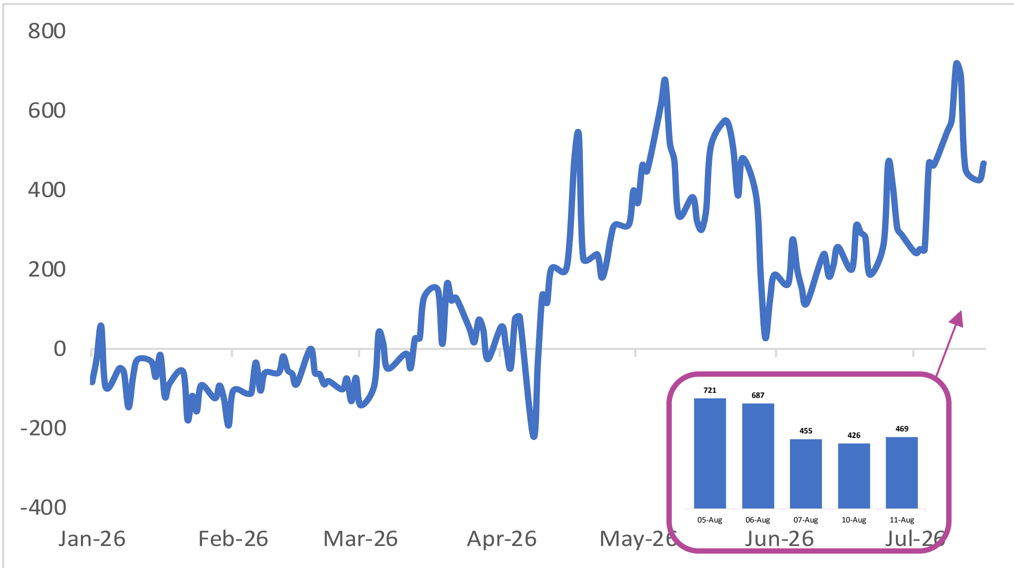
The Basis Brief: Spreads

The Spread The CME-LME 3M spread has surged to +$469/MT, the highest in the current series. The sharp reversal from negative territory around early May reflects tightening US domestic fundamentals, with COMEX copper now trading at a significant premium to LME, driven by regional demand strength and supply side constraints expected to contract further

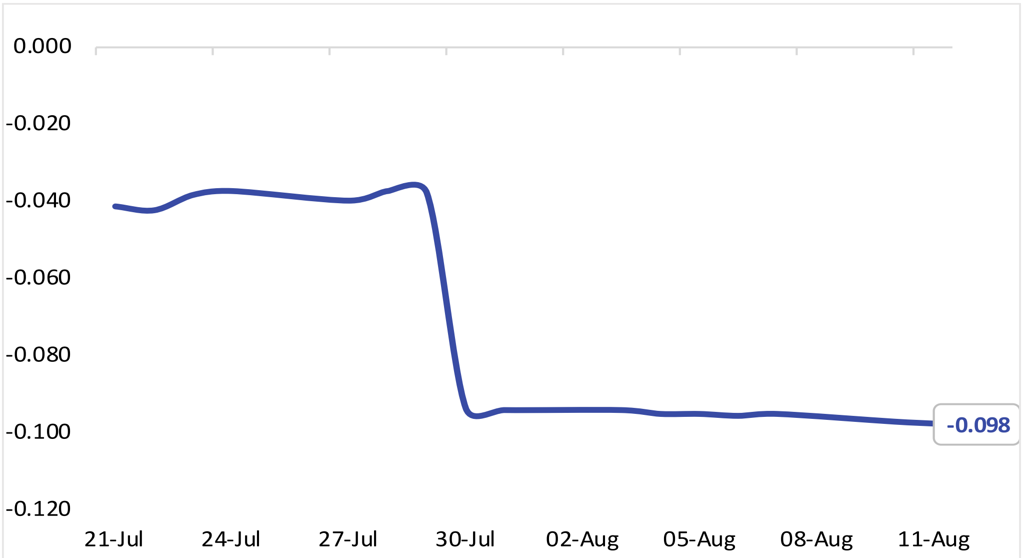
CME Near Month LME 3M Spread (US$/MT)



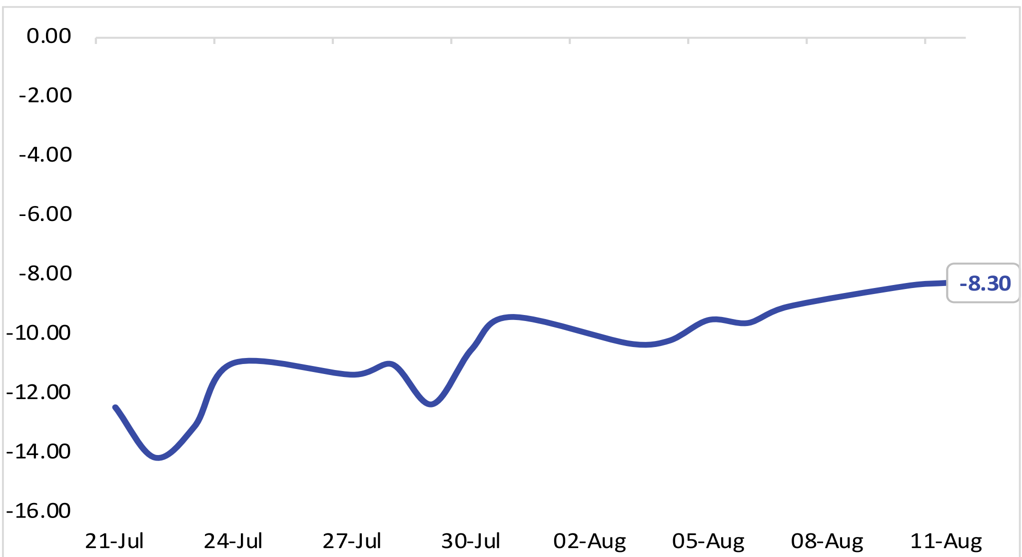
CME Calendar Spread is in negative/contango no major change in the spread unless stocks gets release MCX spread is around ₹8 (~14% annualized carry). Despite a drawdown of over 2,000 MT from exchange warehouses, likely driven by domestic consumption, post March delivery outflows remain limited.

Meanwhile, LME–MCX spread dynamics suggest potential fresh stock inflows, as earlier booked import cargoes are expected to arrive and be tendered this month. Going forward, copper spreads will hinge on the balance between warehouse withdrawals and incoming inventories

CME Near-Next Spread (US$/lb)



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



Source: Bloomberg, Bluglance

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Trade Logic: Technical & COTR

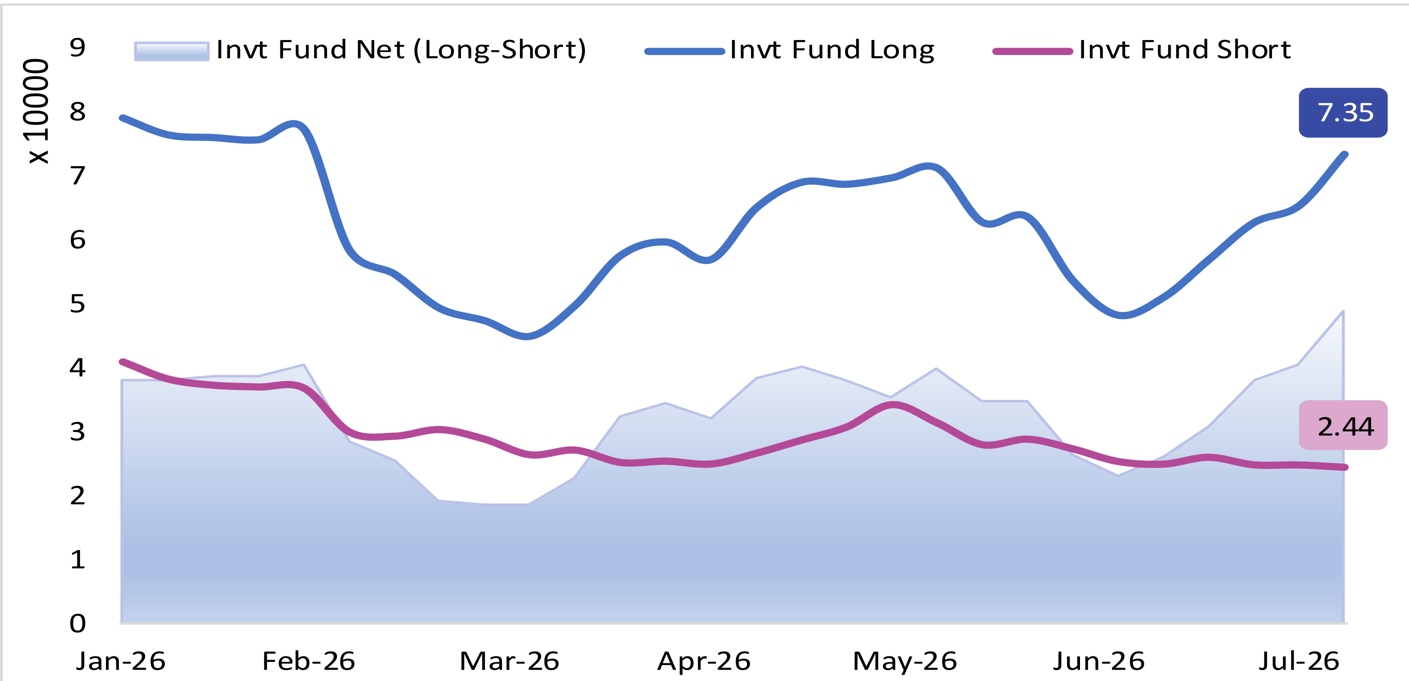
Technical Analysis

Pivot Levels

	Open	High	Low	Close	Pivot	Supt.2	Supt.1	Resi.1	Resi.2
LME 3M FWD Copper	14140	14218	14107	14157	14160	14049	14103	14214	14272

LME Commitment of Traders Report (COTR)

Investment Funds COTR



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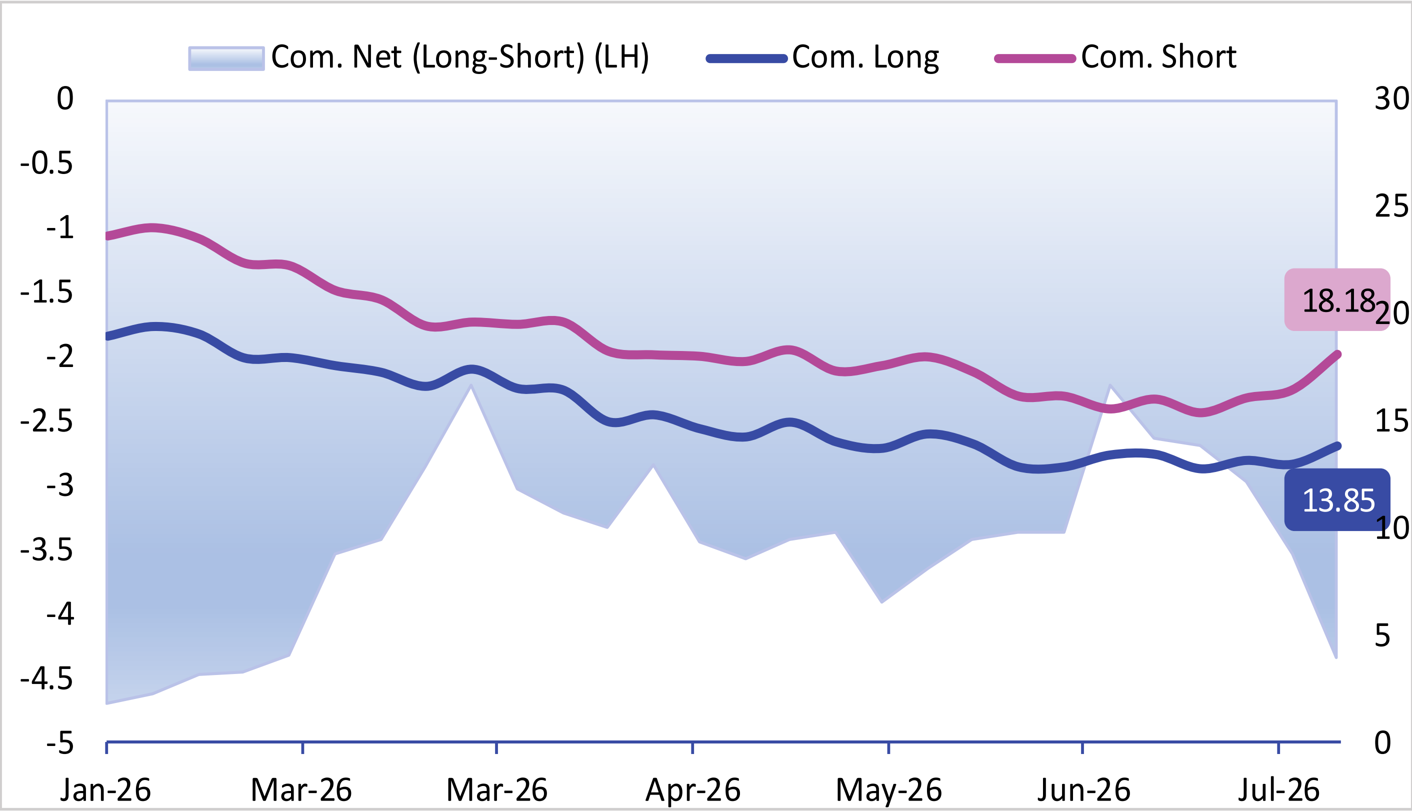
Commercial Undertaking COTR



Economic Events						
Time	**Country**	**Relevance**	**Event**	**Period**	**Survey**	**Prior**
16:00	India		CPI YoY	Jul	4.40%	4.38%
16:30	US		MBA Mortgage Applications	07-Aug	--	-2.90%
18:00	US		CPI YoY	Jul	3.40%	3.50%
18:00	US		Core CPI YoY	Jul	2.50%	2.60%
23:30	US		Federal Budget Balance	Jul	-$383.0b	-$291.1b

Source: Bloomberg, Bluglance