

Global central bank policy initiatives are likely to support copper prices

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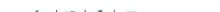


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- LME 3 M Copper prices are now trading at \$9532 per mt, prices are marginally up in last two session after recent drop. Copper prices are gaining traction following China's commitment to focus on economic stability if global economic development is harmed by a new strain of Covid. To stabilize the economy and keep growth within a reasonable range in 2022, China stated it will conduct a careful monetary policy and a proactive fiscal policy.
- The US Federal Reserve meeting on December 14-15 is expected to provide new direction for copper prices. The Federal Reserve is largely expected to announce a speedier tapering of its asset purchase programme and an early start to rate hikes.
- Copper demand is expected to be impacted in the start of 2022, according to CITI Bank, due to a slowdown in China property market and the impact of new COVID-19 versions. However, after the supply chain bottleneck is alleviated and credit growth is revamped, it is expected to regain speed in the second half of 2022.
- According to research agency Antaike, China's biggest copper smelters increased output by 1.3 percent in November compared to the previous month as fewer companies carried out maintenance and power supply constraints improved.
- According to meeting minutes seen by Reuters, MMG Ltd's Las Bambas copper mine has raised its offer of employment and investment to a Peruvian region blocking a route used to transport the red metal in a bid to avoid a production stoppage next week.
- According to a report released last week, copper inventory at SHFE warehouse climbed by 4212mt in the previous week. SHFE warehouse stock has increased to 47711 mt as of December 10th. Meanwhile, LME warehouse stock is now at 81775 mt as of December 10th, up 3425 mt in the prior five trading days. CME warehouse stock is now at 52736mt as of December 10th dropped by 490 mt in last five trading sessions.

Outlook

■ On the LME, three-month copper prices hold steady, trading above a key support range of \$9407-\$9335 per metric tonne. At \$9751 per mt, substantial resistance is predicted.





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DAILY ANALYSIS REPORT

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