

HCCE Copper Outlook

Date: May 14, 2012

R21 ESMA COMEX Copper is \$3.710/lb. COMEX Copper is \$3.565/lb. PSP R21 ESMA COMEX Copper is \$3.80/lb.



April ME Avg COMEX Copper is \$3.7184/lb.

May MTD Avg COMEX Copper is \$3.7051/lb.

Upward Price Pressure:

The continuing forecast of an overall 2012 copper demand supply deficit provides support to copper prices.

Downward Price pressure:

The USD is higher against a weak EURO. This currency dynamic influences copper and commodity prices lower. The failure of Greece to establish a coalition Government reinforces the prospect of Greek new elections and the rising probability that Greece may eventually exit the EURO. Weak EURO zone economic statistics also indicate that the depth of the EURO zone economic recession may be worsening. The continuing concern regarding EURO zone economic weakness and large sovereign debt balances weighs on estimates for EURO zone and global projected copper demand and prices. Recently reported weak China economic and growth data also generates concern regarding the sustainability of the emerging market economies. These factors drive economic, credit, and currency concerns and pressure global markets with short term volatility in commodity, currency, equity, and bond markets.

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