



五矿期货有限公司

Tightness at the mine level intensifies, driving copper prices to record highs.

Copper Monthly Report

December 5, 2025

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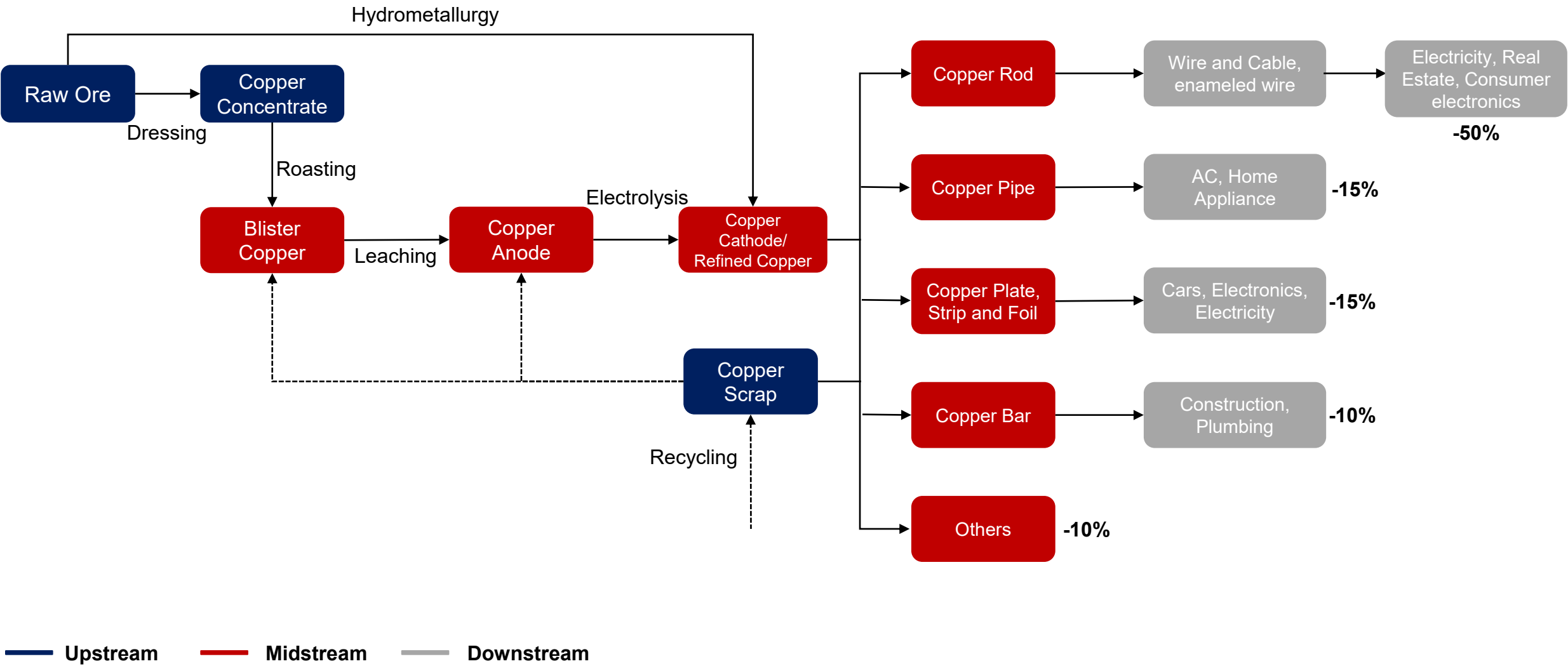
Monthly Review

Annual Valuation & Strategy Recommendation

- ◆ **Supply:** Major large-scale copper mines are recovering slowly, sustaining tight supply expectations for copper concentrate, while blister copper supply remains relatively ample. Domestic refined copper output rebounded in November and is expected to rise further in December.
- ◆ **Demand:** China's apparent refined copper consumption in November is estimated to have posted a slight y/y increase. However, December's apparent consumption is forecast to decline y/y. Overseas manufacturing activity shows divergence, leading to neutral-to-slightly-weak demand expectations.
- ◆ **Import & Export:** The domestic copper processing-for-export arbitrage window opened in November, and the price spread between COMEX and LME copper remained stable.
- ◆ **Inventory:** SHFE and bonded zone inventories declined in November, while COMEX and LME stocks rose, resulting in a net increase in global inventory—though structural imbalances persist. Chinese inventories are expected to see modest accumulation in December.
- ◆ **December Outlook:** In December, China's refined copper output is projected to rebound further, with seasonal support on the demand side. However, ongoing substitution pressure from scrap copper points to a modest supply surplus. Overseas demand outlook remains neutral-to-slightly-weak, yet forward-looking expectations of tighter mine supply are underpinning stronger spot premiums. On the macro front, the Fed is likely to continue rate-cutting, and China's year-end economic policy meeting may deliver clearer stimulus signals. Despite lingering geopolitical risks, market sentiment has turned mildly supportive. Overall, the expectation of mine-level tightness—leading to potential production cuts—and tightening physical supply continue to drive copper prices to new highs. Near-term support from anticipated policy easing, seasonal demand, and constrained scrap substitution could push prices higher further. Key factors to monitor include inventory changes and market reactions following the resolution of upcoming macro events. **Trading range guidance for this month:** 87,000–96,000 yuan/ton for SHFE front-month contract and USD 10,800–12,000/ton for LME-3M Copper. **Suggestion:** Favor long positions on pullbacks, with focus on short-term trades.

China Refined Copper Supply-Demand Balance (10k tons)

	Production	YoY	Import	Export	Net import	inventory change	Apparent consumption	YoY	Cumulative consumption	YoY
Jan-23	85.3	4.3%	30.0	1.3	28.7	18.0	96.1	-10.4%	96.1	-5.3%
Feb-23	89.9	7.6%	24.8	4.2	20.6	15.2	95.4	5.2%	191.4	7.8%
Mar-23	95.0	12.0%	25.7	4.7	21.0	(11.4)	127.4	3.0%	318.8	-0.8%
Apr-23	97.0	17.2%	26.0	2.8	23.2	(5.6)	125.8	17.2%	444.6	3.7%
May-23	95.8	17.0%	29.4	1.8	27.6	(7.7)	131.1	15.0%	575.7	6.0%
Jun-23	91.8	7.1%	29.8	2.2	27.6	(4.6)	124.0	2.8%	699.7	5.5%
Jul-23	92.5	10.1%	30.3	2.7	27.6	(2.4)	122.5	2.4%	822.2	5.0%
Aug-23	98.9	15.5%	34.1	2.1	32.0	(2.3)	133.2	6.8%	955.4	5.2%
Sep-23	101.0	11.1%	34.4	1.8	32.6	(2.7)	136.3	3.1%	1091.7	5.0%
Oct-23	99.0	9.9%	35.4	1.6	33.8	(2.4)	135.2	17.1%	1226.9	6.2%
Nov-23	96.0	6.7%	38.3	1.7	36.6	(1.1)	133.7	7.5%	1360.6	6.3%
Dec-23	99.5	14.4%	33.8	1.1	32.7	1.1	131.1	8.3%	1491.7	6.5%
Jan-24	97.0	13.7%	37.8	0.9	36.9	3.9	130.0	35.3%	130.0	35.3%
Feb-24	95.0	5.6%	26.7	1.4	25.3	21.3	99.0	3.8%	229.0	19.6%
Mar-24	100.0	5.3%	31.7	2.3	29.4	12.0	117.4	-7.8%	346.4	8.7%
Apr-24	98.5	1.5%	30.6	2.5	28.0	2.6	123.9	-1.5%	470.3	5.8%
May-24	100.8	5.2%	34.7	7.3	27.4	5.3	122.9	-6.3%	593.2	3.0%
Jun-24	100.5	9.5%	30.9	15.8	15.1	(3.9)	119.5	-3.6%	712.7	1.9%
Jul-24	102.8	11.1%	29.9	7.0	22.9	(6.3)	132.0	7.8%	844.7	2.7%
Aug-24	101.3	2.4%	27.6	3.1	24.5	(8.6)	134.4	0.9%	979.1	2.5%
Sep-24	100.0	-1.0%	34.8	1.6	33.2	(12.5)	145.7	6.9%	1124.8	3.0%
Oct-24	99.6	0.6%	38.6	1.0	37.6	5.6	131.6	-2.7%	1256.4	2.4%
Nov-24	100.5	4.7%	39.8	1.2	38.6	(7.8)	146.9	9.9%	1403.3	3.1%
Dec-24	112.0	12.6%	40.8	1.7	39.1	(6.9)	158.0	20.5%	1561.3	4.7%
Jan-25	101.3	4.4%	29.7	1.7	28.0	6.1	123.9	-4.7%	123.9	-4.7%
Feb-25	105.8	11.4%	30.5	3.2	27.3	24.2	108.9	10.0%	232.8	1.7%
Mar-25	112.2	12.2%	35.4	6.8	28.6	2.9	137.9	17.5%	370.7	7.0%
Apr-25	112.6	14.3%	30.0	7.8	22.2	(22.3)	157.1	26.8%	527.8	12.2%
May-25	113.8	12.9%	29.3	3.4	25.9	(3.5)	143.2	16.5%	671.0	13.1%
Jun-25	113.5	12.9%	33.7	7.9	25.8	0.3	139.0	16.3%	810.0	13.7%
Jul-25	117.5	14.3%	33.6	11.8	21.8	0.1	139.2	5.5%	949.2	12.4%
Aug-25	117.2	15.7%	30.7	3.7	27.0	1.6	142.6	6.1%	1091.8	11.5%
Sep-25	112.0	12.0%	37.4	2.6	34.8	2.5	144.3	-1.0%	1236.1	9.9%
Oct-25	109.2	9.6%	32.3	6.6	25.7	6.2	128.8	-2.1%	1364.9	8.6%
Nov-25	110.0	9.5%			30.0	(3.2)	143.2	-2.5%	1508.1	7.5%
Dec-25	115.0	2.7%			33.0		148.0	-6.3%	1656.1	6.1%



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Spot Market & Futures Market

Figure 1: SHFE Front-month Copper Contract (yuan/ton)



Sources: Wenhua, Minmetals Futures

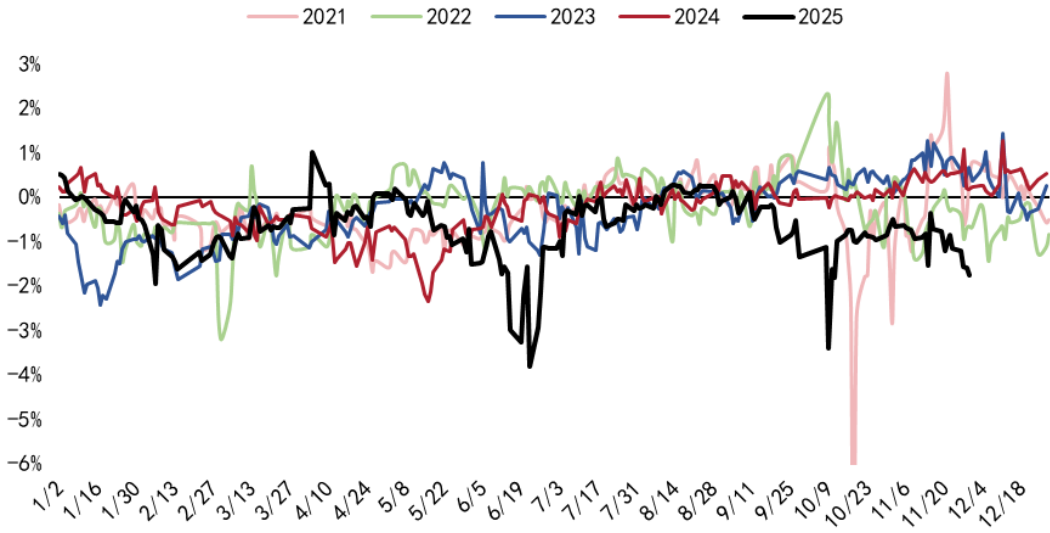
Figure 2: LME-3M Copper Price (USD/ton)



Sources: Wenhua, Minmetals Futures

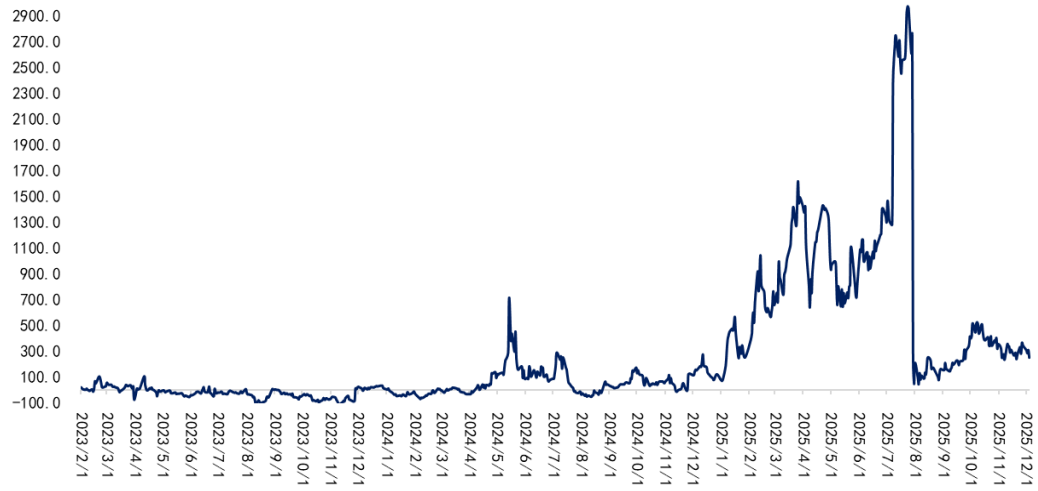
- Copper prices consolidated at elevated levels in November before resuming their upward trend, driven by tightening mine supply expectations, anticipated smelter cutbacks, and renewed Fed rate-cut speculation, propelling prices toward record highs.
- The SHFE front-month copper contract rose 0.48% during the month, while the LME-3M contract gained 2.61%. The dollar index declined, and the offshore renminbi appreciated. Copper prices broke out to the upside in early December.

Figure 3: China Refined Copper Import Profit/Loss Ratio



Sources: LME, SHFE, SMM, WIND, Minmetals Futures

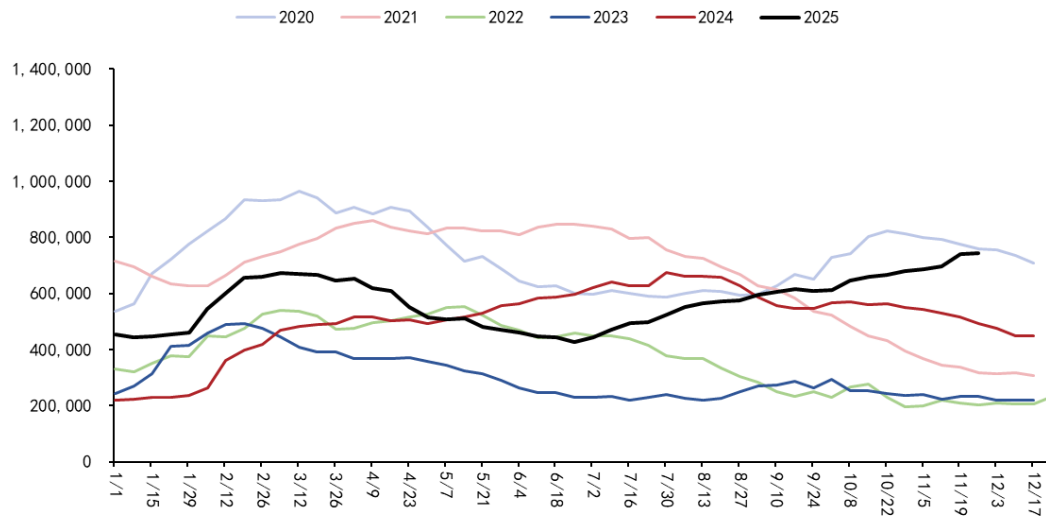
Figure 4: COMEX & LME Copper Prices and Spread (USD/ton)



Sources: WIND, Minmetals Futures

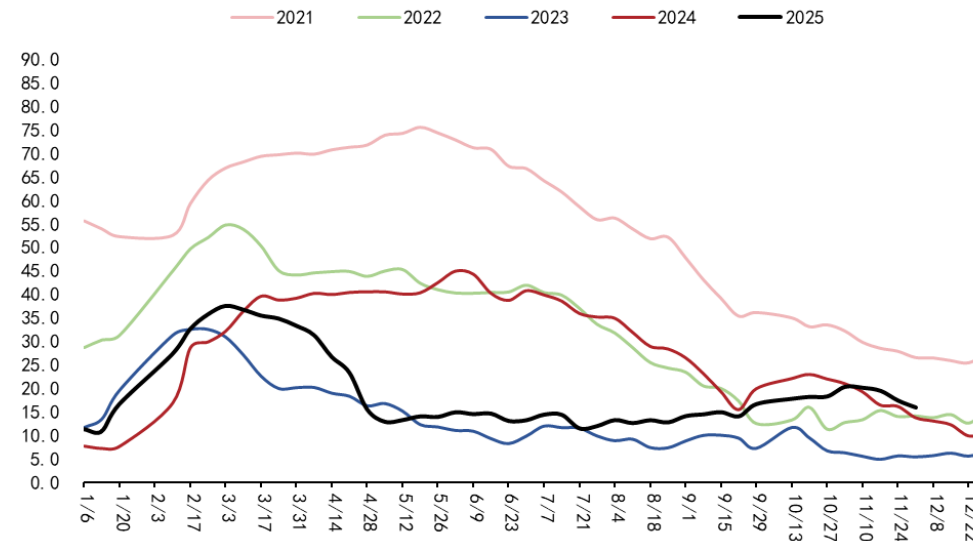
- Since November, losses on SHFE copper imports have widened amid volatility, and the domestic processing-for-export arbitrage window opened. The COMEX–LME copper price spread fluctuated throughout November, with persistent expectations of future U.S. tariff impositions continuing to support the premium.

Figure 5: Total Inventories: 3 Exchanges & Shanghai Bonded Zone (ton)



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

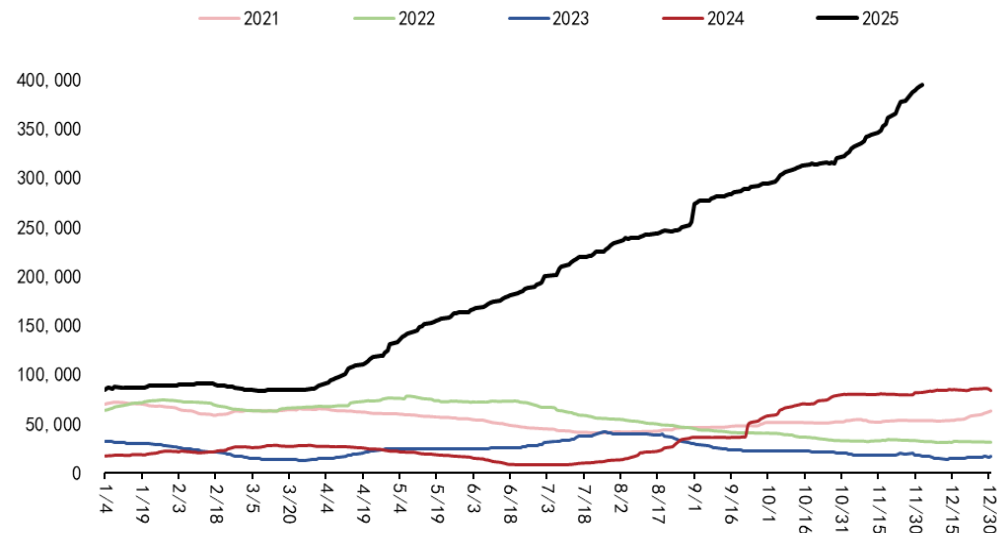
Figure 6: China Refined Copper Social Inventory (10k tons)



Sources: SMM, Minmetals Futures

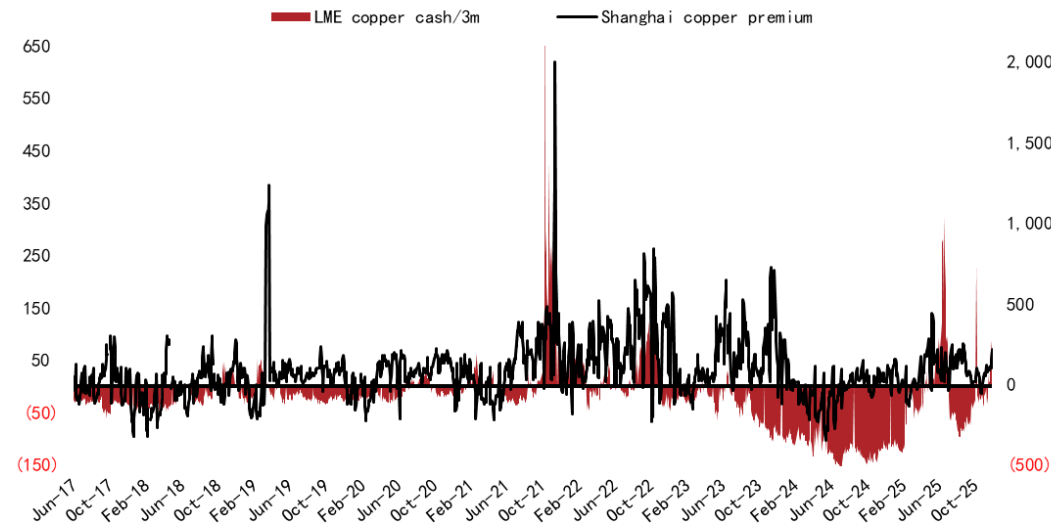
- As of end-November, combined inventories across the three major exchanges plus Shanghai bonded warehouses stood at approximately 742,000 tons, up 62,000 tons from end-October, placing total stocks at a relatively high level in recent years—though structural imbalances remain (COMEX accounts for roughly 51% of total inventory).
- Domestic copper inventories in China declined during the month, with exchange-held stocks at about 98,000 tons and off-exchange social inventories at approximately 74,000 tons. Bonded warehouse stocks rose, reaching an absolute level of around 95,000 tons in early December.

Figure 7: COMEX Copper Inventory (ton)



Sources: WIND, Minmetals Futures

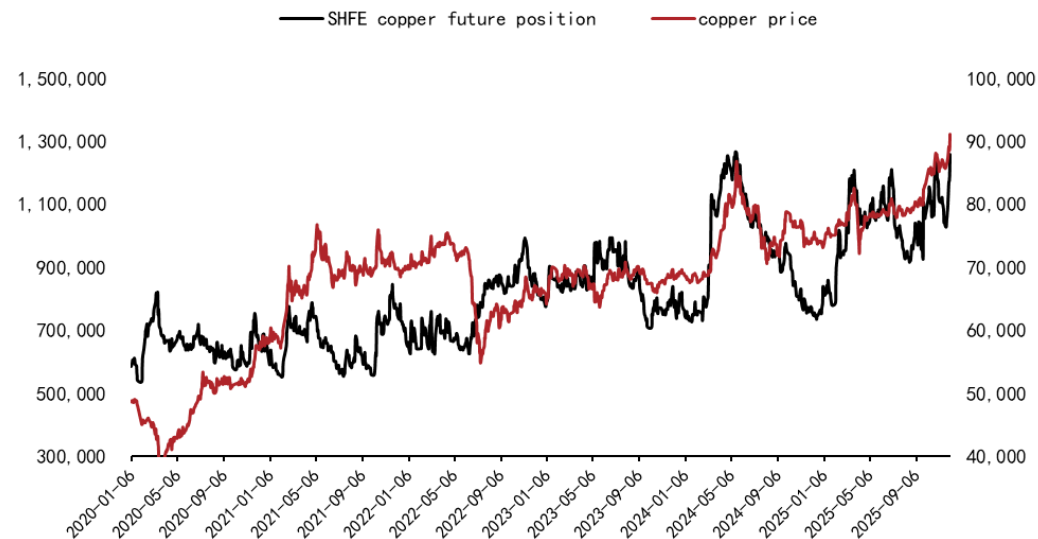
Figure 8: Domestic & International Copper Basis (USD/ton, yuan/ton)



Sources: LME, WIND, Minmetals Futures

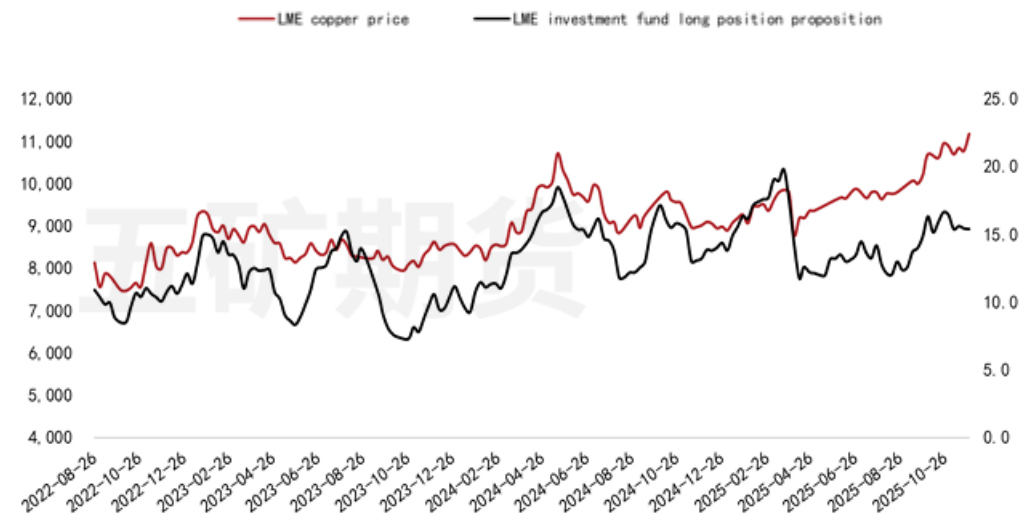
- LME copper inventories rose, reaching approximately 159,000 tons at end-October (+24,000 tons m/m). COMEX total copper inventory continued to climb, increasing by about 67,000 tons in November, with stocks rising further into early December.
- As for basis, the LME Cash/3M structure strengthened amid volatility in November and remained in backwardation in early December. Domestically, the SHFE basis trended higher, with spot trading at a premium of around 170 yuan/ton to futures as of early December.

Figure 9: SHFE Open Interest and 1# Copper Price (yuan/ton)



Sources: WIND, Minmetals Futures

Figure 10: LME Investment Fund Long Position Share



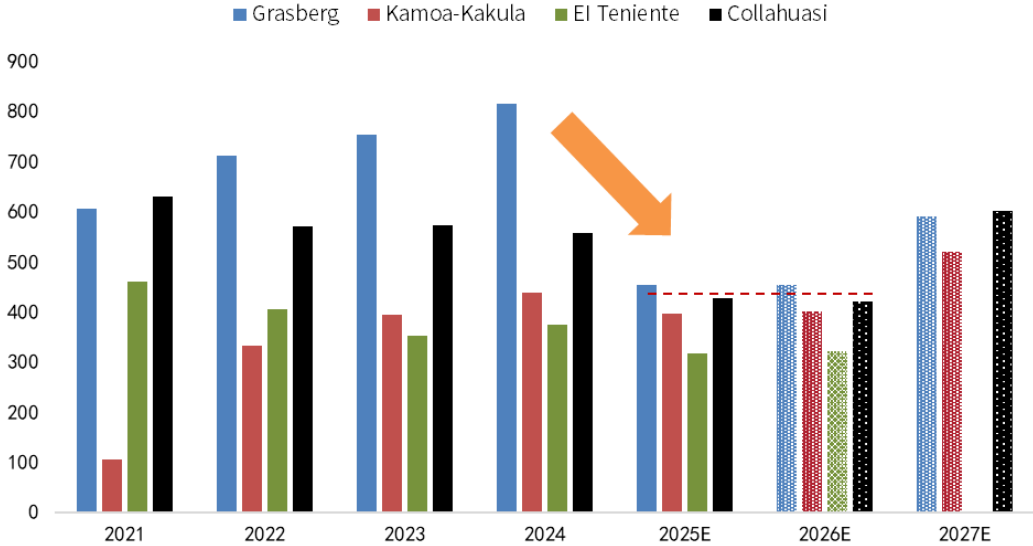
Sources: WIND, Minmetals Futures

- As of end-November, the share of long positions held by LME investment funds declined modestly, indicating a marginal cooling in market sentiment. SHFE copper open interest initially fell before rebounding, remaining at a multi-year high—reflecting sustained long-short positioning tension.
- In December, market sentiment is expected to be primarily driven by the Fed's monetary policy stance, supply-side expectations, and shifts in physical market fundamentals.

03

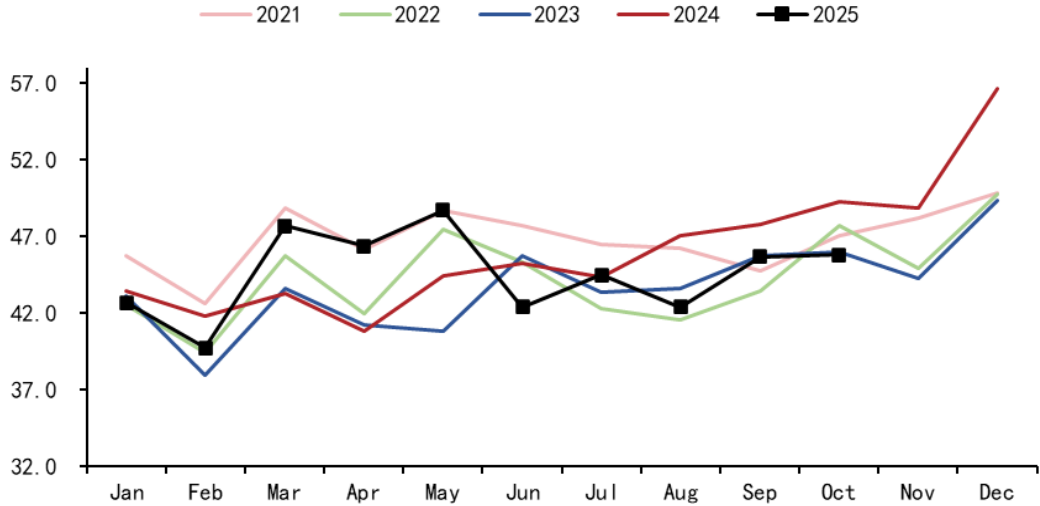
Supply and Demand Analysis

Figure 11: Large Copper Mines Affected in 2025 Recovered Slowly (kt)



Sources: Company Press Release, Minmetals Futures

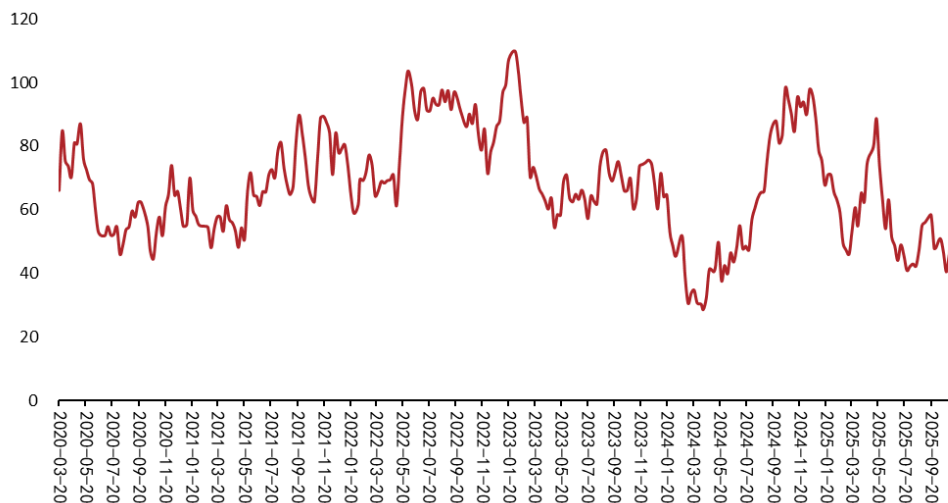
Figure 12: Chilean Copper Mine Output (10k tonnes)



Sources: Cochilco, Minmetals Futures

- In 2025, major copper mines—including Grasberg, Kamoakakula, and El Teniente—saw output declines exceeding initial expectations due to operational incidents. Based on the latest company announcements, the duration of these disruptions has been longer than anticipated. Production is now expected to remain near 2025 levels in 2026, with a recovery likely only in 2027. Accordingly, we expect copper concentrate supply to remain tight through 2026.
- Chilean copper output in October remained significantly below year-ago levels, sustaining a relatively low production pace.

Figure 13: China Major Port Copper Concentrate Inventory (10k tons)



Sources: IFIND, Minmetals Futures

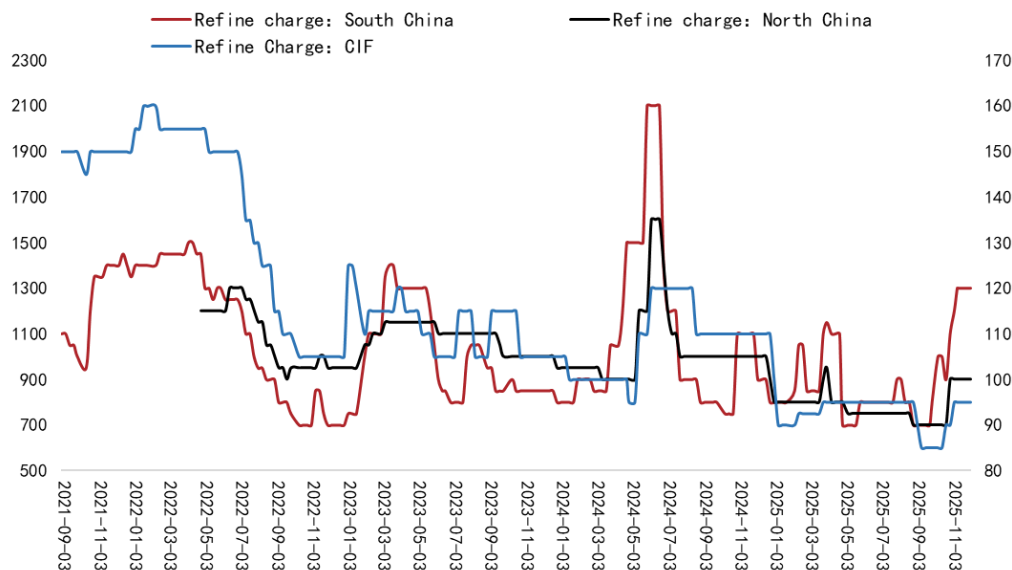
Figure 14: Imported Copper Concentrate TC (USD/ton)



Sources: SMM, Minmetals Futures

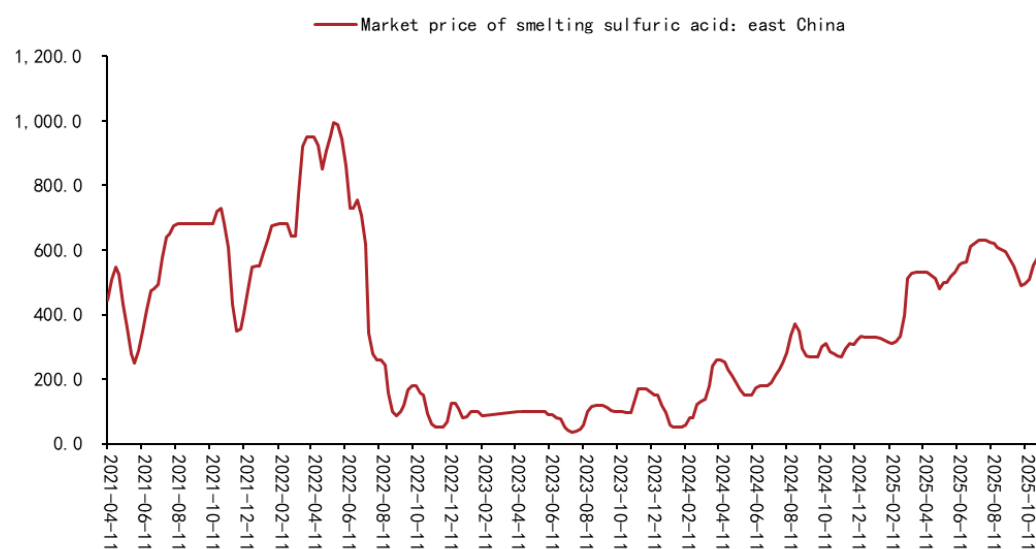
- In November, copper concentrate inventories at major Chinese ports rebounded modestly amid volatility, leading to slightly looser spot port availability. However, given ongoing overseas mine disruptions, this easing was limited. Regarding treatment charges (TCs), spot TCs hovered near historical lows in November. With spot TCs depressed and concentrate supply constrained, annual contract negotiations remain deadlocked.

Figure 15: Anode Copper Processing Fee (yuan/ton, USD/ton)



Sources: SMM, Minmetals Futures

Figure 16: China Main Region Smelting Acid Price (yuan/ton)



Sources: WIND, Minmetals Futures

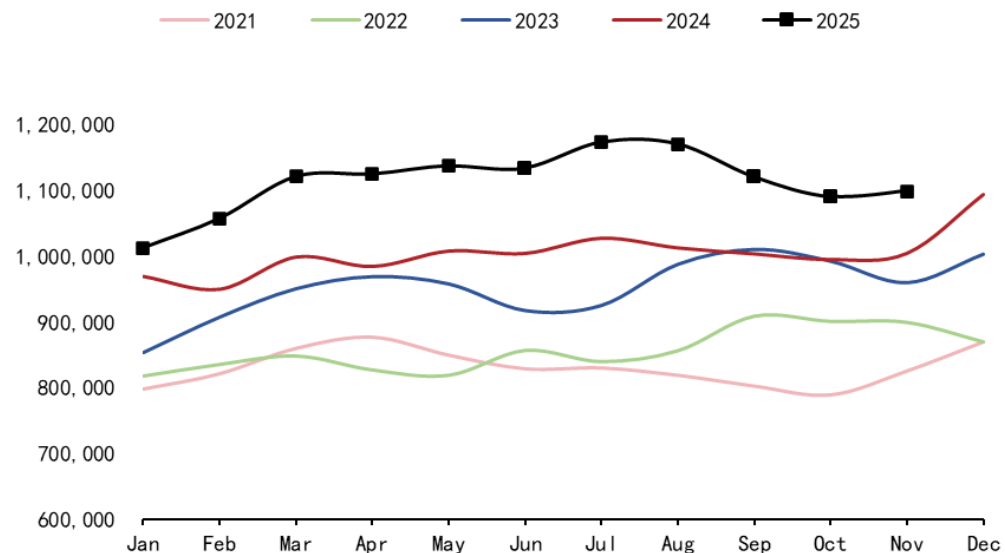
- Domestic blister copper TCs rose modestly in November, while cold feed supply for refined copper production remained ample. Sulfuric acid prices—a key smelting byproduct—in major Chinese regions strengthened and held at relatively high levels, providing a positive contribution to smelter revenues.

Figure 17: China Copper Smelter Maintenance Schedule (10k tons)

Company	Province	Smelter Capacity	Refinery Capacity	Start Time	End Time
Company 1	Anhui	50	70	Mar-25	Mar-25
Company 2	Hubei	40	55	Mar-25	Mar-25
Company 3	Henan	12	15	Mar-25	Apr-25
Company 4	Shanxi	20	20	Apr-25	Apr-25
Company 5	Qinghai	15	15	Apr-25	Apr-25
Company 6	Shandong	20	20	May-25	May-25
Company 7	Shandong	40	55	May-25	May-25
Company 8	Neimenggu	20	20	May-25	May-25
Company 9	Heilongjiang	15	15	Jul-25	Jul-25
Company 10	Henan	10	12	Jun-25	Jul-25
Company 11	Jilin	10	15	Aug-25	Sep-25
Company 12	Neimenggu	40	40	Sep-25	Nov-25
Company 13	Neimenggu	30	25	Sep-25	Oct-25
Company 14	Shandong	40	45	Oct-25	Nov-25
Company 15	Guangxi	40	40	Oct-25	Nov-25
Company 16	Anhui	50	46	Oct-25	Nov-25
Company 17	Zhejiang	15	15	Dec-25	Dec-25
Company 18	Fujian	40	40	Dec-25	Dec-25

Sources: MYSTEEL, SMM, Baiinfo, Minmetals Futures

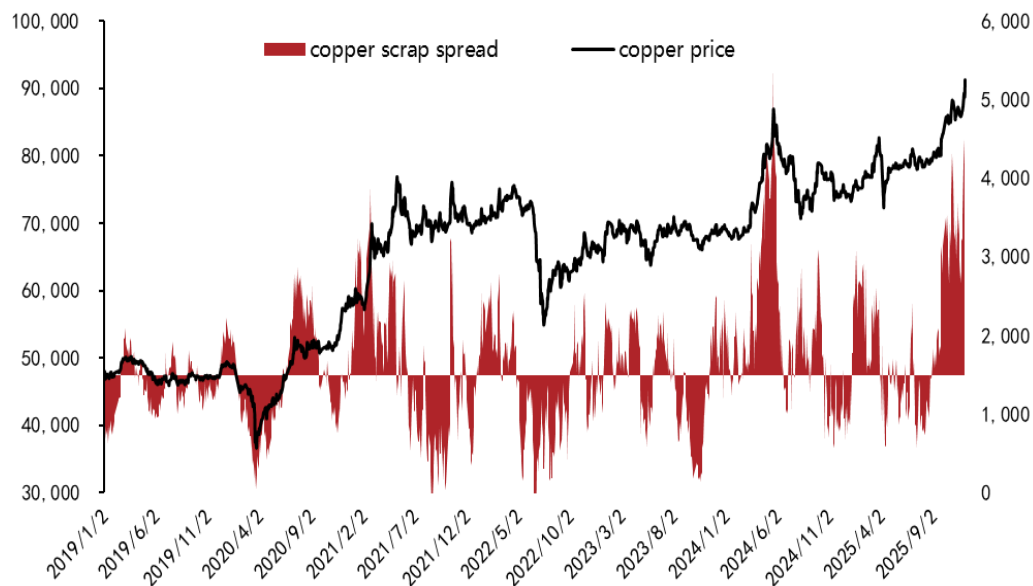
Figure 18: China Refined Copper Monthly Output (10k tons)



Sources: SMM, Minmetals Futures

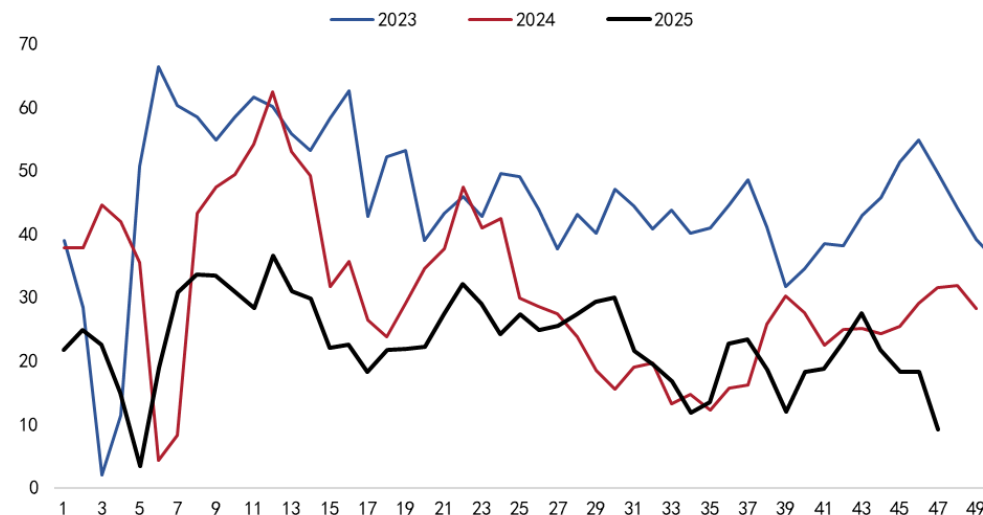
- Refined copper output in China rose m/m in November, slightly above expectations. In December, smelter maintenance impacts linger, but year-end production pushes are expected to lift output.
- At end-November, CSPT members agreed to cut 2026 production by 10%, heightening uncertainty around domestic copper supply next year.

Figure 19: China Refined Copper vs. 1# Bright Copper Spread (yuan/ton)



Sources: SMM, WIND, Minmetals Futures

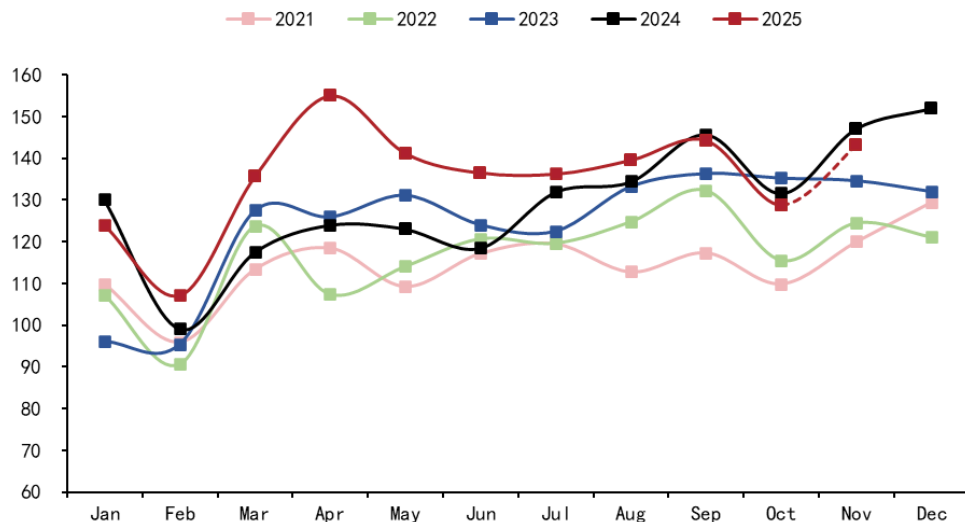
Figure 20: China Secondary Copper Rod Maker Weekly Operating Rate (%)



Sources: SMM, Minmetals Futures

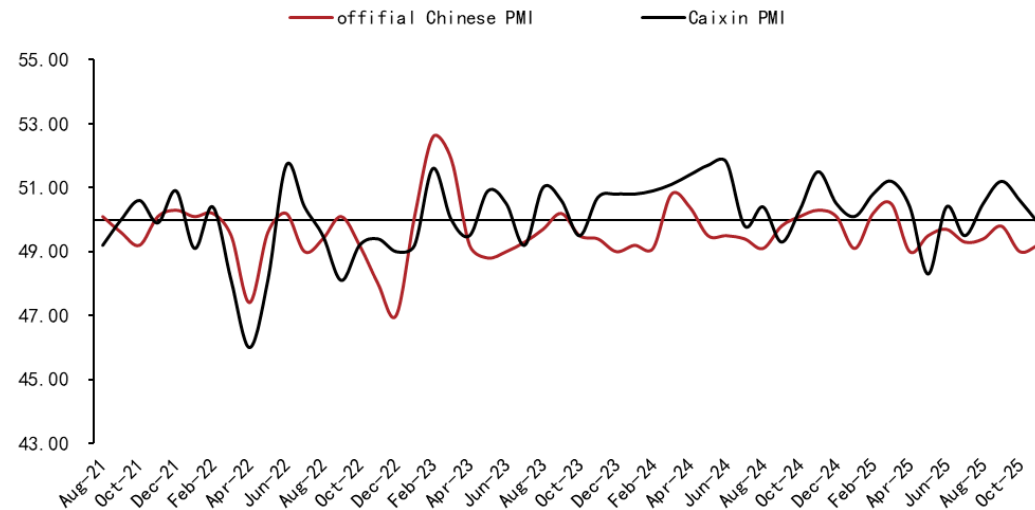
- The average refined-scrap copper spread in November was around 3,200 yuan/ton, narrowing m/m. Despite supportive economics for scrap substitution amid elevated copper prices, uncertainty over local tax rebate policies limited upside.
- Operating rates at recycled-copper rod producers declined in November. Although the widening refined-scrap spread boosted production incentives, tax rebate uncertainty continued to weigh on output, capping near-term scrap substitution.

Figure 21: China Monthly Apparent Refined Copper Consumption (10k tons)



Sources: Customs, SMM, MYMETAL, Minmetals Futures

Figure 22: China Manufacturing PMI



Sources: WIND, Minmetals Futures

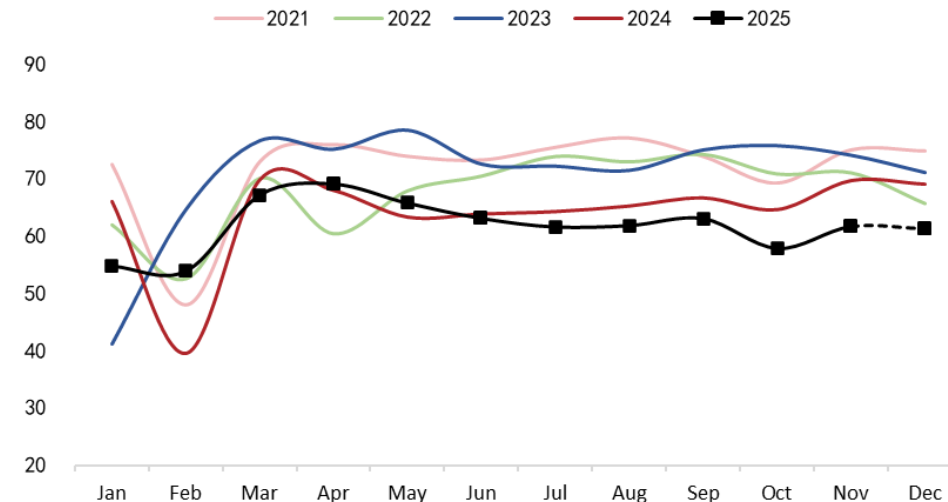
- Assuming higher net imports, China's apparent refined copper consumption in November is estimated at 1.472 million tons—up slightly y/y and notably higher m/m. Cumulative Jan–Nov apparent demand totaled approximately 15.113 million tons, up 7.6% y/y. Leading indicators showed mixed signals: the official manufacturing PMI improved in November, while the Caixin PMI weakened, suggesting limited overall recovery in manufacturing activity.

Figure 23: China Copper Products: YTD Output & YoY Growth (10k tons, %)



Sources: WIND, Minmetals Futures

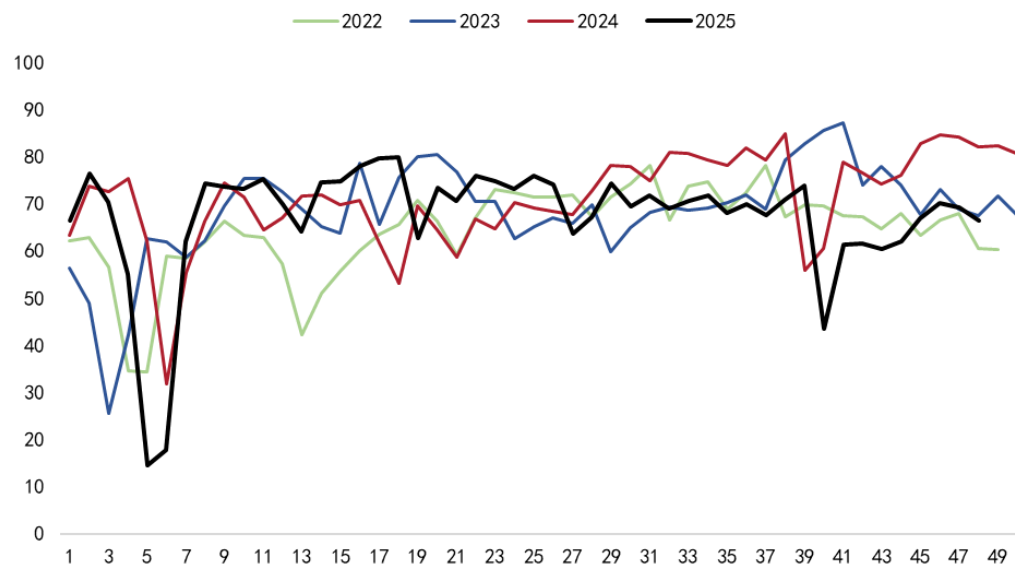
Figure 24: China Copper Fabrications Sector Average Operating Rate (%)



Sources: SMM, Minmetals Futures

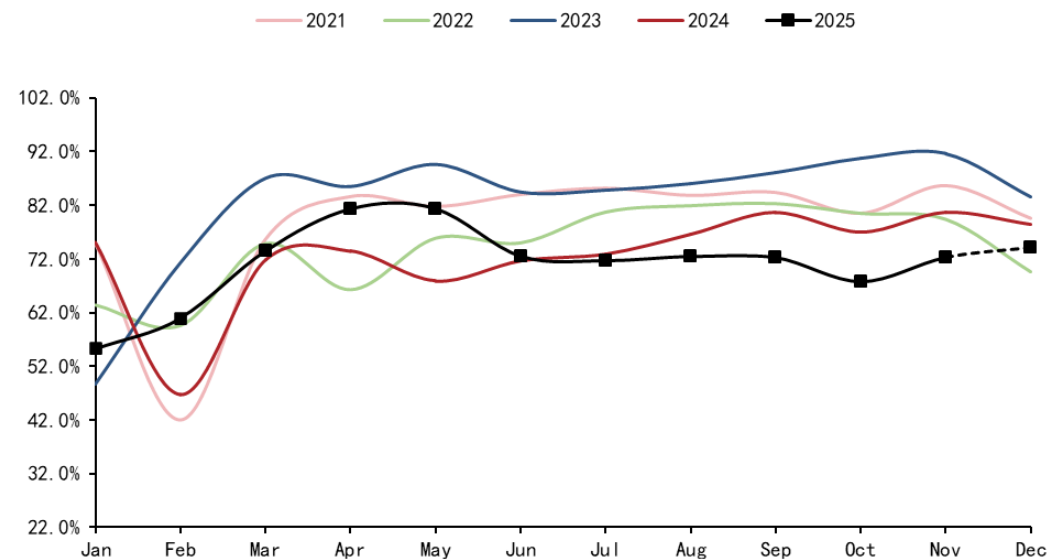
- China's copper product output rose by about 5.9% y/y in the first ten months of 2025, though the pace slowed from the prior month. According to SMM, copper product operating rates rebounded in November and are seasonally strong heading into December, though higher copper prices are expected to temper gains slightly m/m.

Figure 25: China Refined Copper Rod Maker Weekly Operating Rate (%)



Sources: SMM, Minmetals Futures

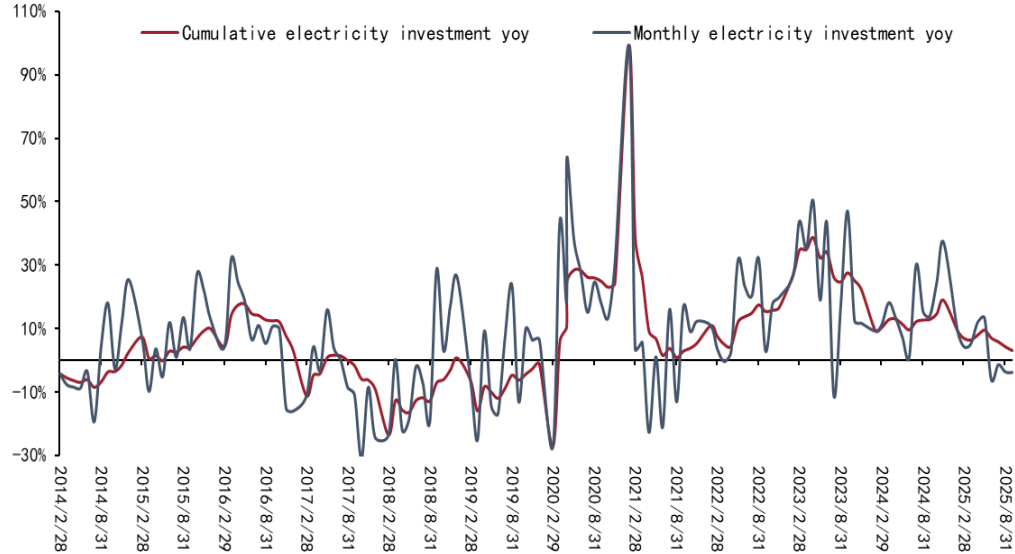
Figure 26: China Wire & Cable Sector Operating Rate (%)



Sources: SMM, Minmetals Futures

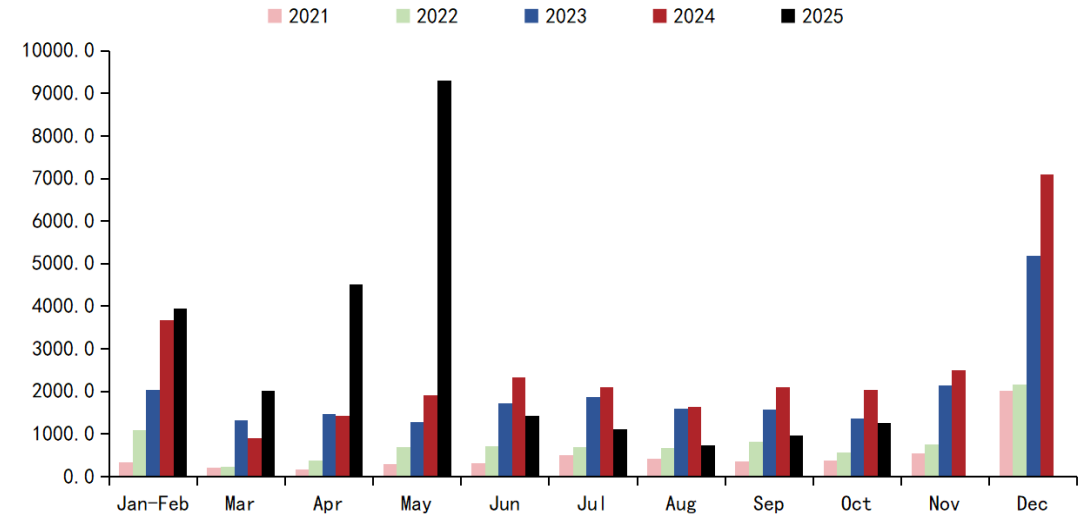
- Operating rates at China's refined-copper rod mills rebounded modestly in November, though the monthly average remained below year-ago levels. Still, given persistently higher copper prices, current utilization is not considered low. Wire and cable producers saw improved run rates in November, with further gains expected in December.

Figure 27: China Power Generation + Grid Investment y/y Growth (%)



Sources: NEA, Minmetals Futures

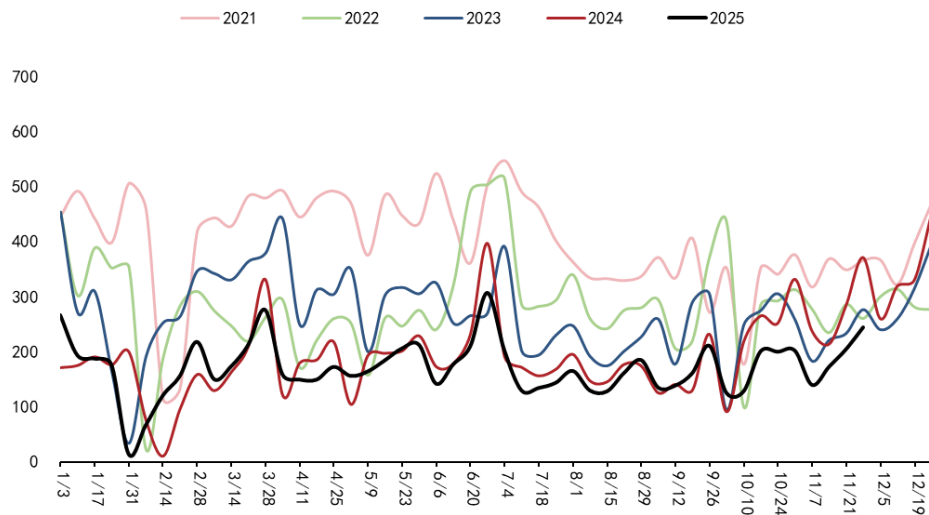
Figure 28: Photovoltaic New Installed Capacity (10k kW)



Sources: NEA, Minmetals Futures

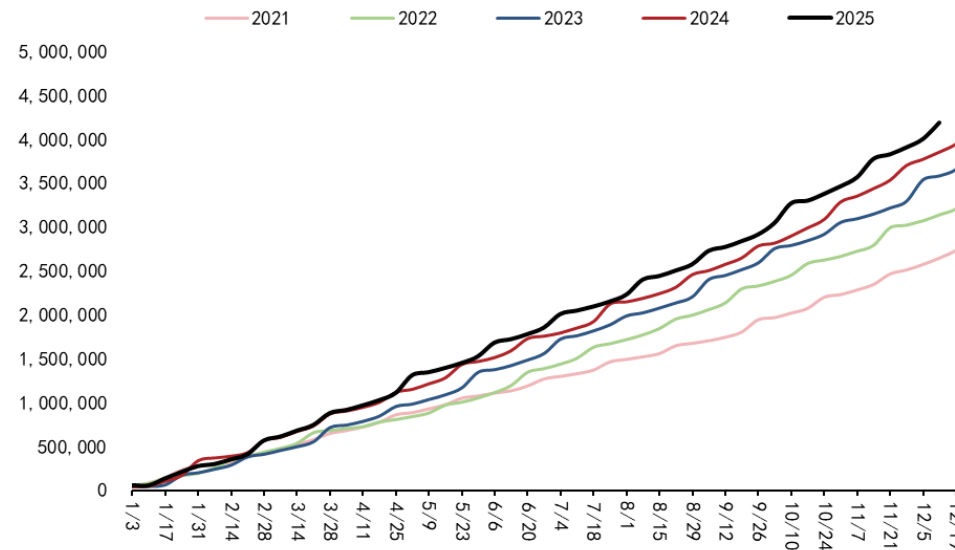
- As for downstream, power sector investment (generation + grid) in October continued to decline y/y. New solar installations remained down y/y but edged up m/m, while new wind capacity turned positive y/y.
- Demand is expected to see marginal improvement heading into year-end.

Figure 29: Weekly Sales Area of Commercial Housing in 30 Major Cities (10k m²)



Sources: WIND, Minmetals Futures

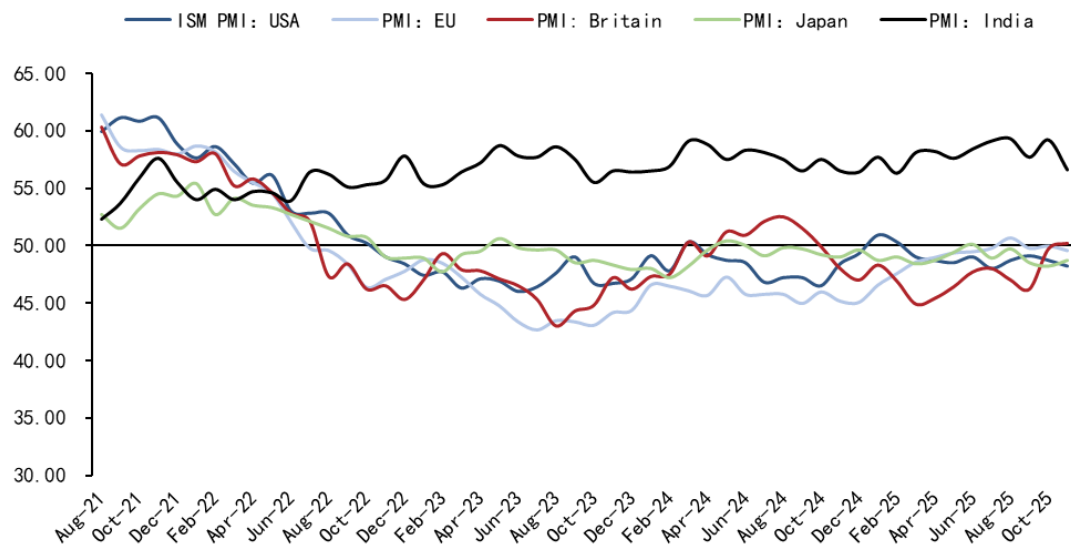
Figure 30: Passenger Vehicle Weekly Sales: OEM Wholesale, YTD Total (Units)



Sources: WIND, Minmetals Futures

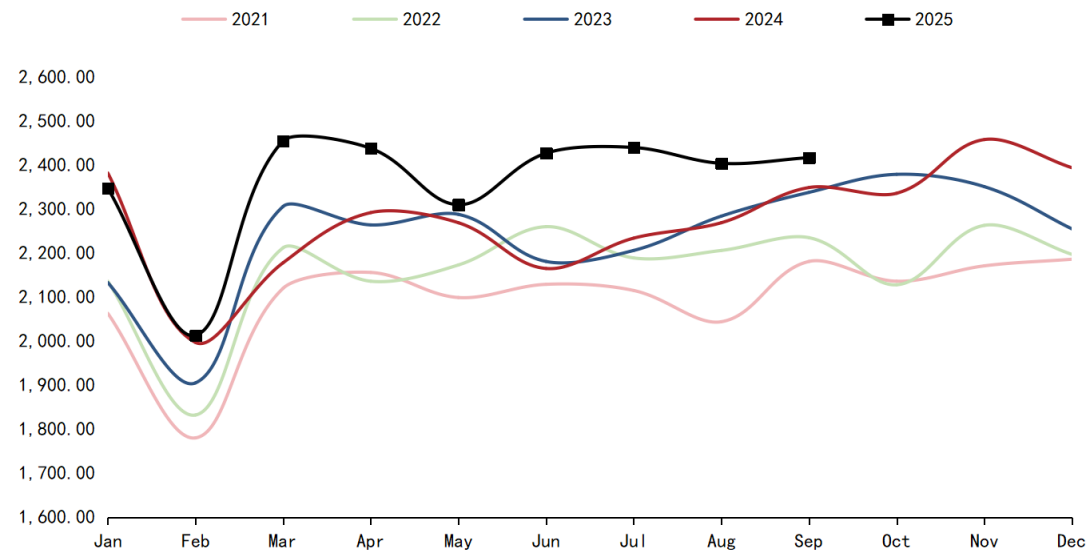
- Domestic property transaction data in November underperformed last year, keeping appliance production—tied to post-construction demand—relatively weak. Meanwhile, high-frequency auto sales data stayed robust in November.

Figure 31: Manufacturing PMI in Major Overseas Economies



Sources: WIND, Minmetals Futures

Figure 32: Global Refined Copper Consumption Seasonality (1k tons)



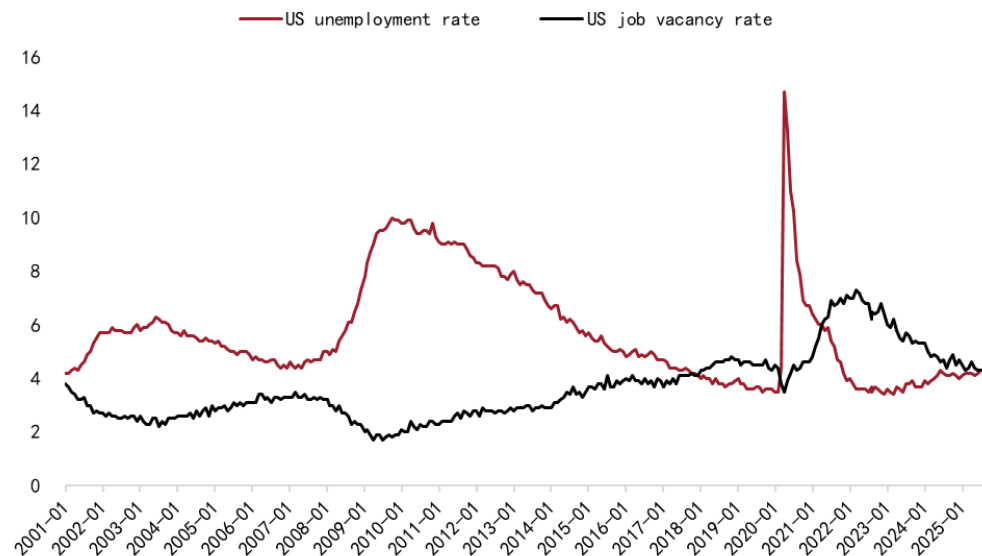
Sources: WIND, ICSG, Minmetals Futures

- Manufacturing sentiment in major advanced economies diverged in November: activity weakened in the U.S., eurozone, and India, but improved in the U.K. and Japan. Per ICSG data, global refined copper consumption rose both y/y and m/m in September 2025, with Jan–Sep demand up approximately 5.5% y/y.

04

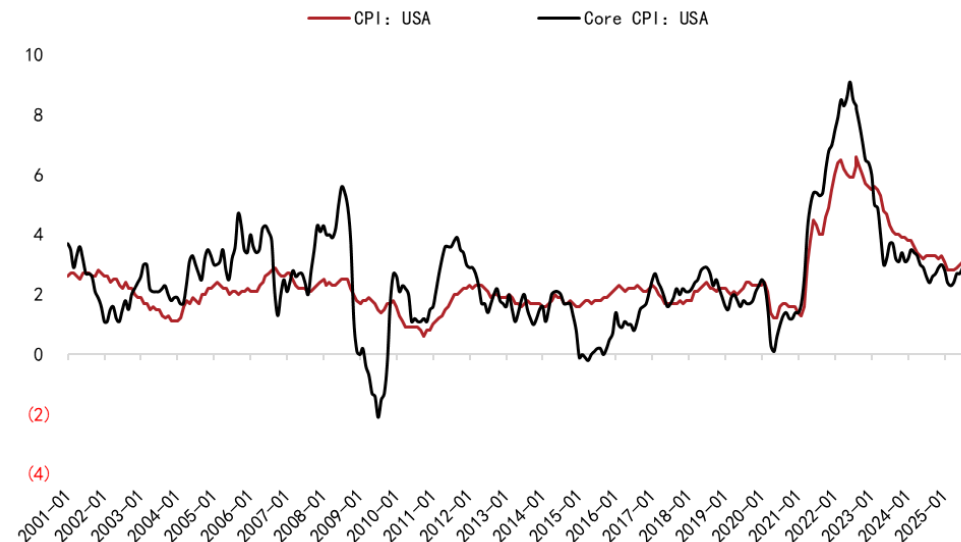
Macro Analysis

Figure 35: U.S. Unemployment Rate & Job Openings Rate (%)



Sources: WIND, Minmetals Futures

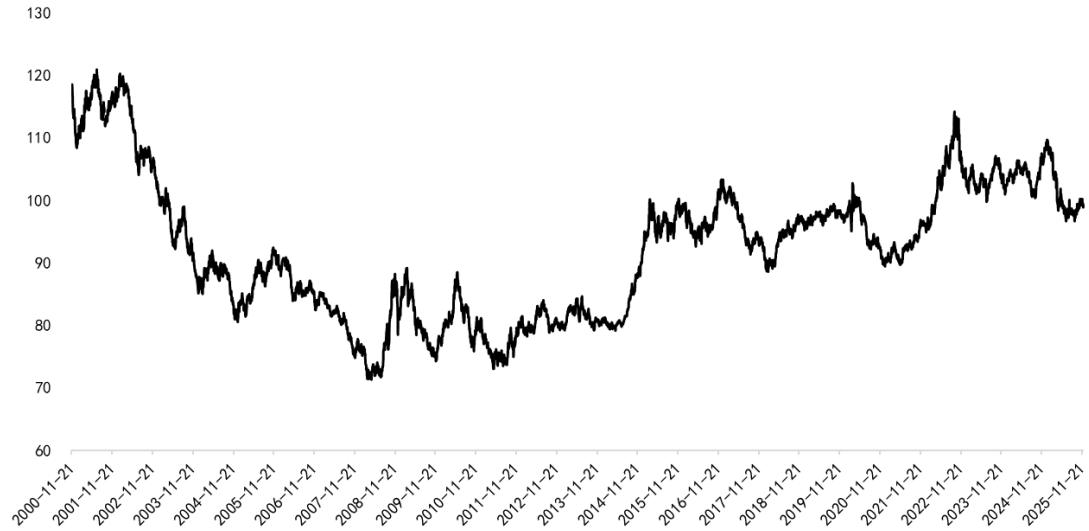
Figure 36: U.S. Core CPI y/y & CPI y/y (%)



Sources: WIND, Minmetals Futures

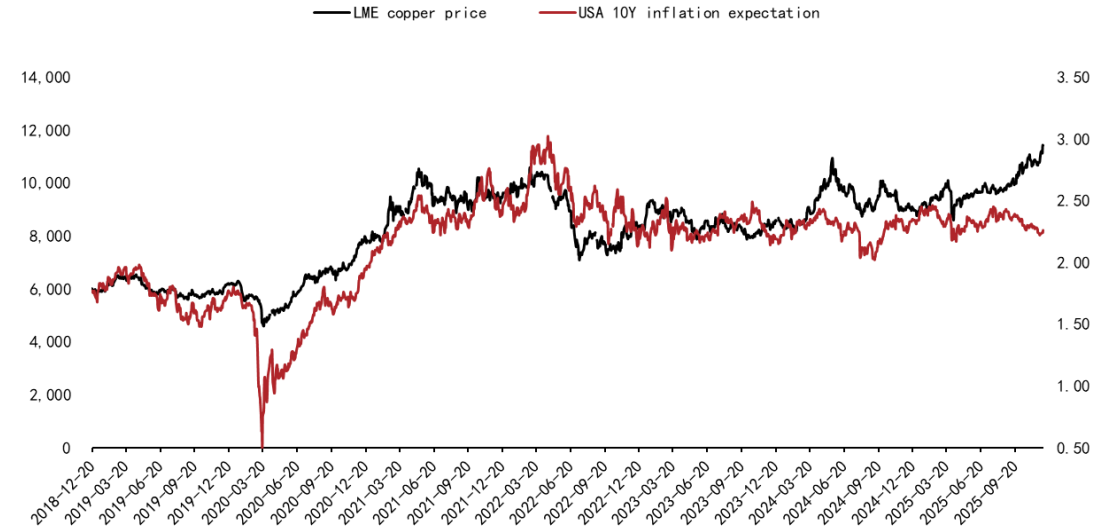
- A U.S. government shutdown delayed key data releases. Recently published ADP figures indicated the labor market remains relatively soft.
- Amid a weak labor market, Fed officials have struck a more dovish tone, with the probability of a rate cut at this month's meeting exceeding 80%. The Fed also ceased balance sheet runoff as of December 1, maintaining its bias toward policy easing.

Figure 37: U.S. Dollar Index



Sources: WIND, Minmetals Futures

Figure 38: LME Copper Price & U.S. 10Y Inflation Expectations (USD/ton, %)



Sources: WIND, Minmetals Futures

- The dollar index traded sideways in November, with its direction increasingly skewed to the downside amid expectations of U.S. monetary easing. U.S. 10-year breakeven inflation expectations stabilized, remaining somewhat divergent from copper price movements.

Please refer to international@minfutures.com for any comment or suggestion.

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