



五矿期货有限公司

Macro optimism has weakened slightly.

Copper Monthly Report

July 4, 2025

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CONTENTS



01 Monthly Review

03 Supply and Demand Analysis

02 Spot Market & Futures Market

04 Macro Analysis

01

Monthly Review

Annual Valuation & Strategy Recommendation

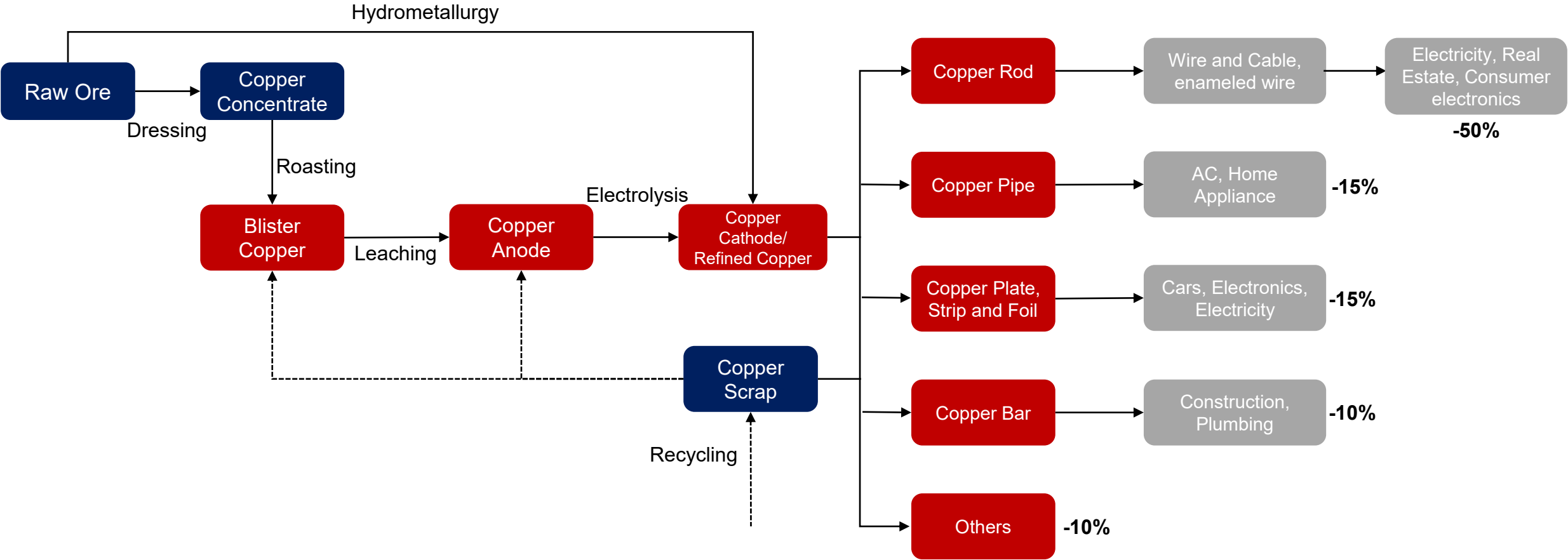
- ◆ **Supply:** The supply-demand relationship of copper concentrate remains tight in the short term, but judging from the results of semi-annual long-term contracts, the forward tightness is slightly less than expected. Domestic refined copper output remains relatively high, and July output is expected to rise.
- ◆ **Demand:** The estimated apparent consumption of refined copper in China in June continued to grow at a high rate but the growth rate is expected to decline to near zero in July. The marginal improvement in the manufacturing sector in overseas markets supports short-term demand expectations.
- ◆ **Import & Export:** The import loss of Shanghai copper in June significantly narrowed. It is expected that export volumes will increase due to the feed-processing model, while imports are expected to decrease.
- ◆ **Inventory:** The inventories at SHFE and LME shrank in June, while COMEX and bonded zone inventories increased. It is estimated that domestic inventories will remain relatively stable in July, while overseas continues to pile up.
- ◆ **Summary:** Entering July, China's refined copper production is expected to remain at a high level, with downstream demand in the off-season remaining weak. The marginal increase in scrap copper substitution is expected, but increased exports may help keep inventories stable. Overseas demand expectations remain relatively positive, but hidden inventories may further become visible. On the macroeconomic front, U.S. Senate is expected to pass the One Big Beautiful Bill, but the strong U.S. labor market has delayed the expectation of interest rate cuts. Additionally, with the increasing uncertainty in global trade, market sentiment may be affected. For LME, with more warehouse release, the squeeze pressure has been eased. Overall, macro uncertainty may bring the market a downward fluctuation risk, which may put more pressure on copper prices for a short-term adjustment. But low inventories and the tight supply of raw materials will provide certain support. Reference ranges for SHFE copper main contracts this month: 77,000-82,000 yuan/ton and for LME 3M copper is US\$9,300-10,200/ton.
Suggestion: Try short on a rebound

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



五矿期货有限公司

| | 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 | 106.0 | 6.5% | 40.8 | 1.7 | 39.1 | (6.9) | 152.0 | 15.9% | 1555.3 | 4.3% |
| Jan-25 | 102.0 | 5.2% | 29.7 | 1.7 | 28.0 | 6.1 | 123.9 | -4.7% | 123.9 | -4.7% |
| Feb-25 | 104.0 | 9.5% | 30.5 | 3.2 | 27.3 | 24.2 | 107.1 | 8.2% | 231.0 | 0.9% |
| Mar-25 | 110.0 | 10.0% | 35.4 | 6.8 | 28.6 | 2.9 | 135.7 | 15.6% | 366.7 | 5.9% |
| Apr-25 | 110.4 | 12.1% | 30.0 | 7.8 | 22.2 | (22.3) | 154.9 | 25.0% | 521.6 | 10.9% |
| May-25 | 111.6 | 10.7% | 29.3 | 3.4 | 25.9 | (3.5) | 141.1 | 14.8% | 662.7 | 11.7% |
| Jun-25 | 111.0 | 10.4% | | | 26.0 | 0.3 | 136.0 | 13.8% | 798.7 | 12.1% |
| Jul-25 | 112.5 | 9.4% | | | 28.0 | 5.5 | 135.0 | 2.3% | 933.7 | 10.5% |



02

Spot Market & Futures Market

Figure 1: Price Trend of SHFE Copper Main Continuous Contract (yuan/ton)



Sources: Wenhua, Minmetals Futures

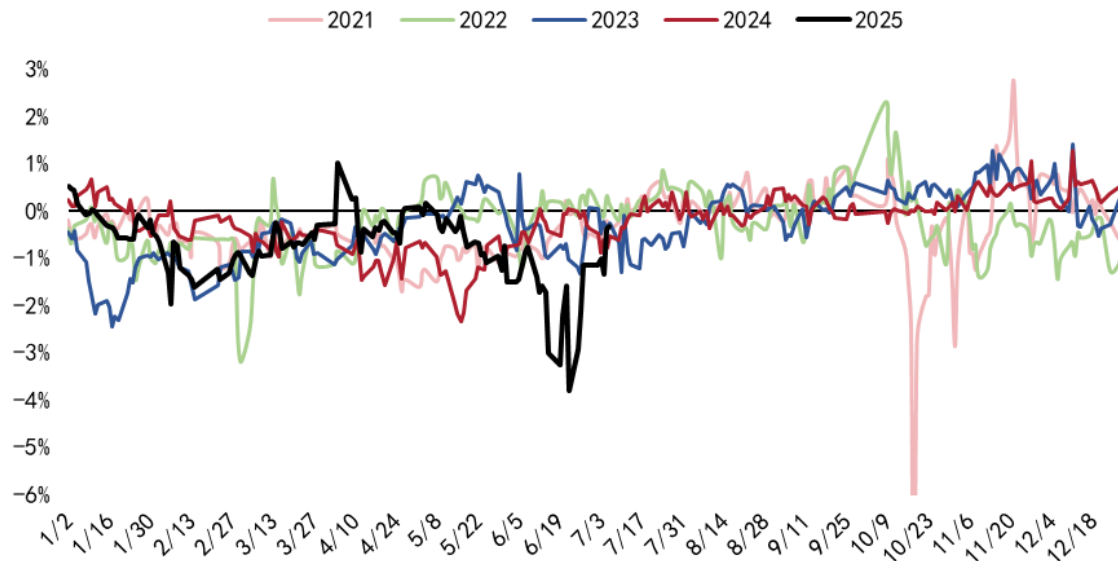
Figure 2: Price Trend of LME-3M Copper Contract (US\$/ton)



Sources: Wenhua, Minmetals Futures

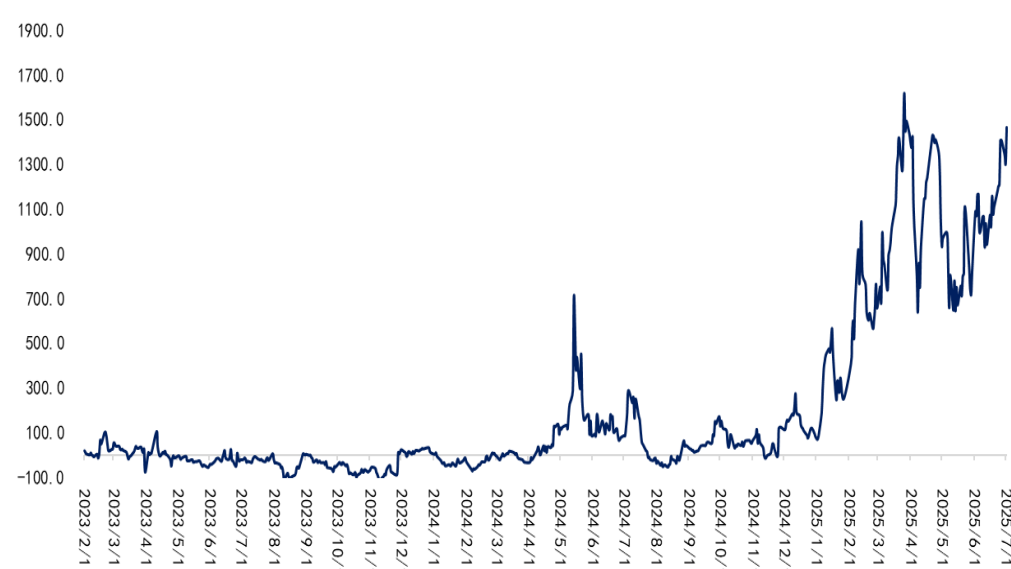
- The copper price experienced a fluctuating upward trend in June, with SHFE main contract up by 2.93% and LEM-3M contract up by 4.01% during the month. The tight supply of copper outside U.S., along with the passage of the One Big Beautiful Bill and the rising expectations for the Fed's interest rate cuts, jointly contributed to the copper price increase. During the period, the U.S. dollar index fell by 2.7%, and the onshore renminbi appreciated by 0.69%.

Figure 3: Profit-Loss Ratio of Electrolytic Copper Import in China



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

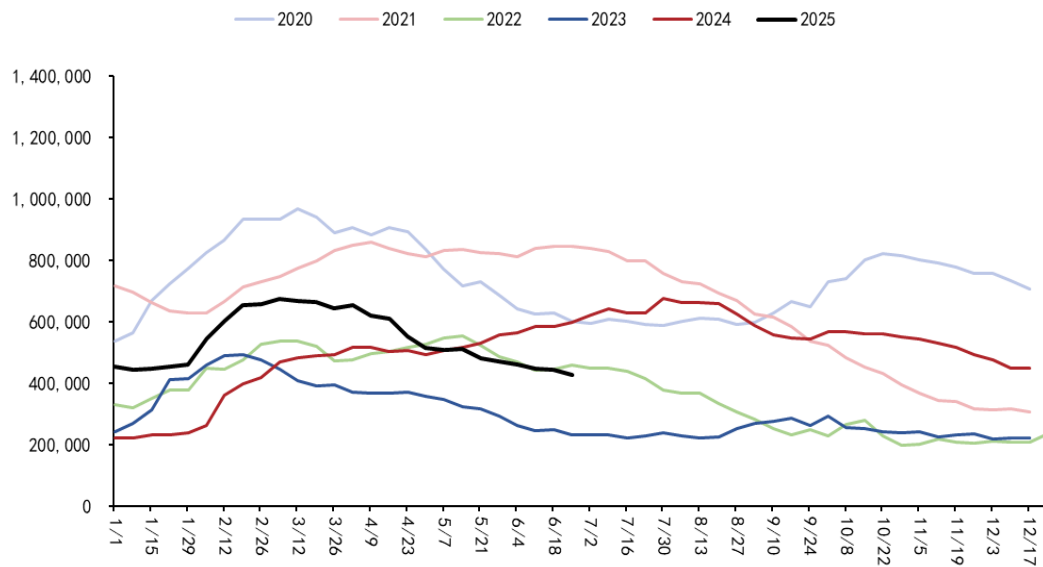
Figure 4: COMEX Copper, LME Copper and Spread (USD/ton)



Sources: Wind, Minmetals Futures

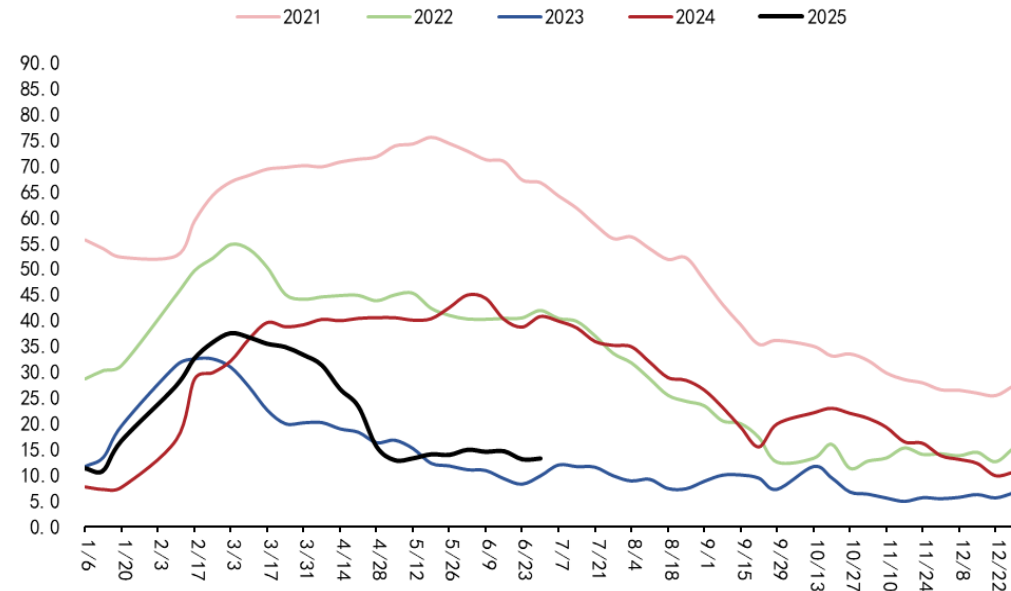
- In June, LME cash copper experienced a tight supply, with a surge in premium. LME copper price outperformed the SHFE copper, which expanded the loss for importing to Shanghai to over 3,000 yuan/ton. Additionally, the U.S. 232 investigation into copper imports has not yet been resolved, but the expectation of potential tariffs has continued to support U.S. copper to strengthen. As a result, the COMEX-LME copper spread further widened, making U.S. more attractive global copper supplies.

Figure 5: Inventory of Three Major Exchanges and Bonded Zone (ton)



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

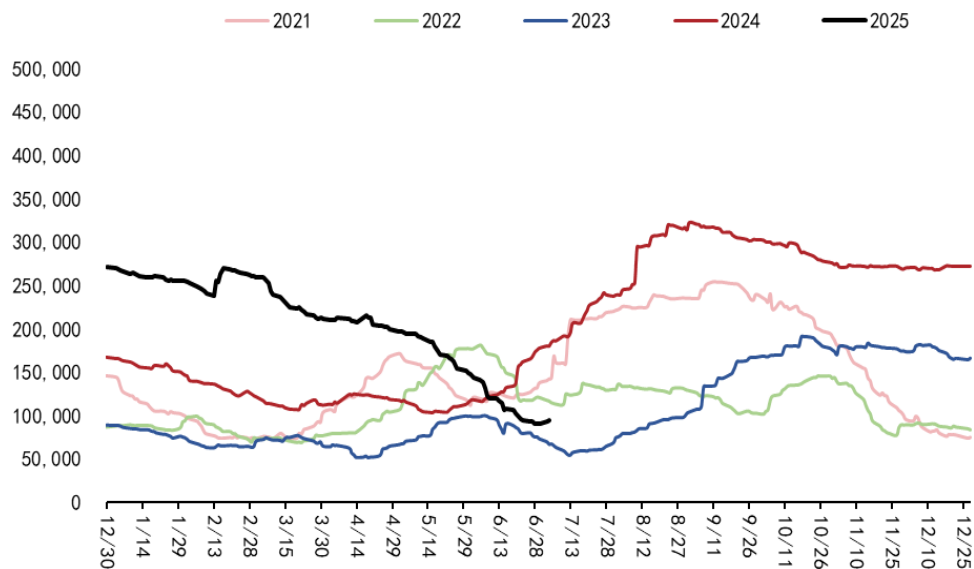
Figure 6: China's Electrolytic Copper Social Inventory (10k tons)



Sources: SMM, Minmetals Futures

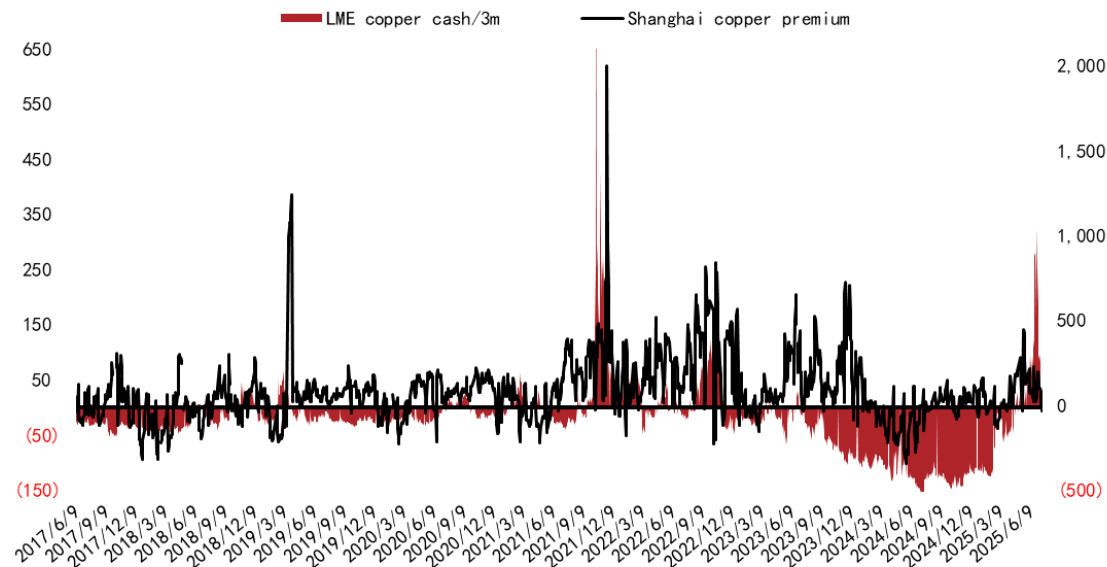
- By June-end, the total inventory of the three major exchanges plus the bonded zone in Shanghai was approximately 426,000 tons (-46,000 tons MoM), at the lowest level for the same period except 2023. During the month, China's copper inventory fluctuated downward, with exchange inventories at around 82,000 tons and non-exchange social inventories at approximately 50,000 tons. The bonded zone inventory increased MoM, with an absolute amount of about 63,000 tons.

Figure 7: LME Copper Inventory (ton)



Sources: WIND, Minmetals Futures

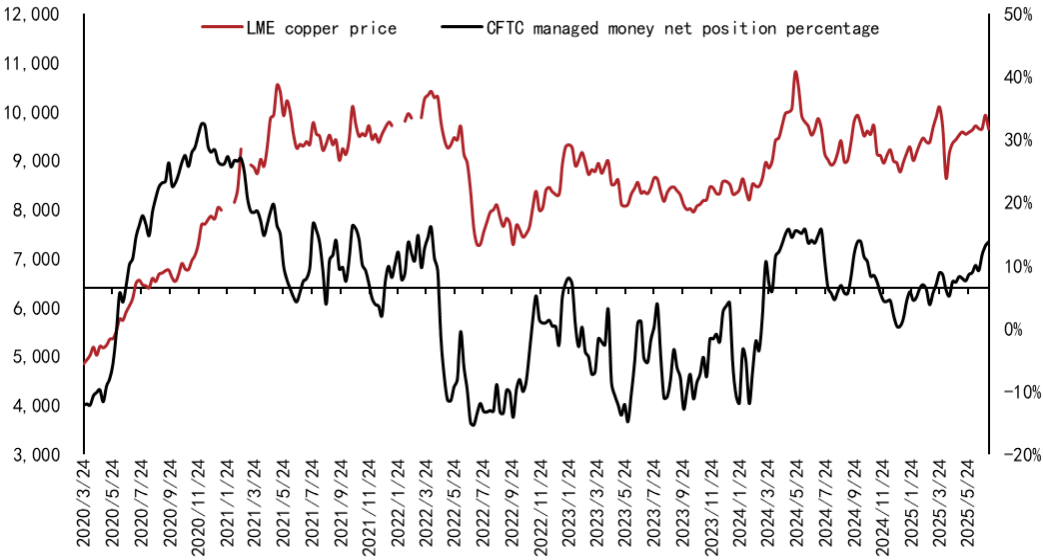
Figure 8: Domestic-Overseas Copper Spread (USD/ton, yuan/ton)



Sources: LME, WIND, Minmetals Futures

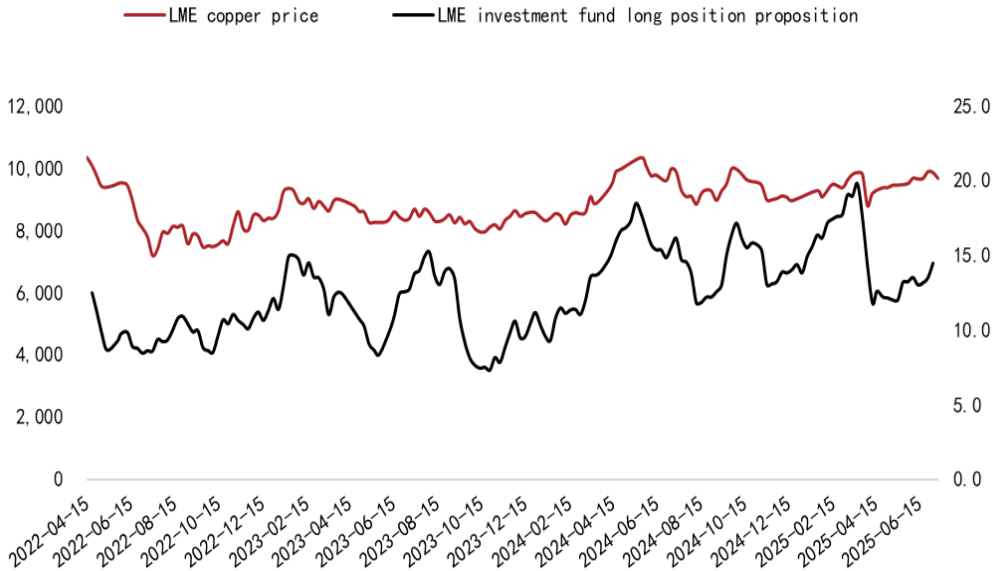
- LME copper inventory continued to decline, dropping below 100,000 tons by the end of June. Entering July, as China's exports more, LME inventory saw a slight rise. COMEX copper inventory maintained its upward trend, with a total around 190,000 tons. In terms of the basis, a smaller LME inventory and market squeeze pushed the Cash/3M premium to over USD300/ton, which then dropped to around USD100/ton by early July. The increase in China's exports also contributed to a tighter spot market and a higher basis, but as copper prices rose, the basis quotation retreated to approximately 110 yuan/ton.

Figure 9: CFTC Fund Net Long Ratio & LME Copper Price (USD/ton)



Sources: WIND, Minmetals Futures

Figure 10: LME Investment Fund Long Position Share



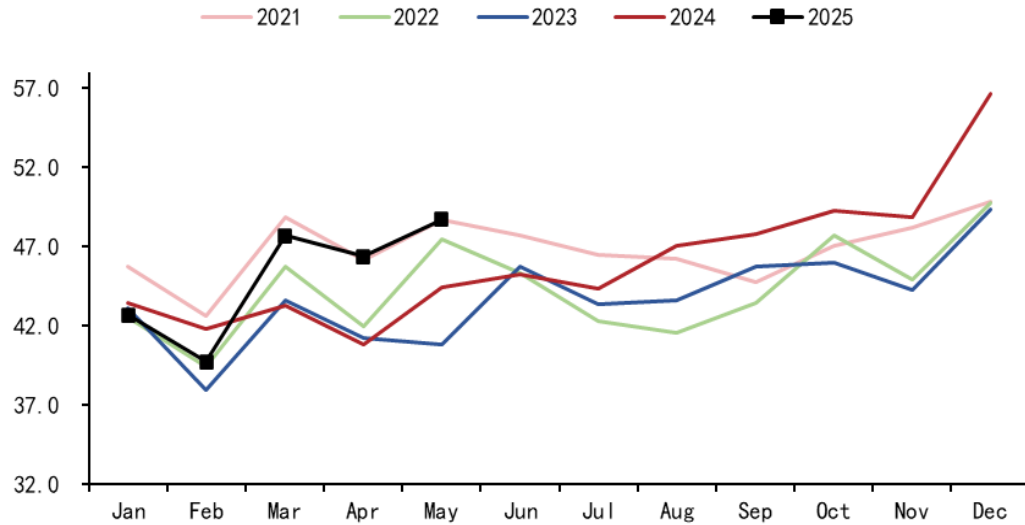
Sources: WIND, Minmetals Futures

- As of the end of June, CFTC funds maintained net long positions, with the net long ratio rising to 11.3%. During the month, long positions increased slightly while short positions decreased significantly, indicating strengthening bullish sentiment. LME investment funds also saw an increase in the percentage of long positions, reflecting a recovery in bullish sentiment. Entering July, market sentiment is primarily influenced by global trade dynamics, inventory changes, and U.S. policy expectations.

03

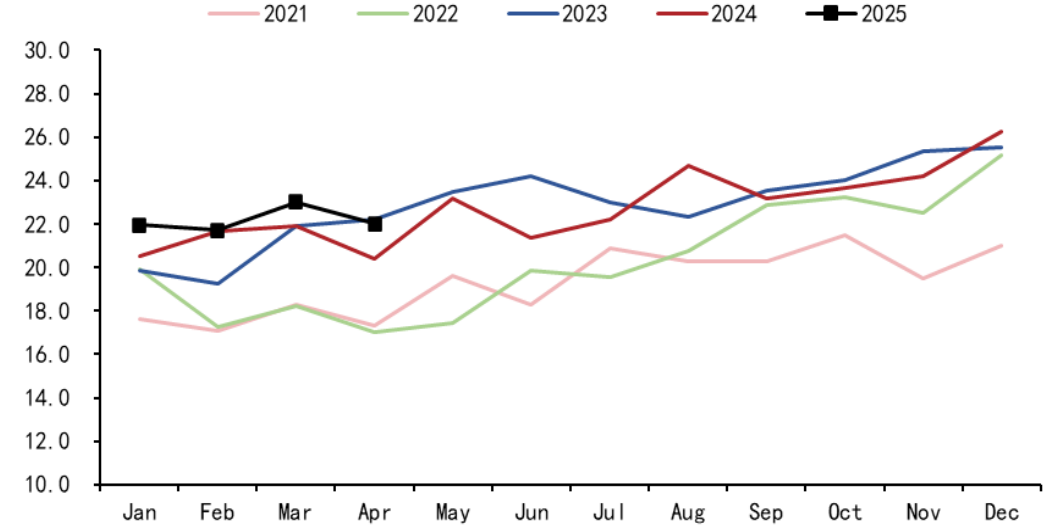
Supply and Demand Analysis

Figure 11: Chile Copper Output (10k tons)



Sources: Cochilco, Minmetals Futures

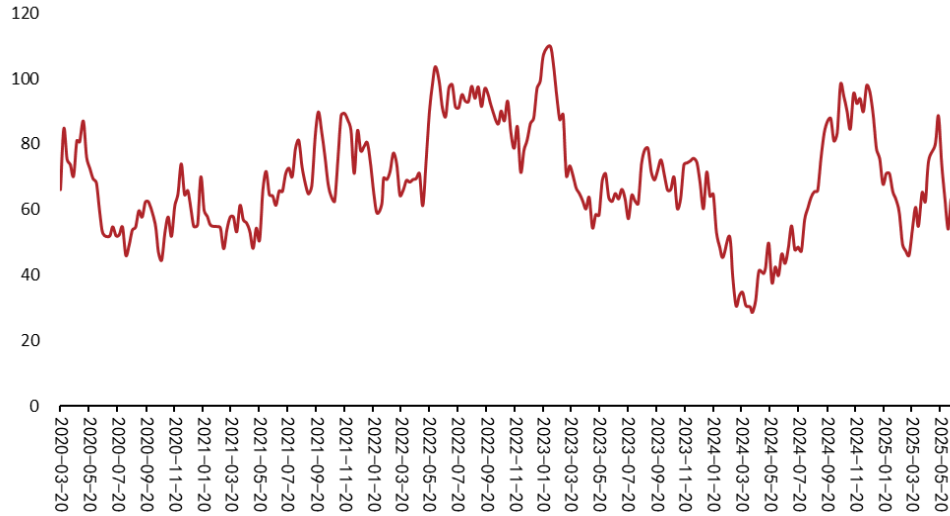
Figure 12: Peru Copper Output (10k tons)



Sources: Ministry of Energy and Mines of Peru, Minmetals Futures

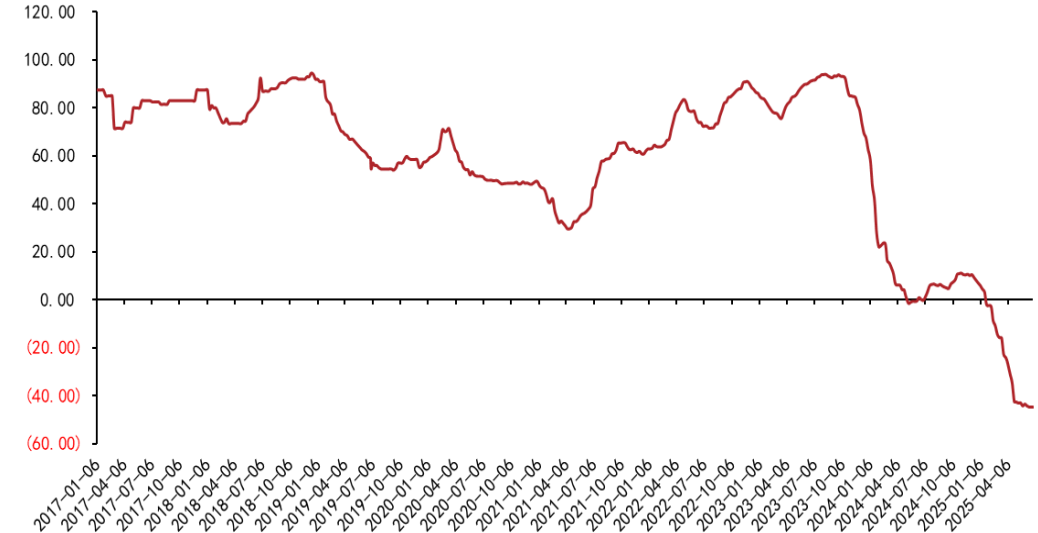
- Chile, the world's largest copper producer, maintained its May copper output at a multi-year high, signaling robust production. Peru's April copper production declined MoM but remained seasonally elevated. In June, Ivanhoe Mines lowered the annual production guidance midpoint for the Kamoakakula copper mine by approximately 150,000 tons, further reducing the growth rate estimate of copper supply which is already subdued.

Figure 13: Copper Concentrate Inventories at Major Chinese Ports (10k tons)



Sources: IFIND, Minmetals Futures

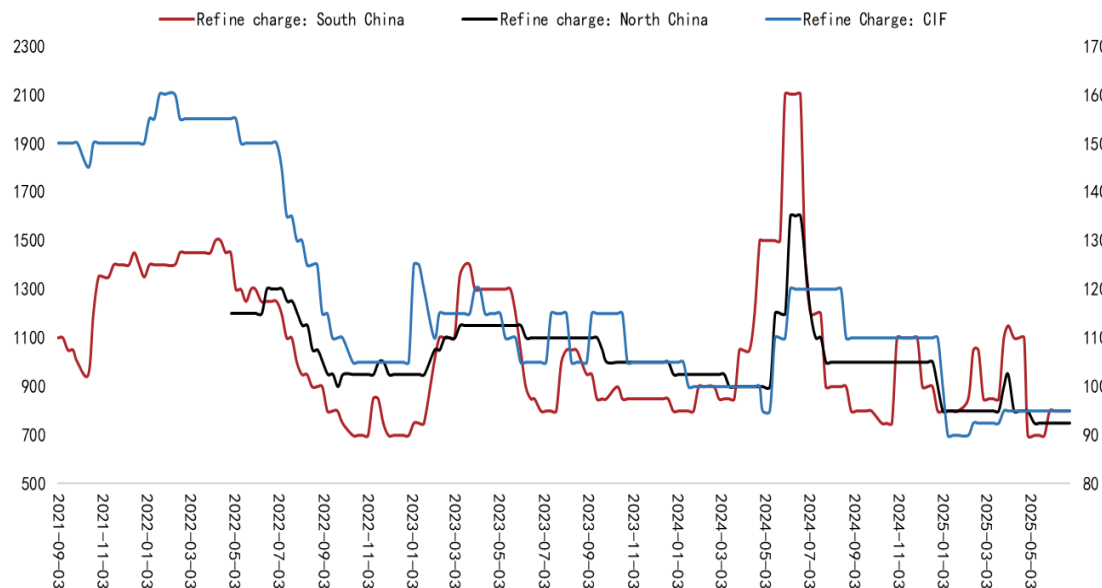
Figure 14: Imported Copper Concentrate Treatment Charges (TC) (USD/ton)



Sources: SMM, Minmetals Futures

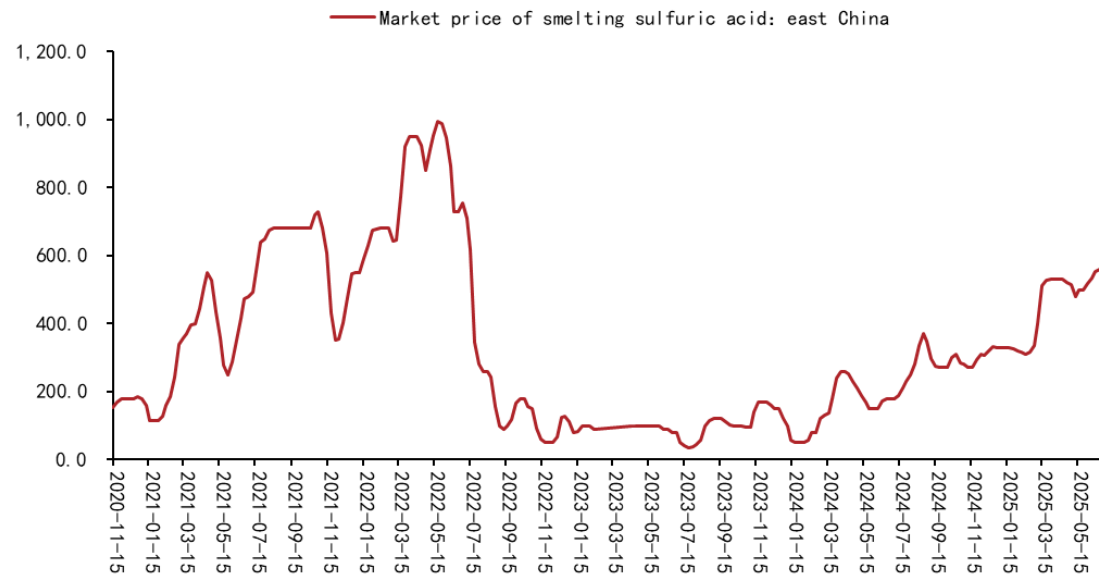
- Copper concentrate inventories at major Chinese ports continued to decline in June, tightening spot supply at ports. Regarding processing fees, copper concentrate TCs continued to weaken against a backdrop of supply disruptions, new overseas smelting capacity, and high domestic smelting utilization rates. However, the decline moderated, with spot TCs reported at USD-44.8/ton by late June. In June, Antofagasta settled semi-annual long-term TC contracts with Chinese smelters at USD0/ton, highlighting persistent tightness in future copper concentrate supply—though less severe than market expectations.

Figure 15: Blister Copper Processing Fees (yuan/ton, USD/ton)



Sources: SMM, Minmetals Futures

Figure 16: Market Price of Smelting Sulfuric Acid in Major Areas in China (yuan/ton)



Sources: WIND, Minmetals Futures

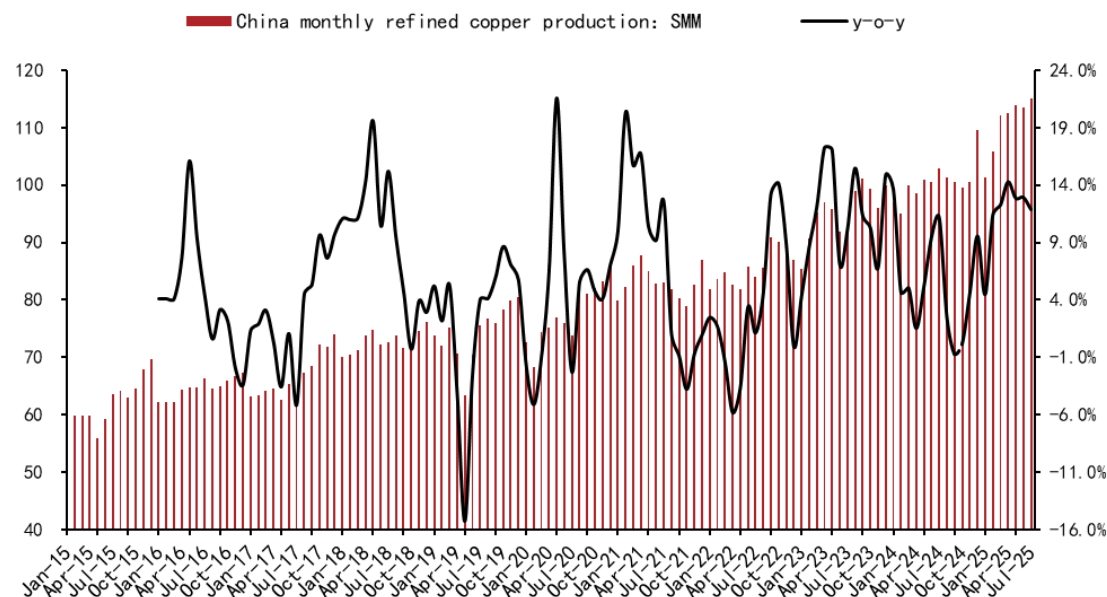
- In June, both domestic and imported blister copper processing fees remained flat MoM and cold material supply remains tight. Sulfuric acid prices—a by-product of smelting—rose MoM in mainstream domestic regions during the same period, at relatively high levels which forms positive contributions to smelting revenue.

Figure 17: Domestic Copper Smelter Maintenance (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 |

Sources: MYSTEEL, SMM, Minmetals Futures

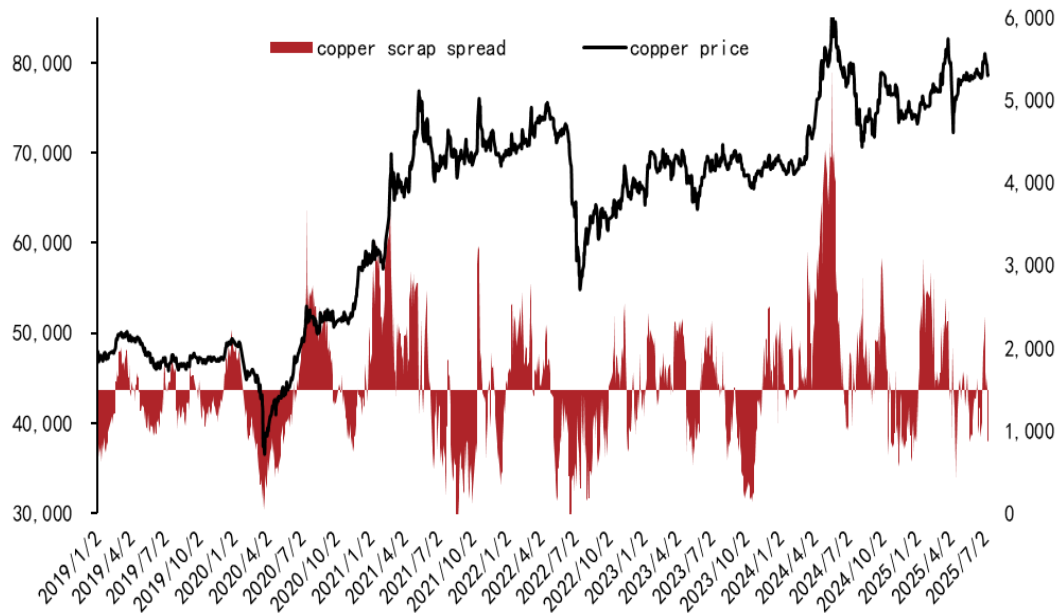
Figure 18: Monthly Output of Refined Copper in China (10k tons)



Sources: SMM, Minmetals Futures

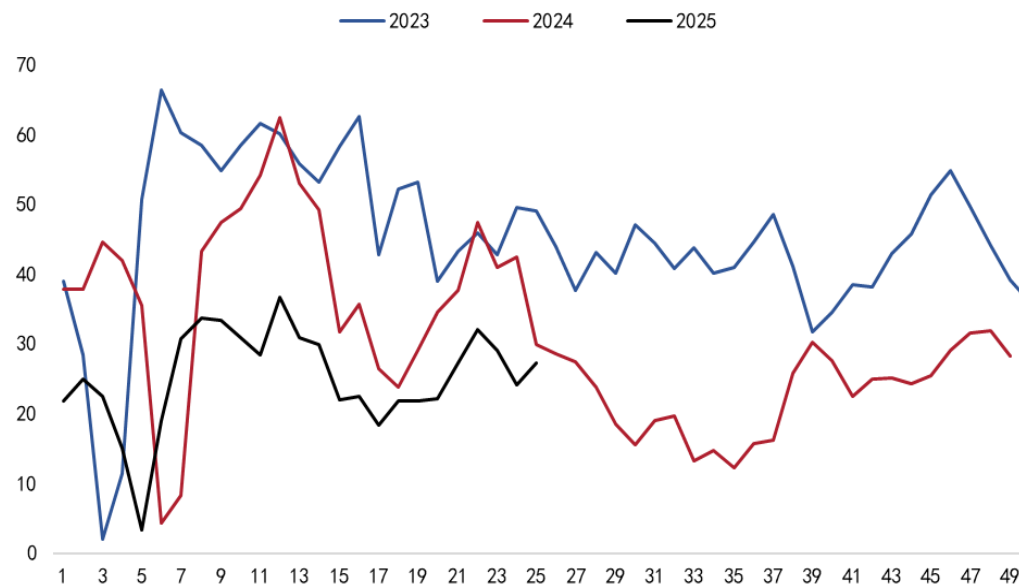
- June saw more smelting maintenance shutdowns than May, leaving domestic refined copper output slightly decline MoM but expanded with a high pace YoY. Entering July, with less smelter maintenance, refined copper output is estimated to rebound, with an increase of around 15,000 tons MoM.

Figure 19: Electrolytic Copper-Grade 1 Bright Copper Price Spread (yuan/ton)



Sources: SMM, WIND, Minmetals Futures

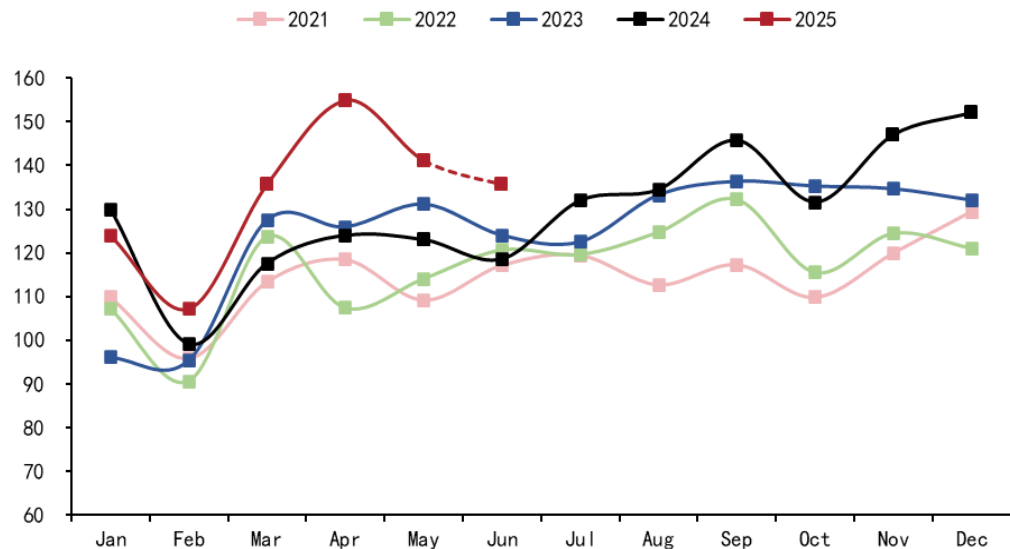
Figure 20: Secondary Copper Rod Producers Weekly Operating Rate



Sources: SMM, Minmetals Futures

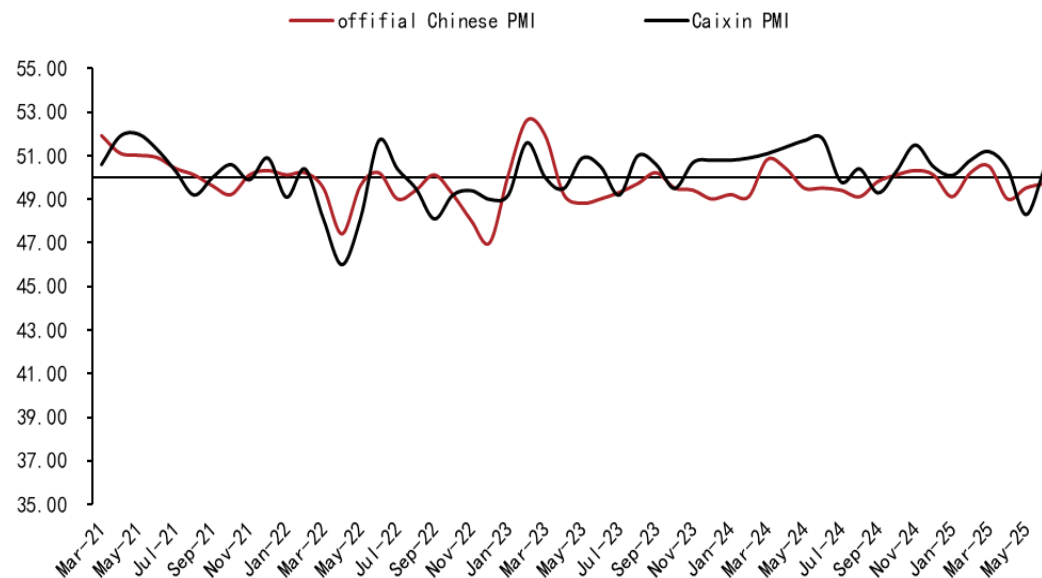
- The average domestic refined-scrap copper spread in June was approximately 1,350 yuan/ton, marking a slight MoM expansion and improving the substitution advantage of scrap copper. Consequently, the operating rate of recycled copper rod producers oscillated upward, increasing substitution for refined copper. Entering July, despite rising copper prices, constrained domestic scrap copper supply may amplify substitution for electrolytic copper from the consumption side, though insignificantly.

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



Sources: Customs, SMM, MYMETAL, Minmetals Futures

Figure 22: China Manufacturing PMI



Sources: WIND, Minmetals Futures

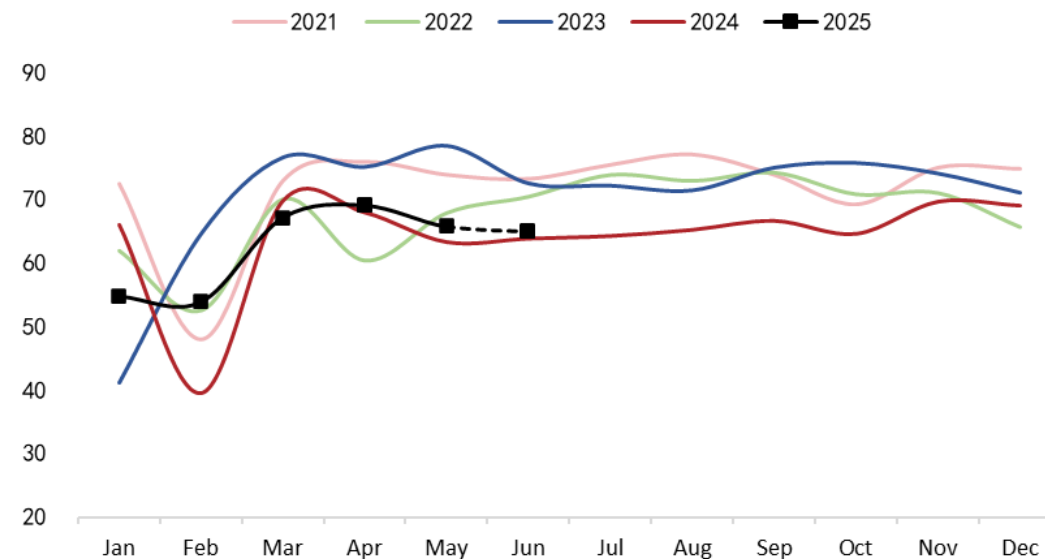
- In June, China's apparent copper consumption maintained a rapid growth against a low base from the previous year. Estimated monthly apparent consumption reached 1.357 million tons (+~13.5% YoY). Cumulative apparent consumption for January-June totaled ~7.983 million tons (+12% YoY). Leading economic indicators show both the official Manufacturing PMI and Caixin Manufacturing PMI rebounded in June, with the Caixin PMI returning above the boom-bust line (50), indicating marginal improvement in manufacturing sentiment.

Figure 23: China Copper Semi-finished Products: Cumulative Output & YoY Growth Rate (10k tons, %)



Sources: WIND, Minmetals Futures

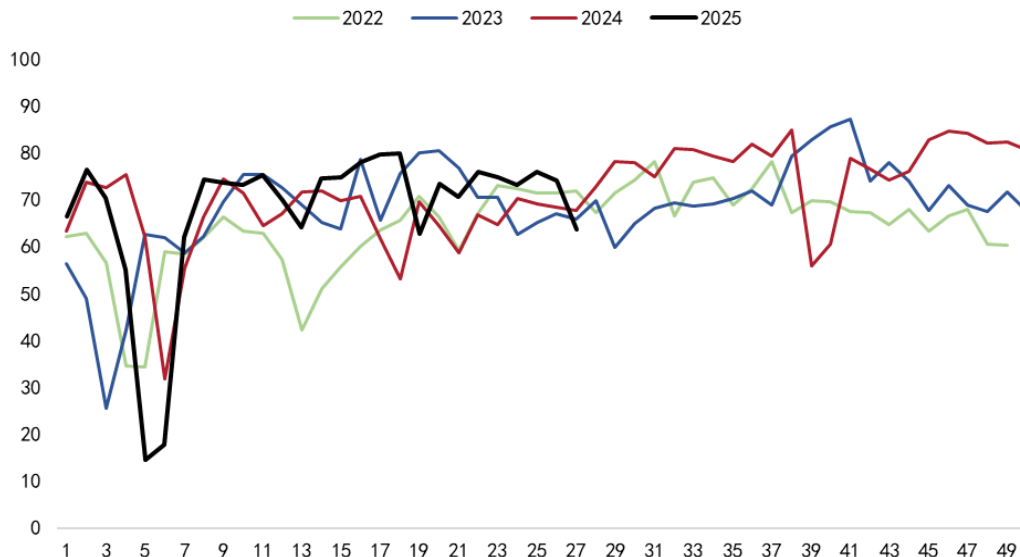
Figure 24: Operating Rate of Wire & Cable Producers



Sources: SMM, Minmetals Futures

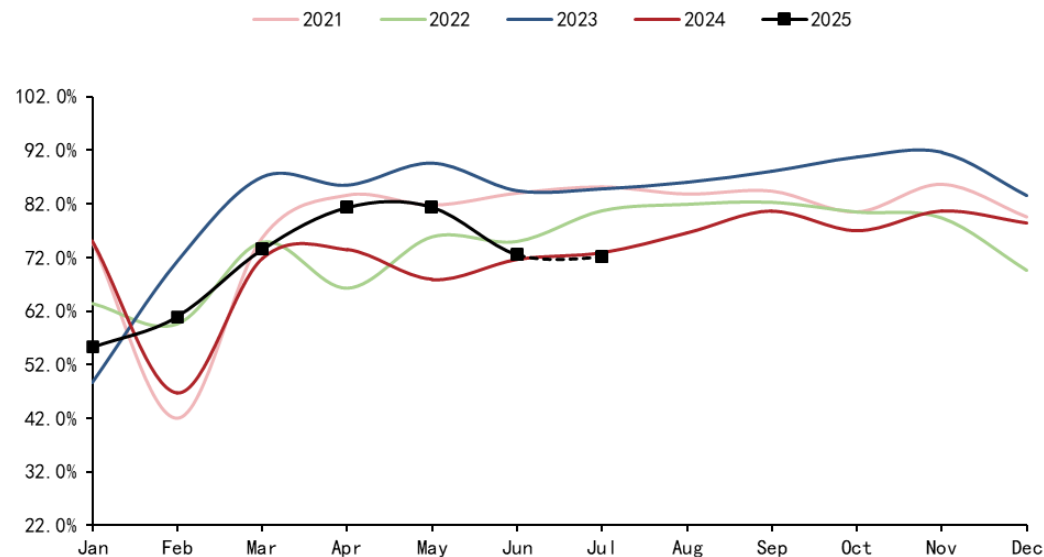
- From January to May 2025, China's copper product output grew over 6%, with a growth accelerating in April and May. According to SMM data, copper product manufacturers' operating rates declined in May, with a further drop expected in June.

Figure 25: China Electrolytic Copper Rod Producers Weekly Operating Rate (%)



Sources: SMM, Minmetals Futures

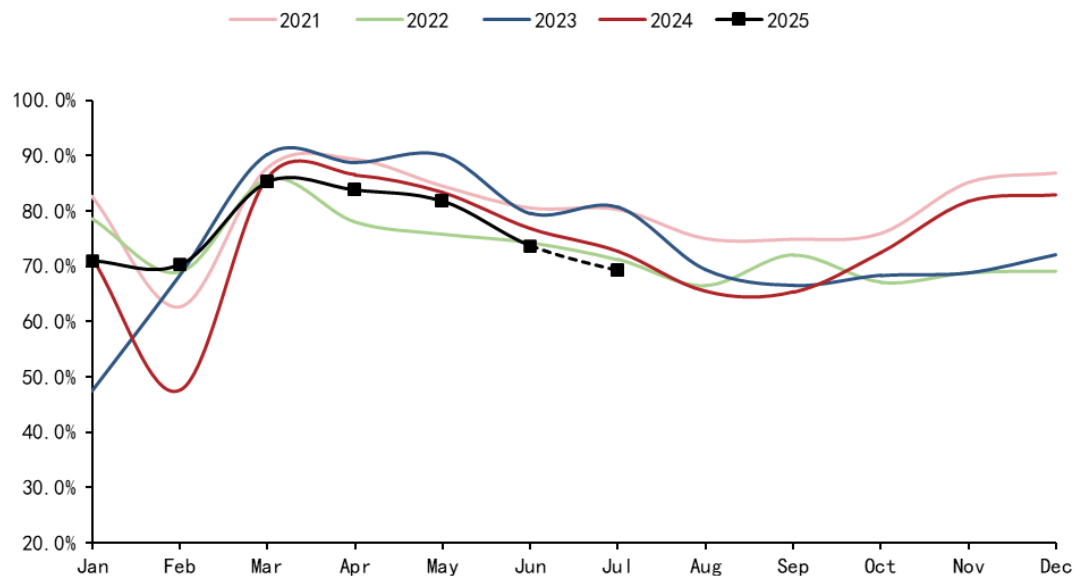
Figure 26: China Wire and Cable Manufacturers Operating Rate (%)



Sources: SMM, Minmetals Futures

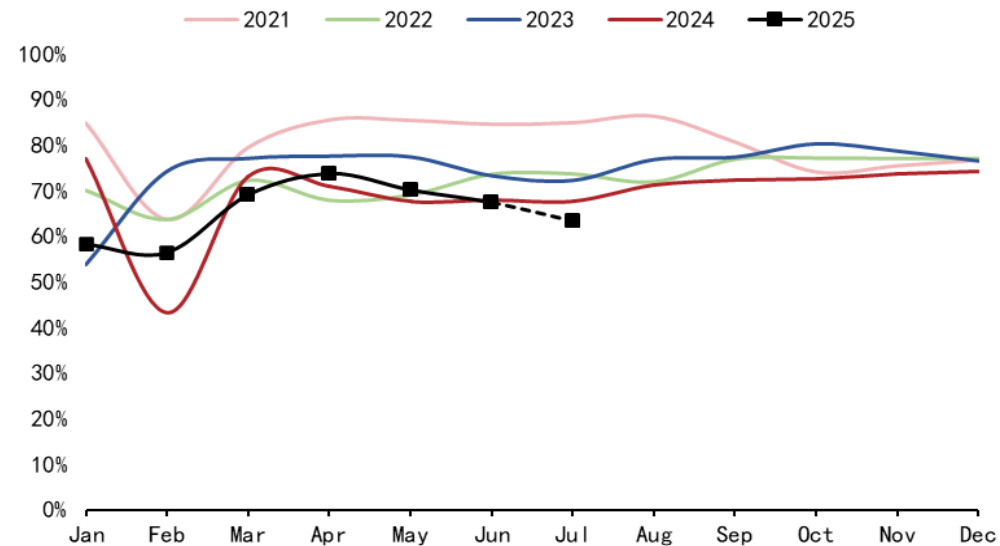
- In June, China's refined copper rod producers maintained relatively high operating rates, which however declined notably after copper prices exceeded 80,000 yuan/ton. Concurrently, operating rates at domestic electric wire and cable manufacturers weakened, falling below previous expectations. A slight further decline is anticipated in July, aligning with year-ago levels.

Figure 27: China Tube Manufacturers Operating Rate (%)



Sources: SMM, Minmetals Futures

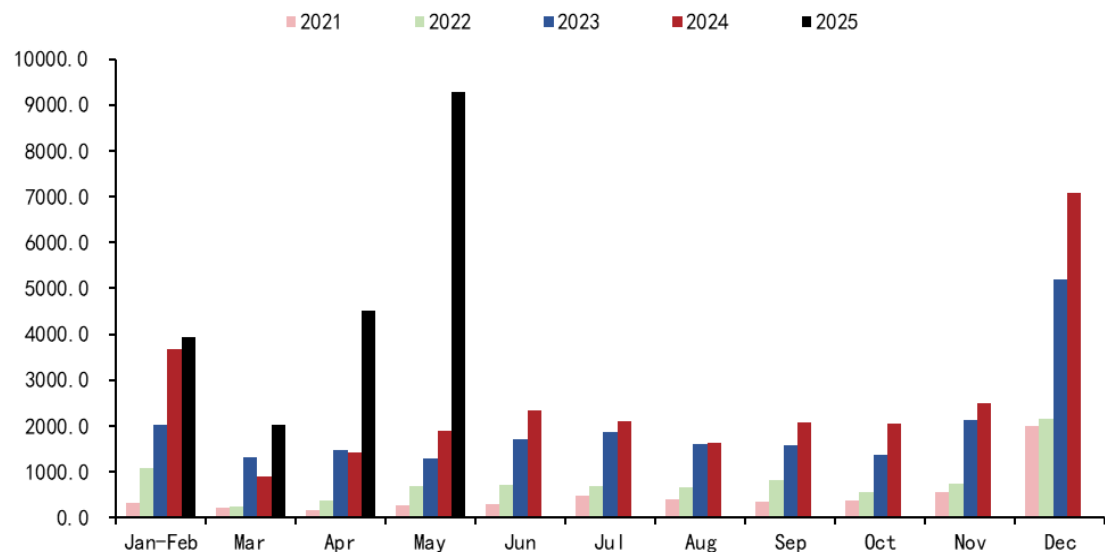
Figure 28: China Plate and Strip Manufacturers Operating Rate (%)



Sources: SMM, Minmetals Futures

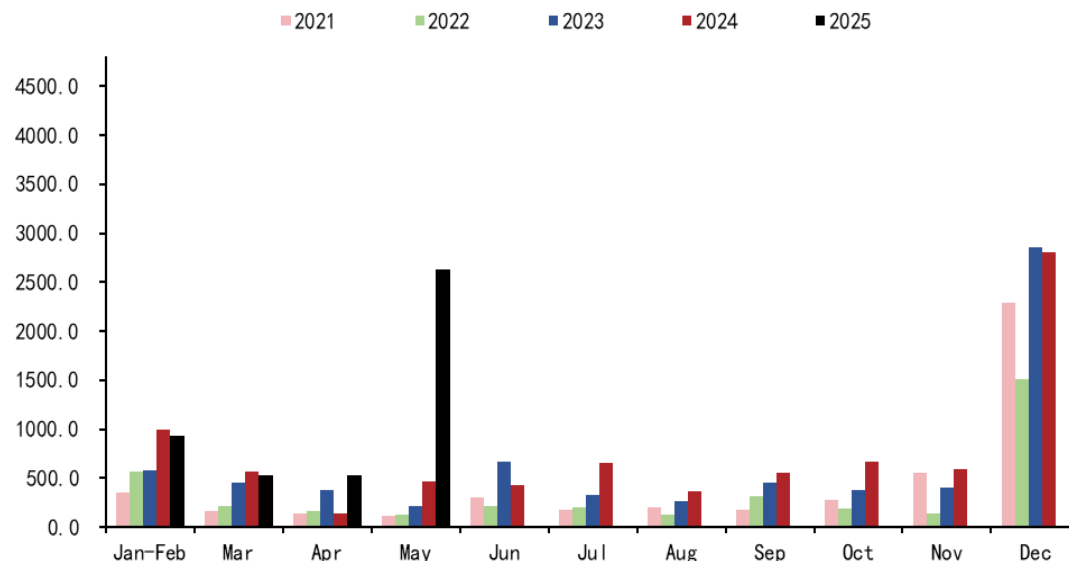
- In June, the operating rate of Chinese copper tube manufacturers is estimated to decline marginally. For July, domestic household air conditioner production scheduling shows a slight YoY shrinkage, which is expected to suppress copper tube operating rates further. Additionally, copper strip/plate producers' operating rates fell in May and such momentum is expected to extend in June.

Figure 29: Newly-Installed Photovoltaic Capacity (10k KW)



Sources: NEA, Minmetals Futures

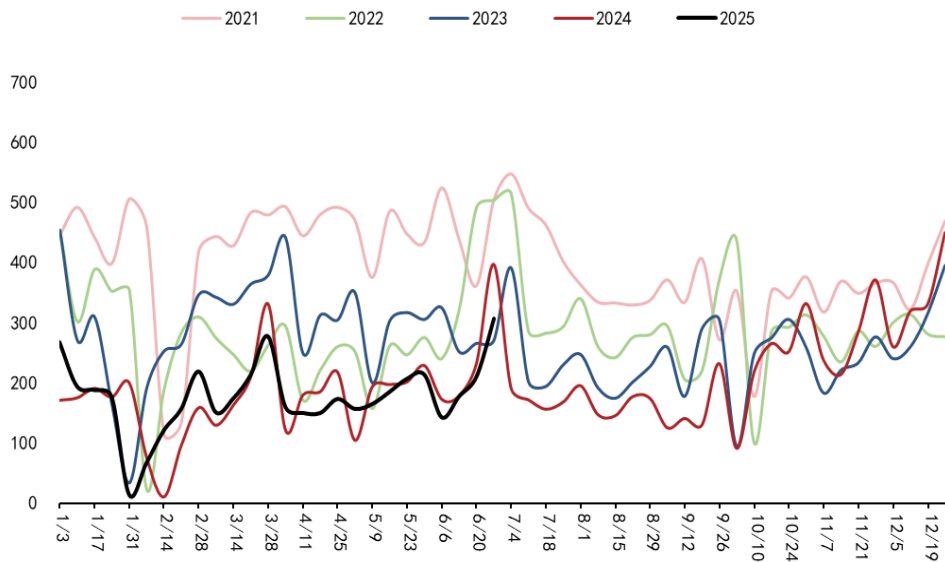
Figure 30: Newly-Installed Wind Power Capacity (10k KW)



Sources: NEA, Minmetals Futures

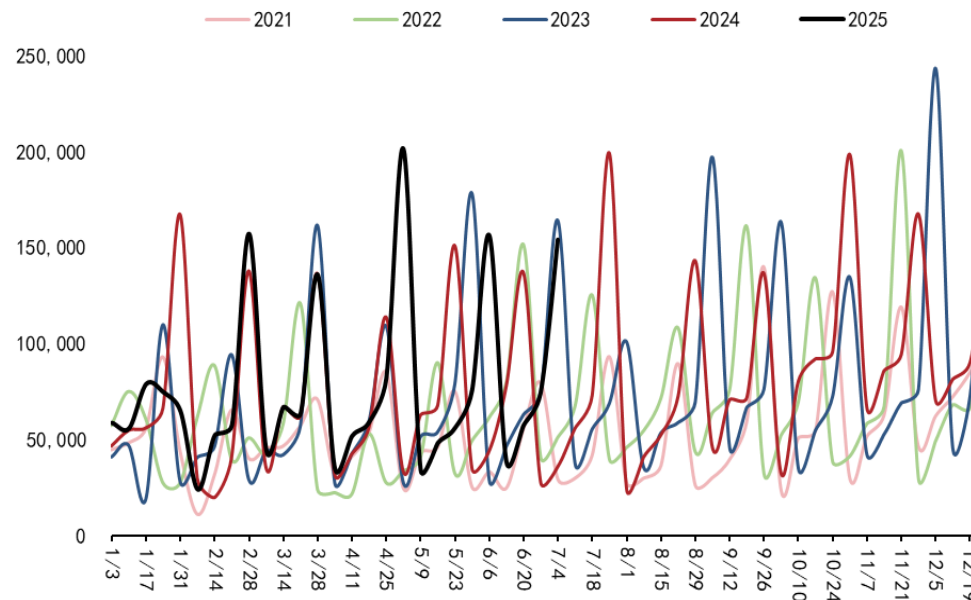
- Before the new policy published on May 31, the new installed capacity of domestic photovoltaic and wind power generation grew quickly. In May, the new installed capacity of photovoltaic increased by over 70 GW and wind power increased by over 20 GW YoY. Looking ahead, as the rush subsided, the demand related to clean energy is expected to weaken marginally.

Figure 31: Commercial Housing Transaction Area in 30 Major Cities (10k sq.m)



Sources: WIND, Minmetals Futures

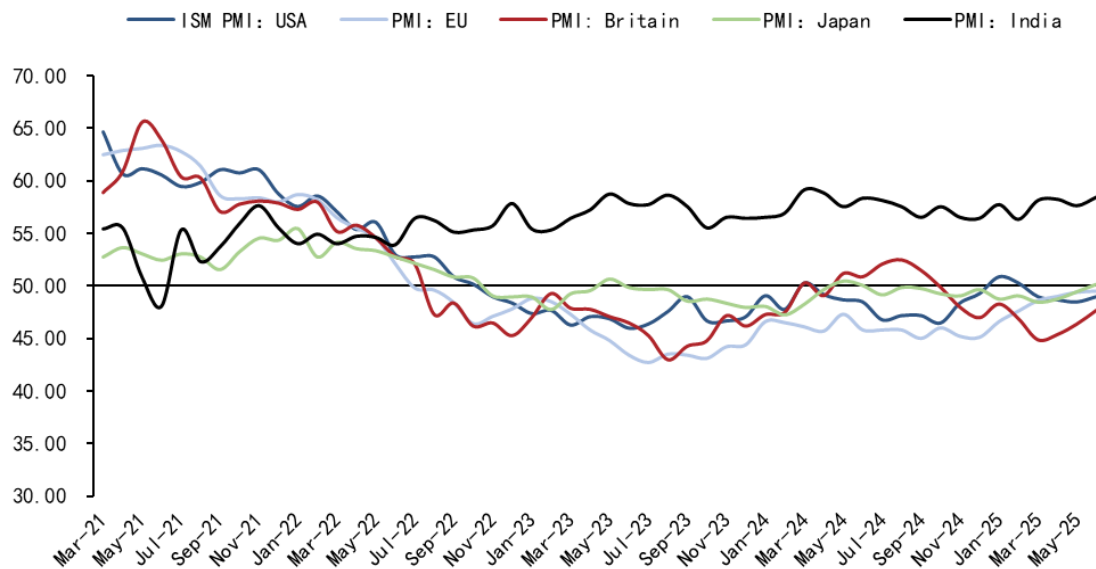
Figure 32: Weekly average sales volume: Passenger vehicles: Manufacturer wholesale (units)



Sources: WIND, Minmetals Futures

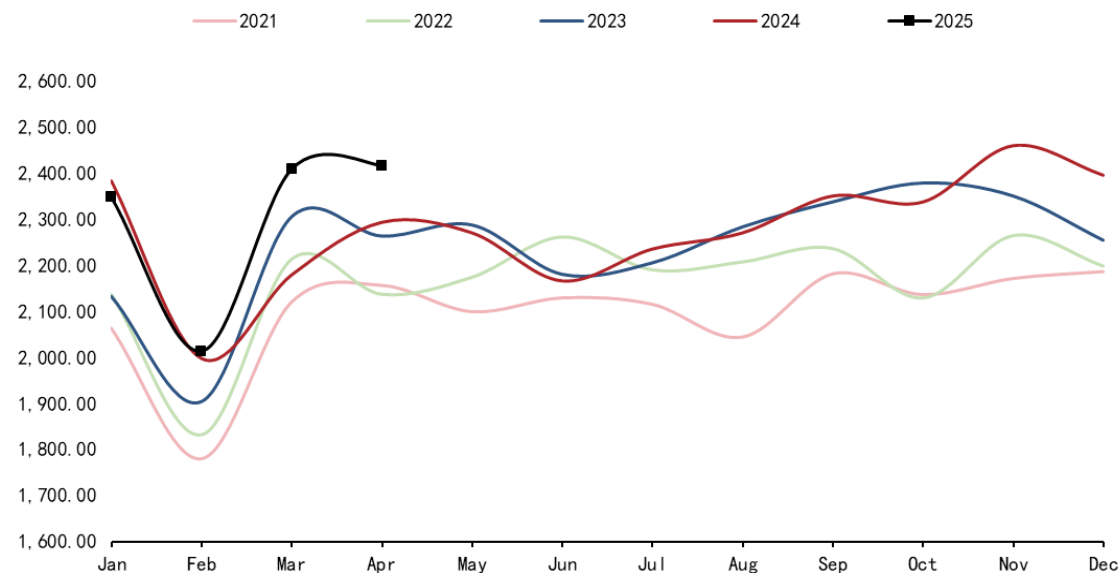
- According to high-frequency data, domestic real estate transaction data showed marginal improvement in June but still underperformed the same period last year. Car sales were also slightly weaker YoY.

Figure 33: Manufacturing PMI of Major Overseas Economies



Sources: WIND, Minmetals Futures

Figure 34: Seasonal variation of global refined copper consumption (k tons)



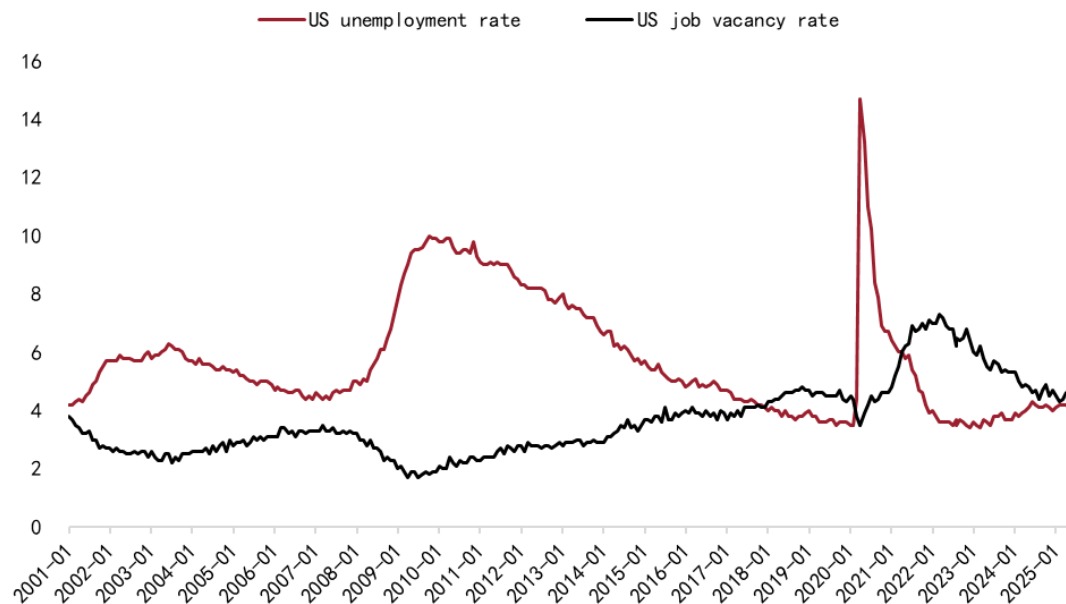
Sources: WIND, ICSG, Minmetals Futures

- In June, manufacturing activity in major developed economies overseas improved. According to ICSG data, global refined copper consumption in April declined MoM but increased YoY, with the cumulative consumption from January to April rising by approximately 3.8%.

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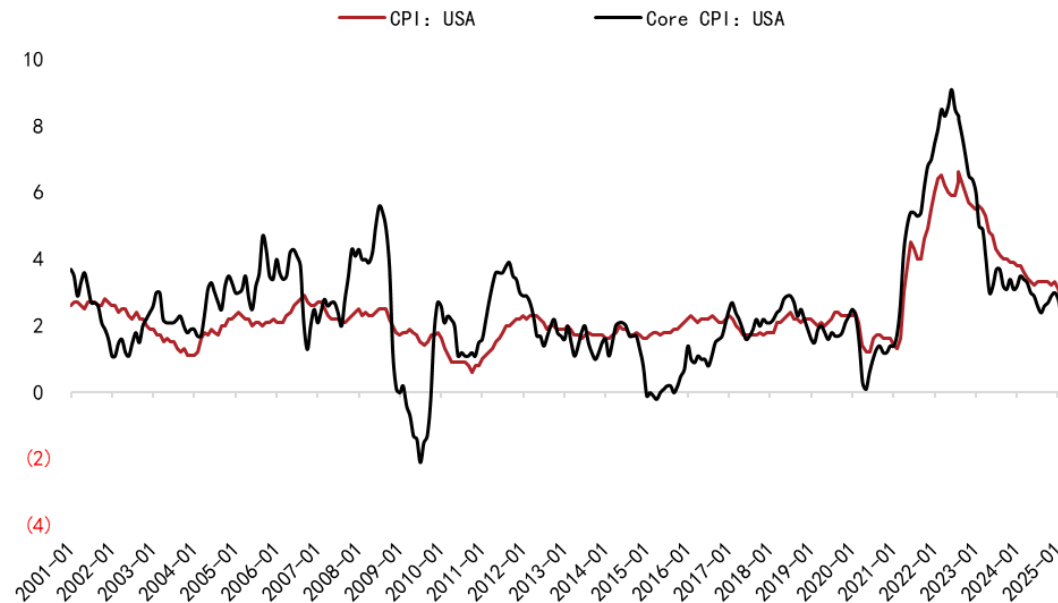
Macro Analysis

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



Sources: WIND, Minmetals Futures

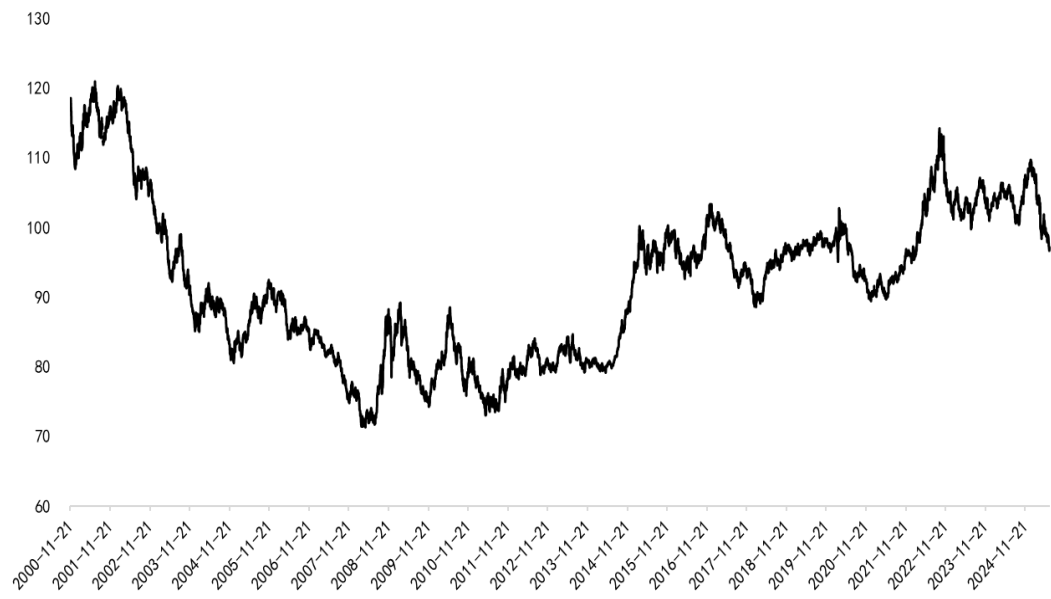
Figure 36: U.S. Core CPI YoY & CPI YoY (%)



Sources: WIND, Minmetals Futures

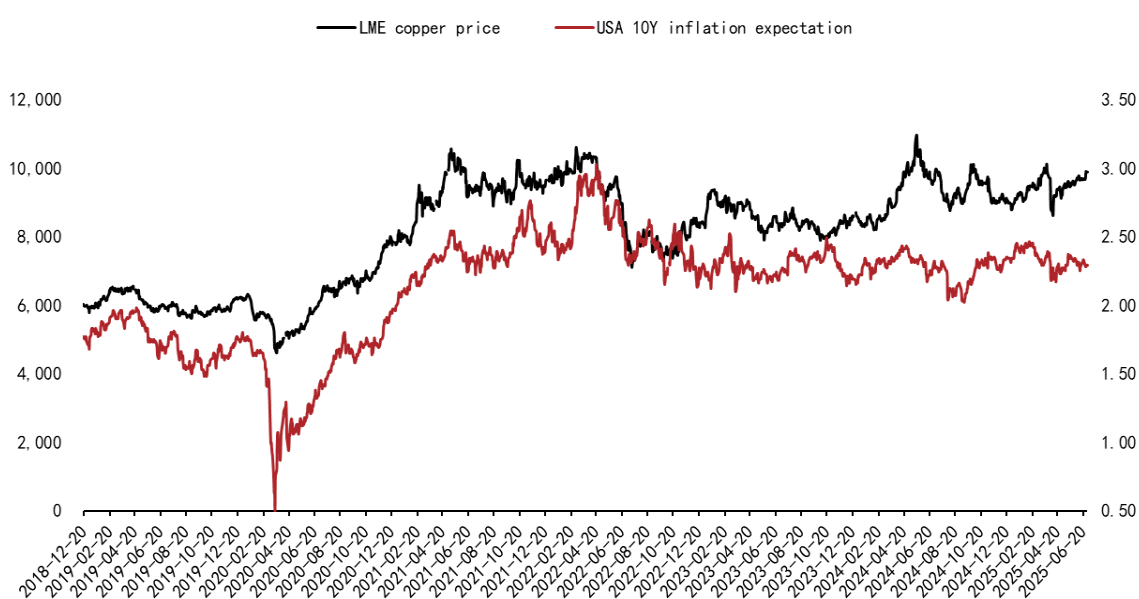
- U.S. employment data in May slightly weakened, but June's non-farm payroll additions and unemployment rate exceeded expectations. U.S. inflation stabilized with a slight uptick in May. Given the stronger-than-expected labor market data, markets have scaled back expectations for Fed rate cuts, leading to a potential cooling of trades previously driven by rate-cut speculation.

Figure 37: U.S. Dollar Index (DXY)



Sources: WIND, Minmetals Futures

Figure 38: LME Copper Price & U.S. 10-Year Inflation Expectations (USD/t, %)



Sources: WIND, Minmetals Futures

- The U.S. Dollar Index remained weak in June, with current support level between 94 and 96. The 10-year U.S. inflation expectations hovered horizontally without a clear directional trend, providing limited guidance for copper prices.

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

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