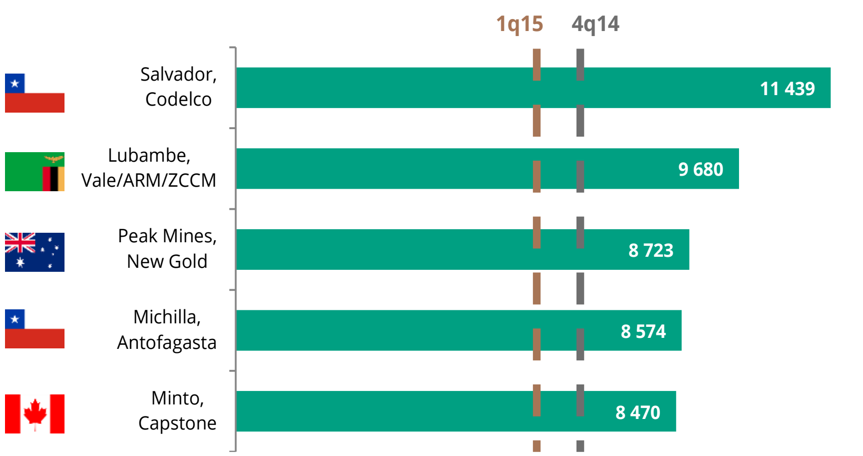
Market Overview

as of: 27 April 2015

- **Copper:** Copper prices continued to revolve around USD 6,000 per tonne in the last two weeks, with even narrower range than previously. Demand in China seems to be seasonally picking up, although construction sector still weigh on sentiment. On supply side, many mines stayed under water in 4q14, according to GFMS *(page 2)*.
- **Gold:** In the recent time gold traded sideways staying in the range of 1,180-1,205 USD/troz. The biggest fundamental event was Venezuela selling of physical gold spot and buying it back in the future using derivatives *(page 4)*.
- **Other metals:** Molybdenum oxide prices have fallen -3.1% over the past two weeks to 17,100 USD/t, while nickel prices have climbed by 2.1% to 12,860 USD/t over the same period. The key news for moly was the removal of export taxes in China *(page 5)*.
- **China:** The People's Bank of China (PBoC) cut the reserve requirement ratio (RRR) by 100bps for all the banks, and an extra 100bps for certain rural financial institutions and 200bps for The Agricultural Development Bank of China *(page 7)*.
- **Japan:** Japanese yen has weakened by over 20% since Bank of Japan (BoJ) began unprecedented monetary stimulus two years ago in order to fight deflation and boost economic growth *(page 8)*.

The most expensive mines' costs are way above current prices

(costs of mines in 4q14 vs. average copper price in 4q14 and 1q15)



Source: GFMS Thomson Reuters, KGHM

Key market prices

		Close price	2w chng.
	LME (USD/t)		
▼	Copper	6 025.50	-0.5%
▲	Nickel	12 860.00	2.1%
	LBMA (USD/troz)		
▼	Silver	15.83	-4.4%
▼	Gold (PM)	1 183.00	-2.0%
	FX		
▲	EUR/USD	1.0824	2.4%
▼	EUR/PLN	4.0161	-0.1%
▼	USD/PLN	3.6895	-2.6%
▼	USD/CAD	1.2166	-3.4%
▲	USD/CLP	618.12	0.7%
	Stocks		
▲	KGHM	119.50	0.2%

Source: Bloomberg, KGHM; *(more on page 11)*

Important macroeconomic data

Release	For		
GDP (yoy)	1Q	7.0%	▼
Industr. prod. (wda, yoy)	Feb	1.6%	▲
Industrial prod. (mom)	Mar	-0.6%	▼
Industrial prod. (yoy)	Mar	8.8%	▲
Exports (yoy)	Mar	-15.0%	▼

Source: Bloomberg, KGHM; *(more on page 9)*

Market Risk Unit

marketrisk@kghm.com

Grzegorz Laskowski
Łukasz Bielak
Marek Krochta
Wojciech Demski
Lech Chłopecki
in cooperation with
David Stypula

Please see important disclosures at the end of this document (page 13)

Base and precious metals

Copper

Copper prices continued to orbit around USD 6,000 per tonne in the last two weeks, with even narrower range than previously. Demand in China seems to be seasonally picking up, although construction sector still weigh on sentiment. On supply side, many mines stayed under water in 4q14, according to GFMS.

Seasonal demand recovery in China

Macquarie's latest copper survey results point to better Chinese demand for the metal in April. It reveals a strong sequential pickup in orders from the power sector and pause in contraction from white goods and transportation sectors, however, the construction sector's impact is still worrisome.

Power sector is the main source of optimism…

The progress in the power sector has been expected, as we are now moving into the peak season before the summer. However, the survey may overstate the reality – the improvement may be on track, but anticorruption efforts, particularly in the Southern Grid (about 15% of total grid demand) have slowed new orders to some degree. Despite that, a 2Q15 demand expansion should be expected.

…and AC producers are doing well too

Some recovery is also reported in the white goods and transportation sectors. Major air conditioner (A/C) producers have been ramping up production since March, as their inventory has been run down. Feedback from industry implies a continued upward momentum into April, as key producers have set aggressive targets of more than 10% yoy growth in domestic A/C sales in the month. Whether the recovery continues or not, however, will ultimately depend on the sales performance during June–August.

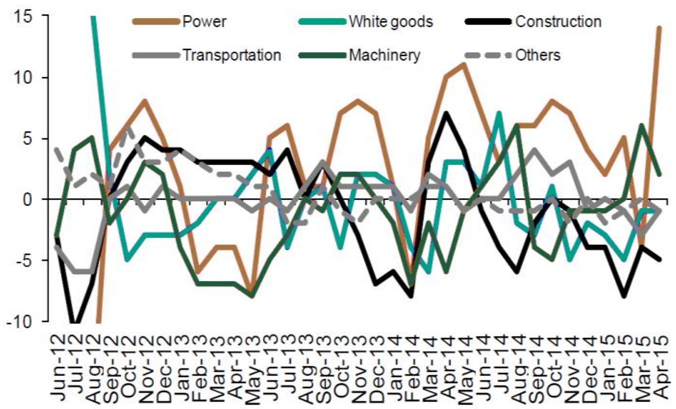
Still, construction drags sentiment down

On the flip side, there has been no pickup in orders from construction in the survey results. While the weakening housing completion is weighing in on copper demand, a small improvement in orders for low-voltage power cables from the construction sector is visible. Nevertheless, the weakness of copper demand from construction is still obvious.

Fabricators need to replenish stocks

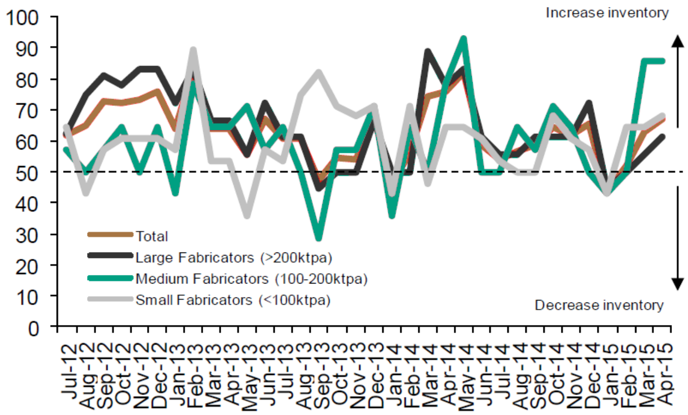
Facing a stronger order book from the end-users, fabricators have been ramping up production, with the most notable improvement seen for smaller-sized fabricators in April. A higher turnover means consumers need to replenish their stocks of raw material as inventory has been held at low levels for some time. Greater fabricator purchases have been confirmed by the copper outflows from major warehouses in Shanghai – an over-35kt drawdown in SHFE inventory from the April to date and domestic physical premium shifting to RMB100/t from the average discount of RMB116/t in March.

Power sector is the main source of strong increase in orders



Source: Macquarie Research, KGHM

Fabricators intend to replenish raw material stocks (net % of answers to change inventory)



Source: Macquarie Research, KGHM

Current copper price may lead to next round of cost cuts

Circa 25% of mines are in red

Nearly a quarter of the world's major copper mines are running in the red, even after biggest producers introduced their deepest cost-cutting programmes in years, according to a Reuters analysis. A 17% price slump since last July has recently pushed copper under USD 6,000 per tonne, the lowest since 2009. This level is the first major test of producers' margins since the global economic crisis, forcing a new approach after five years of relatively consistent profitability.

Codelco's Salvador costs in 4q14 were almost twice the current price

Codelco, the company producing about 8% of global copper, will review the cost reduction plan at its Salvador mine as it prepares to restart operations there after torrential rains shuttered the complex in March. The company has an ambitious target to slash total costs by as much as USD 1 bn this year. Salvador produced copper at a cost of over USD 11,000 per tonne in 4q14, the highest out of 91 mines analysed by Thomson Reuters' unit GFMS.

On average industry's total costs declined 6% qoq in 4q

The GFMS analysis is based on quarterly and semi-annual filings by 26 mining companies. The mines account for more than two-thirds of global copper output, and almost a quarter of them had production costs late last year above current prices. In the final quarter of 2014, the industry's total costs on average fell by 6% qoq to USD 4,426 per tonne.

Other important information on copper market:

- Zambia has decided to set the royalty tax rate for both open cast and underground mining at 9 percent. Country's previous decision to increase royalties for open pit mines to 20 percent from 6 percent and those for underground mines to 8 percent from 6 percent in January had rattled unions and miners, forcing the government to review the plan. Some mining firms and Zambia's chamber of mining warned of shaft closures, and the loss of about 12,000 jobs. Africa's second-largest copper producer said it will also charge corporate income tax on mining operations at 30 percent, while mineral processing will attract a tax of 35 percent when the law takes effect on July 1.

- Mongolia exported 309,400 mt of copper concentrate in January-March, rising 44.5% yoy. The national statistics authority had earlier announced that Mongolia exported about 1.38 million mt of copper concentrate in 2014, more than double the 649,800 mt exported in 2013.
- Antofagasta plc plans to expand production at its Centinela operations in northern Chile to 400,000 mt per year with the development of a new two-stage concentrator plant. The Chilean mining company is due to begin feasibility work and environmental studies on the USD 2.7 bn project in the coming weeks with a decision to build not expected before the end of 2016.
- Substitution of copper by aluminum is slowing due to the narrowing price gap between the metals, according to presentation given at CRU's World Copper Conference in Santiago, Chile. Price is a key driver for substituting copper with other materials such as aluminum and plastics.
- The spread between dirty and clean copper concentrate has increased dramatically recently with high arsenic material selling for USD 180 per tonne, stirring the debate over the long-term impact of lower ore grades on global smelters. The material was from Codelco's Chuquicamata mine, according to Reuters' sources.

Gold

In the recent time gold traded sideways staying in the range of 1,180-1,205 USD/troz. The biggest fundamental event was Venezuela selling of physical gold spot and buying it back in the future using derivatives.

How much gold has China's central bank accumulated?

Officially, Chinese gold holdings remained flat from sixth consecutive year

In the recent week People Bank of China (PBoC) disclosed that its gold holdings remained flat in the first quarter 2015, making it sixth successive year that the country has, officially, not accumulated any gold. Lots of market participants do not believe in such information, keeping in mind country's desire to diversify FX reserves away from USD and aspirations for the renminbi to become one of the world's reserve currency.

Bloomberg estimates China's holdings of 3,510 t versus officially reported to IMF at the level of 1,054 t

Official holdings of gold by China, as reported by the IMF, have been stagnant at 1,054 t since 2009 - but this may be due to the lack of reporting. Bloomberg has estimated recently that the country may now hold up to 3,510 t, based on purchases of domestic mine output, imports and recycling. A supply-demand analysis shows that it is quite possible for the Middle Kingdom to have increased its holdings two or three fold since 2009: based on GFMS estimates, China has mined over 2,300 t since 2009, while recycled supply has amounted to just under 1,000 t. Imports from Hong Kong, one of the largest and more visible routes into China, have totalled over 4,000 t in the last 5 years, giving a total supply of 7,300 t. On the demand side, China Gold Association estimates put total demand at around 4,700 t since 2009, leaving an implied surplus of metal in China of 2,619 t – at least some of which could have been bought by the PBC.

More gold demand is expected to come from China, should PBoC target higher percentage of total reserves to be held in gold

Based on the above assumptions, the PBC could be the second or third largest gold holder of gold at present after the U.S., (with 8,134 t) and Germany (with 3,384 t), though as a percentage of total reserves, PBC still has only around 3-4% of its total reserves in gold based on the compared with the US which holds 74% of its reserves in gold while Germany has 68%. If China were to target the 70% level more common among developed nations (Italy has 67% (2,452 t) and France has 66% (2,435 t)) then this would imply over 70,000 t of gold buying (or roughly 40% of all the gold ever mined). According to Mitsubishi Corporation International, more realistic might be a target of high single figures in percent terms which would nonetheless represent a significant amount of additional gold demand.

Other metals

Molybdenum oxide prices have fallen -3.1% over the past two weeks to 17,100 USD/t, while nickel prices have climbed by 2.1% to 12,860 USD/t over the same period. The key news for the former metal was the removal of export taxes in China.

Important information on other metals:

- Molybdenum: China's Ministry of Finance released a notice on April 23 announcing the removal of export taxes of 5%-20% on all molybdenum related products effective May 1. Export taxes on tungsten and rare earth products will also be removed. China's export taxes on moly products had previously been: moly oxide: 15%, ferromolybdenum: 20%, moly metal: 5%, chemical molybdenum: 5% and other moly products: 5%. The impact of the removal of export taxes remains to be seen on western markets, as domestic Chinese prices are currently higher than western world prices.
- Molybdenum: Spot oxide demand continues to be lacklustre in continued quiet market conditions, with spreads between bids and offers wide. The most pronounced spot demand weakness has been in the USA, as steel capacity utilisation stands at 70% down from 76.6% a year ago. Reports indicate that the oxide market has tightened to a degree in Europe over the past two weeks, however, meaningful improvement in demand will be needed in order for prices to rise over the next two weeks.
- Nickel: The International Nickel Study Group reports that global refined production exceeded demand by 24.9kt in January-February 2015. Primary

demand has been lagging thus far in 2015, due to declining stainless steel production in major regions.

- Nickel: The first nickel pig iron (NPI) shipment from Tsingshan Group's plant in Indonesia arrived in China's Fujian port on April 13. The plant which is a collaboration between China's Tsingshan Group and Indonesia's PT Bintang Delapan is targeting annual shipment volumes of 300,000 tonnes. It has also been reported that NPI producers in China's Shandong province have resumed some production after being shut for environmental reasons. An increase in NPI production in China over the coming months may again put downward pressure on nickel prices.

Global economies | Foreign exchange markets

China: Biggest RRR cut in seven years

The People's Bank of China (PBoC) cut the reserve requirement ratio (RRR) by 100bps for all the banks, and an extra 100bps for certain rural financial institutions and 200bps for The Agricultural Development Bank of China, with effective date as of 20th April.

The biggest move in seven years...

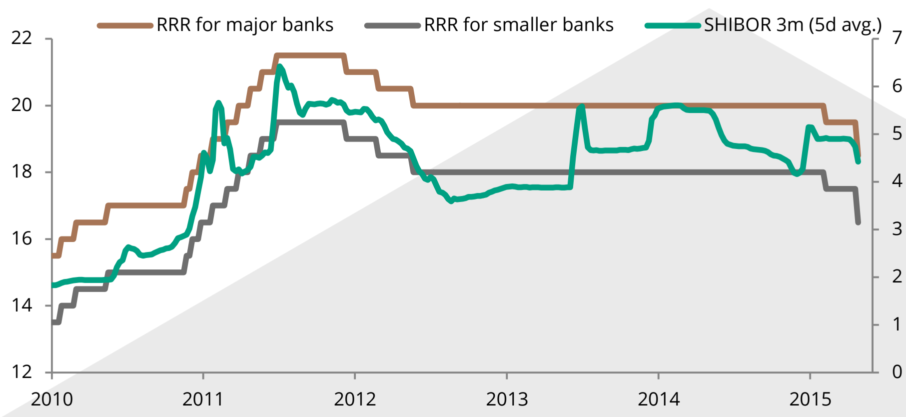
The move is the biggest RRR cut in magnitude since November 2008 and, unlike, previous February cut, it is not intended to only offset capital outflows. This decision suggests the central bank has formally given up its neutral policy stance and more easing is likely to follow to curb deflation and downside risks in the economy.

...should result in additional RMB 1.3-1.5 tn liquidity

By March, total deposits reached RMB 124.9tn, and this RRR cut will add more than RMB 1.3-1.5 tn liquidity into the economy and boost money velocity. PBoC's move, therefore, should help local governments to restructure debt and offset any negative impact from the launch of deposit insurance, among others.

However, more may be needed. Recently, M2 growth has been slower than loan growth, and FAI (fixed assets investments) and property sectors had seen negative bank loan growth in March, despite 14% yoy total loan growth, implying that less credit had been applied to the real economy. Therefore, market sees possibility of further cuts this year.

Has the latest decrease in interbank rate (SHIBOR) been driven by RRR cut?



Note: weekly frequency of data. Source: Bloomberg, KGHM

Japan: Is yen close to the inflection point?

Japanese yen has weakened by over 20% since Bank of Japan (BoJ) began unprecedented monetary stimulus two years ago in order to fight deflation and boost economic growth.

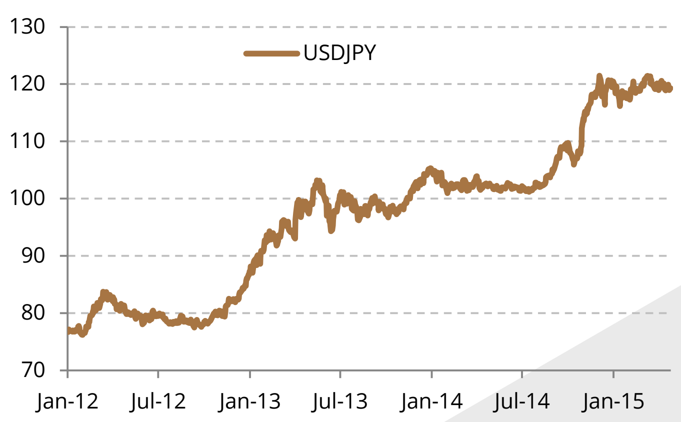
Yen levels are becoming scary to Japanese decision-makers

In the recent days one of the adviser to Prime Minister Mr. Shinzo Abe indicated that the yen has weakened enough and thus the BoJ needn't force inflation to its 2% target. According to Bloomberg interview, Koichi Hamada signalled that the yen selling is coming to an end bit by bit. Overall Japanese currency has weakened by over 20% since unprecedented monetary stimulus two years ago, boosting profits of big exporters while heaping heavier costs on small companies and importers. However, even though the yen has depreciated significantly there is still no signs of inflation and the credibility of Bank of Japan has weakened.

10-20% depreciation of yen PPP levels at 105 is acceptable, anything higher is perceived as yen being "considerably weak"

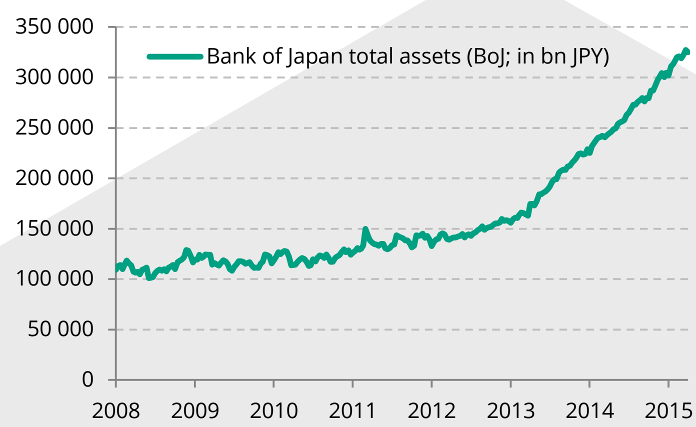
According to Comerzbank currency strategist, BoJ is dependent on the government and the vagaries of its day-to-day policy which might put BoJ credibility at higher risk. Koichi Hamada, an adviser to Abe on monetary policy, told also Bloomberg that considering purchasing power parity (PPP) which measures relative price levels in different countries, 105 per dollar may be an appropriate level for the yen with a tolerable deviation of 10-20%. The message coming from the government shows that the yen is already weak, providing support for the economy but any further yen depreciation might unsettle confidence for smaller business and regions that have dealt with higher import costs.

JPY exchange rate has depreciated significantly



Source: Bloomberg, KGHM

Total BoJ assets have swollen since 2012



Source: Bloomberg, KGHM

Macroeconomic calendar

Important macroeconomic data releases

Weight	Date	Event	For	Reading [1]	Previous	Consensus [2]
		China				
✪✪	13-Apr	Trade balance (USD bn)	Mar	3.1	60.6	40.1
✪✪	13-Apr	Exports (yoy)	Mar	-15.0%	48.3%	9.0%
✪	14-Apr	New yuan loans (CNY bn)	Mar	1 180	1 020	1 040
✪	14-Apr	Foreign reserves (USD bn)‡	Mar	3 730	3 843	3 820
✪✪✪✪✪	15-Apr	GDP (yoy)	1Q	7.0%	7.3%	7.0%
✪✪✪✪✪	15-Apr	GDP (sa, qoq)	1Q	1.3%	1.5%	1.4%
✪✪✪✪	15-Apr	Industrial production (yoy)	Mar	5.6%	--	7.0%
✪✪	15-Apr	Fixed assets investments (ytd, yoy)	Mar	13.5%	13.9%	13.9%
✪	15-Apr	Retail sales (yoy)	Mar	10.2%	--	10.9%
✪✪✪✪✪	19-Apr	Reserve requirement ratio	Apr	18.5%	19.5%	--
✪✪✪	23-Apr	HSBC's manufacturing PMI - preliminary data	Apr	49.2	49.6	49.6
		Poland				
✪✪	13-Apr	Trade balance (EUR mn)‡	Feb	783	937	753
✪✪	13-Apr	Exports (EUR mn)‡	Feb	13 720	13 415	13 470
✪✪	13-Apr	Current account balance (EUR mn)‡	Feb	116	37.0	142
✪	14-Apr	M3 money supply (yoy)‡	Mar	8.8%	8.7%	8.5%
✪✪✪✪✪	15-Apr	NBP base rate decision	Apr	1.50%	1.50%	1.50%
✪✪✪✪	15-Apr	Consumer inflation CPI (yoy)	Mar	-1.5%	-1.6%	-1.3%
✪	15-Apr	Budget balance (ytd)	Mar	36.2%	24.6%	--
✪✪✪✪	16-Apr	Core CPI (excluding food and energy, yoy)	Mar	0.2%	0.4%	0.3%
✪✪	17-Apr	Average gross salary (yoy)	Mar	4.9%	3.2%	3.4%
✪	17-Apr	Employment (yoy)	Mar	1.1%	1.2%	1.2%
✪✪✪✪	20-Apr	Sold industrial production (yoy)	Mar	8.8%	4.9%	7.2%
✪✪✪	20-Apr	Retail sales (yoy)	Mar	3.0%	-1.3%	1.6%
✪✪	20-Apr	Producer inflation PPI (yoy)‡	Mar	-2.4%	-2.8%	-2.5%
✪✪	24-Apr	Unemployment rate	Mar	11.7%	12.0%	11.7%
		US				
✪✪	14-Apr	Retail sales (excluding autos, mom)‡	Mar	0.4%	0.0%	0.7%
✪✪✪✪	15-Apr	Industrial production (mom)	Mar	-0.6%	0.1%	-0.3%
✪	15-Apr	Capacity utilization‡	Mar	78.4%	79.0%	78.6%
✪✪	16-Apr	Philadelphia Fed business outlook	Apr	7.5	5.0	6.0
✪✪✪✪	17-Apr	Consumer inflation CPI (mom)	Mar	0.2%	0.2%	0.3%
✪✪✪✪	17-Apr	Consumer inflation CPI (yoy)	Mar	-0.1%	0.0%	0.0%
✪✪	17-Apr	University of Michigan confidence index - preliminary data	Apr	95.9	93.0	94.0
✪✪✪	23-Apr	Manufacturing PMI - preliminary data	Apr	54.2	55.7	55.7
✪✪	24-Apr	Durable goods orders	Mar	4.0%	-1.4%	0.6%

Weight	Date	Event	For	Reading [1]		Previous	Consensus [2]	
		Eurozone						
✪✪✪✪	14-Apr	Industrial production (sa, mom)‡	Feb	1.1%	▲	-0.3%	0.4%	◠
✪✪✪✪	14-Apr	Industrial production (wda, yoy)‡	Feb	1.6%	▲	0.4%	0.8%	◠
✪	15-Apr	Trade balance (EUR mn)	Feb	20.3	▲	7.9	21.0	◡
✪✪✪✪✪	15-Apr	ECB main refinancing rate	Apr	0.05%	-	0.05%	0.05%	○
✪✪✪✪✪	15-Apr	ECB deposit facility rate	Apr	-0.2%	-	-0.2%	-0.2%	○
✪✪✪✪	17-Apr	Consumer inflation CPI (yoy) - final data	Mar	-0.1%	-	-0.1%	-0.1%	○
✪✪✪✪	17-Apr	Core CPI (yoy) - final data	Mar	0.6%	-	0.6%	0.6%	○
✪	21-Apr	ZEW survey expectations	Apr	64.8	▲	62.4	--	
✪	22-Apr	Consumer confidence - estimation	Apr	- 4.6	▼	- 3.7	- 2.5	◡
✪✪✪	23-Apr	Composite PMI - preliminary data	Apr	53.5	▼	54.0	54.4	◡
✪✪✪	23-Apr	Manufacturing PMI - preliminary data	Apr	51.9	▼	52.2	52.6	◡
✪✪✪	23-Apr	Services PMI - preliminary data	Apr	53.7	▼	54.2	54.5	◡
		Germany						
✪✪✪✪	15-Apr	Harmonized consumer inflation HICP (yoy) - final data	Mar	0.1%	-	0.1%	0.1%	○
✪✪✪✪	15-Apr	Consumer inflation CPI (yoy) - final data	Mar	0.3%	-	0.3%	0.3%	○
✪✪	23-Apr	GfK consumer confidence	May	10.1	▲	10.0	--	
✪✪✪	23-Apr	Composite PMI - preliminary data	Apr	54.2	▼	55.4	55.6	◡
✪✪✪	23-Apr	Manufacturing PMI - preliminary data	Apr	51.9	▼	52.8	53.0	◡
✪✪	24-Apr	IFO business climate	Apr	109	▲	108	108	◠
		France						
✪✪✪✪	15-Apr	Harmonized consumer inflation HICP (yoy)	Mar	0.0%	▲	-0.3%	0.0%	○
✪✪✪✪	15-Apr	Consumer inflation CPI (yoy)	Mar	-0.1%	▲	-0.3%	0.0%	◡
✪✪✪	23-Apr	Composite PMI - preliminary data	Apr	50.2	▼	51.5	51.8	◡
✪✪✪	23-Apr	Manufacturing PMI - preliminary data	Apr	48.4	▼	48.8	49.2	◡
		Italy						
✪✪✪✪	13-Apr	Industrial production (wda, yoy)	Feb	-0.2%	▲	-2.2%	-1.3%	◠
✪✪✪✪	14-Apr	Harmonized consumer inflation HICP (yoy) - final data‡	Mar	0.0%	-	0.0%	-0.1%	◠
		UK						
✪✪✪✪	14-Apr	Consumer inflation CPI (yoy)	Mar	0.0%	-	0.0%	0.0%	○
✪✪	17-Apr	Unemployment rate (ILO, 3-months)	Feb	5.6%	▼	5.7%	5.6%	○
		Japan						
✪✪✪✪	15-Apr	Industrial production (yoy) - final data	Feb	-2.0%	▲	-2.6%	--	
✪✪✪	23-Apr	Manufacturing PMI - preliminary data	Apr	49.7	▼	50.3	50.7	◡
		Chile						
✪✪✪✪✪	16-Apr	BCCh overnight rate target	Apr	3.00%	-	3.00%	3.00%	○
		Canada						
✪✪✪✪✪	15-Apr	BoC base rate decision	Apr	0.75%	-	0.75%	0.75%	○
✪✪✪✪	17-Apr	Consumer inflation CPI (yoy)	Mar	1.2%	▲	1.0%	1.0%	◠

[1] Reading difference to previous release: ▲ = higher than previous; ▼ = lower than previous; - = equal to previous.
[2] Reading difference to consensus: ◠ = higher than consensus; ◡ = lower than consensus; ○ = equal to consensus.
mom = month-on-month; yoy = year-on-year; qoq = quarter on quarter; ytd year-to-date; sa = seasonally adjusted; wda = working days adjusted; ‡ = previous data after revision.
Source: Bloomberg, KGHM

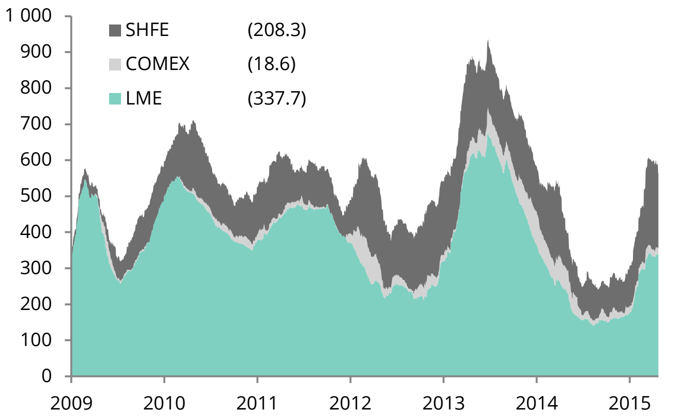
Key market data

Key base & precious metal prices, exchange rates and other important market factors

(as of: 24-Apr-15)		Price change ⁴				From year beginning ²		
	Price	**2W**	**QTD**	**YTD**	**1Y**	**Average**	**Min**	**Max**
LME (USD/t)								
Copper	6 025.50	▼ -0.5%	▼ -0.4%	▼ -5.2%	▼ -10.5%	5 855.85	5 390.50	6 309.00
Molybdenum	17 100.00	▼ -3.1%	▼ -7.6%	▼ -18.6%	▼ -40.5%	18 464.56	16 350.00	21 500.00
Nickel	12 860.00	▲ 2.1%	▲ 3.2%	▼ -13.9%	▼ -30.2%	13 988.04	12 260.00	15 455.00
Aluminum	1 830.00	▲ 3.2%	▲ 2.3%	▼ -0.1%	▼ -0.6%	1 800.45	1 742.00	1 871.50
Tin	15 650.00	▼ -5.2%	▼ -6.5%	▼ -19.7%	▼ -34.5%	17 903.16	14 765.00	19 750.00
Zinc	2 222.00	▲ 1.0%	▲ 7.1%	▲ 2.5%	▲ 7.2%	2 100.46	1 985.00	2 229.50
Lead	2 053.00	▲ 2.8%	▲ 13.6%	▲ 10.8%	▼ -4.4%	1 840.32	1 696.00	2 053.00
LBMA (USD/troz)								
Silver	15.83	▼ -4.4%	▼ -4.6%	▼ -0.9%	▼ -16.9%	16.63	15.47	18.23
Gold ¹	1 183.00	▼ -2.0%	▼ -0.3%	▼ -1.4%	▼ -8.4%	1 214.21	1 147.25	1 295.75
LPPM (USD/troz)								
Platinum ¹	1 128.00	▼ -3.7%	▼ -0.1%	▼ -6.8%	▼ -19.1%	1 184.23	1 088.00	1 285.00
Palladium ¹	774.00	▼ -0.4%	▲ 6.2%	▼ -3.0%	▼ -1.7%	781.89	729.00	831.00
FX ³								
EUR/USD	1.0824	▲ 2.4%	▲ 0.6%	▼ -10.8%	▼ -21.7%	1.1153	1.0552	1.2043
EUR/PLN	4.0161	▼ -0.1%	▼ -1.8%	▼ -5.8%	▼ -4.1%	4.1570	3.9822	4.3335
USD/PLN	3.6895	▼ -2.6%	▼ -3.2%	▲ 5.2%	▲ 21.8%	3.7328	3.5725	3.9260
USD/CAD	1.2166	▼ -3.4%	▼ -4.1%	▲ 4.9%	▲ 10.3%	1.2409	1.1728	1.2803
USD/CNY	6.1948	▼ -0.2%	▼ -0.1%	▼ -0.2%	▼ -0.9%	6.2293	6.1883	6.2747
USD/CLP	618.12	▲ 0.7%	▼ -1.4%	▲ 1.8%	▲ 9.6%	622.52	606.75	642.18
Money market								
3m LIBOR USD	0.279	▲ 0.01	▲ 0.03	▲ 0.09	▲ 0.22	0.264	0.251	0.279
3m EURIBOR	-0.001	▼ -1.08	▼ -1.05	▼ -1.01	▼ -1.00	0.038	-0.002	0.076
3m WIBOR	1.650	- 0.00	- 0.00	▼ -0.20	▼ -0.39	1.818	1.650	2.060
5y USD interest rate swap	1.473	▼ -0.05	▼ -0.04	▼ -0.17	▼ -0.19	1.580	1.313	1.849
5y EUR interest rate swap	0.219	▲ 0.01	▼ -0.10	▼ -0.39	▼ -0.77	0.280	0.176	0.350
5y PLN interest rate swap	1.963	▲ 0.08	▲ 0.06	▲ 0.01	▼ -0.45	1.820	1.563	2.100
Fuel								
WTI Cushing	55.55	▲ 7.6%	▲ 16.7%	▲ 4.3%	▼ -45.7%	49.61	43.46	56.71
Brent	63.63	▲ 11.0%	▲ 19.3%	▲ 14.1%	▼ -42.3%	54.92	45.25	63.63
Diesel NY (ULSD)	193.33	▲ 9.3%	▲ 12.5%	▲ 6.0%	▼ -35.9%	183.02	161.84	233.64
Others								
VIX	12.29	▼ -0.02	▼ -0.20	▼ -0.36	▼ -0.08	15.90	12.29	22.39
BBG Commodity Index	101.59	▲ 2.1%	▲ 3.5%	▼ -2.6%	▼ -26.5%	101.23	96.96	104.47
S&P500	2 117.69	▲ 0.7%	▲ 2.4%	▲ 2.9%	▲ 12.7%	2 070.01	1 992.67	2 117.69
DAX	11 810.85	▼ -4.6%	▼ -1.3%	▲ 20.5%	▲ 23.7%	11 191.18	9 469.66	12 374.73
Shanghai Composite	4 393.69	▲ 8.9%	▲ 17.2%	▲ 35.8%	▲ 113.6%	3 517.72	3 075.91	4 414.51
WIG 20	2 519.20	▲ 3.1%	▲ 5.1%	▲ 8.8%	▲ 2.9%	2 364.69	2 242.42	2 522.78
KGHM	119.50	▲ 0.2%	▼ -0.4%	▲ 9.8%	▲ 4.6%	114.55	100.95	122.70

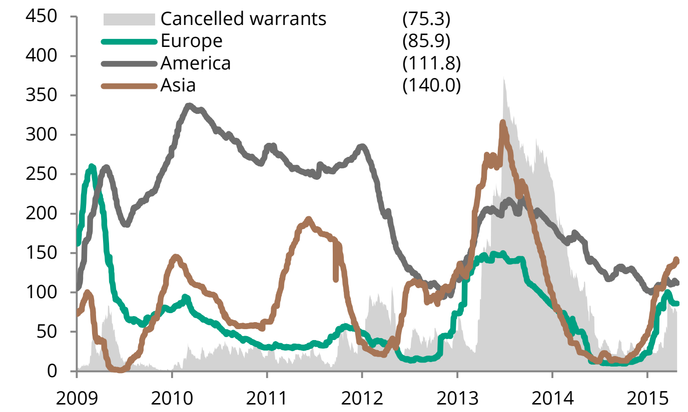
° change over: 2W = two weeks; QTD = quarter-to-day; YTD = year-to-date; 1Y = one year. [1] based on daily closing prices. [2] latest quoted price. [3] central banks' fixing rates (Bank of China HK for USD/CNY). [4].
Source: Bloomberg, KGHM

Copper: official exchange stocks (thousand tonnes)



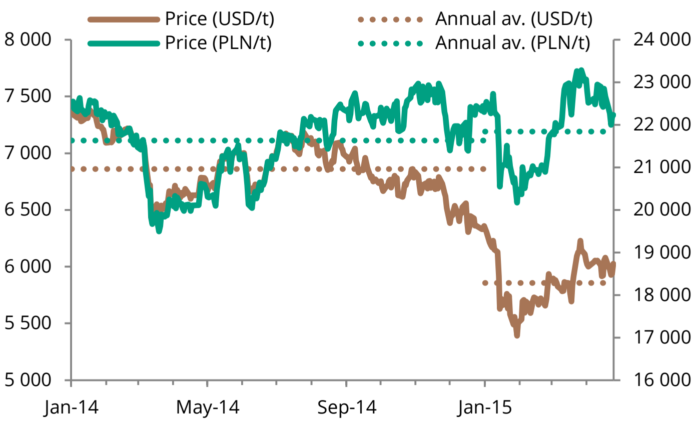
Note: Latest values in brackets. Source: Bloomberg, KGHM

Copper: official LME stocks (thousand tonnes)



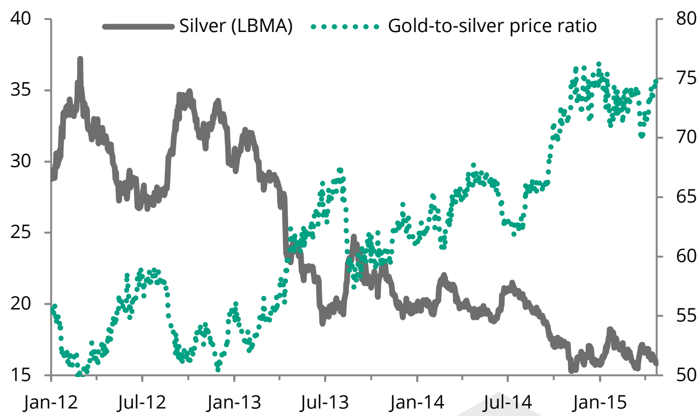
Note: Latest values in brackets. Source: Bloomberg, KGHM

Copper: price in USD (lhs) and PLN (rhs) per tonne



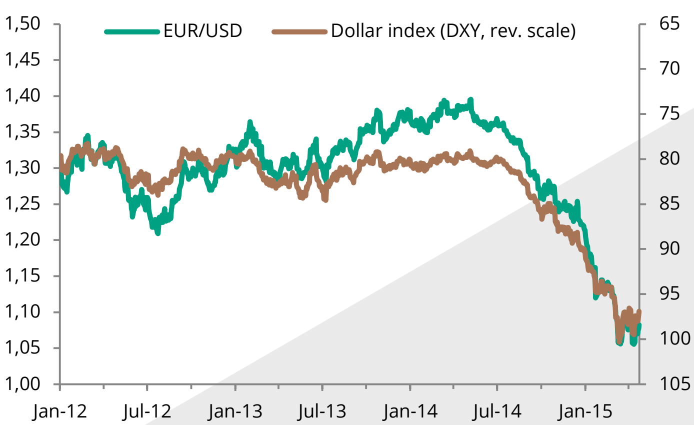
Source: Bloomberg, KGHM

Silver: price (lhs) and gold ratio (rhs)



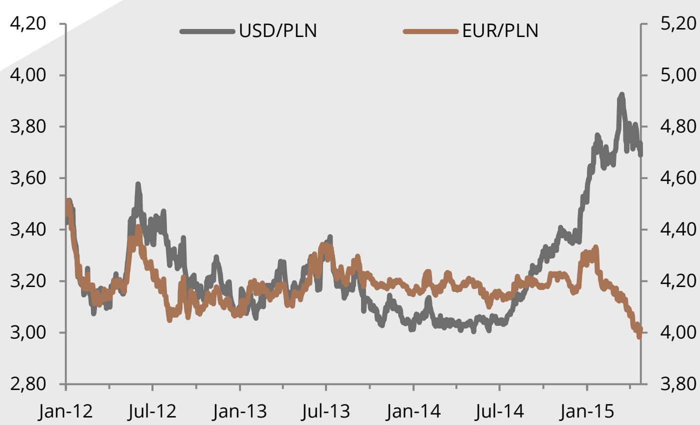
Source: Bloomberg, KGHM

USD: dollar index (lhs) and ECB-based EUR/USD (rhs)



Source: Bloomberg, KGHM

PLN: NBP-fixing based rate vs. USD (lhs) and EUR (rhs)



Source: Bloomberg, KGHM

Legal note

This document has been prepared based on the below listed reports, among others, published in the following period: **13 April – 26 April 2015.**

▪ "Commodities Comment" Macquarie Research Metals and Mining, ▪ "Commodities Daily" Standard Bank, ▪ "Commodities Weekly" Barclays Capital Research, ▪ "Metals Market Update" Morgan Stanley, ▪ "Daily Copper Wrap" Mitsui, ▪ "Base and Precious Metals Daily" JPMorgan, ▪ „Codziennik" BZ WBK, ▪ „Tygodnik Ekonomiczny" BZ WBK, ▪ „Raport dzienny" mBank, ▪ „Biuletyn Dzienny" Bank PEKAO S.A., ▪ „Dragonomics: China Research" Gavekal

Moreover, additional information published here was acquired in direct conversations with market dealers, from financial institution reports and from the following websites: ▪ lme.co.uk, ▪ lbma.org.uk, ▪ economy.com/dismal, ▪ thebulliondesk.com, ▪ lbma.org.uk/stats, ▪ crumonitors.com, ▪ metalbulletin.com, ▪ nbpportal.pl, ▪ nbp.pl, as well as data providing systems: Thomson Reuters and Bloomberg.

Official metals prices are available on following websites:

- base metals: www.lme.com/dataprices_products.asp (charge-free logging)
- silver and gold: www.lbma.org.uk/pricing-and-statistics
- platinum and palladium: www.lppm.com/statistics.aspx

DISCLAIMER

In case of questions or comments please contact us:

KGHM Polska Miedz (Polish Copper) S.A.

Departament Zarządzania Ryzykiem Rynkowym i Kredytowym (Market and Credit Risk Management Department)

Wydzial Ryzyka Rynkowego (Market Risk Unit)

ul. M. Sklodowskiej-Curie 48

59-301 Lubin, Poland