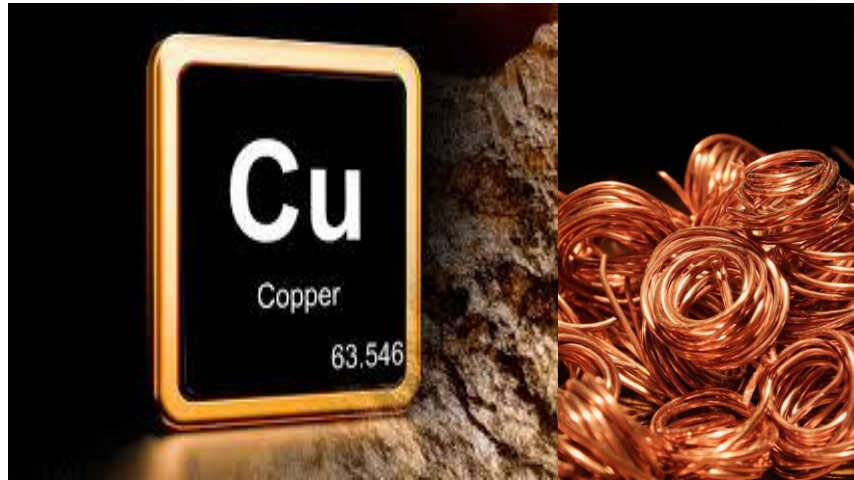


COPPER: THE GLOBAL SUPPLY-DEMAND BALANCE & PRICE OUTLOOK

Copper is a metal used in various industrial applications mainly electrical & electronic appliances

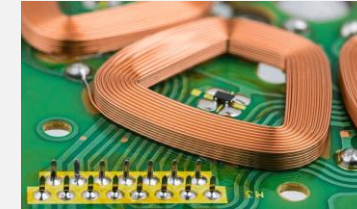
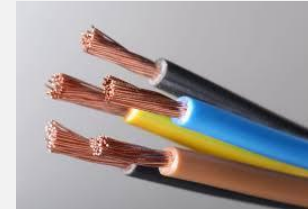
Copper is a reddish-brown metallic element with exceptional electrical and thermal conductivity properties, making it essential for modern civilization.

- Chemical symbol: Cu (from Latin "Cuprum")
- Highly malleable and ductile metal
- Excellent conductor of electricity and heat
- Natural antimicrobial properties



KEY USES

Electrical & Electronics



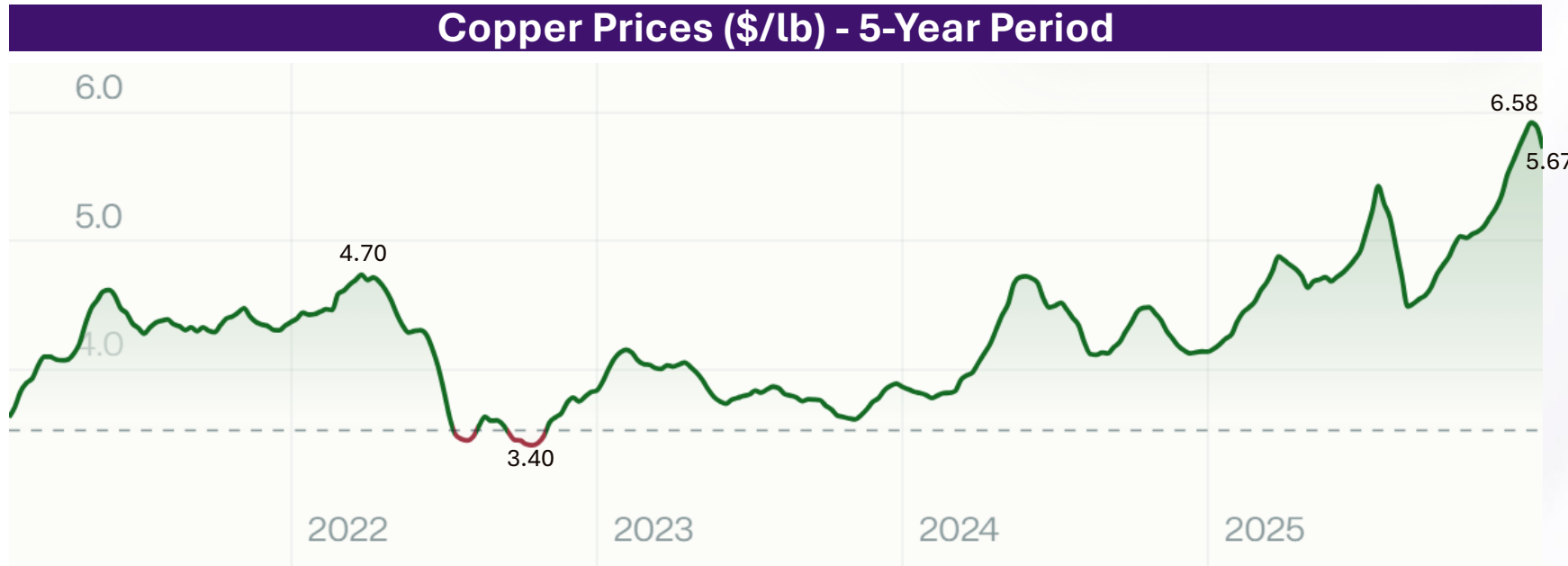
Construction



Other Uses



Copper prices have increased ~30% (YoY) due to rising demand amid supply constraints and rally in commodity prices



LME Copper (February 2, 2026)

\$5.67/lb
 ≈ \$12,500/tonne

1-Month Change
-5.11%

Year-over-Year
+31.44%

All-Time High
\$6.58 (Jan 2026)

Historical Price Trends (2016-2026)		
Year	Average Price (\$/lb)	Key Events
2016	\$2.21	Supply surplus
2018	\$2.80	Trade tensions
2020	\$2.80	COVID-19 impact
2022	\$4.00	Post-pandemic recovery
2024	\$4.10	Green transition demand
2026	\$5.67	Supply constraints, AI demand

- Copper Prices hit all-time high (ATH) in Jan 2026 at \$ 6.58 rallying alongside other precious metals such as Gold and Silver
- FY 2026 is expected to see an increase in Copper prices due to rising demand from Data Centers because of Widespread AI and Cloud Computing Use.
- Recycling and Secondary Supply is crucial for Closing Demand-Supply Gap
- Volatility is expected in short-term due to macro factors



Short term outlook remains bullish; while key risks remain related to geopolitical and economic stability

Short-Term Outlook (Bullish) – FY 2026

- Supply Disruptions at Major Mines
- Refined Copper Deficit of 330,000 tonnes
- Low global Inventories
- Strong AI & Data Centers Demand
- Trade Tensions & Protectionism

Medium-Term Outlook (2027 – 2030)

- Green Energy Transition
- EV Adoption Driving Structural Growth
- New Mine supply
- Potential Price Corrections
- Improving Recycling & Secondary Usage

Key Risk Factors

- Demand: Chinese Demand Slowdown
- Global Recessionary Fears
- Trade Tensions
- Technology Substitutions & Recycling Improvements
- Political Instability in Key Supply Markets
- Faster Green Energy Transition



Chile & Congo are the largest producers of copper; while China and EU are largest copper markets (2024-2025)

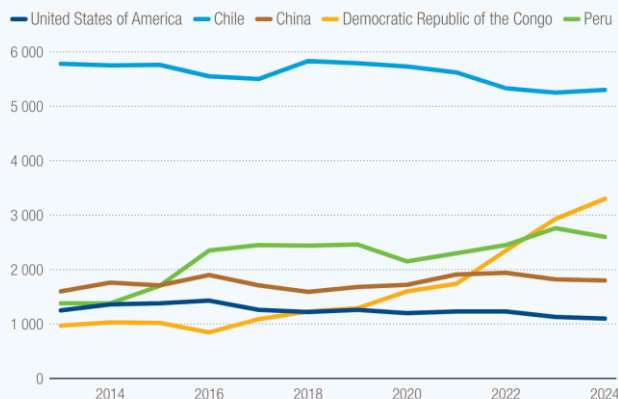
COPPER SUPPLY

Rank	Country	Production (Mt)	% of Global
1	Chile	5.3	23%
2	DR Congo	3.3	14%
3	Peru	2.6	11%
4	China	1.8	8%
5	United States	1.1	5%

Source: Nasdaq Link

Copper mining: Chile leads, Democratic Republic of the Congo sees surge

Copper mine production, major producers, thousand metric tons, 2013-2024



Note: US Geological Survey.

- **Latin America (Chile, Peru):** Dominates with 34% of global production
- **Africa (DRC, Zambia):** Fastest growing region, 17% share
- **Asia-Pacific:** China leads consumption but limited domestic supply
- **North America:** US, Canada contribute 7% combined

COPPER DEMAND

Rank	Country	Demand (Mt)	% of Global
1	China	14.6	54%
2	European Union	2.9	11%
3	United States	1.9	7%
4	India	1.9	7%
5	Japan	0.84	3%

Source: Nasdaq Link

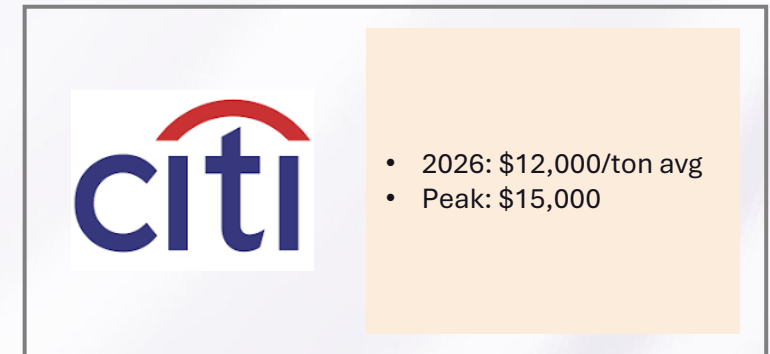
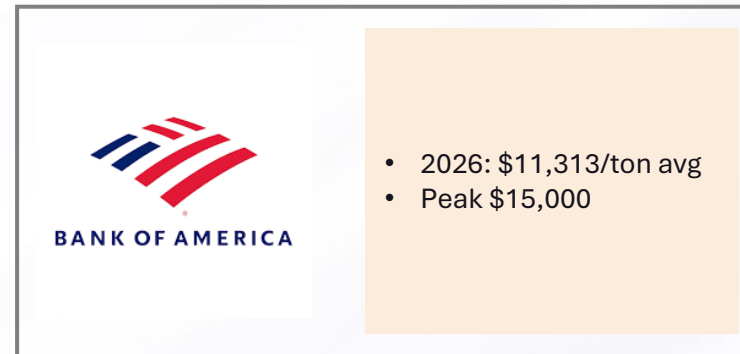
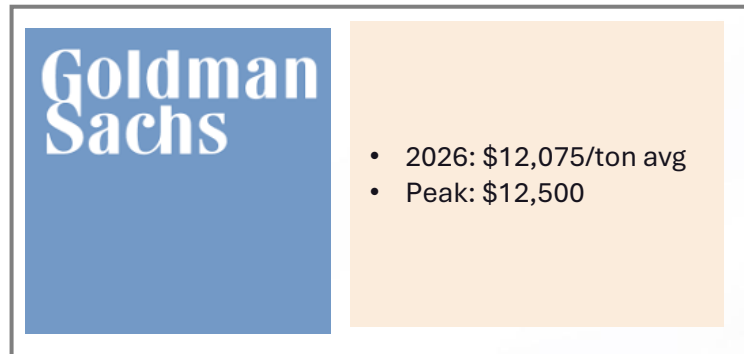
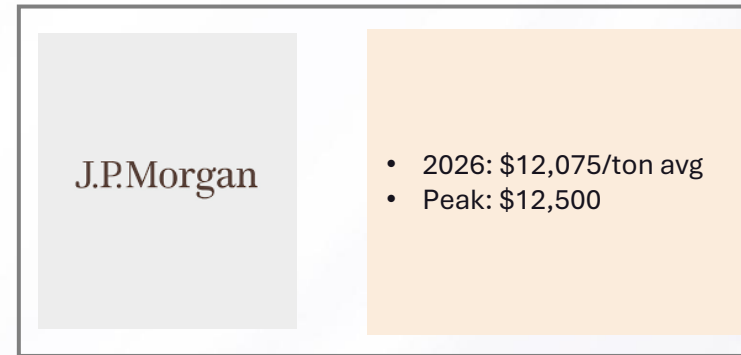
TOTAL PRODUCTION =

- **Asia:** Dominates 70% of global demand of which China Accounts for 54%; Followed by India, Japan, Korea and Thailand.
- **EU:** Second largest importer by economic region

DEMAND FOR COPPER IS EXPECTED TO INCREASE BY 40% BY 2040



As per forecasts, copper is expected to be priced between \$10,000 and \$12,000 per tonne for FY 2026



- Overall bullish outlook for copper prices for FY 2026
- Copper prices hit all-time high (ATH) in Jan 2026 at \$ 6.58 (~\$14,000/tonne) rallying with other precious metals such as gold and silver
- Citi group predicts prices to reach \$15,000 if supply shortages and low inventories persist
- World bank's most conservative outlook puts copper prices at \$10,000 by 2027 (+2%) with potential corrections and increased production capacities due to rising investments into copper mining



China is the largest consumer of copper, accounting for 54% of global market share (usage). Demand is expected to be subdued.



China remains the world's largest copper consumer, but growth is slowing and shifting from construction-led demand to electrification, grid and high-tech uses

❖ China is projected to account for about 57% of global primary copper consumption in 2026, easing to roughly 52% by 2031, implying slower but still dominant demand.

**Copper
Demand**

**15.5 Mn
Tons**

As per ICSG World Copper
Factbook 2024

Key Risk Factors Driving Down Demand

- Chinese Copper Smelting Production is expected to Keep Growing 2025 and beyond
- Increasing Chinese Consumption of Secondary Copper Material and Widening Copper Concentrate Capacities
- Potential Economic Slowdown and Industrial Growth in Chinese market may dampen demand for Copper
- Building and construction historically account for about 30% of China's copper end use; the ongoing property downturn is a structural drag, even with periodic rescue packages
- Analysts expect China's share of global primary copper consumption to decline from 57% in 2026 to 52% by 2031, as demand growth shifts more to the US and India (Reuters)



Conclusion

- As per UNCTAD, copper demand is expected to increase by 40% by 2040; meeting this demand requires 80 mines and \$230 bn in investment by 2030
- Copper prices hit all-time high (ATH) in Jan 2026 - \$6.58/lb (~\$14,500/tonne) rallying with other precious metals such as gold and silver
- Short-term forecasts see further upside to copper with estimates within ~\$12,500/tonne; due to supply constraints
- Demand for copper is expected to increase mainly driven by demand from data centers supporting AI & cloud computing usage
- Chinese economic growth and copper demand is likely to play a vital role in overall demand and price of copper in the medium term
- Renewed efforts for green energy transition, recycling and secondary usage are also expected to be potential risks for downward pressure on copper prices
- **Expanding supplies:** FY 2025-2026 saw tight supply conditions, with a demand-supply deficit estimated at ~33,000 mt. Increased mine output is expected to gradually ease market pressure (as per JP Morgan)
- Copper's current price rally is attributable to the volatile geopolitical events driving sentiment across commodities markets





Thank you