

Copper



Profile

June 2007

Summary

Copper prices are expected to soften as supply would outstrip demand in 2007 and 2008. However, copper prices are increasingly driven by investment and speculative activities. Based on fundamental factors, the prices should retreat to \$4,000 per tonne. A deficit situation would persist in the concentrate market while a surplus would emerge only in the second half of 2008. Consequently, TC/RC margins are expected to decline in 2007 before recovering in 2008.

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