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COPPER REPORT

21 July 2026

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Dashboard

MCX CMP	MCX High (Today)	H1,340 on 3W bar	COMEX Sep
₹1,334	₹1,340	$13,608/t	$6.35/lb
C1,334 · +40.50 (+3.13%)	H1,340 on 3W bar	+0.6% London am	+1.3% · ~$14,000/t

Yangshan Premium	SHFE YTD Change	LME Stocks	COMEX Stocks
$103/t	–45%	306,500t	630,293t
14-month high · ↑ from $20 Jan	79,909t · 20% drop last week	↓23% from Apr peak 399,150t	Record high · tariff pre-stocking

MCX Copper closed at ₹1,334 (+3.13%) on July 21 with a 3-week high of ₹1,340 on STRONG volume (53.83K lots). Yangshan premium at $103/t (14-month high). SHFE stocks –45% YTD. Metal flowing East from LME to China. Elliott Wave (5) sub-wave (5)-3 is accelerating.

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8 Authenticated News Stories

Price Action

COMEX +1.3% to $6.35/lb — within 5% of June record

COMEX Sep copper +1.3% to $6.35/lb in New York early afternoon. LME 3M +0.6% to $13,608/t. Physical tightness in China and Chile weather disruptions outweigh US-Iran jitters. Copper +9% LME YTD, +13% COMEX YTD.

China Demand

Yangshan premium hits $103/t — 14-month high; LME nears backwardation

China's copper import premium (Yangshan) widened to $103/t on Monday, highest since May 2025, up from just $20/t in January 2026. LME cash-to-3M spread narrowed close to backwardation.

China Imports

China refined copper imports hit 9-month high in June

China June imports of refined copper rose to a 9-month high, boosted by declining domestic supply from smelter maintenance. Part of flow explained by buyers substituting imported cathode for restricted scrap.

Inventory

SHFE stocks –45% YTD at 79,909t; traders pulling LME metal to ship China

SHFE copper slid 20% last week to 79,909t (–45% YTD). LME stocks fell to lowest since March. Traders are pulling metal from LME warehouses to ship to China. COMEX rose to record 630,293t (+16,821t last week).

Goldman Sachs

China tightening driven by VAT crackdown on scrap, not end-demand

Goldman's Lavinia Forcellese: "We attribute the recent tightening mostly to substitution from scrap into cathode... Tighter VAT enforcement on scrap in China has constrained domestic scrap circulation."

Chile Supply

South32 Sierra Gorda payable copper falls to 16,000t in June qtr — misses estimates

South32's 45%-owned Sierra Gorda fell to 16,000t (from 17,700t yr-ago), missing estimates. Winter storms forced temporary halt to processing at the northern Chile operation. Cost guidance raised.

Chile — Codelco

Codelco halts Andina surface ops + El Teniente ore shipments after deadly storm

Codelco suspended Andina surface operations and halted El Teniente ore shipments after storm killed 3 people. Anglo American monitoring Los Bronces. 1.6 million t annual capacity affected.

Antofagasta

Antofagasta H1 copper –9.5% to 285,000t; raises cash cost guide to $2.40–2.60/lb

Antofagasta reported 9.5% production decline in H1 to 285,000t. Cash cost raised to $2.40–2.60/lb on fuel pressures. CEO cites "inflationary pressures from disruptions in oil and feedstock markets." US ADRs +3.8%.

"Copper demand is resilient, and so are the supply issues"

Sulfuric Acid — Lifeline with a Catch

Iran war has driven up sulfuric acid prices — a by-product of smelting. This temporarily provides smelters a lifeline when TC/RCs are deeply negative. BofA CRITICAL WARNING: If Middle East normalises, acid revenues fall, the lifeline disappears, and the smelter squeeze intensifies sharply — triggering forced production cuts.

Capex & Opex Now Structurally Higher

Mining capex runs BELOW levels seen 15 years ago (nominal). Ore grade decline has pushed opex from ~$1,500/t to ~$3,700/t at an average mine. Capex intensity per tonne of capacity has also trended higher. This explains why there is no rush to invest in new operations — supply constrained for years.

AI Sell-Off Would NOT Change Copper Fundamentals

Data centres make up only ~10% of electrification-related copper demand. The grid, EVs, and data centres will drive more copper demand growth by 2030 than the entire copper market did in 20 years. As long as governments keep investing in power, BofA does not believe a short-term equity sell-off will change long-term copper fundamentals.

EU Electrification Action Plan — New Catalyst

EU publishing its Electrification Action Plan this week — target: electricity's share of total energy demand to rise 1ppt annually to 32% by 2030. China cable/wire manufacturers have recovered and inventories are declining, confirming that electrification "may come with ups and downs, but ultimately remains a structural driver."


Copper Futures · 3W · MCX O1,288.60 H1,340.00 L1,283.80 C1,334.00 +40.50 (+3.13%) Vol53.83K
COPPER
Elliot Wave Theory
Motive (Numbered) Phase
Corrective (Lettered) Phase
Elliott Wave highlights trend maturity, while copper reacts positively as bullish Wave (5) gains momentum.
(1)
(2)
(3)
(4)
(5)
2,016.95
1,646.10
200.00% (2,692.95)
161.80% (1,761.15)
127.20% (1,198.80)
100.00% (886.00)
78.60% (698.40)
61.80% (579.45)
50.00% (508.20)
38.20% (445.70)
23.60% (378.95)
0.00% (291.50)
High 1,480.30
Ask 1,333.95
Low 291.50

Technical Analysis Elliott Wave · Copper 3W Chart

★ KEY HIGHLIGHT

"Elliott Wave highlights trend maturity, while copper reacts positively as bullish Wave (5) gains momentum."

Wave (1) — Complete

Impulse from ₹291.50 base. First leg of the motive phase off the 2020 low. Established bullish structural count. ✓

Wave (2) — Complete

Deep but orderly correction. Retraced to ~₹480 area. Set the launch pad for the powerful Wave 3. ✓

Wave (3) — Complete

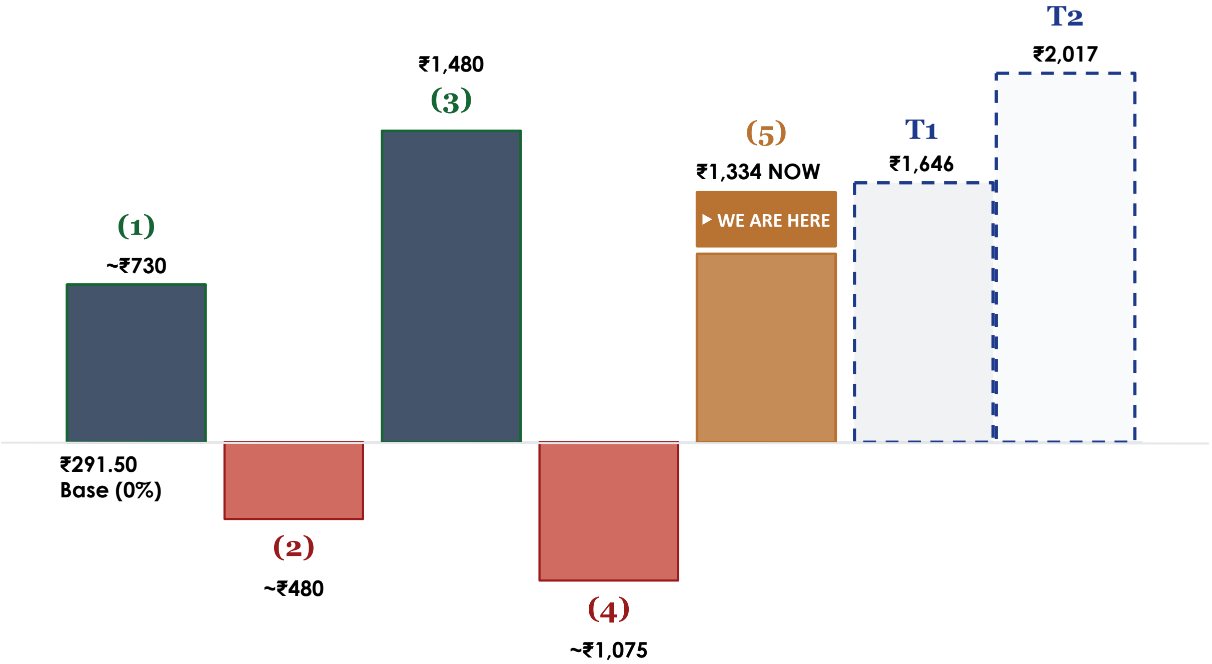
Longest wave: peaked at ₹1,480.30 HIGH (chart label). The "strongest" impulse wave per Elliott rules. ✓

Wave (4) — Complete

Corrective ABC to ~₹1,075. Respected Elliott rule: no Wave 4 overlap into Wave 1 territory. ✓

Wave (5) — IN PROGRESS

Advancing at ₹1,334 (+3.13% today). Has surpassed Wave 3 zone. T1: ₹1,646 (+23.4%). T2: ₹2,017 (+51.2%).



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Technical Analysis Fibonacci Targets & Trade Setup

Fibonacci Level	MCX (₹)	LME Equivalent ($)	COMEX Equiv ($/lb)	Status
100% Fib Level	₹886.00	~$8,500	-	Historical ref
127.2% Extension	₹1,198.80	~$11,500	-	Broken ✓ — now support
MCX Wave 5 — T1	₹1,646.10	~$16,800/t	~$7.62/lb	PRIMARY T1 · +23.4%
161.8% Extension	₹1,761.15	~$17,850/t	~$8.10/lb	Interim T1b
MCX Wave 5 — T2	₹2,016.95	~$20,500/t	~$9.32/lb	PRIMARY T2 · +51.2%
200% Extension	₹2,692.95	~$27,000/t	-	Long-term reference
Wave 4 Stop Loss	₹1,050.00	~$10,500/t	-	EXIT — weekly close below

Trade Setup

CMP

₹1,334 · $6.35/lb · LME $13,608

Entry Zone

₹1,310–1,340 (current) / dip to ₹1,270–1,295

Target 1

₹1,646.10 · ~$16,800/t · +23.4%

Target 2

₹2,016.95 · ~$20,500/t · +51.2%

Stop Loss

₹1,050 weekly close · Wave 4 invalidation

Fundamental Analysis — The Supply Crisis

TC/RC ANNUAL BENCHMARK 2026

$0

per tonne — LOWEST EVER

Spot still NEGATIVE since 2024

BofA: smelters "no longer make money from their core business"

200,000t Chilean production at risk (Goldman Sachs)

ICSG: 150,000t Deficit Confirmed — July 2026

ICSG reversed its 2026 forecast: from 209,000t SURPLUS → confirmed 150,000t DEFICIT. Morgan Stanley projects 600,000t deficit (largest in 20+ years). JP Morgan: 330,000t. Goldman Sachs: even with modelled surplus, still warns of structural shortage by 2029.

IEA (Jul 16): "Supply Outlook Worsened Considerably"

IEA Global Critical Minerals Outlook 2026: "Constraints on sulphuric acid availability pose a significant risk to SX-EW production. Coupled with slower-than-expected recoveries at major mines and an already tight market, copper faces a strong set of near-term challenges."

BofA: Capex Below 15-Year-Ago Levels (Nominal)

BofA July 16 confirms mining capex runs below levels seen 15 years ago even in nominal terms. Ore grade decline pushed opex from ~$1,500/t to ~$3,700/t at an average mine. Capex per tonne of capacity is rising. No rush to invest in new operations → supply structurally constrained for years.

Glencore –90,000t Guidance; Greenfield 10+ Year Lead Time

Glencore cut 2026 guidance 90,000t. No major new copper mine commissioned in a decade. BHP's new Escondida concentrator ($4.4–5.9B) won't be operational until 2031–2032. New mining decisions made today cannot address the 2026 deficit.

Chile Supply Emergency & Sulphuric Acid Crisis

CHILE — STRUCTURAL COLLAPSE

Chile national — May 2026	**−12.9% YoY**
Chile national — April 2026	**−13.8% YoY**
Chile national — March 2026	**−9.0% YoY**
BHP Escondida	**−17.6% May / −9.3% Q1**
BHP Spence	**−34.4% Q1**
Codelco total — May	**−18.3%**
Codelco El Teniente (Q1)	**−26.5%**
Antofagasta H1 2026	**−9.5% → 285,000t**
South32 Sierra Gorda Q2	**16,000t vs 17,700t yr-ago**
Collahuasi — May	**−19.3%**
Glencore guidance cut	**−90,000t**
Chile GDP Q1 2026	**Contracted**

SULPHURIC ACID CRISIS

<$250/t
Integrated production norm

$400/t
Chile spot price (Jul 2026)

$820/t
Middle East region (record)

$1,200/t
Brazil (all-time record)

China Acid Export Ban (May 2026)

China halted sulphuric acid exports May 2026. Chile sourced ~1/3 of acid from China — now zero. Goldman: 200,000t Chilean cathode production at risk annually. JP Morgan: ~15% of global copper production affected by acid availability.

Hormuz — Sulphur Feedstock Choked

Strait of Hormuz closure (US-Iran) cut ~50% of global seaborne sulphur trade. DRC imports ~80% of sulphur via Middle East routes. Goldman: 125,000t DRC copper lost in 2026. US airstrikes on Iran July 20 — no resolution in sight.

BofA: Acid Lifeline Is a Double-Edged Sword

High acid prices provide temporary by-product revenue to squeezed smelters. But if Middle East normalises → acid revenues fall → lifeline disappears → forced production cuts intensify. This is the hidden trigger for the next price spike.

Demand Drivers

Power Grid — The Dominant Force (BofA)

Grid is the primary driver, not data centres. EU Electrification Plan targets 32% electricity share by 2030 (+1ppt/year). IEA: global grid investment must double to $600B/year. 1km HV line = 4–8t copper. India + US + EU + SEA all expanding simultaneously — government-mandated, cycle-immune.

AI Data Centres — Only 10% of Elec. Demand

Data centres = ~10% of electrification-related copper demand. All three sectors (grid + EV + data centres) will drive more copper demand by 2030 than the entire market did in 20 years. Even an AI equity sell-off would NOT change copper's long-term fundamentals (BofA).

China Demand — Resilient

Cable/wire manufacturers have recovered and inventories are declining. China June imports hit 9-month high. Yangshan premium at $103/t (14-month high). VAT crackdown driving scrap-to-cathode substitution — a structural shift in Chinese procurement behaviour.

EVs — BEV Uses 3.8× More Copper Than ICE

EV adoption is structurally irreversible. BEV = 3.8× more copper vs. ICE. BofA includes EVs in three sectors driving unprecedented demand by 2030. China NEV penetration above 40% and rising in SEA, India, Europe. Every ICE vehicle replaced adds 60kg of incremental copper demand.

US Tariff Pre-Stocking — $630,293t COMEX Record

COMEX at record 630,293t. US fabricators pre-stocking ahead of 15% tariff (Jan 2027) and 30% tariff (Jan 2028). This is demand pulled forward = a non-cyclical demand floor for H2 2026. Post-tariff US domestic production investment surge will add further copper capex demand.

India — Undercounted Structural Driver

National Infrastructure Pipeline ($1.4T), grid expansion, and RBI rate-cut cycle creating structural demand still undercounted in global models. India transitioning from price-taker to demand-mover. Indian investors gaining exposure via MCX — today's +3.13% close confirms domestic institutional conviction.

Inventory Analysis — The Three-Way Split

SHFE (Shanghai)	LME Warehouses	COMEX Warehouses
79,909t	**306,500t**	**630,293t**
–45% YTD · –20% last week Bottom of seasonal range · China buying confirmed	–23% from Apr peak (399,150t) Metal being pulled out to ship to China · Lowest since March	+16,821t last week · RECORD Tariff pre-stocking · First delivery into Mobile, Alabama

What the Inventory Split Really Means

SHFE –45% YTD = Real Physical Tightness

SHFE stocks at 79,909t (–45% YTD) are well below their seasonal norm. This is NOT a data anomaly — it reflects actual fabricators drawing down domestic stocks because imported cathode was too expensive (until the Yangshan premium rose to incentivise imports). The drawdown confirms China's copper demand is genuine, not speculative.

LME Flow Direction = Metal Heading to China

LME at 306,500t (–23% from Apr peak) is declining because traders are cancelling LME warrants and shipping metal East to China. Bloomberg confirmed this flow. Cancelled warrants surged 23,000t in a single day (Jul 14). This is a bullish structural sign — the LME is being drained to serve Chinese demand

COMEX Record = Tariff Pre-Stocking, Not Demand

COMEX at record 630,293t includes 16,821t added last week (including first-ever delivery into Mobile, Alabama). This is US consumers filling warehouses ahead of Jan 2027 tariffs. John Gross (Copper Journal) and Reuters note this is "strategic" stock, NOT consumption demand. Post-tariff, COMEX stocks will fall sharply.

Yangshan $103/t — The Tipping Point Signal

The Yangshan premium at $103/t (14-month high, +415% from Jan) is the most important real-time physical signal. It means Chinese buyers are paying a $103/t premium ABOVE LME to import copper into China. This confirms that domestic scrap restriction + SHFE stock depletion have pushed China back into aggressive seaborne buying — the classic trigger for the next LME price leg higher.

Wall Street & Institutional View

BofA Securities	Morgan Stanley	JP Morgan
Structurally Bullish · Jul 16, 2026	**600,000t Deficit Projection**	**330,000t Deficit Forecast**
Demand resilient, supply issues equally resilient. Grid + EV + data centres = unprecedented demand by 2030. EU electrification plan adds catalyst. AI sell-off would NOT change fundamentals.	Largest projected deficit in 20+ years. Chile + DRC disruptions driving extreme supply shortfall. Most structurally bullish institutional view on supply side.	Acid shortage affects ~15% of global copper production. Strong structural supply-demand conviction. Hammered on scrap-to-cathode substitution in China.

Goldman Sachs	Macquarie (Upgraded)	ING Bank (Jul 21)
$12,650/t Year Avg	**$13,165/t (Upgraded)**	**Near-Term Supportive**
Soft dollar primary driver. Acid shock adds 17% supply risk. Full shortage "inevitable by 2029." 200,000t Chilean production at risk from acid ban.	Upgraded from $12,310. Price momentum + macro tailwinds. Still models 262K t surplus — contrarian bull on price, bear on supply narrative.	"Tight inventories, strong import demand and falling exchange stocks suggest copper fundamentals remain supportive in the near term." — ING note July 21, 2026.

COMEX at $6.35/lb (~$14,000/t) today is already $835/t ABOVE Macquarie's upgraded $13,165/t year-average forecast — confirming the Elliott Wave 5 thesis that price is running ahead of all institutional models. Our T1 ₹1,646/LME $16,800 and T2 ₹2,017/LME $20,500 are CYCLE PEAK targets, not year-averages — a fundamentally different framework.

Price Targets & Roadmap

CMP	TARGET 1A	MCX T1	MCX T1b	MCX T2	STOP LOSS
₹1,334	**₹1,480**	**₹1,646**	**₹1,761**	**₹2,017**	**₹1,050**
$13,608/t	~$15,000/t	~$16,800/t	~$17,850/t	~$20,500/t	~$10,500/t
Jul 21, 2026 · +3.13%	Wave 3 high reclaim (interim)	127.2% Fib · +23.4% · T1	161.8% Fib · Interim zone	Wave 5 ext · +51.2% · T2	Weekly close — EXIT ALL
	+10.9%	**+23.4%**	**+32.0%**	**+51.2%**	**–21.4%**

Month-by-Month Roadmap — 3W MCX Chart Based

Apr–Jul 2026 ✓	Jul–Aug NOW ★	Aug–Oct	Oct–Dec	2027 H1
Wave (5) launched. MCX ₹1,100→₹1,334 (+21%). ICSG flipped. S232 delivered. BofA bullish. LME $11,500→$13,600. DONE.	Chile storm active. Acid crisis deepening. Yangshan $103/t. MCX breaking ₹1,340 today. Sub-wave (5)-3 accelerating.	Chile Q2 data confirms –10%+ national output. EU Electrification Plan enacted. Fed signals cuts. → MCX ₹1,500–1,646.	ICSG deficit confirms 200K+. China restocks. USD weakens. Mining equities surge. → MCX ₹1,646–1,761.	Structural deficit entrenched. BHP Escondida grade collapse. US tariff enacted Jan 2027. → MCX ₹2,017.
DONE	**NOW**	**T1**	**T1b**	**T2**

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Final Verdict

STRONG BUY

Conviction Score

86 / 100

↑ Raised from 82 in April

QUICK REFERENCE

MCX CMP:	₹1,334 (+3.13%)
MCX T1:	₹1,646.10 (+23.4%)
MCX T2:	₹2,016.95 (+51.2%)
LME T1:	~$16,800/t
LME T2:	~$20,500/t
Stop Loss:	₹1,050 · $10,500/t

① Elliott Wave (5) — 3W MCX Chart Confirmed

MCX 3W chart shows a complete 5-wave motive structure from ₹291.50. Wave (3) peaked at ₹1,480. Wave (4) corrected. Wave (5) is now advancing at ₹1,334 (+3.13% today). First target ₹1,646.10 (+23.4%). Second target ₹2,016.95 (+51.2%). LME equivalents: T1 ~$16,800/t · T2 ~$20,500/t. Sub-wave (5)-3 — the most powerful phase — is commencing now.

② Supply Crisis — Confirmed Simultaneously by 5 Sources

ICSG: 150,000t deficit confirmed (reversed from surplus). TC/RC: $0/t annual (LOWEST EVER). Chile: –12.9% YoY nationally in May. South32 Sierra Gorda miss today. Acid crisis: $1,200/t Brazil, $820 Middle East, $400 Chile spot. BofA: smelters "no longer make money." IEA: "supply outlook worsened considerably." Morgan Stanley: 600,000t deficit — largest in 20+ years.

③ China Demand Signal at 14-Month High — Inventory Flowing East

Yangshan premium at $103/t (14-month high, from $20 in Jan). China June imports 9-month high. SHFE down 45% YTD to 79,909t. Metal being pulled from LME to ship East. Goldman Sachs (Jul 21): VAT crackdown on scrap forcing scrap-to-cathode substitution — a structural shift. BofA confirms demand is resilient and structural. Fed easing adds $500–700/t via USD channel.

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