CSC
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METALS

from mine to market

Copper, aluminium and iron ore: how each chain works, what moved it in the two weeks to 9 October 2026, and which way we think prices move by 23 October

COPPER / ALUMINIUM / IRON ORE / OUR CALLS

Cover: Chuquicamata copper mine, Chile. Photo: Till Niermann, CC BY-SA 3.0.

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From the mine to the market.

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HOW TO READ IT

Each topic follows three steps: how it works, what happened this fortnight, what it means. Each metal chapter ends with our thesis and our call. Blue panels explain terms. Dark panels give a trader's angle. Throwback pages look back at history. Small numbers point to the sources on the last pages.

LME: London Metal Exchange. SHFE: Shanghai Futures Exchange. COMEX: New York metals exchange. SMM: Shanghai Metals Market.

00 / THE FORTNIGHT

Money got tighter. China did not buy. Copper got scarcer.

The two weeks to 9 October 2026 on one page: what changed, why it matters, and which way we think prices move by 23 October.

THIS FORTNIGHT / FOUR NUMBERS

+1.3%
US dollar index in two weeks[5]

+10,000 t
Copper stocks in Guangdong after the holiday[8]

−12.8%
Chile's copper output in August, year on year[11]

−$231.68
Treatment charge per dry tonne of concentrate, a record low, 30 Sep[9]

WHAT HAPPENED THIS FORTNIGHT

1. Money got tighter. The US Federal Reserve raised its rate in September, and markets expect another rise by December[2,3]. When rates rise, holding metal costs more, and the dollar gets stronger. Every metal is priced in dollars, so a stronger dollar makes metal dearer for everyone else. The dollar index rose 1.3% in two weeks[5].

2. China came back from holiday and did not buy. After National Day, Chinese factories usually restock. This time the metal piled up instead. Copper stocks in Guangdong rose by more than 10,000 tonnes[8], and aluminium stocks by 48,000 tonnes[20]. At today's prices, Chinese buyers are waiting.

3. Copper got scarcer at the source. Chile, the largest producer, mined 12.8% less in August than a year earlier[11]. Concentrate is now so short that smelters pay miners to get it: the treatment charge hit a record −231.68 dollars per dry tonne on 30 September[9]. Metal also kept leaving London's warehouses[1].

4. Chile is the risk to watch. Workers at Centinela have been on strike since 7 October; the plants kept running and the company's forecast is unchanged[14]. At Escondida, the largest copper mine in the world, supervisors are in mediation that runs to about 12 October[14]. A long strike would show in November shipments, not in this fortnight's price.

OUR CALLS IN ONE LINE

Copper: flat this fortnight, up into 2027 · medium conviction.

What makes copper scarce is slow; what caps it is fast. Page 14.

Aluminium: down · low conviction.

Tight money and a fading war premium. Page 18.

Iron ore: down · medium conviction.

Mills lose money, so they buy less ore. Page 23.

The full thesis for each metal closes its chapter. Section 05 keeps the scoreboard.

00 / THE FORTNIGHT

The fortnight at a glance.

Price, stocks and the signals we watch for each metal, from 25 September to the last reading before our 8 October cutoff.

INDUSTRY TERMS

TC (treatment charge)
here, SMM's spot index of the fee for copper concentrate imported into China, per dry tonne; not the yearly benchmark, which is zero for 2026.

MMi 61% index
SMM's daily price for iron ore with 61% iron delivered to China, per dry tonne.

DASHBOARD / THE THREE METALS AT A GLANCE

LME three-month official prices and stocks to 7 October[1]; MMi 61%, 24 September to 8 October[27]. ▲ pushes the price up, ▼ down, ● neutral.

Copper

LME 3M, USD/t

14,417 ▼ 1.6%



LME stocks	251,500 → 239,875 t ▲
Cash–3M spread	+93 → +88 USD ▲
TC	−231.68 USD/dmt, record ▲
China stocks	Guangdong +10,000 t ▼

● Flat

Medium conviction

Aluminium

LME 3M, USD/t

3,069 ▼ 6.1%



LME stocks	241,375 → 238,875 t ●
Cash–3M spread	−13 → −11.5 USD ●
Midwest premium	−5% since 1 Oct ▼
China ingot stocks	≈686 kt (+48 kt) ▼

▼ Down

Low conviction

Iron ore

MMi 61%, USD/dmt

90.35 ▼ 5.1%



Port stocks	172.18 Mt (1 Oct) ▼
SGX curve	Oct-26 91.15 / Apr-27 92.20 ▼
Hot metal	2.3882 Mt/d, 4th fall ▼
Mill margin	1,011 → 994 yuan/t ▼

▼ Down

Medium conviction

HOW TO READ IT

The spread is the gap between the price of metal for delivery now (cash) and in three months. A positive spread is backwardation: metal is scarce now. A negative spread is contango: metal is easy to get, and the gap pays for storage and interest.

Copper. London stocks fell from 251,500 to 239,875 tonnes: metal is leaving. The spread was +88 dollars on 7 October. Copper has been in backwardation almost without a break since 20 July 2026, with a peak of +535 dollars on 17 August and a four-day dip into contango on 14–17 September[1]. The TC hit a record −231.68 dollars: mines are short of rock[9]. Only China pushes the other way, with Guangdong stocks up by more than 10,000 tonnes[8].

Aluminium. London stocks barely moved. The spread is slightly negative: aluminium has been in contango since 21 September, after a short backwardation that peaked at +54 dollars on 14 September[1]: no nearby shortage. The Midwest premium is what a US buyer pays above the LME price for metal delivered in the Midwest; it includes the 50% US tariff, hence its size, about 2,298 dollars a tonne on 7 October. Its futures contract fell about 5% after 1 October, as the war premium fades[5]. In China, ingot stocks rose 48,000 tonnes over the holiday[20].

Iron ore has no exchange warehouse, so its signals come from China. Ports held 172.18 million tonnes[30]. The Singapore curve is in contango, 91.15 dollars for October 2026 against 92.20 for April 2027: ore is easy to get[28]. We only have that one curve, so we cannot date when it turned. Mills made 2.3882 million tonnes of hot metal a day, a fourth weekly fall[27], and their margin slipped from 1,011 to 994 yuan a tonne[29,35]. Every signal points down.

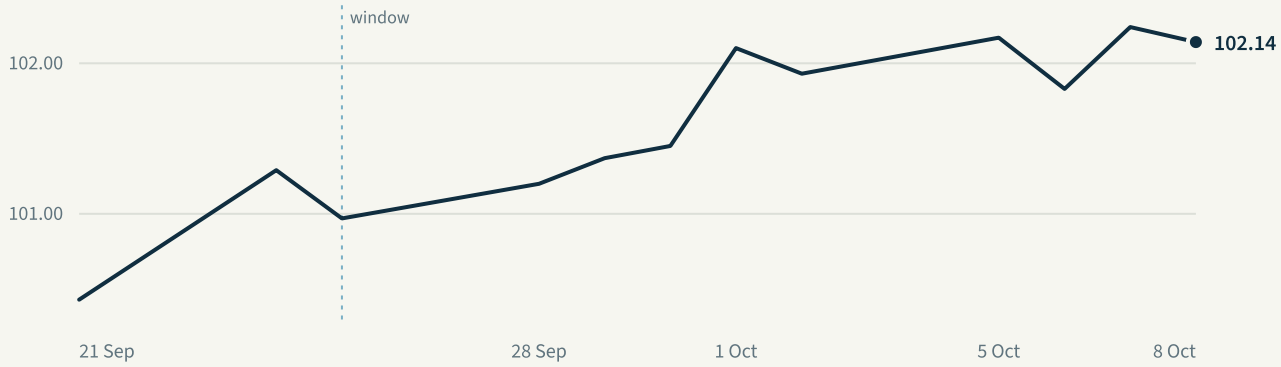
01 / WHY METALS MOVE

The dollar and interest rates set the wind for every metal.

Metals are priced in dollars and pay no interest. That is why one central bank in Washington moves copper, aluminium and iron ore at the same time.

THIS FORTNIGHT / THE US DOLLAR INDEX

The US dollar index (DXY), daily close, 21 September to 7 October 2026. It rose from 100.97 on 25 September to 102.24 on 7 October[5].



HOW IT WORKS

Two channels link the US to every metal market.

The dollar. Metals trade in dollars. When the dollar rises, a buyer who pays in euros, yuan or yen needs more of its own money for the same tonne. Take a cable maker in Germany. If the dollar gains 5% against the euro, its copper costs 5% more in euros, even if the dollar price has not moved. Buyers outside the US slow down, and the dollar price tends to ease. That is why metals and the dollar often move in opposite directions.

Interest rates. A tonne of copper in a warehouse pays no interest. It costs rent, and the money tied up in it could earn interest elsewhere. Its owner gains only if the price rises, or if metal becomes scarce enough that buyers pay extra to get it now. What matters is the real rate. With the US 10-year real rate at 2.92%, holding 14,422 dollars of copper for a year means giving up about 420 dollars of real return[4]. The higher real rates go, the more it costs to hold metal, and the less investors want to.

WHAT HAPPENED THIS FORTNIGHT

Both channels turned against metals at once. The Federal Reserve raised its range to 3.75–4.00%, effective 17 September[2]. Markets see about 64% odds of another rise by December[3]. The 10-year real rate reached 2.92%, up 0.48 points since 1 September[4]. Expected inflation stayed flat, so the whole rise is a true increase in the cost of holding metal. The dollar index rose 1.3% in two weeks[5].

WHAT IT MEANS FOR METALS

This wind blows against all three metals. It is a main reason we lean down on aluminium and iron ore. Copper is the exception. Our first Throwback shows with history why a strong supply story can sail against this wind.

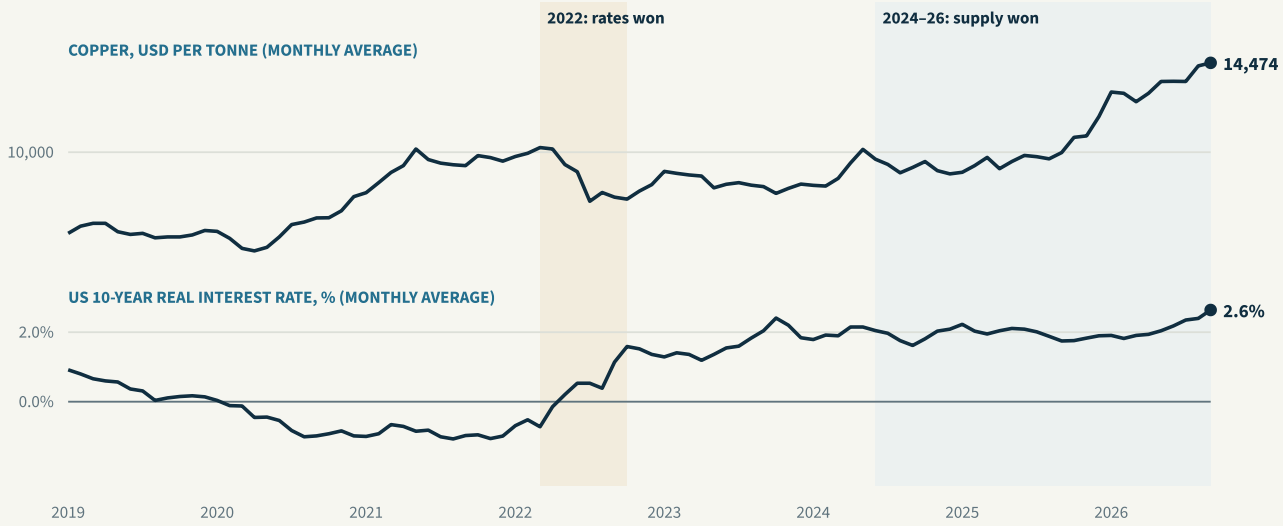
01 / WHY METALS MOVE

We have seen this wind before. In 2022 it won. Since 2024 it has not.

Two recent episodes show what interest rates can do to copper, and what they cannot.

THROWBACK · OUR LOOK BACK AT HISTORY / COPPER AND US REAL RATES, 2019–2026

Monthly averages, January 2019 to September 2026. Copper: World Bank monthly price[36]. Real rate: US Treasury 10-year real yield, averaged by month by the desk[37].



WHEN RATES WON

In August 2021 the 10-year real rate stood at −1.07%[37]. Holding metal cost almost nothing, and copper traded between 9,400 and 10,200 dollars a tonne[36]. Inflation was already rising, with US consumer prices up 7.0% over 2021, the most since 1981[53], but the Federal Reserve waited. When it moved, it moved fast: its policy rate, which is not on the chart, went from near zero in March 2022 to 4.25–4.50% by December[38].

The real rate followed, from −0.72% in March 2022 to +1.59% in October 2022[37]. It stayed far below the Fed's rate because it subtracts inflation, and inflation was very high. The dollar reached about 114 on 27 September 2022, its highest in 20 years[39]. Copper's monthly average fell from 10,231 dollars a tonne in March 2022 to 7,545 in July, 26% in four months[36]. Supply was not short, so nothing held the price up.

WHEN SUPPLY WON

Since 2024 the real rate has stayed close to 2%. In September 2026 it averaged 2.64%, well above its 2022 peak[37]. On the 2022 logic, copper should have fallen. Instead its monthly average rose from 8,991 dollars a tonne in January 2025 to 14,474 in September 2026, up 61% and a record[36].

The reason is supply. Concentrate became so scarce that smelters now pay miners for it, and Chile, the largest producer, is mining less. The copper chapter explains both. When buyers fear running short, they pay up even when money is expensive.

THE LESSON FOR COPPER

Rates and the dollar set a headwind for every metal. In 2022, when copper supply was comfortable, they decided its price. Since 2024, with supply tight, they have slowed the rise but not reversed it. That is why we lean up on copper even though money got tighter this fortnight. The copper chapter explains the shortage behind it.

01 / WHY METALS MOVE

One customer matters more than any mine.

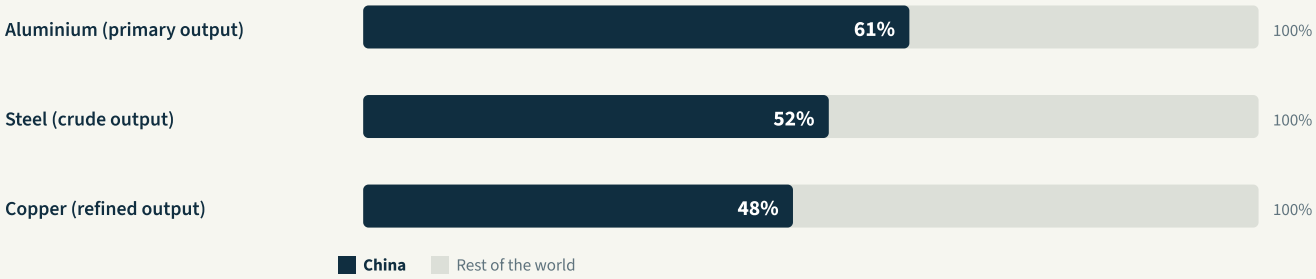
China makes about half of the world's industrial metal and uses most of it at home. Its appetite sets the price for everyone.

INDUSTRY TERMS

PMI (Purchasing Managers' Index)
a monthly survey of factory purchasing managers about orders, output and stocks. Above 50 means activity grew from the month before; below 50 means it shrank.

STRUCTURE / CHINA'S SHARE OF WORLD OUTPUT, 2025

Share of world output in 2025. Aluminium: primary metal. Steel: crude steel. Copper: refined metal[17,24].



WHY CHINA NEEDS SO MUCH METAL

A mine strike moves one metal. China moves all of them at once. It is the world's factory and its biggest building site, and most of the metal it makes stays at home, for four reasons.

Building. Steel bars hold up concrete, aluminium frames the windows, copper wires the flats. Construction still takes 49% of China's steel[40].

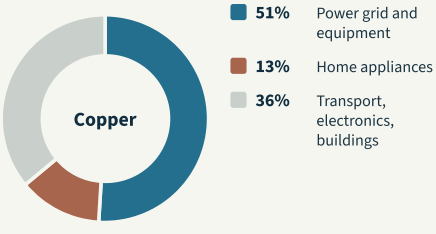
The power grid. Copper and aluminium carry electricity. Power cables and equipment take about half of China's copper[41].

Factories. Machines, cars and home appliances. Since 2025, manufacturing uses more steel than construction: 51%[40].

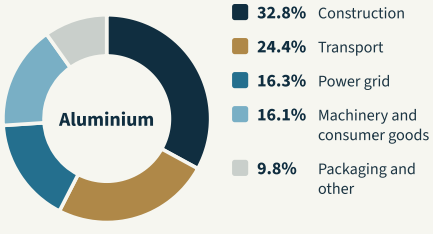
The energy transition. Solar farms, wind turbines and electric cars use far more copper and aluminium than what they replace.

What happened this fortnight. Factories came back from National Day and bought little. September's factory survey, the PMI, read 50.1[7]. Above 50, factories are growing; below 50, they are shrinking. At 50.1, they barely grew. Credit growth slowed to 7.2% at end-August, from 7.4%[6]. We expect no new support before the Politburo, the Communist Party's top body, meets in late October.

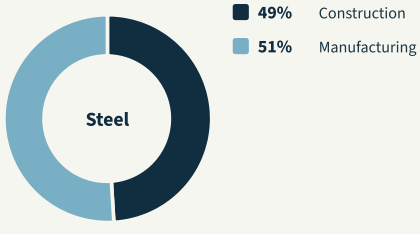
WHERE CHINA'S METAL GOES



2023 · source [41]



2023 · source [42]



2025 · source [40]

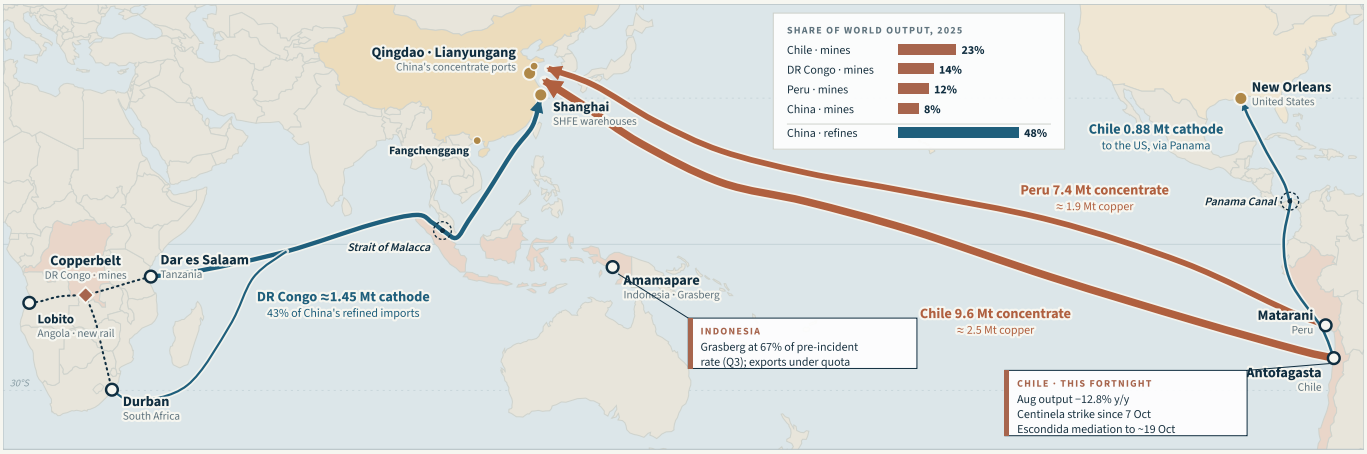
02 / COPPER

Chile, Congo and Peru dig it. China turns it into metal.

Who mines copper, how its rock reaches China's smelters, and why Chile's mines were the news of the fortnight.

TRADE MAP / WHERE COPPER TRAVELS

Main copper shipments in 2025, port to port. Line width shows the copper each route carries, so ore and metal compare fairly. Chile and Peru ship concentrate, a powder about a quarter copper. The DRC ships refined metal (cathode), which leaves the mines by rail and road to Dar es Salaam or Durban, and increasingly Lobito. Indonesia is not drawn: its full-year exports to China are not published[17,18,35,43,44,59,60].



HOW IT TRAVELS

China, the main buyer, refines far more copper than it digs. Chile digs 23% of the world's copper, the Democratic Republic of Congo (DRC) 14% and Peru 12%. China digs only 8%, yet refines 48%[17].

Most mines ship concentrate, not metal. In 2025 Chile sent 9.64 million tonnes of it to China and Peru 7.42 million, across the Pacific in bulk carriers[18]. The DRC instead exports metal made at the mine.

Escondida in Chile produced 1.31 million tonnes in 2025, about 6% of world mine output[19]. A strike or an accident at one such site moves the whole market.

WHAT HAPPENED THIS FORTNIGHT

Chile mined 369,500 tonnes in August, 12.8% below a year earlier[11]. Its statistics office blames a July storm and lower ore grades[12]. Codelco, the state miner, made 564,000 tonnes in the first half, down 11% on a year earlier[13]. It is auditing output counted twice in 2024–25, so Chile's past figures are about to be revised down[14].

A strike began on 7 October at Antofagasta's Centinela mine, which made 240,400 tonnes last year; more than 700 workers are out, and the company has kept its forecast for now[14]. In Indonesia, Grasberg's plant ran at 67% of its pre-incident rate in the third quarter; Freeport expects 80% of capacity by mid-2027[19].

TO WATCH

At Escondida, supervisors are in mediation to about 12 October, extendable to about 19 October[14]. From rock to wire is a long chain, and the shortage sits in one link.

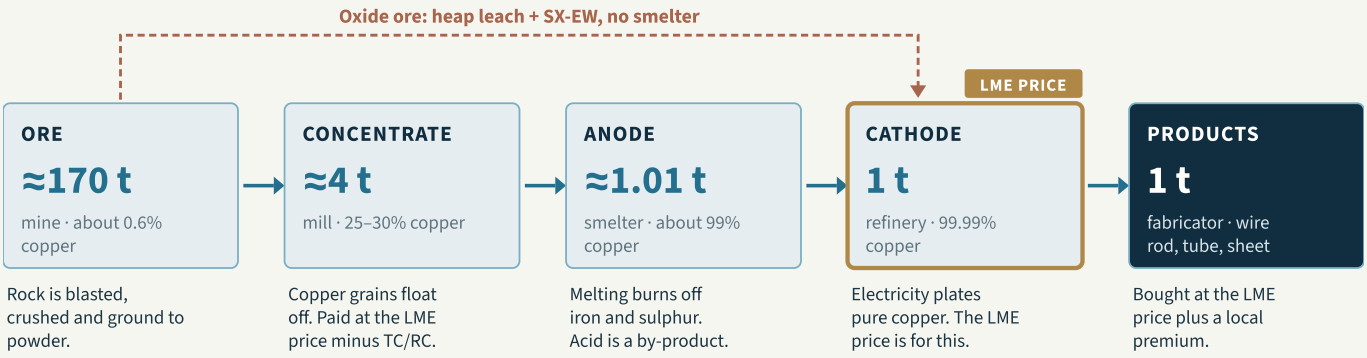
02 / COPPER

Rock is short. Metal is not, yet.

Follow one tonne of copper back to the mine: about 170 tonnes of rock, four tonnes of powder, one tonne of metal. The shortage sits at the top of that chain.

MECHANISM / FROM ORE TO WIRE

Tonnes of material that hold one tonne of copper at each step, on the sulphide route. Round, illustrative arithmetic. Ore and concentrate grades are standard reference values, not confirmed at source[17,35].



HOW IT WORKS

Copper ore is poor: about 0.5–0.6% copper on average. At 0.6%, one tonne of copper sits in about 170 tonnes of rock. The type of rock decides how the metal comes out.

Sulphide ore: fire. Most copper comes this way. A mill grinds the ore and mixes it with water and chemicals. Air is bubbled through, and the copper grains float off on the bubbles. This is concentrate: a powder of 25–30% copper, about four tonnes per tonne of metal.

A smelter melts the concentrate and burns off the iron and sulphur in stages. What is left is about 99% copper, cast into slabs called anodes. The sulphur is captured and sold as sulphuric acid.

A refinery hangs the anodes in an acid bath. An electric current moves the copper onto plates called cathodes, at 99.99% purity. Gold and silver sink to the bottom as sludge and are sold separately.

Oxide ore: water. Crushed ore is piled in heaps and sprayed with weak sulphuric acid, which dissolves the copper. A solvent pulls out the copper and leaves the impurities. An electric current then plates it onto cathodes, again at 99.99%: this is SX-EW.

Scrap is a second source: the world mined about 23 million tonnes in 2025 but refined about 29 million[17].

WHERE THE LME PRICE SITS

Both routes end in cathode, and the LME copper price is the price of cathode. Every other step is priced from it. A mine selling concentrate is paid the LME price for most of the copper inside, minus a fee to the smelter: the treatment and refining charge, or TC/RC[47]. A fabricator buys cathode at the LME price plus a local premium[51], then melts it into wire rod, tube or sheet.

WHAT HAPPENED THIS FORTNIGHT

Refined metal is still roughly in balance. From January to July the world made about 32,000 tonnes more than it used, or about 5,000 tonnes too little once stocks in Chinese customs zones are counted[16]. Either way the gap is small.

The shortage is in concentrate: smelters have more furnaces than mines can feed. Some Chinese smelters have told customers they will cut long-term deliveries, and several plan maintenance in October and November[9]. When smelters cut, scarce rock becomes scarce metal: we expect that in 2027, not this month.

New rock is slow to come: Kamoa-Kakula in the DRC made 76,400 tonnes in the third quarter, and its 2026 forecast of 290,000–310,000 tonnes is now trending to the low end[33]. How a smelter is paid explains why it still buys.

02 / COPPER

On the spot market, smelters now pay miners.

In China, the spot fee a smelter earns for turning concentrate into metal has gone below zero. One tonne shows what that costs, and how a term contract differs.

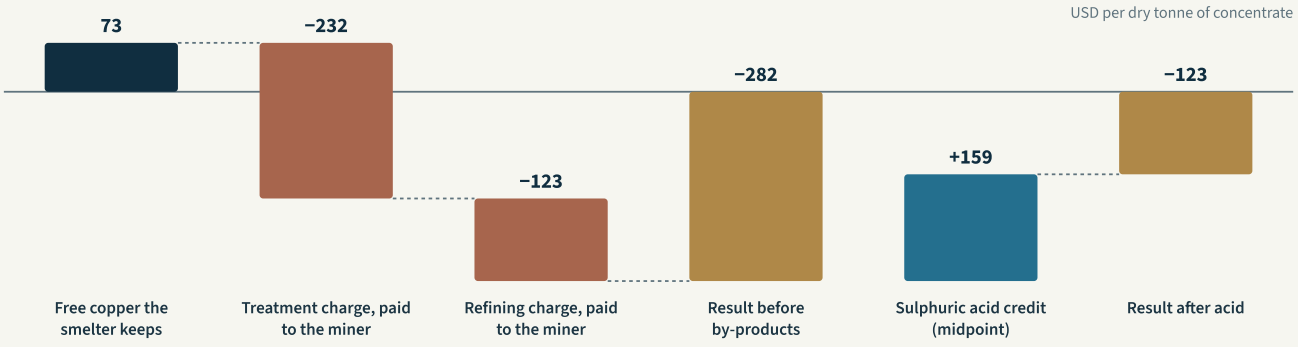
INDUSTRY TERMS

Treatment charge (TC)
the fee per dry tonne of concentrate that a miner pays a smelter for processing it; when it is negative, the smelter pays the miner.

Refining charge (RC)
the fee per pound of copper that a miner pays a smelter for refining, deducted from the price of the concentrate.

WORKED EXAMPLE / A SMELTER AT A NEGATIVE TREATMENT CHARGE

One dry tonne of concentrate at 25% copper, at SMM's spot treatment charge for concentrate imported into China on 30 September 2026 and the LME cash price of 7 October 2026. Grade, recovery and refining charge are illustrative; the acid credit follows[1,9,35,46].



HOW IT WORKS

A smelter does not earn the copper price. It earns a fee. A miner in Chile sells concentrate to a smelter in China at the London price of the copper inside, less two fees, the treatment charge and the refining charge. When concentrate is plentiful, smelters demand high fees. When it is scarce, they bid the fees down to win cargoes.

READING THE BILL, LINE BY LINE

Take one dry tonne of concentrate at 25% copper: 250 kilograms of metal. The contract pays for 240 kilograms, one point of grade being deducted as standard. At the LME cash price of 14,510 dollars a tonne on 7 October, that is 3,482 dollars[1,35].

In a normal market the smelter deducts its two fees from that bill. Today both are negative, so it adds them instead. Shanghai Metals Market (SMM), a Chinese price reporter, put the spot treatment charge for imported concentrate at a record −231.68 dollars a tonne on 30 September. That adds 232 dollars[9]. The index does not quote the refining charge; by convention it is a tenth of the treatment charge, in cents per pound: −23.17 cents on 529 pounds, another 123 dollars[35]. The miner is paid 3,837 dollars for copper worth 3,628.

Its only gain on the copper is metal it recovers but did not pay for: 5 of the 250 kilograms if it recovers 245, worth 73 dollars (the first bar). Take off the two fees and it is 282 dollars short per tonne, before energy and labour[35].

SPOT CARGO OR TERM CONTRACT

That −282 is a spot cargo. Under a term contract the fee is the yearly benchmark, agreed by big miners and Chinese smelters each December; for 2026 it is zero for both charges[10]. The smelter then neither earns nor pays a fee and keeps only its 73 dollars of free copper; at the 2025 benchmark it earned about 105 dollars on the same tonne[10,35]. A term tonne still gains a little; a spot tonne loses heavily.

WHY SMELTERS STILL BUY

A furnace is slow and costly to restart, so a smelter runs at a loss rather than shut. The last two bars show the other reason, by-products: acid alone brings the tonne back to 123 dollars short. Why that credit is shrinking comes next.

02 / COPPER

Acid kept smelters going. Now acid is falling too.

How the closing of Hormuz made a copper by-product valuable, why smelters bet on it, and why that bet is now turning against them.

INDUSTRY TERMS

By-product
something a plant makes alongside its main product and sells for extra income; a copper smelter's are sulphuric acid, gold and silver.

Payable metal
the share of the gold or silver in concentrate that the smelter pays the miner for.

MECHANISM / HORMUZ, SULPHUR AND THE SMELTER'S ACID

$1,250–1,300
Sulphur delivered to Indonesia, per tonne, 10 June; about $563 at the start of 2026[55]

1,751 yuan
SMM copper smelting acid index at its peak, per tonne, 26 June[55]

1,218.5 yuan
The same index on 30 September, a 13th weekly fall[46]

−$231.68
Spot treatment charge per dry tonne, 30 September, a record low[9]

HOW IT WORKS

The sulphur that burns off in the smelter is captured and sold as sulphuric acid: about 3 to 4 tonnes per tonne of copper[46]. Acid is also made by burning sulphur, and China imports about half the sulphur it uses: 9.61 million tonnes in 2025, against demand of 19.48 million[56,57]. About 56% of those imports came from the Middle East, by Tianfeng Securities' count[57]. So a shortage of Gulf sulphur makes a smelter's acid worth more.

WHAT HAPPENED THIS YEAR

The Strait of Hormuz closed to commercial dry bulk ships on 28 February 2026 and has not properly reopened since[54]. By the first peak in April, world sulphur exports were 45% below end-February levels, and more than 600,000 tonnes sat stranded on ships in the Gulf[54]. SMM later put the pile-up at 800,000 to 1 million tonnes[55].

Acid followed. Oilchem, a data provider, put China's acid price at 1,760 yuan a tonne on 30 April, 204% above a year earlier though down 4.9% that week[58]; a different series from SMM's.

Some smelters bet on that income. They accepted negative spot treatment charges, relying on acid for short-term deals, a source in miner–smelter talks told Reuters[58]. Two unnamed analysts reckoned every 100 yuan of net profit on a tonne of acid could offset about 10 dollars a tonne of processing-fee loss[58].

THE TURN

Our worked tonne of concentrate yields roughly 0.75 to 1 tonne of acid. At SMM's index of 1,218.5 yuan a tonne on 30 September, that is worth about 136 to 182 dollars[46]. At the midpoint the smelter ends about 123 dollars short, not 282. Gold and silver help too: contracts pay the miner for only part of the precious metal, often around 90%, and the smelter keeps the rest, plus any gold below the contract's minimum[47]. That is why smelters keep running at a negative fee, and why several still plan maintenance rather than outright closures.

But the credit is shrinking. SMM's index stood at 1,665 yuan in May and peaked at 1,751 on 26 June[46,55]. By 30 September it had fallen thirteen weeks in a row[46]. With the fee and the acid credit both falling, cuts become real. How the fee fell this far is a two-year story.

02 / COPPER

From 80 dollars to zero in two years.

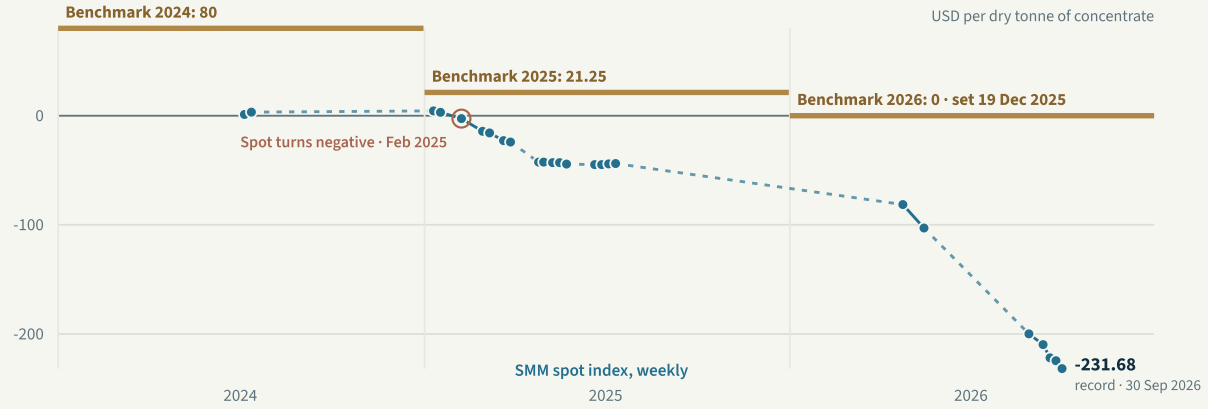
The yearly benchmark collapsed and the spot fee went deeply negative. Here is how the copper market's pricing for concentrate came apart, and what to watch next.

INDUSTRY TERMS

CSPT (China Smelters Purchase Team)
the group through which China's large copper smelters set a common position on treatment charges.

DEEP DIVE / THE TREATMENT CHARGE, 2024–2026

Gold steps: the yearly benchmark treatment charge agreed between Antofagasta and Chinese smelters[10]. Blue dots: the SMM imported concentrate index, weekly; dashes bridge months with no published reading, not a flat market[9,48].



YEAR BY YEAR

The benchmark was 80 dollars per dry tonne and 8 cents a pound for 2024, while spot was already near 3 dollars by July 2024: the fixed fee was already out of touch[10,48]. For 2025 it fell to 21.25 dollars and 2.125 cents. In June 2025 Antofagasta's mid-year term deals settled at zero, six months before the yearly benchmark did[48]. The 2026 benchmark followed at zero on the night of 19 December 2025; the last bids were +11 from the smelters and −7.5 from the miner: a negative benchmark was openly on the table[10].

The spot fee led the way down. The index went below zero in February 2025, reached about −45 by mid-2025, passed −100 in May 2026 and hit a record −231.68 on 30 September[9,48]. The gap between gold and blue is what a term contract was worth to a smelter: in 2026, more than 230 dollars a tonne.

WHY IT FELL

The fee is the price of smelting capacity, and China built that capacity faster than the world built mines. The supply accidents of 2025–26 made it worse: Grasberg still runs at two-thirds of its pre-incident rate, and Chile mined 12.8% less in August[11,19]. Too many furnaces chased too little rock, and smelters bid the fee below zero to keep running.

A NEW KIND OF CONTRACT

In mid-2026 the old model cracked. On 1 July, SMM reported Antofagasta had agreed to sell term concentrate to some Chinese smelters at fees linked to the spot index, with a floor whose level was not disclosed; the company called the talks confidential[49]. Miners stopped defending one fixed yearly fee; smelters accepted one that follows spot, with a floor capping their loss.

THIS FORTNIGHT

The smelters had no joint answer: their group, CSPT, met on 22 September and set no guidance for the fourth quarter[9]. No index was published in the holiday week to 9 October, yet tenders cleared deeper still: Sierra Gorda at −300 to −310 dollars, Cuajone at −320[9].

WHAT TO WATCH NEXT

Talks on the 2027 benchmark start in earnest at LME Week in London from 19 October, after our window. A benchmark near zero again, or below, would say the shortage is lasting; a rebound would say new mines and smelter cuts are catching up. Where the metal ends up comes next.

02 / COPPER

Most of the world's visible copper sits in New York.

Where copper sits decides who pays extra. London is losing metal, New York piled it up for a tariff that has not come, and China's importers are starting to look.

INDUSTRY TERMS

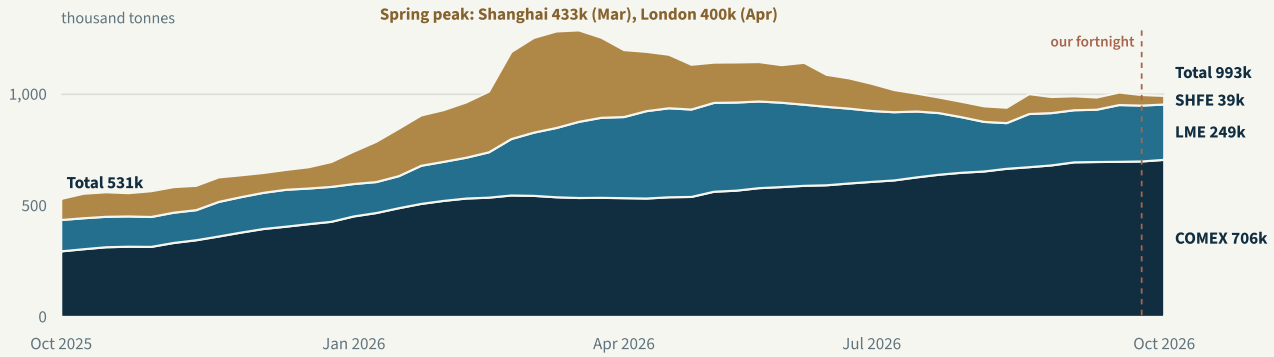
Visible stocks
copper in exchange warehouses, reported weekly; private sheds are not counted.

Section 232
the US trade law that lets the president tax imports deemed a security threat.

Yangshan premium
the price of import copper waiting in Shanghai's bonded zone, before customs.

THIS YEAR / COPPER STOCKS ON THE THREE EXCHANGES, WEEKLY

Refined copper in exchange warehouses, weekly, October 2025 to 2 October 2026, stacked. Westmetall[1], SHFE[45], Cochilco[11].



TWICE THE COPPER, AND A HIGHER PRICE

In a year, visible copper on the three exchanges almost doubled, from 531,000 tonnes to 993,000[1,11,45]. The price rose anyway, from a monthly average of 10,740 dollars in October 2025 to a record 14,474 in September[36]; this fortnight it slipped 1.5%, to 14,422 on 7 October[1]. They fit because the whole increase is in New York.

READING THE CHART

Shanghai peaked at 433,458 tonnes in March and London at 400,225 in April; both drained through the summer, Shanghai by over 90%, while New York kept growing[1,11,45]. London lost another 11,600 tonnes this fortnight, to 239,875, and on 7 October cash copper cost 88 dollars more than three-month metal[1].

WHY NEW YORK'S PILE HELPS NO ONE ELSE

Since August 2025 the US has taxed semi-finished copper at 50% under Section 232, but not refined metal; after a 30 June 2026 review its Commerce Department recommended 15% on refined copper from 2027 and 30% from 2028[50]. Traders shipped metal in ahead of it: COMEX stocks grew from 294,789 tonnes to 706,047, 71% of the total[11]. The market counted 90 days from the review and called 28 September decision day; it passed with nothing, and the US premium shrank from about 265 dollars a tonne on 25 September to 66 on 9 October[11,50]. At 66 dollars nobody ships more copper to the US, so the pile stops growing; nor does it shrink: shipping it out costs money and the tariff risk remains. Without New York the world holds about 287,000 tonnes, against 236,000 a year ago, and London is draining.

WHAT CHINA'S BUYERS ARE DOING

Shanghai's exchange stocks fell to 38,744 tonnes on 30 September, a twelve-month low[45], yet buyers walked away: stocks in Guangdong, the main consuming province, rose by more than 10,000 tonnes outside the exchange and the spot premium fell 500 yuan a tonne[8]. Importers are starting to look: the import loss, what a trader loses bringing London metal to China, narrowed from 1,600–1,700 yuan a tonne on 28 September to 180–320 on 9 October, and the Yangshan premium rose from 125 to 135 dollars[51]. Our thesis weighs supply against demand.

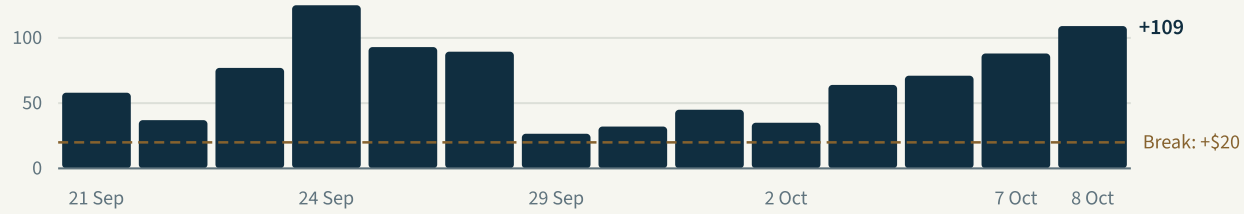
02 / COPPER

Steady for two weeks. Short for two years.

Nothing that makes copper scarce can reach the price by 23 October; everything that caps it can. Two clocks: the fortnight flat, the years ahead up.

STRUCTURAL BREAK LEVEL / LONDON CASH PRICE MINUS THREE-MONTH PRICE

LME copper cash price minus three-month price, in USD/t, with the +20 USD break level of our structural call. LME official prices to 7 October 2026[1].



THE FAST CLOCK: BY 23 OCTOBER

Money is tighter. A Fed rise and a firmer dollar raise the cost of holding metal, within days[2,5].

China is not buying, and funds are crowded. Guangdong stocks rose and premiums fell[8]; funds hold more bets on a rise than in 96.8% of weeks over three years[15]. If they sell, the price falls with no change at any mine.

London is short now. The one fast signal pointing up: stocks fell and the cash–3M spread rebuilt to +88[1]. It guards the spread more than the price: this fortnight the spread rose while the price fell 1.5%.

THE SLOW CLOCK: 2027

Concentrate is scarce. The treatment charge hit a record −231.68 dollars on 30 September; tenders cleared near −300[9]. Smelters will have to cut; refined metal tightens next year, not this month.

The decline is structural. Chile mined 12.8% less in August on lower grades, Grasberg runs at two-thirds until 2027, and Cobre Panamá cannot return before 2028[11,14,19].

Centinela is the risk to watch. On strike since 7 October, with the plants running and the forecast unchanged[14]. A long strike would show in November. Yet a strike at a big Chilean mine, during a record shortage, barely moved the market: the squeeze is grades and closed mines, not one-off events.

OUR CALL

Fortnight: flat · medium

The LME three-month official on 23 October within 1.5% of 14,422 dollars, its 7 October level: up a little, then drifting lower, as the fast factors cancel.

Into 2027: up · medium

The concentrate deficit forces smelter cuts. Scored over quarters: a 2027 benchmark at or below zero, announced cuts, a refined deficit.

Breaks if

Funds' net long below 50,000 contracts: we move to down. Yangshan premium above 150 dollars: to up. Spread at or below +20: the structural call breaks.

TRADER'S ANGLE

How a trader would express it. Tightness shows first in the cash–3M spread. A trader sharing our structural view holds the spread, long cash and short three-month, rather than the price; it pays if metal keeps leaving London. The data gaps listed with our sources keep both calls below high conviction.

03 / ALUMINIUM

Aluminium is electricity you can hold in your hand.

Red rock becomes white powder, then metal, with enormous power. This fortnight the price fell 4.7%.

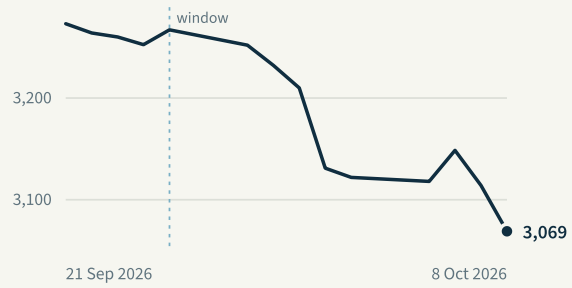
INDUSTRY TERMS

Alumina
the white powder, aluminium bound to oxygen, made from bauxite, the red ore.

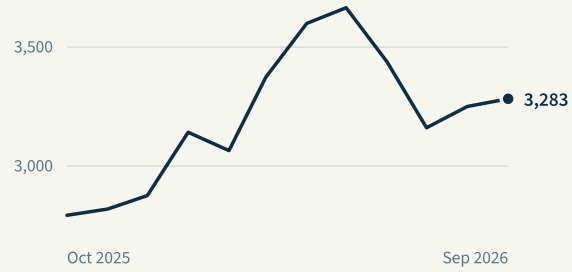
ALUMINIUM / THE PRICE

Left: LME aluminium three-month official price, daily, to 7 October 2026[1]. Right: World Bank monthly average aluminium price, October 2025 to September 2026[36].

Last two weeks · daily
LME aluminium 3M official, USD/t



Last 12 months · monthly average
World Bank [36]



HOW IT WORKS

Aluminium is common in the earth's crust; separating it from oxygen is the hard part. About 4 to 6 tonnes of bauxite make one tonne of aluminium[17]. A refinery cooks it in caustic soda into alumina, leaving red mud; 1.9 tonnes of alumina make a tonne of metal.

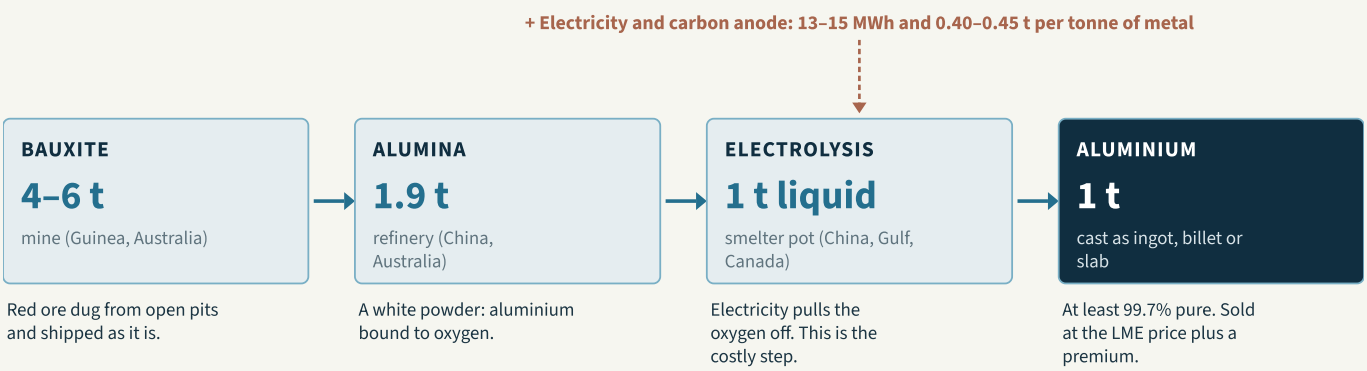
In the electrolysis bath, alumina dissolves in molten salt inside a steel pot, and a strong current pulls the oxygen off, burning a carbon anode. Each tonne takes 13 to 15 MWh of electricity, plus the anode. At 14 MWh and 50 dollars per MWh, that is 700 dollars of power per tonne, about a fifth of today's price, which makes electrolysis the costly step below.

WHAT HAPPENED THIS FORTNIGHT

The three-month price fell 4.7%, from 3,267 dollars on 25 September to 3,114 on 7 October[1]. About half of it came on 1 October alone, as China went on holiday.

The longer view is a round trip: 2,793 dollars in October 2025, a peak of 3,666 in May 2026, and 3,283 in September[36]. Much of that climb was a war premium: buyers paid up while Gulf metal looked stranded behind Hormuz. It is leaving the price now because that metal has found other routes out. The rest of this chapter follows it: where the metal goes, what a buyer pays, and what we conclude.

FROM RED ROCK TO METAL



03 / ALUMINIUM

Made where power is cheap. Squeezed by no one.

Red rock sails from Guinea to China, and Gulf metal must leave through one chokepoint. Yet nobody in the chain is losing money, so nobody has a reason to cut.

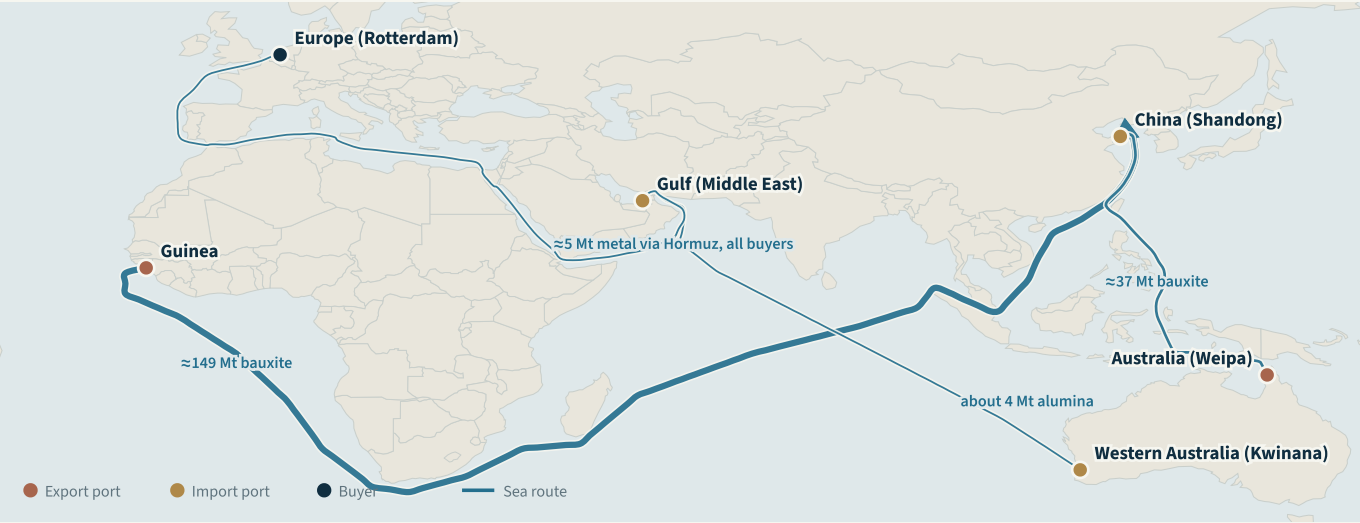
INDUSTRY TERMS

Mysteel
a Chinese market-data firm for steel and metals; its surveys of mills and smelters are a common source of Chinese figures.

Capacity ceiling (China)
the government limit on how much aluminium smelting capacity China may run.

TRADE MAP / BAUXITE, ALUMINA AND METAL

Main flows in 2025, in million tonnes of material shipped. Bauxite tonnages are China's customs figures for 2025. The Gulf arrow shows exports to all buyers[17,21,22,23].



HOW IT WORKS

A smelter is a machine that turns electricity into metal. So aluminium is made where power is cheap, or where a government wants the industry: China's coal and hydro provinces, the gas-rich Gulf and Canada's hydro dams.

The rock travels first. Guinea mines 34% of the world's bauxite and Australia 22%[17]. Guinea sent 149 million tonnes to China in 2025, around the Cape of Good Hope, and Australia 37 million[23]. China turns it into alumina, then into 61% of the world's aluminium[17]. The Gulf works the other way round. It takes more than 80% of its alumina from Australia[22], then exports metal: about 5.1 million tonnes a year through the Strait of Hormuz, roughly 75% of what the region makes[21].

WHY NOBODY CUTS

A squeezed producer cuts output; a comfortable one does not, and nobody in this chain is squeezed. Alumina is cheap next to metal: from Western Australia it costs 373 dollars a tonne, about 12% of the metal price[8]. Chinese smelters earned a record theoretical profit of 8,208 yuan a tonne in August, by Mysteel's count[52]. Nor can China make more: output was about 45 million tonnes in 2025, against a capacity ceiling of 45 million[17]. Supply is capped at the top and secure at the bottom.

WHAT HAPPENED THIS FORTNIGHT

Gulf metal is coming back, and finding a way out. Hormuz is still effectively shut, but Emirates Global Aluminium (EGA) signed a deal around 30 September to move metal through the UAE's east coast: up to 250,000 tonnes in the first year and 300,000 in the second[21]. Bahrain's Alba restarted three lines in mid-September, about 1.3 million tonnes a year[8]. Gulf smelters are producing again behind the shut strait, so more metal needs a route out, and the buyers who paid up in spring can see it coming.

03 / ALUMINIUM

The London price is not the price a factory pays.

A factory pays the LME price plus a regional premium. This fortnight both fell, and the premium tells you why: the Gulf fear is leaving.

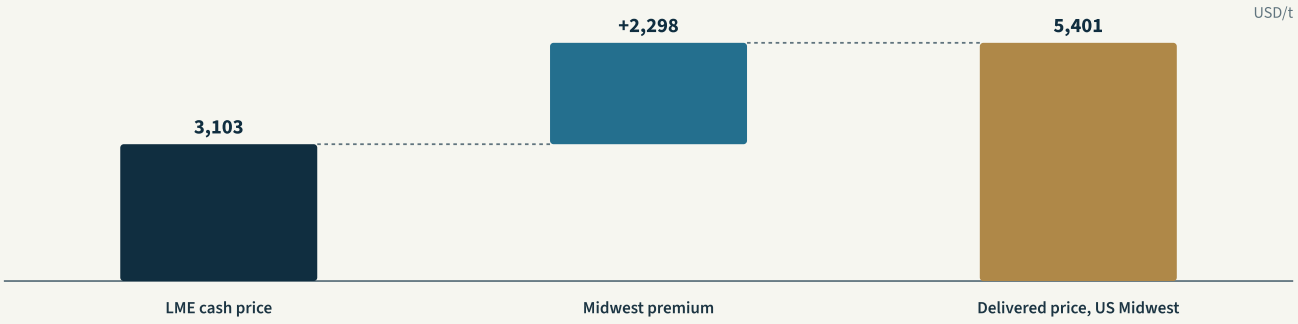
INDUSTRY TERMS

Midwest premium
the extra a US buyer pays above the LME price for aluminium delivered to the American Midwest.

Rotterdam premium
the extra a European buyer pays above the LME price for aluminium in a Rotterdam warehouse.

WORKED EXAMPLE / WHAT A US BUYER PAYS

The LME cash price of 7 October 2026 plus that day's close of the Midwest premium future. The physical premium is paywalled, so the future stands in for it. The can maker is an illustration[1,5,35].



HOW IT WORKS

The LME price is the price of aluminium in an exchange warehouse. A factory needs the metal at its own door, so the seller adds a regional premium for freight, insurance, import duty and margin. The LME price is one number for the world; the premium says how hard it is to get metal in one place.

Take a can maker in Ohio on 7 October. The LME cash price was 3,102.50 dollars a tonne. The Midwest premium, read from an exchange contract, was 1.0425 dollars a pound, or 2,298 dollars a tonne. The can maker pays about 5,401 dollars[1,5,35]. The premium is 74% of the LME price. The 50% US tariff on imported aluminium explains most of it[17]; the rest is freight, financing and the scarcity of metal already inside the tariff wall, which is why the premium can exceed the tariff itself.

WHAT HAPPENED THIS FORTNIGHT

The Gulf fear is leaving regional prices even with Hormuz still shut, because Gulf metal has found other routes out.

The Midwest premium contract has fallen about 5% since 1 October[5]. The US aluminium price on COMEX fell 6.7% to 3,205, against 4.7% for the LME three-month price[1,5]. When US prices fall faster than London's, the premium is shrinking. Europe was already deflating: the Rotterdam premium went from about 600 dollars in May to about 490 in August, the latest figure we have[61].

WHAT IT MEANS

For the can maker, the premium is the part of the bill that moves with the Gulf, not with the metal. Another 5% fall would cut its cost by about 115 dollars a tonne with no change in London. For us, the premium is the cleanest gauge of the fading war premium, which is why our thesis watches it rather than the LME price.

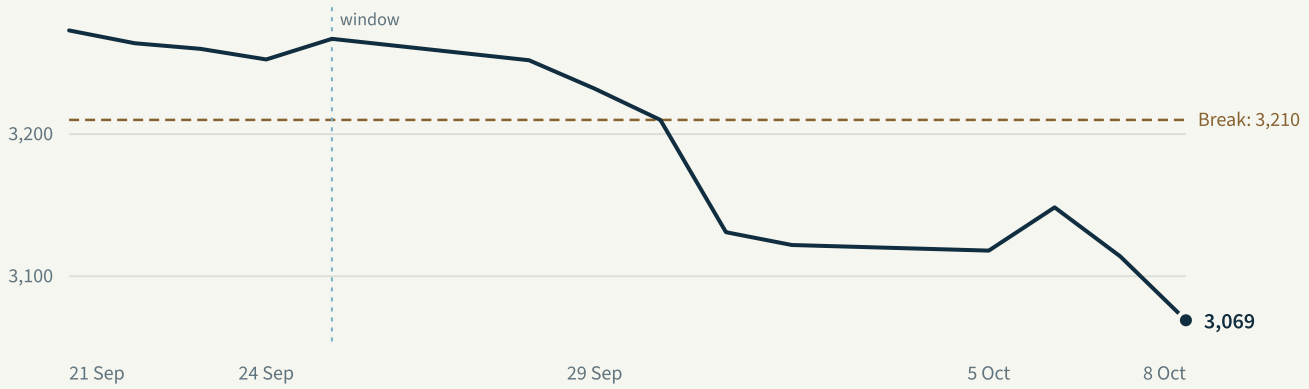
03 / ALUMINIUM

Our aluminium thesis.

Supply is capped, but nobody is squeezed and the war premium is fading. We lean down, with low conviction.

BREAK LEVEL / LME ALUMINIUM THREE-MONTH PRICE

LME aluminium three-month official price, daily, to 7 October 2026, with the 3,210 USD break level, the price of 30 September[1].



PUSHING THE PRICE UP

China cannot add supply. Output sits at the 45-million-tonne ceiling[17].

Hormuz is still shut. Three-quarters of Gulf output normally leaves through it; what cannot sail is not yet on the market[21].

If Hormuz reopens. A deal would lift every metal through the macro channel, but it would also free the stranded Gulf metal. For aluminium the two cancel, so we would move to neutral, not up.

PUSHING THE PRICE DOWN

Money is tighter. The same Fed and dollar headwind as for every metal[2,5].

The war premium is fading. The Midwest contract is down about 5% and Gulf metal has a new route out[5,21].

China gave no buying signal. Ingot stocks rose 48,000 tonnes over the holiday, to about 686,000 on 8 October, and the fabricators who buy the metal ran at 60.5% of capacity, down 1.6 points in a week[20]. Solar is the big demand hole: panel frames and mountings are aluminium, installations fell 61% in January–July, and we put the loss at 1.4–1.9 million tonnes against 2025, a rough desk estimate[34,35].

OUR CALL

Direction: down

We expect the LME three-month price on 23 October to be below its 7 October level of 3,114 dollars.

Conviction: low

Chinese stocks gave no signal, and premium data is thin.

Breaks if

The LME three-month price closes above 3,210 dollars, its 30 September level, two days running.

TRADER'S ANGLE

How a trader would express it. The fading war premium is the cleanest part of the view. A trader would sell the Midwest premium future rather than the LME price, since the premium is falling faster and carries the Gulf risk directly.

What it means for a physical merchant. A merchant holding metal in a US warehouse usually hedges the LME price, but not the premium. As the premium deflates, that unhedged part loses value: 2,298 of the 5,401 dollars a buyer paid on 7 October[1,5].

04 / IRON ORE

Iron ore is a bet on China's steel.

Two countries ship it and one country buys it. This fortnight the price fell 5.1%, the most of our three metals.

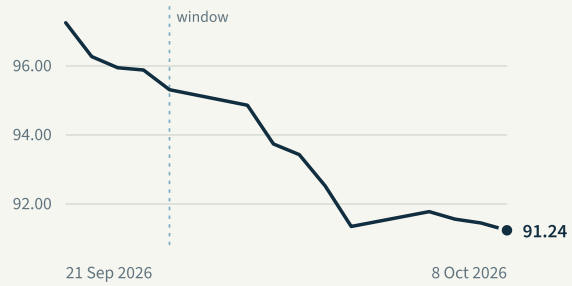
INDUSTRY TERMS

Port stocks
iron ore stockpiled at Chinese ports, the market's main measure of inventory.

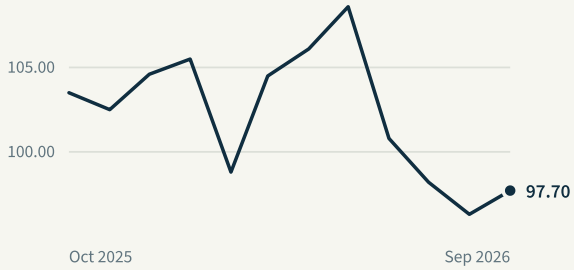
IRON ORE / THE PRICE

Left: SGX November 2026 iron ore contract, daily settlement, 21 September to 8 October 2026, the benchmark of our call[28]. Right: World Bank monthly average iron ore price, October 2025 to September 2026[36].

Last two weeks · daily
SGX Nov-26 62% Fe (FEFX26), USD/dmt



Last 12 months · monthly average
World Bank [36]



HOW IT WORKS

Iron ore is the rock that steel is made from. It has almost no other use, so its price is a bet on how much steel China will make next month. Australia mines 38% of the world's ore and Brazil 16%[17]. China and India use their own ore at home, so the traded market is Australia and Brazil, and China buys about three-quarters of everything that travels by sea[25]. There are no exchange warehouses: stock sits at Chinese ports.

WHO BUYS THE STEEL

China's mills made 74.61 million tonnes of steel in August, 3.7% less than a year earlier and 3.1% less over the first eight months[7]. Most of it goes into buildings and infrastructure, and that demand is shrinking as China's building boom ends. What home buyers no longer need, mills sell abroad: China's net steel exports run at about 120 million tonnes a year, on Rio Tinto's estimate[32]. Exports keep furnaces lit, so ore demand falls more slowly than home demand.

WHAT HAPPENED THIS FORTNIGHT

The index for 61% ore delivered to China fell 5.1%, from 95.25 dollars on 24 September to 90.35 on 8 October[27]. In Singapore the price touched 90.95, its lowest since September 2024. Onshore prices caught down when China came back from holiday. Meanwhile the ore keeps arriving: Chinese ports held 172 million tonnes on 24 September, 18.3% more than a year earlier[30].

The longer view is a slow slide. Iron ore averaged 103.50 dollars in October 2025, peaked at 108.60 in May 2026, and fell to 97.70 in September[36]. The slide tracks the mills: by September fewer than one in ten made money on steel, and the ore kept coming[30]. Unlike copper, nothing on the supply side is holding the price up.

WHAT IT MEANS

Two numbers decide our call: how much iron the mills make, and whether making steel pays. The rest of this chapter follows them. Both fell this fortnight.

04 / IRON ORE

More ore is at sea just as the buyer needs less.

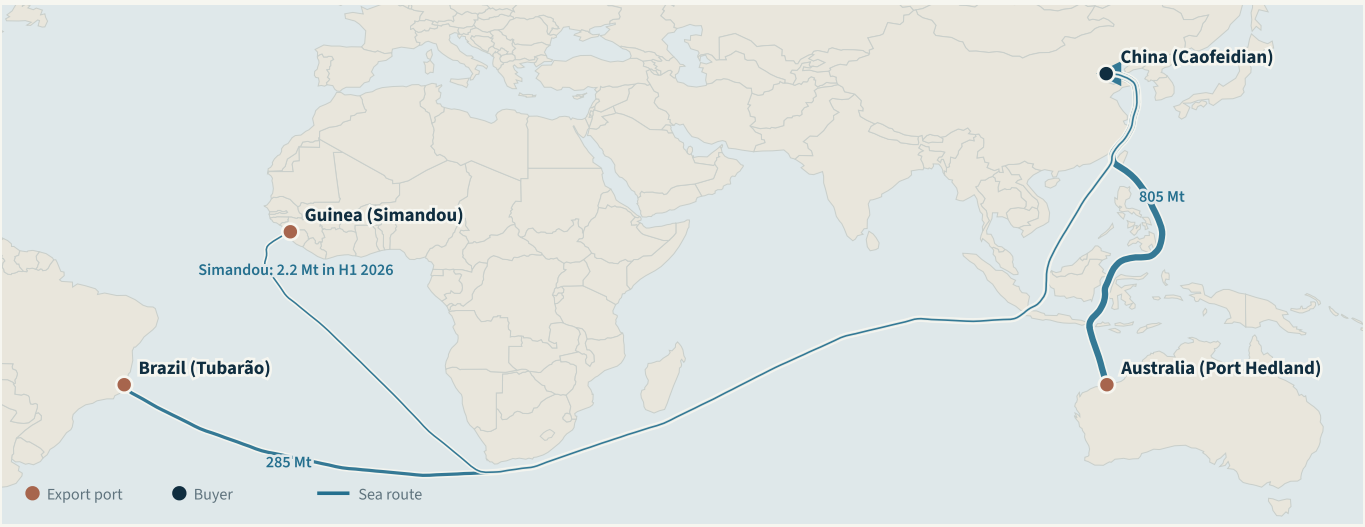
Shipments jumped as ships got cheaper, and the futures market says ore is easy to get.

INDUSTRY TERMS

Capesize
the largest class of bulk ship, too big for the Panama Canal, that carries most iron ore.

TRADE MAP / TWO EXPORTERS, ONE BUYER

Iron ore shipments in 2025, in million tonnes. Australia and Brazil to China: ship-tracking counts for the full year 2025.[17,25,26]



HOW IT TRAVELS

Distance matters. The voyage from Brazil rounds the Cape of Good Hope and takes about six weeks. On 2 October, shipping a tonne from Brazil to China cost 37.65 dollars; from Western Australia it cost 14.43[31]. A Brazilian miner pays about 23 dollars more to reach the same customer.

WHAT HAPPENED THIS FORTNIGHT

World shipments reached 35.94 million tonnes in the week to 2 October; Brazil's jumped 26.85% to 8.60 million[27]. Cheaper ships pulled cargoes forward: the Brazil–China rate fell from 40.66 to 37.65 dollars and the Capesize index 20.5%[31].

Those Brazilian cargoes land around mid-November, after our call ends. For now they act on expectations, and the futures market agrees. In Singapore, ore for October 2026 costs 91.15 dollars and ore for April 2027 costs 92.20[28]. Later prices above nearer ones is contango: ore is easy to get today.

Chinese ports held 172.18 million tonnes on 1 October, unchanged[30]. A reading above 173 million after the holiday would confirm our view.

Two items cut the other way. Brazil's CSN Mineração cut its 2026 forecast to 39–41 million tonnes from 45–47 million, because freight made low-grade output unprofitable[32]. Fortescue shipped 46.8 million tonnes in its September quarter but sold only 42.9 million, and blamed talks with China's state ore buyer[32]. Those tonnes are held up, not lost.

04 / IRON ORE

Ore, coke and hot air make steel, and China's furnaces are eating less.

About 1.4 to 1.6 tonnes of ore and half a tonne of coke go into each tonne of steel. Hot metal output is the number that tells us how much.

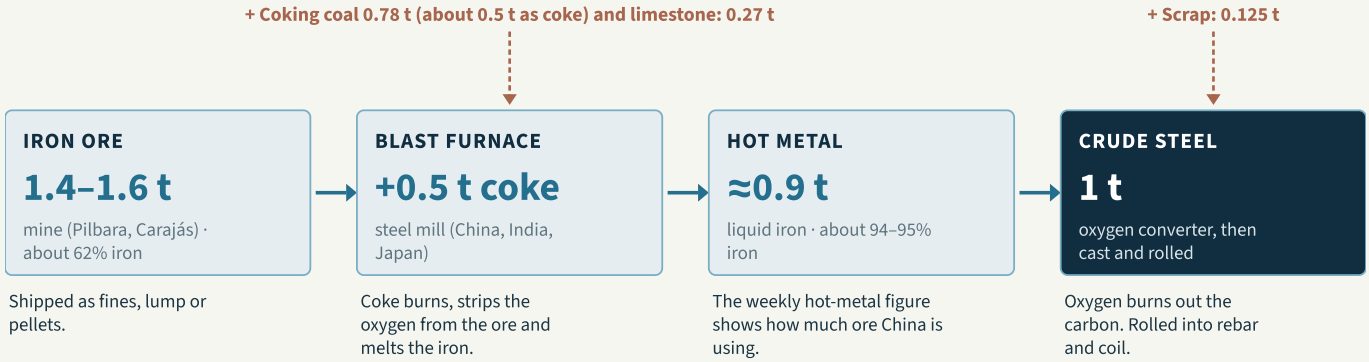
INDUSTRY TERMS

Coke
coal baked without air until it is nearly pure carbon, used as fuel and as the agent that strips oxygen from iron ore.

Hot metal
the liquid iron that runs out of a blast furnace; its daily output shows how much iron ore mills are using.

MECHANISM / FROM ORE TO STEEL

Tonnes of material per tonne of crude steel made by the blast furnace route. World Steel Association fact sheet, 2023 edition, and the desk's rounded rule of 1.6 tonnes of ore and 0.5 tonnes of coke[24,35].



HOW IT WORKS

Iron ore is rich compared with copper ore. The standard traded grade is 62% iron, and in Western Australia it needs little more than crushing. At the steel mill, ore, coke and limestone go into the top of a blast furnace and hot air is blown in at the bottom. The coke burns to make heat, and its carbon strips the oxygen off the iron. Liquid iron, called hot metal, runs out at the bottom.

Oxygen then burns the carbon out of the hot metal, with some scrap, to make crude steel, rolled into products such as rebar; the figure gives the tonnes[24]. In China the blast furnace dominates, so steel output and iron ore demand move together.

WHAT HAPPENED THIS FORTNIGHT

China's furnaces are eating a little less ore each week: output is sliding, not collapsing. Hot metal fell for a fourth week, to 2.3882 million tonnes a day on 30 September, 0.8% below its 2 September level of 2.4080 and 3.1% below the June high of 2.465[27]. It fell because furnaces went into maintenance and because mills, losing money, lost the will to produce[27]. More of the same was planned: mills expected to lose 1.68 million tonnes of hot metal to maintenance in the following week, 55,100 tonnes more than the week before[27]. Crude steel output told the same story a month earlier: 74.61 million tonnes in August, 3.7% below a year earlier[7].

WHAT IT MEANS

Hot metal is the number we score our call on, because a blast furnace eats ore while an electric furnace eats scrap, and China makes most of its steel the blast-furnace way. No weekly figure sits closer to ore demand. If it climbs back to 2.40 million tonnes a day, the early-September pace, our call is wrong.

04 / IRON ORE

A mill buys ore only if steel pays. This fortnight, it barely did.

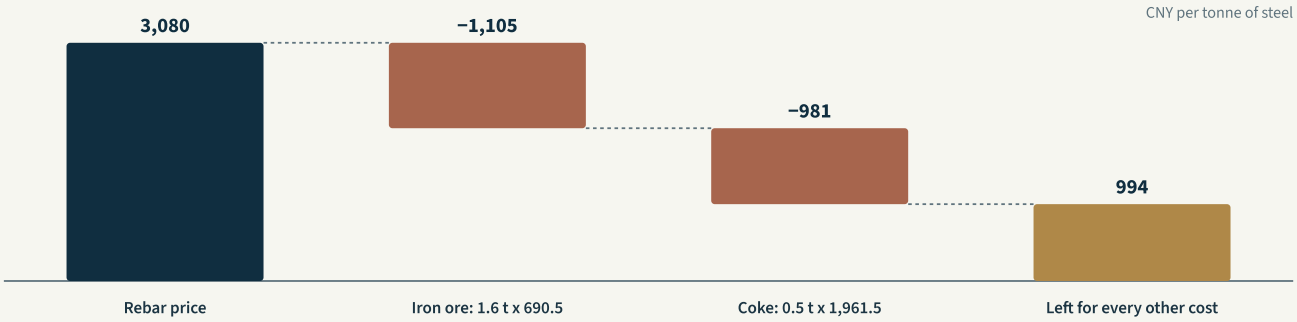
What a Chinese mill has left after paying for ore and coke, and why cheaper ore did not rescue it.

INDUSTRY TERMS

Rebar
steel reinforcing bar for concrete, the commonest construction steel and the benchmark Chinese steel price.

WORKED EXAMPLE / A CHINESE MILL'S SPREAD

Futures settlements of 8 October 2026: rebar 3,080, iron ore 690.5 and coke 1,961.5 CNY/t. The 1.6 and 0.5 are the desk's rounded ratios. The mill is an illustration[29,35].



1,011 yuan
Left per tonne of rebar after ore and coke, 30 September[29,35]

994 yuan
The same sum on 8 October, after ore got cheaper[29,35]

7.8%
Share of 247 surveyed mills making money on steel, mid-September[30]

HOW IT WORKS

The mill decides how much ore China buys, and it buys only if making steel pays, so the mill's margin is the signal to watch.

Take a mill in Hebei making one tonne of rebar on 8 October. It sells the rebar for 3,080 yuan. It uses 1.6 tonnes of ore at 690.5 yuan a tonne, which costs 1,105 yuan. It uses 0.5 tonnes of coke at 1,961.5 yuan a tonne, which costs 981 yuan. What is left is 994 yuan[29,35]. That is not profit: out of it the mill still pays for scrap, power, labour, transport, tax and debt.

WHAT HAPPENED THIS FORTNIGHT

Ore got cheaper, and the mills still ended up with less. On 30 September the same sum left the mill 1,011 yuan; on 8 October it left 994[29,35]. Ore fell, but steel fell almost as fast: rebar went from 3,116 to 3,080 yuan a tonne. The coke price was cut by 100–110 yuan a tonne on 1 October[27]. Even that did not repair the margin.

WHY THE MILL STILL RUNS

A blast furnace is slow and costly to stop and restart, so a mill runs at a loss for a while rather than shut, and sells abroad what home buyers do not take. In the week of 4–10 September only 7.8% of the 247 mills Mysteel surveys could earn a profit on steel sales[30]. SMM describes mills buying ore "to immediate needs"[27]. A mill that loses money does not rebuild its ore stock, so the ore price has no buyer underneath it.

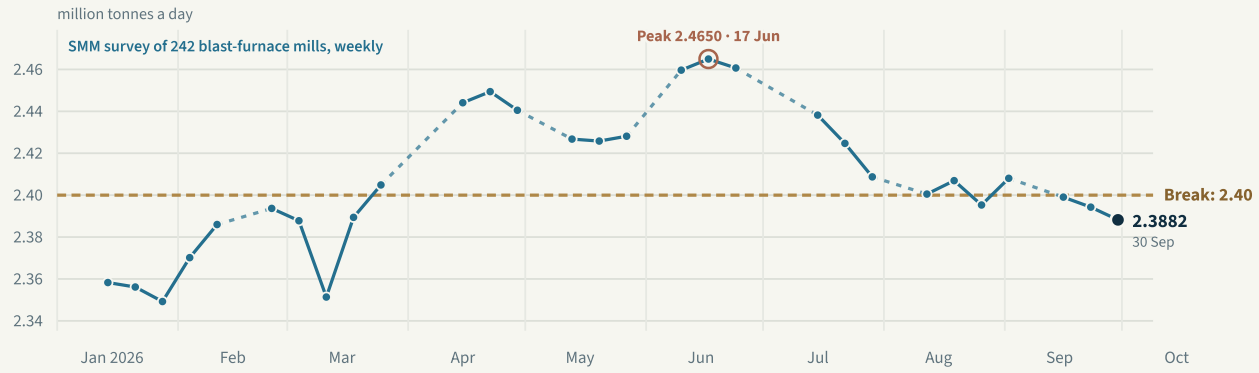
04 / IRON ORE

Our iron ore thesis.

Mills are losing money and ore is plentiful. We lean down, with China's furnaces as our tripwire.

BREAK LEVEL / CHINA'S DAILY HOT METAL OUTPUT

Daily hot metal output of China's blast furnaces in 2026, SMM's weekly survey of 242 mills, with our 2.40 break level. Dashed segments bridge the weeks for which no reading was found[27].



PUSHING THE PRICE UP

Some supply is held back. CSN cut its 2026 forecast, and Fortescue's unsold tonnes are held up by talks with China's state buyer, not lost[32].

Simandou is not yet here. Its own port starts only in the first quarter of 2027[32].

Beijing could act. A stimulus for construction would lift steel margins and ore with them. Nothing was announced in the window, so it is a risk, not a factor.

PUSHING THE PRICE DOWN

Mills lose money. The margin fell from 1,011 to 994 yuan in a week even as ore got cheaper[29,35].

Ore is plentiful. Shipments rose, port stocks are 18.3% above a year ago, and the Singapore curve is in contango[27,28,30].

Steel output is sliding. Hot metal fell for a fourth week[27].

OUR CALL

Direction: down

We expect the SGX November 2026 contract on 23 October to settle below its 7 October settlement of 91.45 dollars.

Conviction: medium

Margins and stocks point the same way; only the steel cycle could turn it. Not high, because we lack the post-holiday port stocks and hot-metal survey, and the official exchange close of 8 October.

Breaks if

China's daily hot metal output prints 2.40 million tonnes or more in any week before 23 October (2.3882 on 30 September). Furnaces would be eating more ore again.

TRADER'S ANGLE

How a trader would express it. The clean expression is the SGX November contract itself, the benchmark of this call. A trader worried about Chinese stimulus could instead sell iron ore against steel, since our view rests on mill margins.

What it means for a physical merchant. In contango, a merchant holding ore at a Chinese port who sells it forward is paid to wait: April 2027 ore costs more than October 2026 ore[28]. Unhedged, the same stock loses value as prices fall, faster than the curve pays.

05 / SCOREBOARD

Four calls, each one checkable.

Direction, conviction, benchmark and break level. On 23 October we mark each call right or wrong, misses included.

INDUSTRY TERMS

Break level
the one checkable event or number that, if it happens, means the call no longer holds.

Complex
the group of industrial metals taken together.

SCOREBOARD / FOUR CALLS TO 23 OCTOBER

Each benchmark from 21 September to the last settlement before the cut, with its reference or break line[1,5,28]. References are the settlements of 7 October 2026. Each metal's full thesis closes its chapter: copper page 14, aluminium page 18, iron ore page 23.

Copper

• Flat

Medium conviction

LME copper 3M official, USD/t
Reference 14,422 (7 Oct)



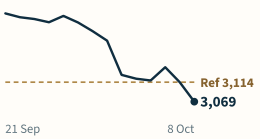
BREAKS IF
Funds' net long below 50,000 contracts (to down) or the Yangshan premium above 150 USD/t (to up), before 23 Oct

Aluminium

▼ Down

Low conviction

LME aluminium 3M official, USD/t
Reference 3,114 (7 Oct)



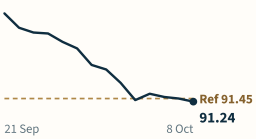
BREAKS IF
LME 3M official closes above 3,210 USD/t (its 30 Sep level) on two days in a row

Iron ore

▼ Down

Medium conviction

SGX Nov-26 (FEFX26), daily settlement, USD/dmt
Reference 91.45 (7 Oct)



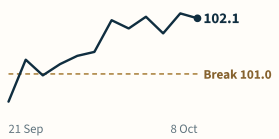
BREAKS IF
SMM hot metal output prints 2.40 Mt a day or more in any week before 23 Oct (2.3882 on 30 Sep)

All three

▼ Down

Low–medium conviction

Chart: US dollar index, the break's gauge



BREAKS IF
The dollar index closes below 101.0 (its 25 Sep level) on any day before 23 Oct

HOW WE SCORE THEM

This issue calls direction only. Each call is right if its benchmark on 23 October is on the side we called, against the reference on its card. A flat call is right if the benchmark ends within 1.5% of its reference: for copper, between about 14,206 and 14,638 dollars. The fourth call needs at least two of the three benchmarks lower. Copper's structural call is scored over quarters, not on 23 October.

The break level is a different thing. It is the event that would make us change a call before its end date, and we will say so if it fires.

OUR RECORD

This is our first issue, so there is nothing to score yet. Issue 2, on 23 October, scores these four calls and starts a running hit rate. The record is never edited, only added to. Nothing here is investment advice.

06 / TO WATCH & SOURCES

What to watch before 23 October.

None of these dates falls inside our window. They are the events that can confirm or break the calls.

INDUSTRY TERMS

CFTC
the US regulator of futures markets, which publishes each week how much each type of trader holds.

LME Week
the industry's annual gathering in London each October, when many yearly supply contracts are discussed.

DATES TO WATCH

- **9 Oct:** The US regulator's weekly report on fund positions in copper. On 29 September funds held a net 78,058 contracts betting on a rise[15]. Below 65,000 would say they have started to sell; below 50,000 breaks our fortnight call.
- **About 12 Oct:** Mediation with Escondida's supervisors ends; it can be extended to about 19 Oct.
- **13–14 Oct:** Rio Tinto's third-quarter results.
- **13–15 Oct:** China's September credit figures. Credit growth back at 7.4% or above would undercut our view on China.
- **14 Oct:** US consumer prices. A soft number could weaken the dollar, the trigger for our three-metal break. Also China's September trade data, including copper concentrate imports.
- **15 Oct:** Third-quarter results from Antofagasta, owner of Centinela, and from Alcoa.
- **19 Oct:** LME Week opens in London, and with it the talks on the 2027 copper treatment charge.
- **20 Oct:** BHP's operational review.
- **22 Oct:** Fortescue's quarterly report, with any deal with China's state ore buyer.
- **Late October:** China's Politburo meets.
- **23 Oct:** Issue 2. We score the four calls.

WHAT WE COULD NOT SEE

Some data is paywalled or blocked, which is part of why no call carries high conviction. We could not see the London prices of 8 October. We could not see how much London copper is booked to leave the warehouses, or what funds hold in London. We have no copper treatment charge index for the holiday week to 9 October, when SMM did not publish one. We lack physical premiums for aluminium in Rotterdam and the US Midwest, and SMM's daily series for the Chinese import margin. We also lack post-holiday figures for Chinese copper stocks and iron ore port stocks, and ship rates after 2 October.

ABOUT THIS ISSUE

Published by the Commodity & Shipping Club by HEC. For information and education only; not investment advice. Coverage 25 September to 9 October 2026; data to 8 October, with LME prices and stocks to 7 October. The next issue is due on Friday 23 October 2026.

SOURCES & DATA

The evidence behind the issue

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03 CME FedWatch (secondary) · market odds of another rate rise by December · early Oct 2026

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05 Yahoo Finance · dollar index (DX-Y.NYB), Midwest premium future (AUP=F), COMEX aluminium · to 8 Oct 2026

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