Commodity Update

January 06, 2026

Index

Copper

Copper Buy call: Target Achieved

Fundamentals report-based call: Target Achieved		
Date	**27-Nov-2025**	**06-Jan-2026**
Recommendation	Buy	Booked
Buy LME Copper	$10945	
Target	$12800	$13358
Timeframe	9-12 months	
Total annualised return		197%

Source: Mirae Asset Sharekhan Research

We booked our report-based copper initiation released on November 27, 2025, when LME copper prices stood around the $10950/tonne mark, generating an annualised return of above 190% in short-time. The call was based on the following rationale.

Call Summary

- Global copper smelting activity fell 15.1% in October, on a decline in Chinese smelting activities; global refined output to slow down by 1.5-2% in two years.
- China to strictly curb smelting capacity additions; 2 MT of capacity is to be affected.
- Global surplus shrunk to 94000 tonnes during January-September 2025, vs 310 KT a year ago. Negative TC/RCs imply that production takes place at a loss, which is unsustainable.
- Copper prices are to gain further in 2026 on tightening supply, widening market deficits, and mining disruptions.

View

Global copper prices entered 2026 on a remarkably strong footing after a historic 2025 performance, which saw annual returns of 42% on the LME and 62% on the MCX. This rally, pushing LME benchmarks to record highs of $13,000/t, was fuelled by a “squeeze” on global supply following significant disruptions at major mines like Grasberg (Indonesia) and Mantoverde (Chile).

Despite persistent weakness in China’s property sector, prices remain buoyed by an “AI-energy transition” narrative and aggressive front-running of potential US trade policies. The market anticipates the White House may revisit refined copper tariffs, with projected rates of 15% in 2027 and by 30% in 2028.

While we remain bullish for 2026 — expecting a global deficit of 400–500 kt — the current rally appears stretched. Given the sluggish factory activity typically seen from January to March, we anticipate a near-term price moderation before the next leg of the rally begins.

PRAVEEN KUMAR SINGH

Digitally signed by PRAVEEN KUMAR SINGH
Date: 2026.01.06 15:16:28 +05'30'

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Registered Office: 1st Floor, Tower No. 3, Equinox Business Park, LBS Marg, Off BKC, Kurla (West), Mumbai 400 070, Maharashtra, India. Tel: 022-67502000.

Correspondence/Administrative Office Address - Gigaplex IT Park, Unit No 1001, 10th floor, Building No.9, TTC Industrial Area, Digha, Airoli-West, Navi Mumbai – 400708. Tel: 022 61169000 / 61150000.

Registration and Contact Details: Name of Research Analyst - Sharekhan Limited - (AMFI-registered Mutual Fund Distributor), Research Analyst Regn No.: INH000006183. CIN: U99999MH1995PLC087498.

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Compliance Officer: Mr. Joby John Meledan; Tel: 022-4657 3809; email id: complianceofficer@sharekhan.com

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