

## Yangshan Copper Premium

### What is Yangshan Copper Premium?

Yangshan copper premium is premium paid on top of the benchmark LME copper price for refined copper to be custom cleared and imported into China through Yangshan bonded area in Shanghai. SMM collects traded price for both warehouse warrants and CIF.

### What does Yangshan Copper Premium tell you?

It is an indicator of the demand/supply balance for physical copper in Yangshan area, reflective of the situation in Shanghai and further in China. It reflects the amount that buyers are willing to pay on top of LME copper price to seize the physical delivery.

### SMM's methodology of collecting Yangshan Copper Premium

SMM is the sole provider of Yangshan Copper Premium. The data is collected by SMM independently from phone interviews and trade execution, and then calculated systematically. The release frequency is weekly.

### Readthrough from Yangshan Copper Premium

*“Quotes under warrants fell from \$48-70/mt at the start of the week to \$45-68/mt at the week's end. The nearing of shipments arrivals lowered quotes under bill of lading from \$50-72/mt to \$45-68/mt. Most transactions occurred for pyro-copper. Poor demand and ample supplies prompted selloffs of hydro-copper and significantly lowered prices. Prices of two high-quality brands also declined.*

*Yangshan copper premiums with a quotation period in April traded at \$45-70/mt under warrants between March 18-22, and between \$45-72/mt under bill of lading. As of March 22, the SHFE/LME copper price ratio stood at 7.76.*

*As of Friday March 22, premiums for two high-quality brands stood around \$68/mt under warrants, \$60/mt for mainstream pyro-copper, and \$45/mt for hydro-copper. On the bill of lading front, premiums were \$68/mt for two high-quality brands, \$58/mt for mainstream pyro-copper, and \$45/mt for hydro-copper. The quotation period is in April. “ (from SMM Copper Weekly, Mar 11,2019)*

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Sources: SMM, LME, SHFE

SMM is the largest independent data provider of China's metals market. We collect and provide proprietary data through our extensive networks in China, assisting you to access, understand and analyze the 'Real' China.

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