S&P Global Platts Launches World's First Daily China Clean Copper Concentrate Assessments

New Assessments Add Transparency to Opaque and Complex Market

SINGAPORE, Feb. 1, 2021 /PRNewswire/ -- S&P Global Platts ("Platts"), the leading independent provider of information and benchmark prices for the commodities and energy markets, today announced that it has launched new daily Clean Copper Concentrate spot price assessments on a Cost, Insurance and Freight (CIF) China basis, effective February 1, 2021.

Copper concentrate is the raw material used to make refined copper. The new Platts Clean Copper Concentrate (CCC) assessments will include a daily benchmark value for treatment and refining charges (TC/RC), as well as daily differentials for three leading brands of concentrates from South American copper mines Los Pelambres, Los Bronces and Escondida, delivered into main ports in China. These assessed differentials complement and help provide a comparative framework for the Platts Clean Copper Concentrates suite of assessments. All brands of copper concentrates including the three mines, are normalized to Platts standard specifications.

Ian Dudden, global pricing director, Metals and Agriculture, S&P Global Platts said:"Alongside recent enhancements to our China copper cathode CIF China price assessments, this exciting launch demonstrates Platts commitment to bringing transparency to the copper supply chain. Much like iron ore 10 years ago, robust and transparent prices will be useful references to the opaque and complex copper market which has experienced difficult fixed-price annual negotiations over recent years. As the publisher of choice for metals globally, we are proud to shed light on this globally relevant market."

The outlook for copper demand is strong despite the ongoing pandemic, as world governments invest more in sustainable initiatives and deploy technologies to reduce greenhouse gas emissions. Globally, many countries are committed to investing significantly in electric vehicles (EVs) which will also mean increased demand for EV charging stations and electrical grid infrastructure which depend heavily on copper.

Copper concentrate imports to China have grown by 65% over the last five years, averaging annual gains of approximately 13%, according to China customs. Growth in copper mine capacity is expected to average 5.1% per year from 2020-2024, according to a recent report by International Copper Study Group (ICSG). China consumes around half of the world's copper and will to play a critical role in 2021 with a recovering economy and continued efforts to boost its domestic EV sector.

Against the backdrop of increased spot activity in the copper concentrate market, the new Platts assessments will provide granular, transparent and objective pricing information to buyers and sellers across global copper markets.

The assessments reflect the spot market value of generic clean copper concentrate of any origin at 1630 Singapore time, expressed as TC/RC values and as an all-in value calculated using assessed TC/RCs as well as copper, gold and silver futures prices at 1630 Singapore time for the relevant months. The assessment methodology considers trade information reported to Platts and published throughout the day, including firm bids and offers, transactions and indications, as well as any other data deemed relevant to the assessment process. A full description of the Platts assessments methodology and data hierarchy can

be found here: https://www.spglobal.com/platts/plattscontent/_assets/_files/en/our-methodology/methodology-specifications/platts-assessments-methodology-guide.pdf.

Additional details about the S&P Global Platts daily copper concentrate CIF China price assessment methodology can be found in the Subscriber Note.

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