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COPPER MARKET OUTLOOK AND COPPER COMPANIES 2017



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Copper Trends: A Review of 2016

A look back at copper trends in 2016, and companies to watch in 2017.



The [copper forecast](#) for 2017 is **bullish** — some say it's because of Trump, while others say it's more about supply and demand. Here we take a look at copper trends in 2016: how the red metal's price did, and big news in the past year.

A look back at the [copper price](#)

2016 started with a price dip to a year-low of \$1.93/lb on January 19, but the

red metal slowly gained back its bearings in the latter half of 2016, which also coincided with the [US presidential elections](#).

The US Geological Survey says that [global copper production](#) increased by 200,000 tonnes for a total of 18.7 million tonnes in 2015, despite reported production cuts from major miners.

By August 2016, copper prices were up about 2 percent overall, trading at \$2.16 per pound. In the same period, Goldman Sachs was warning investors about a “supply storm” for copper, and stated in a note that the company's estimates suggest “copper is entering the eye of the supply storm,” and further said that the wall of supply would translate to an increase in copper smelter and refinery charges thus affecting refined copper production.

But in December, the investment bank giant dramatically turned [bullish](#) on copper, contributing the change in sentiment to improved supply and demand fundamentals.

Scotiabank, in a note to investors in December said the fourth quarter of 2016 “has been great for copper and we think this new-found positive sentiment will carry into 2017.” The bank pointed out that more confidence in future metals demand is the big driver for this positive sentiment. The note further said that supply disruptions could be a potential factor in 2017, “there are big labor negotiations in December and into early 2017 at some of the world's largest copper mines,” the bank stated.

News in 2016

Copper miners have had their share of ups and downs in 2016. To name a few:

- **Imperial Metals'** (TSX:[III](#)) open-pit Huckleberry Mine in BC, Canada has been placed on care and maintenance since the end of August 2016. However, the company's Mount Polley Mine received the green light to return to normal operations in June 2016. In October, however, charges were [filed](#) against subsidiary Mount Polley Mining and the Government of BC for the dam break that occurred in the open pit copper-gold mine back in August 2014.
- **Anglo American** (LON:AAL) in November decided to keep all activity at the Los Bronces copper mine in Chile [halted](#) due to attacks by protesters.
- In the latter part of 2016, **Capstone Mining** (TSX:[CS](#)) used the surge in prices as an opportunity to bring back laid-off workers to the Minto copper mine, the Yukon's only operating mine. [CBC](#) spoke to Mine Manager Ron Light and reported that Minto may resume open pit operations and is seeking approval from the territorial government for changes to its mine plan which could potentially bring 40-45 people back to work in January.
- Rudna, a copper mine in Poland operated by **KGHM** (WSE:KGH), was hit by an [earthquake](#) that claimed eight lives in November.
- **Turquoise Hill Resources** (TSX,NYSE:[TRQ](#)) [announced](#) on December 14 that it has resumed concentrate shipments from the Oyu Tolgoi copper-gold mine in Mongolia into China.
- **Freeport-McMoRan's** (NYSE:FCX) Grasberg copper mine in Indonesia may be facing cutbacks as the Indonesian government's [prohibition](#) on exporting of raw, unprocessed ores comes into force by mid-January.
- Reuters [reported](#) that a deal has been reached for miner wages at Codelco's Chuquibambilla mine. This is a positive precedence for Chile's other copper mines such as BHP Billiton's Escondida mine.

Top copper stocks rallied in 2016 and even outperformed 2015's best, registering gains as high as over 800 percent year-to-date — see our list of top copper stocks on the [TSX](#) and the [TSXV](#).

Companies to watch in 2017

Copper is at a turning point, and if the [copper mining juniors](#) are any indication – it will be a busy year ahead. Below are some copper-focused companies of note.

In 2016, [Western Copper and Gold's](#) (TSX:[WRN](#)) Casino Project was rated number 1 in Goldman Sach's Copper 85 report (released in July 25, 2016) due to its IRR rate of 15 percent. The report identified companies that are best positioned to deliver growth with

attractive returns, taking into consideration project capital intensity and balance sheet strength. Western Copper and Gold expects construction to begin in 2017, with first commercial production anticipated in 2020.

In December, Dundee Capital Partners issued the following copper-focused companies “Buy” recommendations:

- **Lundin Mining** (TSX:[LUN](#)) is a Dundee Capital Partners Top Pick. The company holds an indirect 24 percent equity stake in the Tenke Fungurume copper/cobalt mine in the Democratic Republic of Congo. In a press release dated November 30, 2016, Paul Conibear, President and CEO said, “As we head into 2017, we anticipate building on the strong operating performance achieved during 2016, including the copper production profile which has once again been improved at Candelaria.
- **Nevsun Resources** (TSX:[NSU](#), NYSEMKT:NSU) is also a Dundee Capital Partners Top Pick. The company operates the Bisha Mine in Eritrea and is developing the Timok copper-gold project in eastern Serbia. As reported in a press release dated December 7, 2016, Nevsun is working on an additional drilling in progress at the Timok copper-gold project.
- **Capstone Mining** (TSX:[CS](#)) has three producing mines: Pinto Valley in Arizona, Cozamin in Zacatecas State, Mexico and the Minto mine in the Yukon, Canada. In November, Capstone announced a copper price protection for 43,000 tonnes of copper with settlements between January and December 2017. “Our actions ensure we can continue to reduce debt in 2017, while retaining meaningful exposure to copper prices, particularly in the second half of 2017 and beyond.” said President and CEO, Darren Pylot.
- **Excelsior Mining** (TSXV:[MIN](#)) is developing the Gunnison Copper Project, an in-situ recovery copper project located in Arizona, USA. The company released a Feasibility Study for the North Star Deposit of the Gunnison project in December, which indicated a post-tax NPV of \$807 million. In a letter to shareholders, President and CEO Stephen Twyerould said that the company anticipates receipt of operating permits as the next milestone.
- **Heron Resources** (TSX:[HER](#), ASX:HRR) is focused on developing its 100 percent owned, high grade Woodlawn Zinc-Copper Project located near Sydney, Australia. The company announced that its non-Woodlawn, gold and nickel assets have been spun into wholly-owned company, Ardea Resources, which is slated to be listed on the ASX in early January.
- **Nevada Copper** (TSX:[NCU](#)) owns 100 percent of the Pumpkin Hollow Copper Development Property in Nevada, USA. Pumpkin Hollow is the largest, fully-permitted copper project not owned by a major. All pre-construction milestones for the project have been completed.

2016 may have been a tough one for copper junior miners due to the wild price ride, but junior miners are cautiously optimistic — and analysts bullish — for what 2017 may bring. As David Morgan [said](#), “Dr. Copper is called Dr. Copper for a reason. It’s got a PhD in economics, and if we see an increase in the copper price it’s very much telling us in real terms that there is further industrialization going on.”

Copper Price Forecast 2017: Goldman Sachs Running with the Bulls

In December, global investment bank Goldman Sachs dramatically changed to a bullish sentiment on the red metal, after holding a bearish sentiment since 2015.



The surge in copper prices in the latter part of 2016 brings cautious optimism to investors and industry participants alike. In December, global investment bank Goldman Sachs dramatically changed to a bullish sentiment on the red metal, after holding a bearish sentiment since 2015.

In the second half of 2016, big events rattled markets and shook up copper prices: Benchmark copper [was up](#) after the

Brexit announcement, copper prices surged after Trump's win in the US election, and a 16-month high of \$2.62/lb was [reached](#) in November.

Copper price chart for 2016



The global copper market

The copper price dipped to a low of \$1.93/lb on January 19, but the red metal has gained back some ground in the latter half and is still sitting well below the \$3-per-pound mark—largely due to a decrease in demand growth from top consumer China.

According to the most recent report from the US Geological Survey (USGS), [global copper production](#) increased by 200,000 tonnes for a total of 18.7 million tonnes in 2015, despite reported production cuts from major miners.

The [International Copper Study Group](#) expects that world mine production will remain unchanged in 2017 after a 4 percent increase in 2016.

The [Wall Street Journal](#) quoted Chris LaFemina, an analyst at Jefferies, as saying that the global copper market is expected to shift from a marginal oversupply in 2016 to flat in 2017 with a slight deficit in 2018. LaFemina also mentioned that the copper market has been in surplus in the last seven years.

Copper price forecast according to analysts

Sprott's Rick Rule says that based on the basics of supply and demand, the rally in copper prices is a false one. He [explained](#) to us in an interview that, "You come out of the bear market one of two ways: one is demand creation, that's where the very low price of the commodity generate so much utility that the market takes care of itself."

David Morgan, on the other hand, remains to be bullish on the precious metals, but [says](#), "Dr. Copper is called Dr. Copper for a reason. It's got a PhD in economics, and if we see an increase in the copper price it's very much telling us in real terms that there is further industrialization going on."

Thomson Reuters' Erica Rannestad explained to us that China is a big driver of the copper price, since it accounted for nearly 46 percent of consumption in 2016. She says, "The slowdown in growth in China will translate to slower growth in copper demand." She adds, "The copper market is expected to realize a surplus in 2017, similar to levels seen in 2016, which will weigh on the price."

In an emailed note, Haywood Securities Analyst Stefan Ioannou said, "We are pleased to see copper rallying. Miners are benefitting as (Chinese) smelters are aggressively buying concentrate to fill capacity. However, we remain cautious over the coming months until the ultimate fate of said refined copper output gains clarity ...namely as to whether it is consumed by infrastructure demand or ends up in warehouses."

He says further, "Haywood's formal US\$2.25/lb 2017 estimate is arguably conservative in the context of recent price performance and base metal market sentiment. Nevertheless, we continue to maintain a strong medium- to longer- term outlook for the metal as a supply-demand balance emerges on the back of a lack of new timely mine

development and the inherent increased cost of sourcing production from lower grade ores.”

Goldman Sachs [announced](#) a bullish sentiment, expecting prices to rise to \$6,200 over the next six months, or roughly \$2.81/lb. Its previous six-month call was \$4,800 or \$2.18/lb. The investment bank conceded, “The rally in copper prices over the past two months was in sharp contrast to our more bearish expectations.” Goldman Sachs is also expecting a decline in mine supply by 0.4 percent in 2017 compared to a previous forecast for 1 percent growth. Goldman analyst Max Layton also stated that improved supply and demand fundamentals contributed to the surge in copper prices, and he sees it continuing into H1 of 2017.

[FocusEconomics](#)’ Consensus Forecast stated that copper has been suffering because of a glut in the market, and that China’s strengthened economics improved the demand outlook for copper, and consequently boosted prices. Out of 10 analysts surveyed, all are taking a “wait-and-see approach”. The December report puts individual forecasts for Q1 2017 at a lowest of \$4,200 per metric ton, and at a maximum of \$5,600 per metric ton. Other price predictions included:

ABN AMRO – \$5,600
Macquarie – \$5,350
Commerzbank – \$5,200
JPMorgan – \$4,900
BMO Capital Markets – \$4,630
Deutsche Bank – \$4,400
Society Generale – \$4,200

Industrialization or a glut in the market?

Back in August when Trump was on the campaign trail, Bloomberg [reported](#) that his plan was to rebuild US infrastructure “at least double” the amount that Hillary Clinton declared, which was estimated at \$275 billion over five years.

Rannestad argues that even if Trump indeed fulfilled his promise of increasing infrastructure spend, it would not have a huge impact on the copper price and will not take effect next year. She said, “since the US accounts for less than 10% of consumption per annum. This is not expected to impact the price in the medium term like it did transiently in November.”

Commerzbank assumes the same outlook position. In a research note sent to investors, they stated that they see considerable correction in copper’s immediate future, and their copper price forecast is, “The copper price should therefore settle down above the \$5,000 per ton mark (\$2.50/lb) and climb to \$5,600 per ton (\$2.80/lb) by the end of 2017.”

Investor takeaway

Whether or not Trump makes good on his promise of an increased infrastructure spend, it seems that copper is up for a better year ahead. Analysts and key industry players both agree that although a correction in the copper price is imminent, Dr. Copper may be signalling that the “mining sector is officially out of intensive care.” Certainly, Goldman Sach’s turn from bearish to bullish on copper speaks volumes on the future of the red metal as well.

As Ioannou stated, 2017 may see an emergence in supply-demand balance, which bodes well for copper miners, especially those poised to meet demand from China, the world’s biggest copper consumer.

Copper Outlook: CEOs Optimistic About 2017

Several copper mining CEOs tell us how 2016 treated them, and what their thoughts are on the copper market in 2017.



Copper is ending 2016 on a high note. In the second half of 2016, global events such as Brexit and Donald Trump moved the copper prices: Benchmark copper **was up** post-Brexit, copper prices shot up after Trump's unexpected win in the US presidential elections.

In a survey we sent to junior mining CEOs, 72 percent said price made the biggest impact on their commodity, while 27 percent cited supply.

To drill down further, the Investing News Network asked several copper companies how 2016 treated them, and what their thoughts are on the copper market in 2017.

2016 a tough year

The year was riddled with challenges for several copper producers. To name a few: Anglo American's (LON:AAL) Los Bronces copper mine in Chile was **seized** by about 100 protesters mid-November; Hudbay Minerals' (TSX:[HBM](#), NYSE:HBM) Constancia mine in Peru was temporarily suspended in November, but is now back up and running; and Park Elektrik (IST:PRKME) suspended operations at its copper mine in southeast Turkey after a landslide killed three people and trapped thirteen workers.

Looking back, [Copper Fox Metals](#)' (TSXV:[CUU](#)) CEO Elmer Stewart said he expected a rise in the price of copper, but the rise that happened in March was not sustained — until the copper surge that started in October. He continued to say that although 2016 was a difficult year, he is “optimistic that it is the start of a commodity cycle.” He added that it is a positive sign that big company balance sheets are looking better in 2017.

[Thunderstruck Resources](#)' (TSXV:[AWE](#)) CEO Bryce Bradley also commented that the rise in copper prices was a highlight for 2016. Also a high point of 2016 for Bradley was when Thunderstruck completed its 100 percent acquisition of its vast portfolio of projects in Fiji.

Looking forward to 2017

Commerzbank forecasts that 2017 will see copper prices climb to \$2.80/lb, and global investment firm Jefferies expects that the oversupplied global copper market in 2016 will shift to a flat one in 2017, with a slight deficit in 2018.

Rio Tinto (NYSE:[RIO](#)), in a report on [Reuters](#), said that, “the copper market will go into deficit by 2020.” — which is also when Rio Tinto expects the extension to the Oyu Tolgoi mine in Mongolia to go onstream. Oyu Tolgoi is one of the world’s largest copper mines and last June, Rio Tinto approved its \$5.3 billion expansion.

As for the copper juniors, Stewart said, “the price of copper will do what it wants, but it gets down to the fundamentals – supply and demand.” Stewart is optimistic about the future and reminds investors, “Let’s be cautious, but let’s be optimistic as well.” In a press release dated November 9, 2016, Stewart says, “In anticipation of a positive move in the price of copper in 2017, we have advanced several of our projects in 2016 to better position our project portfolio.”

Bradley says that “timing is everything.” She reminds investors that “the resource sector is highly cyclical and that investing in mining exploration companies is speculative.” In a press release dated October 18, 2016, Bradley talks about Thunderstruck’s plans for 2017, saying they “are poised to begin the initial phase of our exploration program on this pipeline of promising targets.”

[Doubleview Capital](#)’s (TSXV:[DBV](#)) CEO Farshad Shirvani said in a note sent to investors that “2016 has been a difficult year for many investors but amid the gloom there have been significant changes in global economies and outlook.” He continued to say that the copper rally has resulted in “renewed interest in exploration companies with realistic prospects and in copper producing companies that were struggling to maintain their operations but resisted closure in fear of losing loyal and talented employees.”

Shirvani adds, “Longtime lower prices for copper, depleting in copper ore around the world and lack of new mines in production in conjunction with higher demand is felt in both gold and copper trading volume since October 2016.” Doubleview Capital announced completion of sampling at its Hat project in BC, Canada in late November, and is looking forward to results “which will be released as soon as core assays are received, verified and interpreted.”

[Copper North Mining](#)’s (TSXV:[COL](#)) CEO Dr. Harlan Meade looks forward to “increased copper supply leading to deficits” in 2017. Copper North is set to work towards completing environmental management planning for the resumption of permitting of the project, as well as undertake a metallurgical and process study to improve and upgrade the PEA.

Analysts bullish on copper for 2017

Goldman Sachs [supports](#) a “more “bullish” environment for the metal at least to mid-2017,” citing that demand growth was much stronger than anticipated. The investment bank is forecasting a copper deficit of around 180,000 tonnes for 2017.

Haywood Securities’ Stefan Ioannou said in an email to INN that they are maintaining a strong medium to longer term outlook, “as a supply-demand balance emerges on the back of a lack of new timely mine development and the inherent increased cost of sourcing production from lower grade ores.”

Best Copper Stocks 2016: The TSXV's Top Performers

Senator Minerals, Rockcliff Copper, Cascadero Copper, Foran Mining and Falco Resources are the top gaining copper stocks on the TSXV year-to-date.



In 2016 the surge in copper prices surprised experts since the red metal performed much better than expected, supported by Chinese demand and US President-elect Trump's proposed infrastructure investments.

The best copper stocks in 2016 outperformed last year's best copper stocks with some reaching over 800 percent year-to-date gains. Here is a list of the S&P/TSX Composite index (INDEXTSI:OSPTX)'s best copper stocks in 2016. The data for 2015 can be found at the bottom of this article.

The list below was generated using The Globe and Mail's market data filter, and does not include companies with a market cap of less than \$10 million.

1. Senator Minerals (TSXV:SNR)

Current price: \$0.61; year-to-date gain: 838.46 percent.

This junior exploration company holds interests in the IC Bentonite property in Nevada. Senator's 4,560 acre Taurus property hosts a copper-molybdenum-gold porphyry deposit situated in Alaska, 10 miles west of the Yukon/Alaska border.

2. Rockcliff Copper (TSXV:RCU)

Current price: \$0.10; year-to-date gain: 425 percent.

Rockcliff Copper's primary business is to explore for and develop base and precious metals deposits on its Snow Lake Project in Manitoba, Canada. The Company is committed to resource growth and discovery from three high grade metals: copper, zinc and gold.

Rockcliff Copper recently [announced](#) the purchase of the Morgan property that hosts the historical gold rich Morgan zinc deposit.

3. Cascadero Copper (TSXV:[CCD](#))

Current price: \$0.11; year-to-date gain: 340 percent.

Next on the list is Cascadero Copper. This company is engaged in the business of acquiring, exploring and developing mineral properties located primarily in Canada and Argentina. In British Columbia, Cascadero holds a 49% interest in the Toodoggone Project, prospective for copper-gold bulk mineable porphyry deposits.

The company recently [reported](#) that in mid-January 2017, they intend to initiate a 2,175 metre drill program on Taron, its core polymetallic cesium property.

4. Foran Mining (TSXV:[FOM](#))

Current price: \$0.31; year-to-date gain: 313.33 percent.

Foran Mining, a Vancouver based company, is engaged in the acquisition, exploration and development of mineral properties. The Company is focused on copper-zinc in the Hanson Lake VMS Camp in east-central Saskatchewan.

In late 2014, Foran [released](#) a positive Preliminary Economic Assessment for the McIlvenna Bay deposit, Foran's first deposit in the Hanson Lake Camp.

5. [Falco Resources](#) (TSXV:[FPC](#))

Current price: \$0.86; year-to-date gain: 224.53 percent.

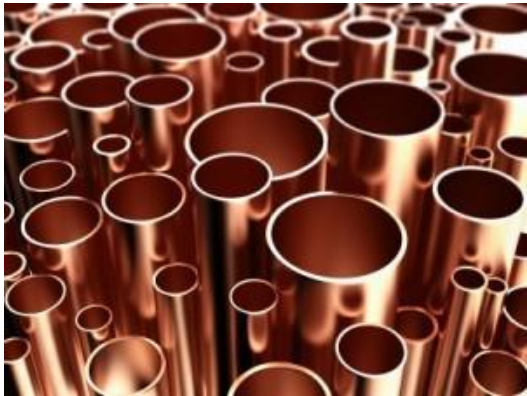
Last in the best copper stocks this year is Falco Resources, an exploration-stage company, focused on the exploration and evaluation of its mineral properties in the Rouyn-Noranda district in the Province of Quebec.

Falco's principal property is the [Horne 5 Project](#) located in the former Horne Mine that was operated by Noranda from 1927 to 1976 and produced 11.6 million ounces of gold and 2.5 billion pounds of copper.

It is also worthy to highlight [Atico Mining](#) (TSXV:[ATY](#)), which gained 192 percent year to date. The company recently reported positive operating results as well as the restructuring of its senior secured debt facility with Trafigura Pte. Ltd. Atico recently discovered a massive sulfide outcrop at its El Roble project in Colombia.

Best Copper Stocks of 2016 on the TSX

Coro Mining, Ivanhoe Mines, Western Copper and Gold, First Quantum Minerals and Euromax Resources are the top gaining TSX stocks year-to-date.



Last year was tough for copper and [experts expected](#) this trend to continue in 2016. But the red metal has been on the rise this year, reaching year highs, due to optimism over China's demand and the US infrastructure spending plans.

At the end of the first quarter, [copper prices were up](#), gaining 17% compared to the beginning of the year. This upward trend continued during the first nine months thanks to a [weaker dollar](#) and increased [manufacturing activities in China](#).

After the recent US election copper prices jumped, [climbing to a 16-month high](#) last week, when US President elect Trump announced his infrastructure spending [plan](#).

Some of the best copper stocks of 2016 on the TSX reached over 600 percent year-to-date gains. You can find them in the list below. This list was generated using [The Globe and Mail's market data filter](#), and does not include companies with a market cap of less than \$50 million.

1. Coro Mining (TSX:[COP](#))

Current price: \$0.145; year-to-date gain: 625 percent

Coro Mining is engaged in the exploration and development of base and precious metal projects in Latin America. The [Company's assets](#) include 65% interest in SCM Berta including the Berta and Salvadora deposits; the Marimaca drill stage project from which the company reports [earning a 75 percent interest](#); the Planta Prat project; the Llancahue prospect; and a royalty on the San Jorge copper-gold project located in Argentina.

2. Ivanhoe Mines (TSX:[IVN](#))

Current price: \$2.42; year-to-date gain: 296.72 percent

Ivanhoe Mines explores and develops mineral properties in South Africa and the Democratic Republic of Congo. Its projects include the exploration and development of the Kamo a Copper Project, the mine development at the Platreef platinum-palladium-gold-nickel-copper discovery and the upgrading of the zinc-copper-lead-germanium Kipushi mine.

3. Western Copper and Gold (TSX:WRN)

Current price: \$1.20; year-to-date gain: 215.79 percent

Western Copper and Gold Corporation is developing the Casino Project, Canada's premier Copper-Gold mine in the Yukon Territory. The company reports that the mine could produce an estimated 8.9 million ounces of gold and 4.5 billion pounds of copper over a 22-year mine life.

In July 2016, Goldman Sachs ranked Casino number one economic copper project.

4. First Quantum Minerals (TSX:FM)

Current price: \$15.74; year-to-date gain: 203.86 percent

The metals and mining company produces mainly copper, gold, nickel and zinc. The Company's assets are located in Zambia, Spain, Mauritania, Australia, Finland, Turkey, Panama, Argentina and Peru.

In 2015, First Quantum produced 428,229 tonnes of copper, 223,914 ounces of gold, 35,472 tonnes of nickel, 41,139 tonnes of zinc, and 57,095 ounces of platinum-group elements. The company's latest report shows that in the third quarter of 2016 their copper production was 142,721 tonnes with sales of 136,051 tonnes.

5. Euromax Resources (TSX:EOX)

Current price: \$0.64; year-to-date gain: 45.45 percent

Last but not least in the best copper stocks of 2016 on the TSX is Canada-based Euromax Resources. A mining company focused in identifying, acquiring and developing mineral resources in Southeastern Europe. The company is focused on building and operating the Ilovica-Shtuka copper/gold project in Macedonia and also has an exploration services company in Bulgaria.

Copper Production by Country

According to the US Geological Survey, there are 10 top copper-producing countries. Who made the list?



Copper prices have been on a downtrend for some time, losing roughly 26 percent in 2015. The red metal has gained back some ground throughout 2016, but is still sitting well below the \$3-per-pound mark, largely due to a decrease in demand growth from top consumer China.

However, world copper supply hasn't dropped as much as one might expect. According to the most recent report from the [US Geological Survey](#) (USGS), global copper production inched up

200,000 tonnes for a total of 18.7 million tonnes in 2015, despite reports of production cuts from major miners.

Here's a look at the top copper-producing countries of 2015, as reported by the USGS. Chile took the top spot again by a long shot, although Peru saw a significant increase in its output.

1. Chile

Mine production: 5.7 million MT

Despite being hit with [earthquakes](#), [heavy rains](#) and strikes in 2015, Chile's copper production held up well, dropping by only about 50 tonnes relative to 2014. Still, mine production came in well below initial estimates for the year — Chile was [initially](#) expected to produce about 6 million tonnes in 2015.

2. China

Mine production: 1.75 million MT

China, the world's largest copper consumer, is also the world's second-largest producer of the red metal, coming in with only a slight decrease in production relative to 2014. Late in 2015, nine of the country's largest copper smelters announced that they would [cut production](#) by more than 200,000 tonnes this year in an effort to support copper prices.

3. Peru

Mine production: 1.6 million MT

Peru came short of its goal of overtaking China to become the world's second-largest copper producer. That said, it did see a drastic increase in production, jumping from 1.38 million tonnes in 2014 to 1.6 million tonnes in 2015.

With a number of major projects set to come online in 2016, Peru's copper production is expected to increase by 66 percent this year, according to [Peru Reports](#).

4. United States

Mine production: 1.25 million MT

US mined copper production was down by about 8 percent in 2015. According to the USGS, that was largely due to decreases in production in Utah and Arizona. Rio Tinto's (NYSE:[RIO](#), ASX:RIO, LSE:RIO) Bingham Canyon mine in Utah saw production fall by roughly 100,000 tonnes due to lower mill throughput.

5. Congo (Kinshasa)

Mine production: 990,000 MT

Copper production in the Congo decreased from 1.03 million tonnes in 2014 to 990,000 tonnes in 2015. According to [Reuters](#), that's the first time in six years that the country has seen a drop in copper production.

Glencore (LSE:[GLEN](#)) partially [suspended](#) production at its Katanga mining operations in Congo in September.

6. Australia

Mine production: 960,000 MT

Coming in at number seven on the list, Australia's copper production remained fairly flat in 2015. Its copper output dropped just 10,000 tonnes from 2014, even with [troubles](#) at BHP Billiton's (NYSE:[BHP](#), ASX:BHP, LSE:BLT) massive Olympic Dam operations early on in the year.

7. Russia

Mine production: 740,000 MT

Russian copper production was relatively unchanged for 2015, coming in at 740,000 tonnes compared to 742,000 tonnes in 2014. Norilsk Nickel (MCX:[GMKN](#)) accounts for a large portion of that output — the company [reported](#) consolidated copper production of 369,000 tonnes for 2015.

8. Canada

Mine production: 695,000 MT

Similarly, Canadian copper production remained flat in 2015, sitting around 695,000 tonnes relative to 696,000 tonnes for the year previous. While the strong US dollar may be putting pressure on copper prices, the exchange rate can be a boon for Canadian producers who record costs in Canadian dollars, but sell in US dollars.

9. Zambia

Mine production: 600,000 MT

Zambia dropped from eighth to ninth on the list of top copper producers last year, seeing a decline in copper production of roughly 92,000 tonnes relative to 2014. Barrick Gold (TSX:[ABX](#),NYSE:[ABX](#)) [halted operations](#) at its Lumwana mine in Zambia due to higher royalties in the country, but by April the country had [reversed](#) its decision on the royalty hike.

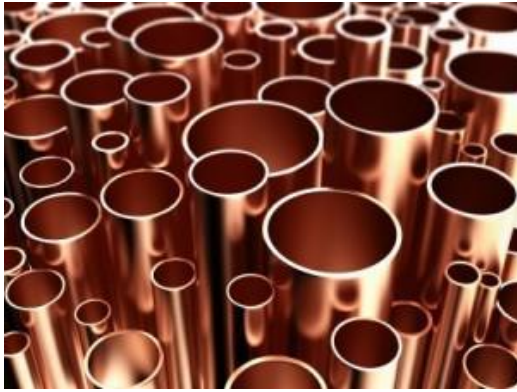
10. Mexico

Mine production: 550,000 MT

Mexico rounds out the list of the world's 10 top copper-producing countries for 2015 with 550,000 tonnes of production, an increase from 515,000 tonnes in 2014. Despite being lowest on the list, Mexico is also home to Grupo Mexico (OTCMKTS:[GMBXF](#)), which owns 85 percent of Southern Copper (NYSE:[SCCO](#)), one of the largest copper-producing companies in the world.

3 Copper ETFs

A look at three copper ETFs and what they track.



There's more than one way to invest in [copper](#). In addition to buying shares of copper mining companies, investors can gain exposure to the red metal through copper ETFs.

For the uninitiated, exchange-traded funds (ETFs) are securities that track copper like an index fund, but trade like stocks on an exchange. In terms of the red metal, these types of funds can track specific groups of copper mining

companies, and can also track copper futures contracts or even physical copper.

There are also copper-focused ETNs, or exchange-traded notes. ETNs are a type of debt security aimed at combining aspects of bonds with ETFs, according to [Investopedia](#). Examples of these include the iPath Pure Beta Copper ETN (ARCA:[CUPM](#)) and the iPath Bloomberg Copper Subindex Total Return ETN (ARCA:[JJC](#)).

Copper has come back to life in the last two months as investors saw positive economic signals from China, as well as the promise of an increased infrastructure spend under the Donald Trump administration.

According to [ETF Trends](#), copper-related exchange traded products are at their highest level since July 2015.

Here's a brief look at a few copper ETFs and what they track.

1. United States Copper Index Fund (NYSEARCA:[CPER](#))

The United States Copper Index Fund aims to give investors exposure to a portfolio of copper futures without using a commodity futures account. It tracks the performance of the SummerHaven Copper Index Total Return (INDEXNYSEGIS:[SCITR](#)), which is calculated based on certain copper futures contracts selected on a monthly basis.

Year-to-date, the fund is up 20 percent, at \$17.08.

2. Global X Copper Miners ETF (NYSEARCA:[COPX](#))

The Global X Copper Miners ETF is up year-to-date 95 percent, and is now trading at \$23.04.

The fund tracks the Solactive Global Copper Miners Total Return Index, which covers copper exploration companies, developers and producers. Some of the top holdings in the fund include Hudbay Minerals (NYSE:[HBM](#)), Kaz Minerals (LON:[KAZ](#)), Capstone Mining (TSX:[CS](#)), and Freeport-McMoRan (NYSE:[FCX](#)).

3. First Trust Indxx Global Natural Resources Income ETF (NASDAQ:[FTRI](#))

Previously called the First Trust ISE fund, the First Trust Indxx Global Natural Resources Income tracks the ISE Global Copper Index, which tracks miners based on their revenue from copper sales. Companies included in the index must have a market cap of at least \$75 million, and are reviewed quarterly for eligibility.

The top 10 holdings for the First Trust ISE fund are similar to those seen on the Global X Copper Miners, with companies held including Jiangxi Copper (SHA:[600362](#)), Southern Copper (NYSE:[SCCO](#)), Rio Tinto (NYSE:[RIO](#), ASX:[RIO](#), LSE:[RIO](#)) and Freeport-McMoRan (NYSE:[FCX](#)).

Year-to-date, the First Trust Indxx Global Natural Resources Income ETF is up 18 percent and is now trading at \$11.50.

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