



上海期货交易所
SHANGHAI FUTURES EXCHANGE

上海国际能源交易中心
SHANGHAI INTERNATIONAL ENERGY EXCHANGE



Bonded Copper Futures Trading Handbook

国际铜期货
合约交易操作手册

2020

Bonded Copper Futures Trading Handbook 2020 Edition

This Handbook is for reference use only. To receive the latest information, please contact the relevant divisions of the Shanghai International Energy Exchange (INE) or visit the website of INE at <http://www.ine.cn>.

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PRODUCT OVERVIEW

Characteristics and Industry Standards

Copper is a metallic element with the symbol Cu. It has an atomic weight of 63.55, a specific gravity of 8.96, and a melting point and boiling point of $1,083.4 \pm 0.2$ °C and 2,567 °C, respectively. Featuring a light-rose or pinkish-red color in its natural state and a purple bronze color after oxidation, copper is one of the first metals discovered by man. Copper cathode, also known as refined copper, is high-purity copper produced from copper concentrates through electrorefining or electrolytic deposition.

Due to its excellent electrical and heat conductivity, malleability, corrosion and abrasion resistance, copper cathode is often processed into copper wires, bars, sheets and strips, foils, pipes, and various alloys, which are widely used in power, electronics, transportation equipment, machine manufacturing, construction, national defense, medical, organic chemicals, and other industries.

Globally, the most widely used copper cathode standards are the Chinese, European, and American standards.

GB/T 467-2010 ("Chinese Standard") is China's current national standard for copper cathode. This standard classifies copper cathode into three grades: Grade A copper (Cu-CATH-1), No. 1 standard copper (Cu-CATH-2), and No. 2 standard copper (Cu-CATH-3).

BS EN 1978:1998 ("European Standard") is the copper cathode standard established by the European Committee for Standardization (CEN). It contains two grades: Cu-CATH-1 (CR001A) and Cu-CATH-2 (CR002A).

ASTM B115 ("American Standard") is the standard for electrolytic copper cathode established by the American Society for Testing Materials (ASTM), which classifies electrolytic copper cathodes into Grade 1 and Grade 2.

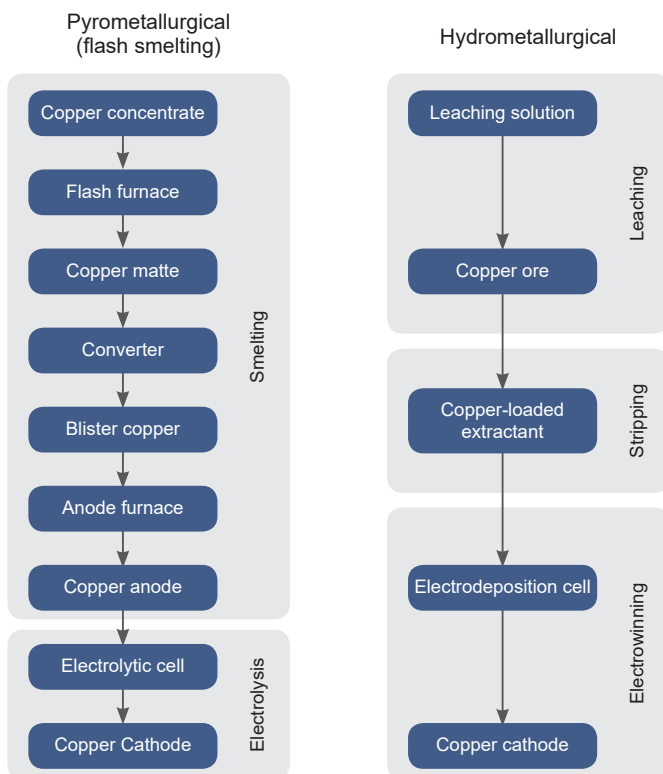
Among them, Chinese Standard Grade A (Cu-CATH-1) is equivalent to European Standard Cu-CATH-1 in impurity limits; Chinese Standard for No. 1 standard copper (Cu-CATH-2) references the impurity limits of American Standard Grade 2; and Chinese Standard for No. 2 standard copper (Cu-CATH-3) references those of European Standard Cu-CATH-2.



Metallurgical Processes

Copper cathode is mainly produced by two types of processes: pyrometallurgical (flash smelting) and hydrometallurgical. The pyrometallurgical method mainly involves melting and electrorefining. As such, the resulting refined copper is also called electrolytic copper. This method is generally suitable to high-grade copper sulfide ore, and accounts for 85% of the world's copper cathode production. The hydrometallurgical route is suitable for lower-grade ores (i.e., ores with complex compositions) and oxide ores, and is a comparatively cheaper process.

Fig. 1: Copper Cathode Production Processes



Key Quality Specifications

Deliverables for the copper cathode futures of Shanghai International Energy Exchange (INE or the “Exchange”) meet the requirements of Grade A copper (Cu-CATH-1) under the Chinese standard GB/T 467-2010 or of Cu-CATH-1 copper under the European standard BS EN 1978:1998. Both standards require a minimum copper content of 99.9935% and a maximum silver content of 0.0025%.

Surface quality of copper cathodes deliverable through INE should meet the requirements of GB/T 467-2010. The deliverables should be tightened into bundles with rust-resistant steel straps applied in a “#” pattern, or with other methods of comparable strength using steel straps. The strapping should be reliable and each bundle should bear a prominent and secure product and bundle weight labels. Each bundle may not exceed 4 metric tons.



OVERVIEW OF THE DOMESTIC AND INTERNATIONAL COPPER MARKETS

The Global Copper Market

The World Bureau of Metal Statistics (WBMS) has compiled the following statistics for refined copper for 2019.

- **Production.** Global output totaled 23.724 million metric tons, a year-on-year growth of 0.32%. The top five producers were China, Chile, Japan, U.S., and Russia, together accounting for 64.46% of the world's total. Asia as a whole was still the top producer; and the Americas and Africa remained the main output areas for hydrometallurgy-produced copper. Trends in recent years indicate that China has been a major contributor to the global growth in output. Given the rapid expansion of its refining capacity, China is expected to maintain a high level of output for refined copper in the coming two years.
- **Consumption.** The world's total was 23.8183 million metric tons, down by 0.45% year-on-year. The top five consumers were China, U.S., Japan, Germany, and South Korea, together accounting for 17.226 million tons, or 72.32%, of the global total. Region-wise, Asia was still the world's largest copper consumer. China remained a major growth driver for global consumption. According to the China Nonferrous Metals Industry Association (CNMIA), China consumed 12.08 million metric tons (or 12.7995 million metric tons according to WBMS) of refined copper in 2019, representing 50.72% of the worldwide consumption. Most of the European and American countries recorded stable or slightly higher consumption level, also boosting the world's total. Compared with the global production level, there was a supply gap of about 89,200 metric tons in 2019.

- **Import.** Global import amounted to 8.2718 million metric tons, down by 9.11% year-on-year. Top four importers were China, U.S., Italy, and Germany, which together accounted for 63.13% of the world's total and were also among the largest copper consumers.
- **Export.** Global export volume shrunk by 7.90% to 7.7488 million metric tons. Top three exporters were Chile, Russia, and Japan, together representing 44.39% of the world's total.

China's Copper Market

Data from CNMIA indicates that, in 2019, production of refined copper in China maintained the growth momentum, hitting 9.784 million metric tons, or 41.24% of the world's total (based on WBMS' global data). Output from the top ten copper-producing provinces amounted to 8.152 million metric tons, representing 83.3% of the country's total. In particular, Jiangxi and Shandong each produced more than 1.4 million metric tons of refined copper, together amounting for 29.1% of China's total production. Consumption level in China was 12.08 million metric tons, or 50.72% of the world's total (based on WBMS' global data).

Data from Beijing Antaike Information show that the power, air conditioning, and transport sectors respectively consumed 49.20%, 16.70%, and 9.15% of the country's refined copper.

According to China Customs, China's import of refined copper, blister copper, and copper concentrates surged to 3.753 million metric tons in 2018, a new record, due to reduced supply of scrap copper resulting from policy tightening on the dismantling and import of scrap copper, and a substantial increase in copper smelting capacity. Import volume fell in 2019; in particular, import of refined copper showed a 5.40% year-on-year decrease, to 3,550,300 metric tons. This contrasted with the export of refined copper in the same year, which rose by 12.39% to 316,500 metric tons.



Copper Price Fluctuations and Influence Factors

Copper Price Fluctuations

From 2010 to 2019, the market price of copper was on an inverted V trajectory. Specifically, global economic recovery, China's four-trillion-yuan stimulus package, and quantitative easing and fiscal expansions by European and American economies pushed the copper price to a peak in 2011. It then fluctuated widely and eventually lost ground when production of copper concentrates oversaturated market demand as a result of worldwide economic slowdown, European debt crisis, and China's austerity policy. Then in 2017, the copper price rebounded due to declining inventory and economic recovery. From 2018, however, the copper price has generally been volatile under the influence of, among others, consumption stagnation caused by the reverse globalization and macroeconomic downturn.

■ Fig. 2: Copper Price Trend in Domestic and Overseas Markets 2010–2019



Source: SHFE, Wind, and Shanghai Metals Market (SMM)

Factors Influencing the Copper Price

Copper is one of the most important commodities on the market today. There are four major factors that influence its price.

First, fundamental factors. In the medium- and long-term, supply of copper concentrate has a negative correlation with copper price, while downstream copper consumption changes have a positive correlation with it. Other factors that affect supply and demand are seasonal changes in the operating rate of copper consuming industries, and changes in policy on recycled copper and in domestic and overseas inventories.

Second, macroeconomic factors. In general, the price of copper is influenced by the economic environment – giving the metal strong financial attributes. Its production and consumption are both closely related with the macro-economy, and therefore its price, often acts as a “barometer” accordingly, a function that has given the metal the moniker of “Doctor Copper.”

Third, monetary factors. Copper price is often negatively correlated with the U.S. Dollar Index and is influenced by momentary shift in market expectations on demand and inflation, following a change in interest rate, total social financing to the real economy, and M1/M2 – three widely monitored indicators for financial environment and liquidity.

Fourth, sentimental factors. Changing market sentiment in response to unexpected events will intensify the volatility of global asset prices, including copper price.



GUIDE TO TRADING BONDED COPPER FUTURES

Participation Models

Bonded copper futures are traded on the basis of “international platform, net pricing, bonded delivery, and RMB denomination.”

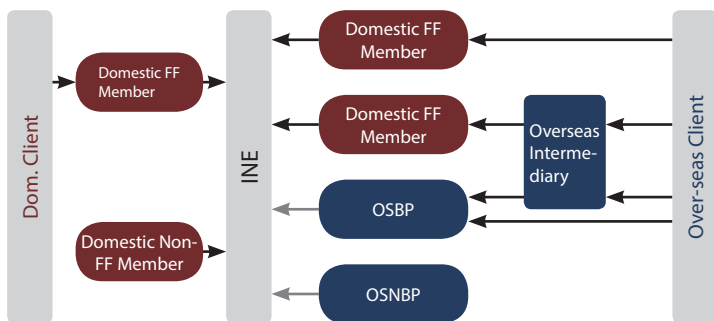
Domestic Clients

Domestic clients eligible to apply for INE membership can apply to become Non-Futures Firm Members (“Non-FF Members”) to directly trade bonded copper futures. Other domestic clients can trade bonded copper futures through domestic Futures Firm Members (“FF Members”).

Overseas Clients

Overseas clients can trade bonded copper futures in the following four ways:

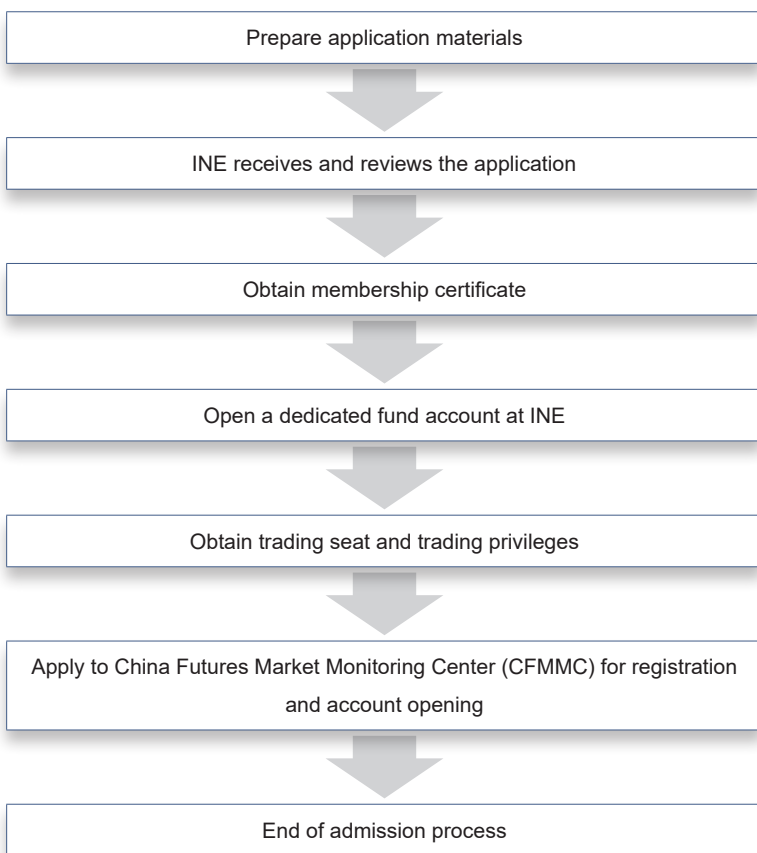
- I: Directly through domestic futures firms;
- II: Through Overseas Intermediaries that have partnered with domestic futures firms or overseas special brokerage participants (OSBPs);
- III: Through OSBPs; and
- IV: As overseas special non-brokerage participants (OSNBPs)



Note: Black arrows indicate trading, clearing, and delivery. Grey arrows indicate direct access to trading at INE, but overseas special participants (OSPs) must participate in clearing and delivery through domestic FF Members.

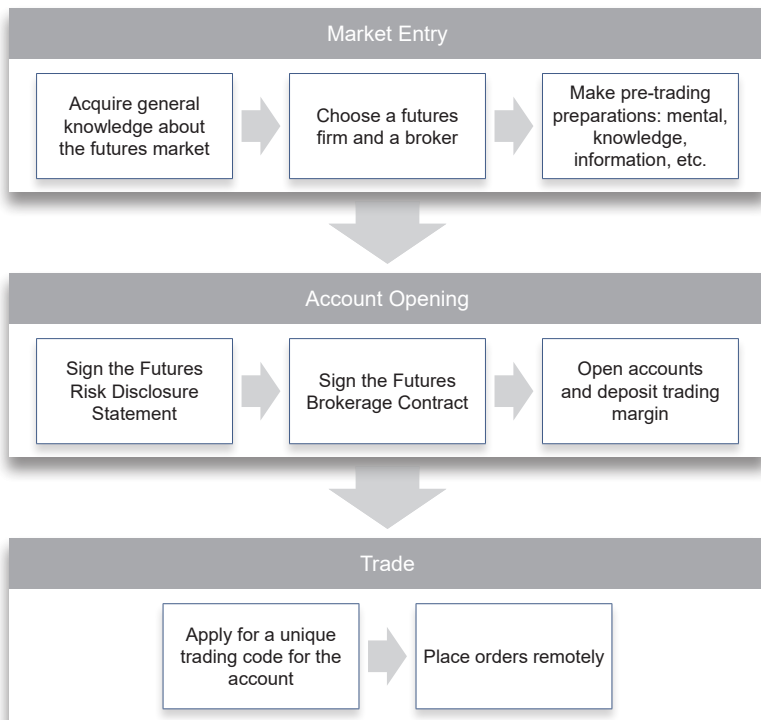
Guide to Market Access by Domestic Members and Clients

Membership Admission Process





Domestic Clients Market Access Process

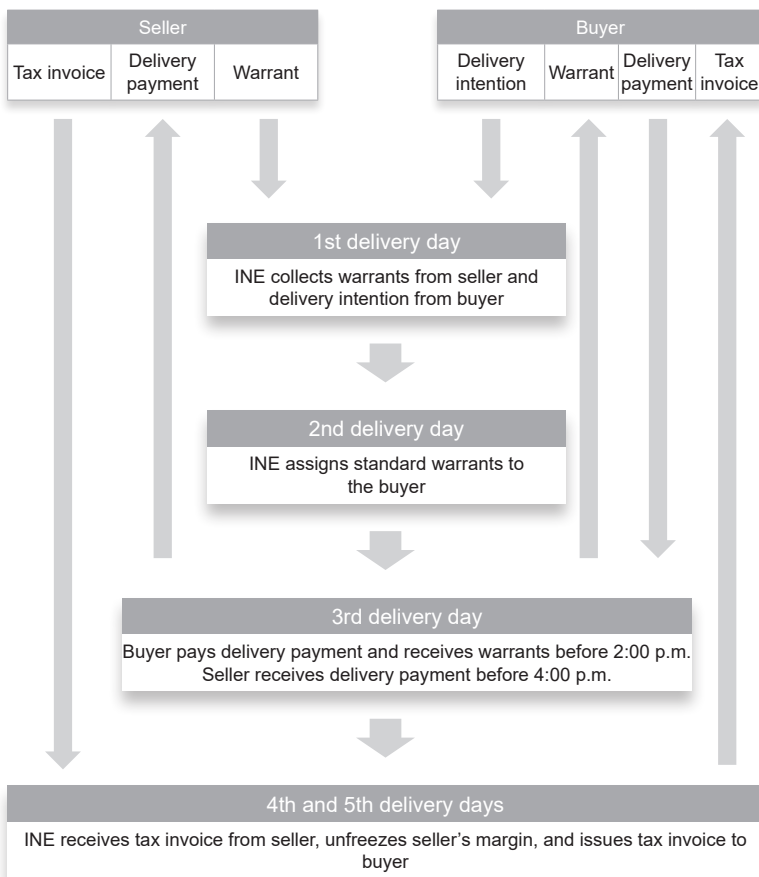


Trading and Clearing Process





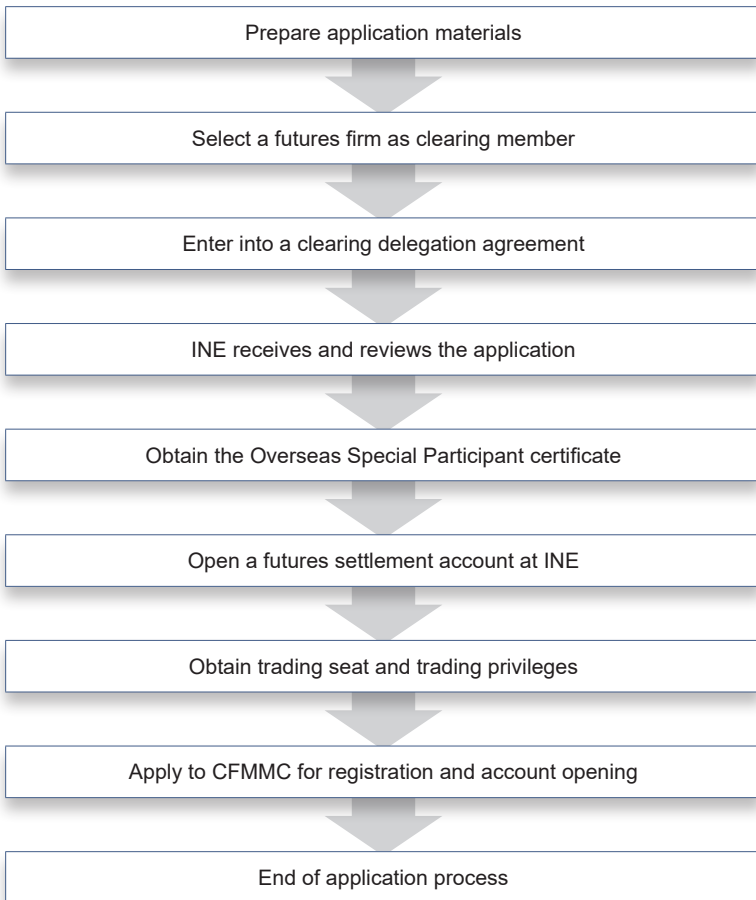
Delivery Process



Guide to Market Access by Overseas Clients and Brokers

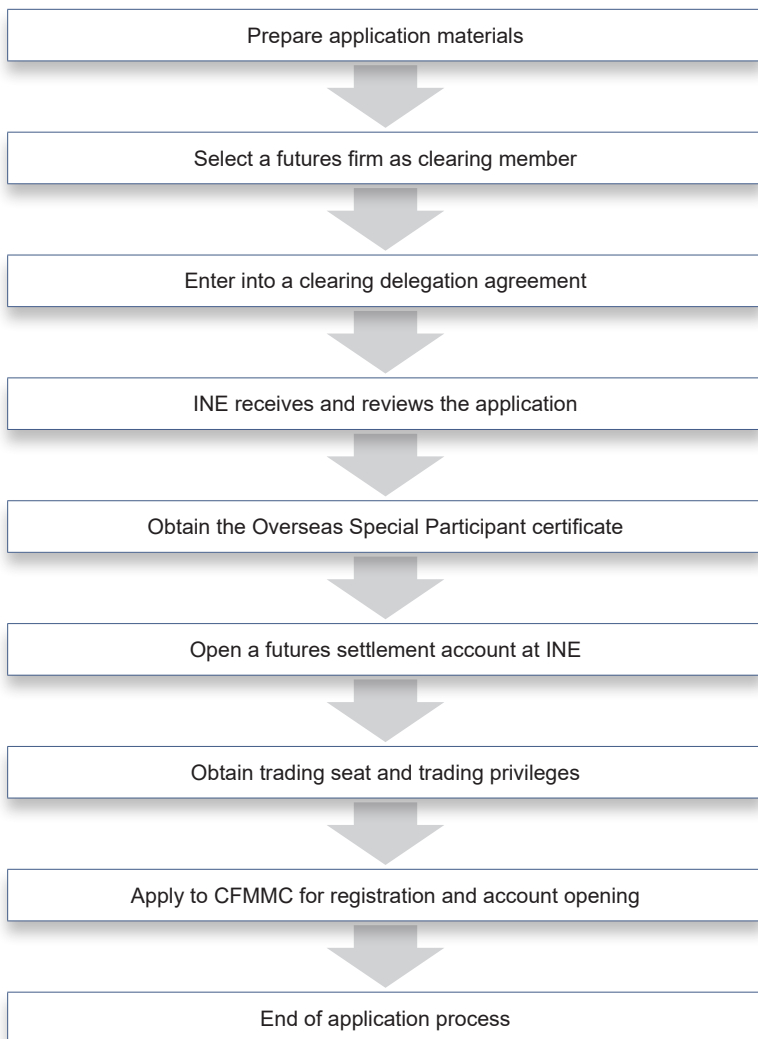
Qualification Application/Filing Process of OSPs and Overseas Intermediaries

1. Qualification Application Process for OSNBP

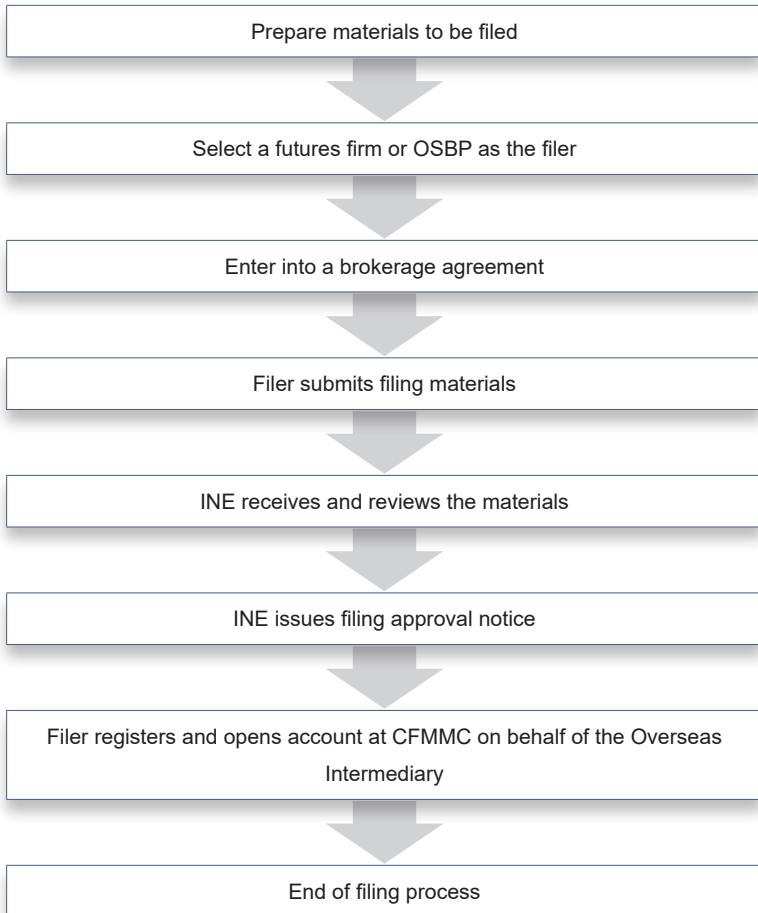




2. Qualification Application Process for OSBP



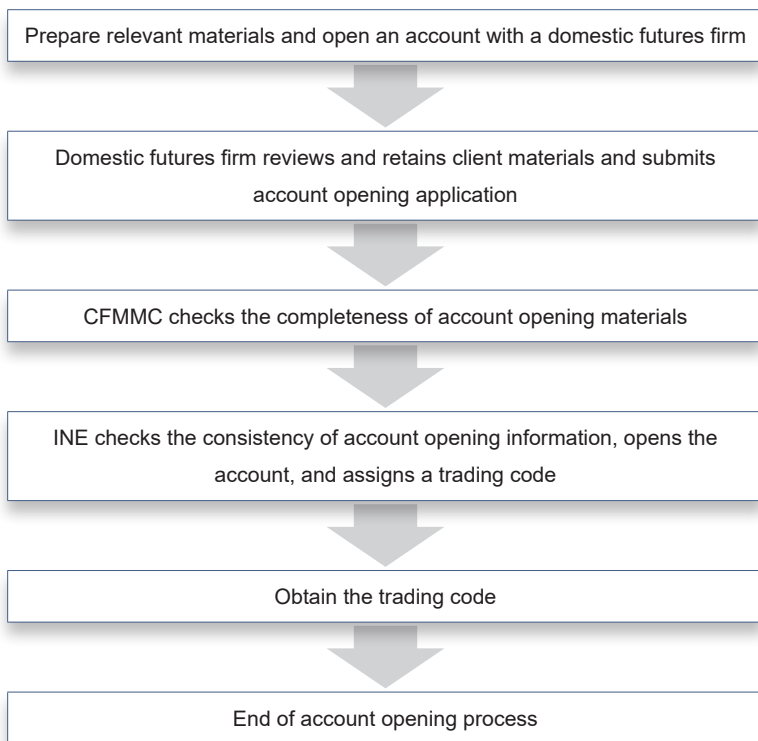
3. Filing Process for Overseas Intermediary



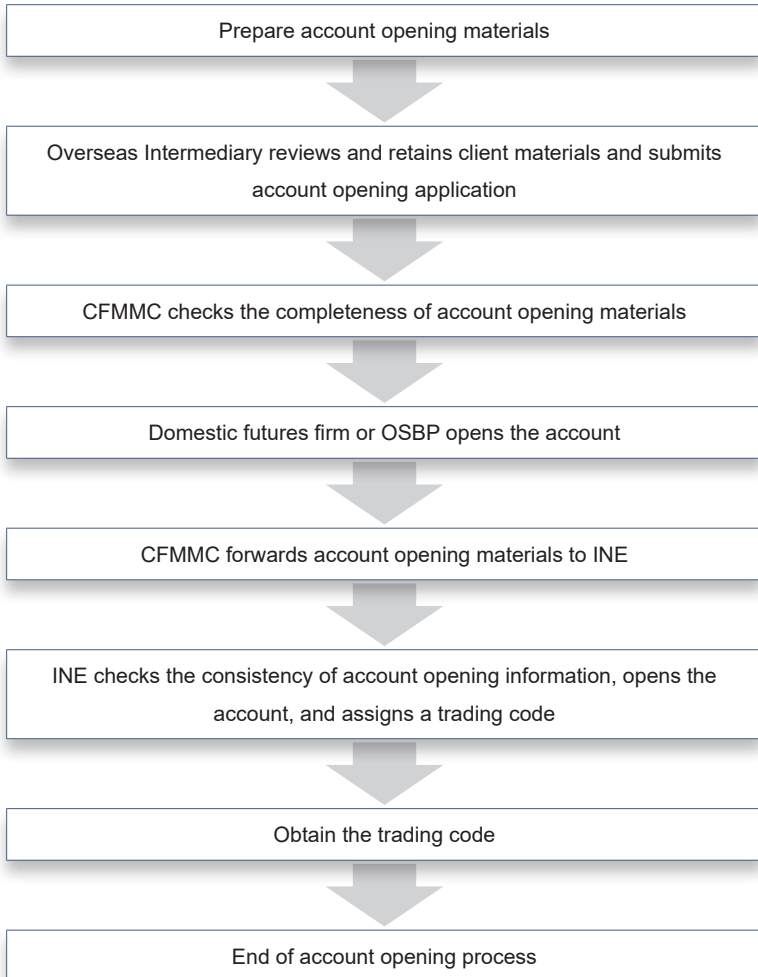


Account Opening Process for Overseas Clients

1. Directly through domestic futures firms

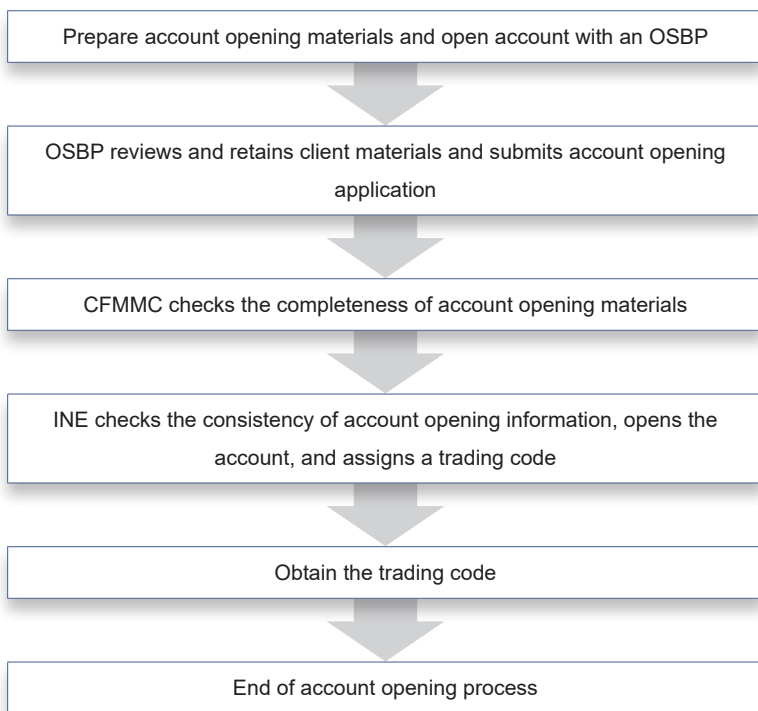


2. Through Overseas Intermediaries that have partnered with domestic futures firms or OSBPs

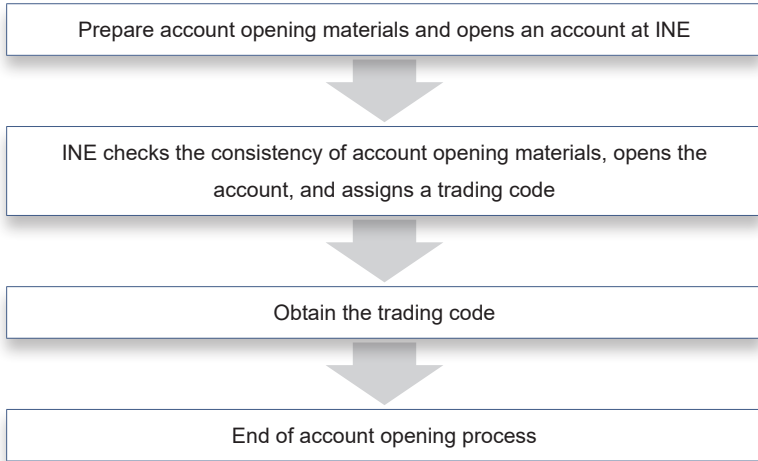




3. Through OSBPs



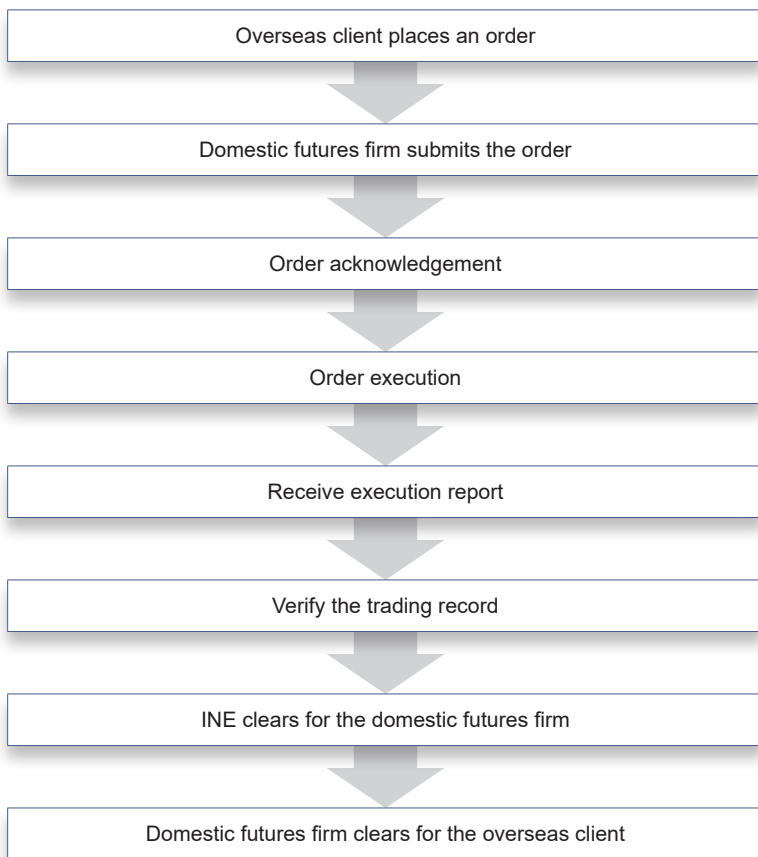
4. As OSNBP



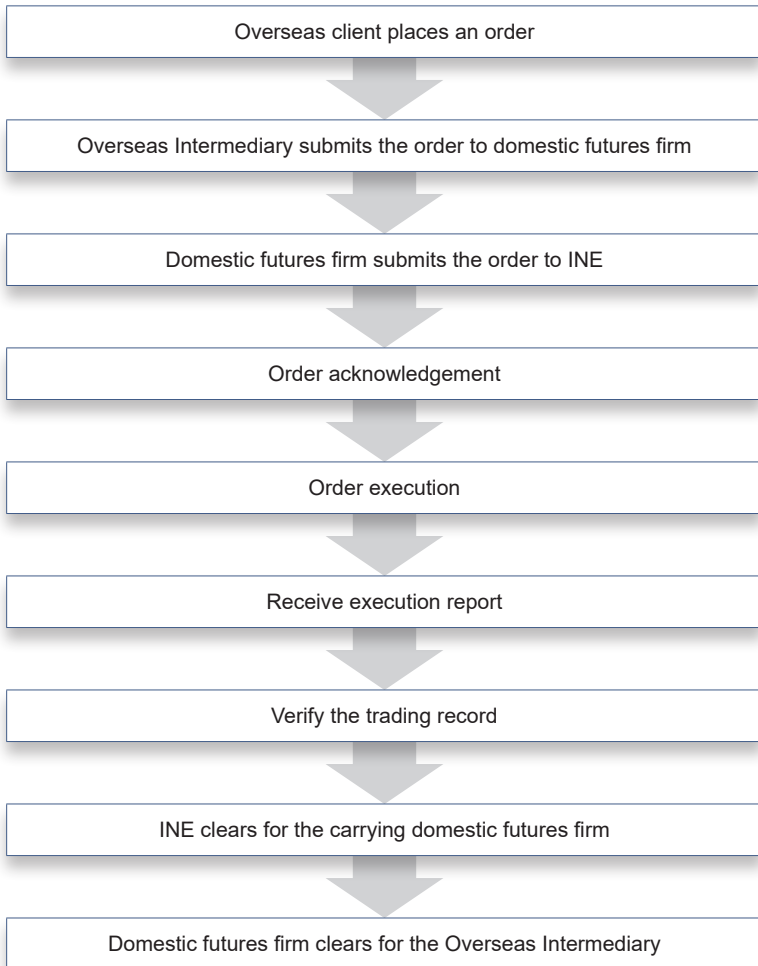


Trading and Clearing Process for Overseas Clients

1. Directly through domestic futures firms

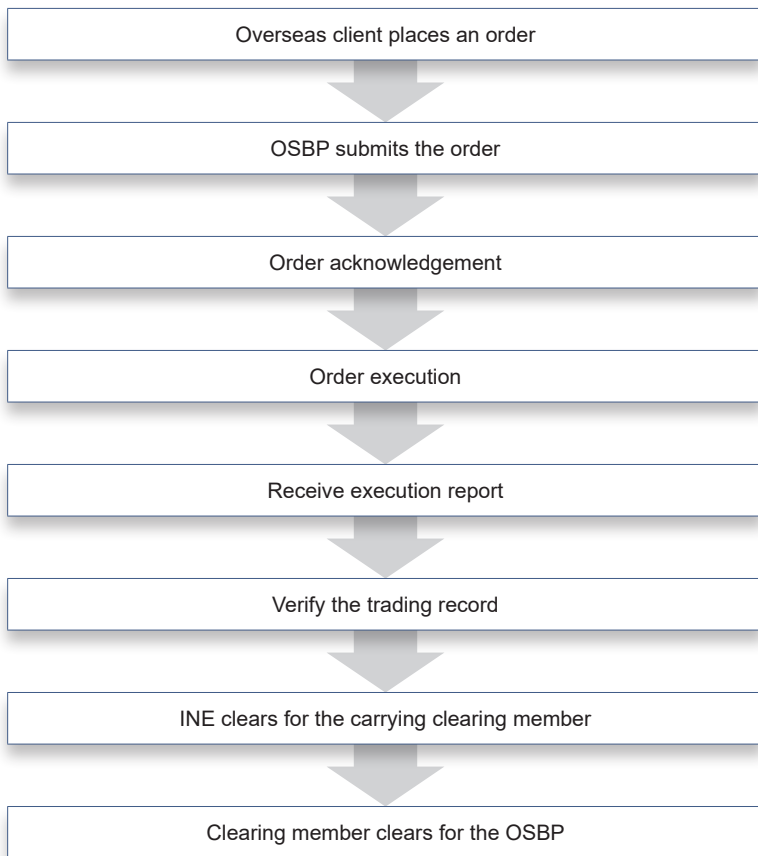


2. Through Overseas Intermediaries that have partnered with domestic futures firms or OSBPs

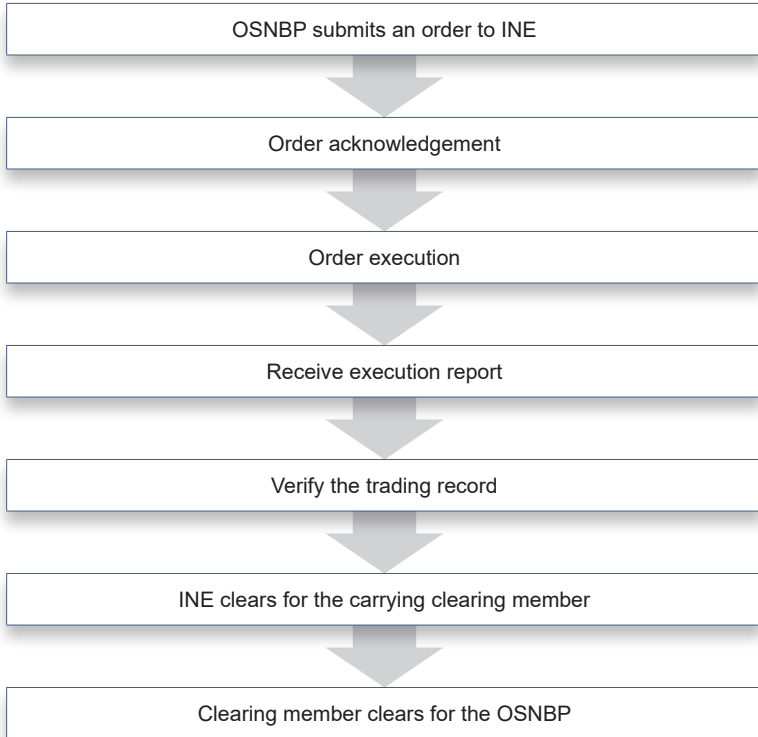




3. Through OSBPs



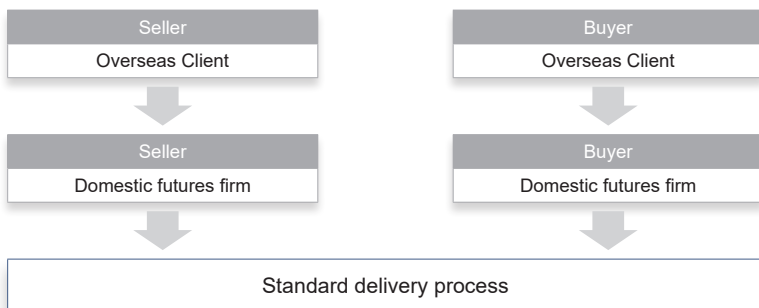
4. As OSNBPs



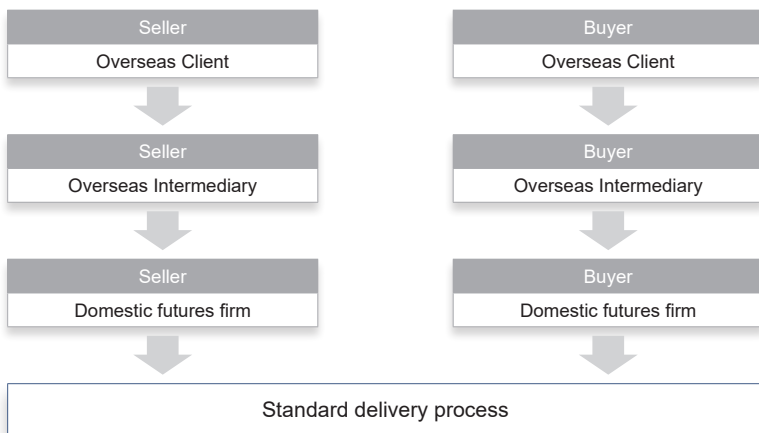


Delivery Process for Overseas Clients

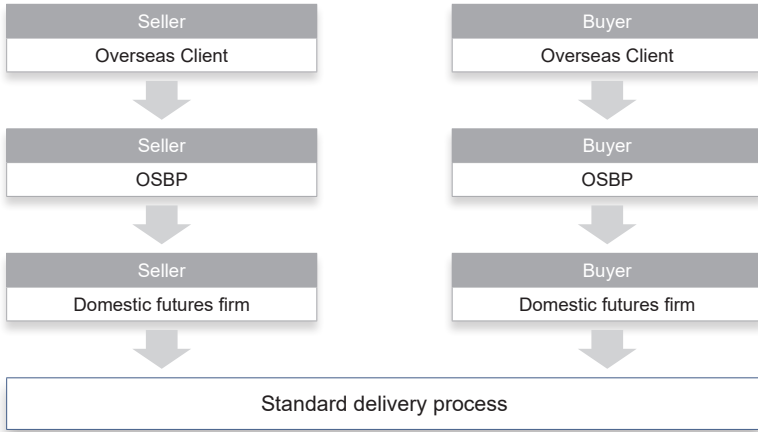
1. Directly through domestic futures firms



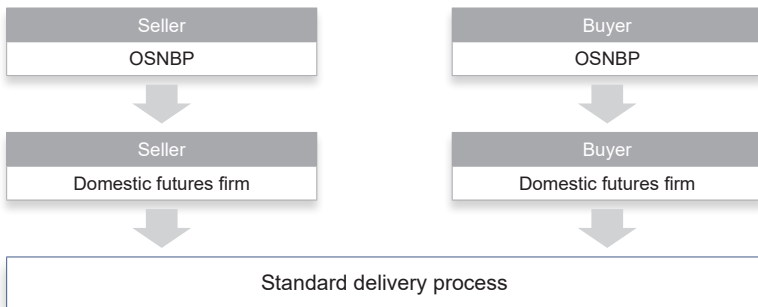
2. Through Overseas Intermediaries that have partnered with domestic futures firms or OSBPs



3. Through OSBPs



4. As OSNBPs





MAJOR FUTURE TRADING RULES

Risk Management Rules

1. Trading margin

Trading margin refers to the funds deposited by a Member into the dedicated settlement accounts of the Exchange for performance guarantee. It is the portion of margin already in use to maintain existing positions held by the Member. The minimum trading margin for a copper cathode futures contract is 5% of the contract value.

For a copper cathode futures contract, the Exchange sets different trading margin rates at different trading periods from its listing to its last trading day.

■ Trading margins for a copper cathode futures contract at different trading periods

Trading Period	Minimum Trading Margin as Percentage of Contract Value
As of listing	5%
As of the first trading day of the month before the delivery month	10%
As of the first trading day of the delivery month	15%
As of the second trading day before the last trading day	20%

If the trading margin of a contract needs to be adjusted, the Exchange will, at time of clearing on the trading day before the day when the adjusted value takes effect, settle all positions in the contract based on the new trading margin rate, and the relevant Member must ensure the new margin requirement is met before market opens on the next trading day.

Holders of short positions may use standard warrants as the performance bond for futures contracts, so long as they correspond to the same quantity of the same underlying asset. In this case, the trading margin requirement for these positions is waived.

2. Price limit

Price limit refers to the limit up or down price prescribed for a contract within each trading day. Orders with prices beyond this limit are invalid and will not be executed.

If a copper cathode futures contract is in a limit-locked market on a trading day (denoted as D1, whereas the previous trading day is D0 and the successive five (5) trading days after D1 are D2-D6), the price limit and trading margin for the contract on D2 are adjusted as follows:

(1) the price limit for D2 is increased by 3 percentage points on top of that for D1;

(2) the trading margin for D2 is increased by 2 percentage points on top of the price limit for D2. If the adjusted trading margin is lower than what was applied at the time of clearing on D0, the trading margin on D0 applies.

If D1 is the first trading day for a newly listed futures contract, the contract's trading margin on that day is treated as its trading margin at time of clearing on D0.

The price limit and trading margin for the futures contract mentioned above on D3 are to be adjusted as follows:

(1) If a same direction limit-locked market does not occur on D2, the price limit



and trading margin for D3 return to the normal level;

(2) If a reverse direction limit-locked market occurs on D2, a new round of a limit-locked market is triggered, i.e., D2 becomes D1 for the new round, and the trading margin and the price limit for the following trading day will be set according to Article 16 of the *Risk Management Rules of the Shanghai International Energy Exchange*; or

(3) If a same direction limit-locked market occurs on D2, the price limit for D3 is increased by 5 percentage points on top of the price limit for D1, and the trading margin is increased by 2 percentage points on top of the regular price limit for D3. If the adjusted trading margin is lower than what was applied at the time of clearing on D0, the trading margin on D0 applies.

In the event that a successive same direction limit-locked market of the futures contract mentioned above does not occur on D3, the price limit and trading margin for D4 will return to the normal level.

The occurrence of a reverse direction limit-locked market on D3 will trigger a new round of a limit-locked market, i.e., D3 becomes D1 for the new round, and the trading margin and the price limit for the following trading day are set according to Article 16 of the *INE Risk Management Rules*; or

If same direction limit-locked market continues to exist on D3, which means the market has been locked at the price limit for 3 consecutive trading days, the Exchange may, at the time of clearing on D3, suspend withdrawal of funds by some or all of its Members and take the following measures on D4:

(1) if D3 is the last trading day of the futures contract, the contract will move to the settlement and delivery phase on the next trading day;

(2) if D4 is the last trading day, the futures contract will continue to be traded on D4. The price limit and trading margin for D3 are extended to D4, and the contract will move to the settlement and delivery phase on the next trading day; or

(3) if neither D3 nor D4 is the last trading day, the Exchange may, after market close on D3, execute either of the two measures prescribed in Article 19 or 20 of

the *INE Risk Management Rules* according to the particular market conditions.

Article 19 of the *INE Risk Management Rules* provides that after market close on D3, the Exchange may, in its sole discretion, announce that the futures contract will continue to be traded on D4, and take one or more of the following measures:

- (1) adjusting the price limit, to a maximum of $\pm 20\%$ following this adjustment;
- (2) requiring additional trading margins from some or all of the Members and/or OSPs on either or both of the long or short positions at the same or different rates of trading margin;
- (3) suspending the opening of new positions by some or all of the Members and/or OSPs;
- (4) limiting the withdrawal of funds;
- (5) requiring the close-out of positions by a prescribed deadline;
- (6) exercising forced position liquidation; and/or
- (7) taking other measures the Exchange deems necessary.

If the Exchange implements the measures in the preceding paragraph, the trading of the contract mentioned above on D5 is to be conducted as follows:

- (1) if a same direction limit-locked market does not occur on D4, the price limit and trading margin for D5 will return to the normal level;
- (2) if a reverse direction limit-locked market occurs on D4, a new round of a limit-locked market is triggered, i.e., D4 becomes D1 for the new round, and the trading margin and the price limit for the following trading day are set according to Article 16 of the *INE Risk Management Rules*; or
- (3) if the same direction limit-locked market continues to exist on D4, which means the market has been locked at the price limit for 4 consecutive trading days, the Exchange may declare it as an abnormal condition and take risk control measures as provided in the applicable rules of the Exchange.

Article 20 of the *INE Risk Management Rules* provides that after market



close on D3, the Exchange may, in its sole discretion, announce its decision to suspend the futures contract mentioned above from trading on D4, and announce on D4 its decision to take either of the measures stipulated in Article 21 or 22 of the *INE Risk Management Rules* (referenced below).

Option 1: The Exchange may, according to Article 20 of the *INE Risk Management Rules*, announce that the trading of the contract will be extended to D5, and take one or more of the following measures:

- (1) adjusting the price limit, to a maximum of $\pm 20\%$ following adjustment;
- (2) requiring additional trading margins from some or all of the Members and/or OSPs on either or both of the long or short positions at the same or different rates of trading margin;
- (3) suspending the opening of new positions by some or all of the Members and/or OSPs;
- (4) limiting the withdrawal of funds;
- (5) requiring the close-out of positions by a prescribed deadline;
- (6) exercising forced position liquidation; and/or
- (7) taking other measures the Exchange deems necessary.

If the Exchange implements the measures in the preceding paragraph, the trading of the contract mentioned above on D6 is to be conducted as follows:

- (1) if a same direction limit-locked market does not occur on D5, the price limit and trading margin for D6 will return to the normal level;
- (2) if a reverse direction limit-locked market occurs on D5, a new round of a limit-locked market is triggered, i.e., D5 becomes D1 for the new round, and the trading margin and the price limit for the following trading day are set according to Article 16 of the *INE Risk Management Rules*; or
- (3) if the same direction limit-locked market continues to exist on D5, which means the market has been locked at the price limit for 5 consecutive trading days, the Exchange may declare it as an abnormal condition and take risk control measures as provided in the applicable rules of the Exchange.

Option 2: When performing a forced position reduction, the Exchange automatically matches all unfilled orders that are placed at the price limit by the close of D3 with the open positions held by traders (referring here and hereinafter to clients, Non-FF Members, and OSNBPs) who record profits on their net positions, in proportion to the positions held and at the price limit of D3. If a trader holds both long and short positions, these positions are netted before the remainder is matched with the remaining orders in the manner above.

3. Risk management measures for major price fluctuations

When the cumulative price movement (denoted as N) of a futures contract reaches (1) 7.5% or more over 3 consecutive trading days (denoted as D1-D3); (2) 9% or more over 4 consecutive trading days (denoted as D1-D4); or (3) 10.5% or more over 5 consecutive trading days (denoted as D1-D5), the Exchange may, in its sole discretion, take one or more of the following measures, provided the decision is reported to the CSRC before the implementation:

- (1) require additional trading margin from some or all of the Members and/or OSPs on either or both of the long or short positions at the same or different rates of trading margin;
- (2) limit the withdrawal of funds by some or all the Members;
- (3) suspend the opening of new positions for some or all of the Members and/or the OSPs;
- (4) adjust the price limit, but not more than $\pm 20\%$ following adjustment;
- (5) require the close-out of positions by a prescribed deadline;
- (6) exercise forced position liquidation; and/or
- (7) take other measures the Exchange deems necessary.



N is calculated according to the following formula:

$$N = \frac{P_t - P_0}{P_0} \times 100\%$$

where t = 3, 4, 5; P₀ is the settlement price of the trading day before D1; P_t is the settlement price of the trading day t, and t = 3, 4, 5; P₃ is the settlement price of D3; P₄ is the settlement price of D4; and P₅ is the settlement price of D5.

4. Position limit

Position limit means maximum position a Member, OSP, Overseas Intermediary, or client is permitted to hold.

A percentage-based position limit applies to FF Members, OSBPs and Overseas Intermediaries. Both a percentage-based and a fixed-amount position limit apply to Non-FF Members, OSNBPs, and clients.

■ Percentage-based and fixed-amount position limits for a copper cathode futures contract at different trading periods

	From the Day of Listing to the Delivery Month		From the Day of Listing to the Last Trading Day of the Third Month Before the Delivery Month			The Month Before the Delivery Month		The Delivery Month	
	Open Interest in a Contract (lots)	Position Limit Proportion (%)	Open Interest (lots)	Position Limit Proportion and Position Limit (% & lots)		Position Limit (lots)		Position Limit (lots)	
		FF Member, OSBP, Overseas Intermediary		Non-FF Member, OSNBP	Client	Non-FF Member, OSNBP	Client	Non-FF Member, OSNBP	Client
Copper Cathode Futures	≥ 70,000	25	≥ 70,000	10	10	3,500	3,500	700	700
			< 70,000	7,000	7,000				

Note: Open interest and position limits are counted by either long or short positions.

5. Large trader position reporting

A Member, an OSP or a client whose general positions in a futures contract have reached the general position limit set by the Exchange, or an Overseas Intermediary whose general positions in a futures contract have reached 60% of the general position limit, must voluntarily file a large trader position report with the Exchange by 3:00 p.m. of the following trading day.

The Exchange may, in its sole discretion, require specific Members, OSPs, Overseas Intermediaries or clients to submit large trader position reports or other supporting materials, and may examine the above-mentioned documents from time to time.

6. Forced position liquidation

The Exchange will perform forced position liquidation, if:

- (1) the clearing deposit balance of a Member recorded on any of the internal ledgers at the Exchange, whether they are for the Member's own clients or for whom it has been authorized to clear trades, falls below 0, and the Member fails to meet the margin requirement within the specified time limit;
- (2) the open positions of a Non-FF Member, an OSNBP or a client exceed the applicable position limit;
- (3) a Non-FF Member, an OSNBP or a client fails to bring its open positions in a futures contract to the required multiples of a designated unit size within the specified time limit, or is not qualified to make or take delivery for expired contracts it holds;
- (4) a violation of INE rules occurs that warrants a forced position liquidation;
- (5) any emergency occurs that warrants a forced position liquidation; or
- (6) any other condition exists that makes the forced position liquidation necessary.



7. Risk warning

The Exchange issues risk warning. The Exchange may, if it believes it to be necessary, take one or a combination of the following measures to warn against and resolve risks: (1) requesting an explanation from market participants with respect to a specific situation; (2) conducting an interview to give a verbal alert; (3) issuing a risk warning letter; (4) giving a reprimand; (5) issuing a risk warning notice to the public; and/or (6) taking other measures deemed necessary by the Exchange.

8. After market close on the third trading day before the last trading day of a copper cathode futures contract, positions held by individual clients who are not able to issue or accept tax invoices during delivery must be closed out completely. From the second trading day before the last trading day on, the positions held by such clients will be subject to forced position liquidation by the Exchange.

Hedging Rules

Hedging is a risk avoidance strategy wherein a trader buys (or sells) futures contracts whose underlying asset is of identical type and quantity to the commodities to be sold (or bought) in the spot market, so that losses suffered in one market will be mostly offset by the gains made in the other market regardless of the direction of price movement in the spot market.

For hedging and arbitrage positions in a copper cathode futures contract, the regular months are the period from the listing day of the contract to the last trading day of the second month before the delivery month; the nearby delivery months are the month before the delivery month and the delivery month.

Establishing hedging positions in a copper cathode futures contract requires prior approval by the Exchange. To do this, clients should apply to their account opening institutions, who, after reviewing the application materials, will duly apply to the Exchange. Non-FF Members and OSNBPs should directly apply to the Exchange.

1. Materials required from clients applying for hedging quota for regular months

A Non-FF Member, an OSNBP or a client needs to submit the following materials to apply for a hedging quota for regular months:

- (i) an Application (Approval) Form of Hedging Quota for Regular Months, including applicant's basic information, the contracts concerned, the requested hedging quota for regular months, and other relevant information;
- (ii) a copy of the business license, a certificate of incorporation, or other documents which may certify the applicant's business scope;
- (iii) business performance in physical commodities in the previous year or the latest audited annual financial report;
- (iv) the business plan for physical commodities for the current year or the following year, and any purchase and sale contracts or other valid documentations relevant to the hedging application;



(v) the hedging strategy, including analyses of the source of risks and hedging objectives;

(vi) hedging management rules, if the applicant is a Non-FF Member or an OSNBP; and

(vii) other materials required by the Exchange.

A Non-FF Member, an OSNBP or a client may apply for hedging quota for regular months for more than one contract at a time.

2. Materials required from clients applying for hedging quota for nearby delivery months

A Non-FF Member, an OSNBP or a client needs to submit the following materials to apply for a hedging quota for nearby delivery months:

(i) an Application (Approval) Form of Hedging Quota for Nearby Delivery Months, including the applicant's basic information, the contracts concerned, the requested hedging quota for nearby delivery months, and other relevant information;

(ii) a copy of business license, a certificate of incorporation, or other documents which may certify the applicant's business scope;

(iii) relevant materials which can prove that the hedging needs are genuine, including the production plan for the current year or the previous year, warrants for physical commodities, processing orders, purchase and sale contracts, purchase and sale tax invoices, or other valid certificates of the ownership of physical commodities corresponding to the requested quota;

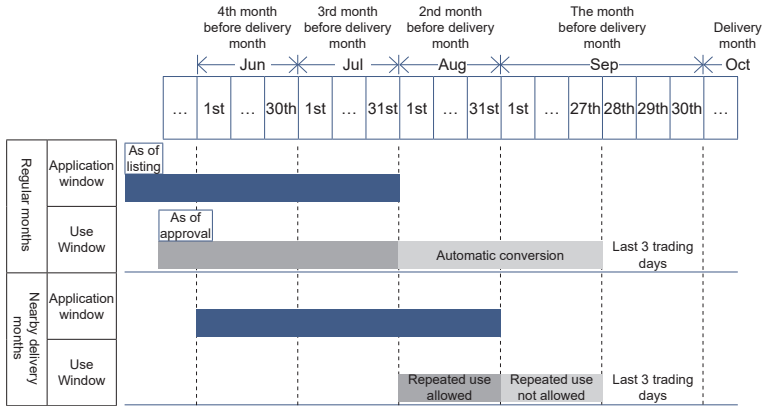
(iv) hedging management rules, if the applicant is a Non-FF Member or an OSNBP; and

(v) other materials required by the Exchange.

If the above materials had been submitted to the Exchange previously and there has been no change thereafter, there is no need to re-submit them.

3. Application and use windows for hedging quota:

Using BC2110 contract as an example:



Note: For those who fail to apply for the hedging quota for nearby delivery months as those months approach, the Exchange will automatically convert it into hedging quota for nearby delivery months at the lower of (i) the granted hedging quota for regular months and (ii) the general position limit of the listed product in nearby delivery months.



4. Examples of hedging in copper cathode futures

Example of short hedge:

With the development of the commodity material market, copper cathode price is becoming more market-driven and volatile. Traders and smelters that supply refined copper to the market – seeking to maintain a reasonable profit margin on the products they have produced or plan to produce, prevent losses from large price fluctuations, and ensure the continuity of production and operation – may reduce price risk by taking a short position in the corresponding futures product such that it would cover the exposure in the spot market. In other words, they can first sell, in the futures market, a corresponding amount of the product that they plan to hedge, and then, at time of sale of the spot product, take a long position on the futures product to close out their position.

Here is an example: a cross-border copper trader learned in February that the price of copper cathode is ¥49,000 per metric ton, which it believed to be quite favorable, and stocked up accordingly for future sale. But the trader is also worried that an oversupply in the spot market would drive down the copper cathode price and lead to significant losses. To avoid the risk of falling prices, the trader decides to take a short hedge in copper cathode futures on INE. This hedge and the resulting gains or losses are illustrated below:

	Spot Market	Futures Market	Basis
February 1	Price of copper: ¥48,000/metric ton	50 lots of March bonded copper futures contract sold at ¥ 49,000/metric ton	-¥1,000/metric ton
March 1	250 metric tons sold at ¥39,000/metric ton	50 lots of March bonded copper futures contract bought at ¥40,000/metric ton	-¥1,000/metric ton
Hedging Result	- ¥9,000/metric ton	+ ¥9,000/metric ton	
Net gain or loss: 0			

While the adverse price movement of ¥ 9,000 per metric ton in the spot market incurs a loss of ¥2,250,000 to the trader, a gain by the same amount in the futures market has offset that, thereby eliminating the negative effect from the price change.

Example of long hedge:

For copper cathode consumers such as power companies, air-conditioning and refrigeration companies, and car manufacturers, a surge in copper price at time of purchase will push up their production cost and threaten annual financial targets. To prevent this, at time of developing the production plan, they can take a long hedge to manage this price risk. Specifically, they can first establish a virtual copper inventory by longing a corresponding number of copper cathode futures contracts, and then at the time of actual purchase of the spot copper, sell the futures contracts to close out their position.

Here is a concrete example: Through a supply contract concluded on March 1, an overseas manufacturer has agreed to produce and deliver a shipment of electrical appliances to a distributor in June. The contract stipulated a fixed price for the shipment, determined based on the bonded copper futures price of ¥45,000 per metric ton then prevailing on INE. At the time of contract execution, the manufacturer had not actually purchased the copper needed to produce those appliances. To lock in the profit in the supply contract and mitigate price risks, it decides to enter into a bonded copper futures trade on INE. The details of this trade are given below:

	Spot Market	Futures Market	Basis
March 1	Price of copper cathode: ¥45,000/metric ton	50 lots of July bonded copper futures contract bought at ¥46,000/metric ton	-¥1000/ metric ton
June 25	250 metric tons bought at ¥50,000/metric ton	50 lots of July bonded copper futures contract sold at ¥51,000 /metric ton	-¥1000/ metric ton
Hedging Result	- ¥5,000/metric ton (potential loss)	+ ¥5,000/metric ton	
Net gain or loss: 0			

While the adverse price movement in the spot market incurs a loss of ¥1,250,000 to the manufacturer, a gain by the same amount in the futures market has offset that, thereby eliminating the negative effect from the price change.



Clearing Rules

1. Day-to-day clearing

The Exchange implements daily mark-to-market.

If, after the completion of daily clearing, the clearing deposit balance of a Member on any internal ledger of the Exchange is lower than the prescribed minimum requirement, this clearing result will work as the Exchange's margin call to the Member, and the gap between the two amounts is the amount of additional funds required by the margin call.

Following the margin call, the Exchange may instruct the relevant Designated Depository Bank to transfer the required amount from the Member's dedicated fund account to the Exchange's dedicated settlement account. If a deficiency still exists, the Member must make up the shortfall before market open on the next trading day, or the following rules will apply:

(1) If the clearing deposit balance of the Member on any internal ledger of the Exchange is non-negative, the corresponding Member or OSP may not open any new position;

(2) If the clearing deposit balance of the Member on any internal ledger of the Exchange is negative, the Exchange will perform forced position liquidation or take other measures according to the INE Risk Management Rules.

After the completion of daily clearing, the RMB funds balance of the clearing deposit of a Member on any internal ledger of the Exchange may not be lower than the minimum clearing deposit required, or the Exchange may debit a corresponding amount of RMB funds from the Member's dedicated fund account. If a deficiency still exists, the Member must make up the shortfall before market open on the next trading day. If the Member fails to do so, the Exchange may perform forced foreign exchange by unilaterally exchanging the Member's foreign currency funds in its dedicated fund account or in the Exchange's dedicated settlement account into renminbi.

2. Assets pledged as margin

Non-FF Members, OSNBPs, and clients may, subject to the Exchange's approval, use standard warrants, foreign currency funds and other assets as margin.

The Clearing House of the Exchange is responsible for managing margin collaterals. The cutoff time for submitting a deposit or withdrawal application is 3:00 p.m. each trading day, which may be postponed by the Exchange under special circumstances.

Margin collaterals are limited to the following assets:

- (1) standard warrants;
- (2) foreign currencies (type of currencies, haircut, and scope of application are prescribed by the Exchange separately); and
- (3) other assets approved by the Exchange.

A Non-FF Member or an OSNBP needs to submit an application to the Exchange to use assets as margin. A client should delegate its carrying FF Member, OSBP, or Overseas Intermediary to apply to the Exchange and complete relevant procedures.

Upon receiving the application, the Exchange will verify the collaterals and credit the corresponding amount of margin.

The value of the margin collateral is calculated as follows:

- (1) For standard warrants used as margin collateral, the settlement price of the day for the front-month futures contract of the underlying product is used as the benchmark price for calculating the market value of the standard warrants. Before market close, the market value is tentatively calculated based on the benchmark price of the previous trading day. Standard warrants are subject to a minimum 20% haircut when posted as margin.
- (2) The benchmark price for other margin collaterals is as determined by the Exchange.



The term “discounted value” means the after-haircut value of the margin collaterals. During the daily clearing, the Exchange updates the benchmark prices of the day according to the aforementioned methodology, and then adjusts the discounted values of margin collaterals accordingly.

Delivery Rules

Copper cathode futures contract adopts physical delivery, bonded delivery, and warehouse delivery.

Brand management

The deliverables of copper cathode futures contract are subject to commodity registration. The registration rules will be separately announced by INE. Copper cathodes to be delivered through INE should be of a brand registered with INE or registered with the Shanghai Futures Exchange and approved by INE.

Delivery unit

The delivery unit of a copper cathode futures contract is 25 metric tons. Delivery should be made in integral multiple(s) of the delivery unit. Each standard warrant corresponds to 25 metric tons of copper cathode; maximum tolerance is $\pm 2\%$ and maximum weight difference is $\pm 0.1\%$.

Load-in application

Before applying for creation of standard warrants, an owner should first submit a load-in application to the Exchange. For copper cathode, the load-in application should specify the product, grade, trademark, quantity, name of the owner, proposed load-in date, and the intended Designated Delivery Storage Facility.

At time of creation of bonded standard warrants during load-in, the following documents should be submitted to the Exchange for verification: certificate of quality, certificate of origin, the (original) inspection certificate issued by a Designated Inspection Agency, customs import and export documents (such as customs declaration for exports and import goods manifest), and other relevant documents. If there is any change to national policies in this regard, then that change will take precedent and the Exchange will update the documentation requirements for imported and exported goods through a separate announcement.

Packing requirements

The copper cathodes underlying each bonded standard warrant must consist of products of the same manufacturer, registered brand, quality grade, and shape, and secured into bundles of similar weight. The manufacturer may decide the weight of each bundle, provided that the bundles can be readily combined into a lot or delivery unit. Copper cathodes should be tightened into bundles with rust-resistant steel straps applied in a “#” pattern, or with other methods of comparable strength using steel straps. The strapping should be reliable and each bundle should bear a prominent and secure product and bundle weight labels. Each bundle may not exceed 4 metric tons.

If the products arrive at the warehouse with broken steel straps, severely rusted or corroded bundling materials, or loose bundles, the products should be repackaged and securely tightened with the specified steel straps before they are delivered. All repackaging costs are borne by the owner.

Quality disputes

After a physical delivery is completed, if the buyer disputes the quality or quantity of the product delivered (any copper cathodes in dispute should remain in the Designated Delivery Storage Facility), the buyer needs to submit a written objection to the Exchange on or before the 15th day of the month following the delivery month (in case that day falls on a public holiday or weekend, the date



is postponed to the first business day thereafter), accompanied by the quality inspection results issued by a Designated Inspection Agency. If no objection is submitted by this day, the buyer is considered as having no objection over the delivered product and no further submission will be accepted.

The delivery payment for bonded standard warrants of copper cathode is calculated as:

Payment for delivery against expired contracts = (bonded final settlement price + delivery premiums and discounts) × delivery quantity

Payment for EFP delivery = (EFP bonded final settlement price + delivery premiums and discounts) × delivery quantity

Tax invoice requirements and management with respect to copper cathode futures contracts will be separately announced by the Exchange. Tax invoice-related processes are governed by Chapter 2 of the INE Delivery Rules.

Final settlement price

The final settlement price is the benchmark price for the delivery settlement of commodities. In the case of a copper cathode futures contract, it is equal to the settlement price of that contract on the last trading day. At delivery settlement, the buyer and the seller should settle based on this final settlement price as further adjusted by the premiums or discounts of the delivery.

(1) The bonded final settlement price is the basis for calculating and assessing the dutiable value of copper cathodes at customs declaration by the holder of a copper cathode bonded standard warrant. The formula for the bonded final settlement price of an expired contract is:

Bonded final settlement price = final settlement price.

(2) When a bonded standard warrant is used in an exchange of futures for physicals (EFP), the formula for the EFP bonded final settlement price is:

EFP bonded final settlement price = Settlement price of the trading day before the EFP application day of the first-nearby contract.

The delivery payment for bonded standard warrants of copper cathode is calculated as:

Payment for delivery against expired contracts = (bonded final settlement price + delivery premiums and discounts) × delivery quantity

Payment for EFP delivery = (EFP bonded final settlement price + delivery premiums and discounts) × delivery quantity

Tax invoice requirements and management with respect to copper cathode futures contracts will be separately announced by the Exchange. Tax invoice-related processes are governed by Chapter 2 of the INE Delivery Rules.

Delivery Fees

The buyer and the seller involved in a physical delivery need to each pay a delivery fee at the rate of 2 yuan/metric ton to the Exchange. From the date of listing to January 8, 2021, the delivery fee is temporarily waived.

Overseas clients' participation in physical delivery

Clients, OSPs who clear through Members, and Overseas Intermediaries who trade and clear through Members (the aforementioned clients, OSPs and Overseas Intermediaries are collectively referred to as "Clearing Delivery Principals") need to perform the physical delivery through their carrying Members at the Exchange.

The clients of OSBPs and Overseas Intermediaries should perform the physical delivery through their carrying OSBPs and Overseas Intermediaries.

Unless otherwise prescribed by the Exchange, clients who cannot issue or accept the tax invoices prescribed by the Exchange may not participate in physical delivery.



Exchange of futures for physicals

Exchange of futures for physicals, or EFP, is the process where the buyers and the sellers who hold opposite positions in a futures contract expiring in the same month agree to, subject to the approval of the Exchange, tender a notice to have their respective positions in such contract closed out by the Exchange at the price prescribed by the Exchange, and transfer, from the seller to the buyer at the price mutually agreed upon, warrants of the same quantity and the same or similar type of underlying commodity as the futures contract.

The EFP application period is from the listing day of a futures contract to the second trading day (inclusive) before the last trading day of the contract.

After the buyers and the sellers who hold opposite positions in a futures contract expiring in the same month reach an agreement, either party may submit the EFP application to the Exchange via the Standard Warrant Management System before 2:00 p.m. of any trading day (the application day) within the EFP application period, and perform the EFP upon the approval of the Exchange.

A Clearing Delivery Principal that conducts EFPs through the Exchange using standard warrants should follow the following procedures:

- (1) The Clearing Delivery Principal for the seller's carrying Member authorizes the Member to use the standard warrants for the EFP.
- (2) The Member submits the standard warrants to the Exchange within the prescribed time.
- (3) The Exchange allocates the standard warrants to the buyer's carrying Member.
- (4) After the buyer's Member makes payment, the Exchange releases the standard warrants that have been allocated to that Member, and transfers the payment to the seller's carrying Member.
- (5) The buyer's Member allocates the standard warrants to the Clearing Delivery Principal.

A buyer's Member should allocate the standard warrants to the Clearing

Delivery Principal within 3 business days after it receive them. An OSBP or Overseas Intermediary should agree with the Member on the timeframe for this allocation, and then allocates the standard warrants to its client within 3 business days after it receives them. If the buyer's Member or OSBP is not able to make such allocation within the prescribed time, it should promptly report the reasons for this delay to the Exchange.

For an EFP that is settled through the Exchange using standard warrants, the trading margin is calculated based on the settlement price of the corresponding delivery month contract for the trading day before the EFP application day. The exchange of payment and standard warrants should be completed through the Exchange within the trading day following the application day, unless otherwise prescribed by the Exchange.

For an EFP that is settled through the Exchange using standard warrants, the seller should submit the tax invoice to the Exchange within 5 trading days after the exchange of payment and standard warrants. If the seller submits the tax invoice before 2:00 p.m., the Exchange will, after verifying the tax invoice, unfreeze the corresponding margin during the time of clearing on the same day. If the seller does so after 2:00 p.m., the Exchange unfreezes the margin during the time of clearing on the next trading day. After receiving the tax invoice from the seller, the Exchange will issue a tax invoice to the buyer on the next trading day. If the seller fails to submit the tax invoice within the specified time, the situation will be handled in accordance with the *INE Clearing Rules*.

If non-standard warrants are used for an EFP, the buyer and the seller should abide by relevant laws and regulations, and submit the relevant sale and purchase agreement, the non-standard warrants, and other materials as required. The payment for the underlying commodities, the non-standard warrants, and the tax invoice should be transferred directly between the buyer and the seller. In a delivery with non-standard warrants, quality dispute must be resolved by the relevant Members, OSPs, and Overseas Intermediaries themselves; the Exchange does not provide any guarantee for performance of delivery.



STANDARD CONTRACT

BC Contract Specifications

■ Copper Cathode Futures Contract of Shanghai International Energy Exchange

Product	Copper cathode
Contract Size	5 metric tons (MT)/lot
Price Quotation	Yuan (RMB) /MT (exclusive of tax and customs duty)
Minimum Price Fluctuation	10 Yuan/metric ton
Daily Price Limit	Within $\pm 3\%$ of the settlement price of the preceding trading day
Listed Contracts	Monthly contracts of the most recent 12 months
Trading Hours	9:00–11:30 a.m., 1:30–3:00 p.m. (Beijing Standard Time), and other trading hours prescribed by INE
Last Trading Day	The fifteenth day of the delivery month (postponed accordingly if it is a national holiday or weekend. INE reserves the right to adjust the last trading day based on national holidays and weekends.)
Delivery Period	Five consecutive trading days after the last trading day
Grades and Quality Specifications	Copper cathodes meeting the standards for Grade A copper (Cu-CATH-1) under GB/T 467-2010 or Cu-CATH-1 under BS EN 1978:1998.
Delivery Venue	Delivery venue designated by INE
Minimum Trading Margin	5% of contract value
Settlement Type	Physical delivery
Product Symbol	BC
Listing Exchange	Shanghai International Energy Exchange (INE)

Appendix to BC Contract

I. Delivery Unit

The delivery unit of a copper cathode futures contract is 25 metric tons. Delivery should be made in integral multiple(s) of the delivery unit.

II. Quality Standards

1. Copper cathodes to be delivered shall meet the quality standards for Grade A copper (CU-CATH-1) under GB/T 467-2010 or CU-CATH-1 under BS EN 1978:1998.

2. Shape and weight. Deliverable copper cathodes should be plate-shaped. Each copper cathode plate should weigh no less than 15 kg, and measure no less than 5 mm at the centerline.

3. Maximum tolerance is $\pm 2\%$ and maximum weight difference is $\pm 0.1\%$ for each standard warrant.

4. Copper cathodes underlying each standard warrant should consist of products of the same manufacturer, designation, registered trademark, quality grade, and shape, and secured into bundles of similar weight.

5. Copper cathodes underlying each standard warrant should be of a brand registered with the Shanghai International Energy Exchange (INE) or registered with the Shanghai Futures Exchange (SHFE) and approved by INE, and should be accompanied by a certificate of quality.

6. Standard warrants will be issued by the Designated Delivery Storage Facilities of INE after the commodities pass the required inspections.



III.Manufacturers and Registered Brands Certified by the Exchange

Copper cathodes to be used in physical delivery should be of a brand registered with INE or registered with SHFE and approved by INE. Registered brands and rates of brand premiums and discounts will be separately announced by INE.

IV.Designated Delivery Storage Facilities

Designated Delivery Storage Facilities and delivery premiums and discounts will be separately announced by INE.

APPENDIX

Deliverables of Bonded Copper Futures

- List of Deliverable Brands for Bonded Copper Cathodes Futures of Shanghai International Energy Exchange

No.	Country	Producer	Origin	Brand	Grade/Specification	Premium / Discount	Dimension (mm)	Bundle Weight (kg)	Bundle / Lot
1	China	Jiangxi Copper Company Limited	Guixi, Jiangxi	Guiye	Grade A Copper (conventional electrolysis)	Flat	1,020*1,010*16	2,500	10
				Jianglong (Guixi / ISA)	Grade A Copper (ISA)	Flat	1,020*1,010*7.5	2,500	10
3	China	Tongling Nonferrous Metals Group Co., Ltd.	Tongling, Anhui	TG-JG (Tongling / KIDD)	Grade A Copper (KIDD)	Flat	1,060*1,030*16	2,780	9
4	China	Yunnan Copper Co., Ltd.	Kunming, Yunnan	Tiefeng (Kunming / conventional electrolysis)	Grade A Copper (conventional electrolysis)	Flat	890*850*8	2,500	10
				Tiefeng (Kunming / ISA)	Grade A Copper (ISA)	Flat	913*903*7	2,500	10
5	China	Daye Nonferrous Metals Co., Ltd.	Huangshi, Hubei	Dajiang (Huangshi / conventional electrolytic small plate)	Grade A Copper (conventional electrolysis)	Flat	810*780*13	2,100	12
				Dajiang (Huangshi / conventional electrolytic large plate)	Grade A Copper (conventional electrolysis)	Flat	1,030*1,000*18	2,500	10
				Dajiang (Huangshi / ISA)	Grade A Copper (KIDD)	Flat	1,025*1,025*18	2,500	10



No.	Country	Producer	Origin	Brand	Grade/Specification	Premium / Discount	Dimension (mm)	Bundle Weight (kg)	Bundle / Lot
6	China	Baiyin Nonferrous Group Co., Ltd.	Baiyin, Gansu	Honglu	Grade A Copper (conventional electrolysis)	Flat	1,025*990*13	2,500	10
7	China	Jinchuan Group Co., Ltd.	Jinchuan, Gansu	JNMC	Grade A Copper (conventional electrolysis)	Flat	1,030*1,000*15	2,500	10
8	China	Northern Copper Industry Co., Ltd.	Yuanqui, Shanxi	Zhongtiaoashan	Grade A Copper (conventional electrolysis)	Flat	900*740*10	2,080	12
							900*740*10	2,500	10
9	China	Jinlong Copper Co., Ltd.	Tongling, Anhui	Jintun	Grade A Copper (conventional electrolysis)	Flat	1,035*1,015*8-13	2,500	10
							1,060*1,030*10	2,500	10
10	China	Zhangjiagang Union Copper Co., Ltd.	Zhangjiagang, Jiangsu	Tongguan (Zhangjiagang / conventional electrolysis)	Grade A Copper (Zhangjiagang / conventional electrolysis)	Flat	1,000*740*14	2,500	10
11	China	Shandong Jinsheng Non-Ferrous Group Co., Ltd.	Linyi, Shandong	Yimeng	Grade A Copper (conventional electrolysis)	Flat	900*780*12.5	2,480	10
12	China	Dongying Fangyuan Nonferrous Metals Co., Ltd.	Dongying, Shandong	Lufang	Grade A Copper (conventional electrolysis)	Flat	1,020*810*10-12	2,500	10

No.	Country	Producer	Origin	Brand	Grade/Specification	Premium / Discount	Dimension (mm)	Bundle Weight (kg)	Bundle / Lot
14	China	Yanggu Xiangguang Copper Co., Ltd.	Yanggu, Shandong	Xiangguang	Grade A Copper (ISA)	Flat	1,030*1,010*7	2,500	10
				Xiangguang	Grade A Copper (KIDD)	Flat	1,030*1,010*7	2,500	10
15	China	Dawufeng Jianchang Copper Industry Limited Company	Baoding, Hebei	Changda	Grade A Copper (conventional electrolysis)	Flat	910*935*10	2,500	10
16	China	Zijin Copper Co., Ltd.	Shanghai, Fujian	Zijin	Grade A Copper (KIDD)	Flat	1,010*1,030*8	2,500	10
17	China	Jiangxi Copper (Qingyuan) Co., Ltd.	Qingyuan, Guangdong	Jiangtong (Qingyuan / conventional electrolysis)	Grade A Copper (conventional electrolysis)	Flat	1,030*1,000*10	2,500	10
18	China	Guangxi Jinchuan Nonferrous Metals Co., Ltd.	Fangchenggang, Guangxi	JNMC (Fangchenggang / KIDD)	Grade A Copper (KIDD)	Flat	1,030*1,010*10	2,500	10
19	China	Henan Yuguang Gold & Lead Co., Ltd.	Jiyuan, Henan	YG	Grade A Copper (KIDD)	Flat	1,040*1,020*12	2,500	10
20	China	Henan Zhongyuan Gold Smelter LLC	Sanmenxia, Henan	ZJZY	Grade A Copper (KIDD)	Flat	1,040*1,020*8	2,500	10
21	China	Zhejiang Jiangtong Fuyue Heding Copper Co., Ltd.	Fuyang, Zhejiang	Jinfeng	Grade A Copper (KIDD)	Flat	1,045*1,025*14	2,500	10
22	China	Xinjiang Wuxin Copper Industry Co., Ltd.	Changji, Xinjiang	Tianfu	Grade A Copper (conventional electrolysis)	Flat	1,000*1,000*13	2,500	10
23	China	Yunnan Tin Company Ltd.	Honghe, Yunnan	YT	Grade A Copper (conventional electrolysis)	Flat	1,030*1,030*12	2,500	10
24	USA	Freeport-McMoran Copper & Gold Inc.	El Paso (TX)	P*D	Grade A Copper (conventional electrolysis)	Flat	972*959*18	2,250	11



No.	Country	Producer	Origin	Brand	Grade/Specification	Premium / Discount	Dimension (mm)	Bundle Weight (kg)	Bundle / Lot
25	Chile	CODELCO	Ventanas	ENM	Grade A Copper (conventional electrolysis)	Flat	960*980*14	2,300	11
26	Chile	CODELCO	Potrerillos	AE	Grade A Copper (conventional electrolysis)	Flat	970*780*13	2,800	9
27	Spain	Freeport-McMoRan Copper & Gold Inc.	Huelva	FMS	Grade A Copper (ISA)	Flat	985*930*7	3,100	8
28	South Korea	LS-Nikko Copper Inc.	Onsan-eup (Ulsan)	ONSAN I	Grade A Copper (KIDD)	Flat	1,070*932*13	2,500	10
29	South Korea	LS-Nikko Copper Inc.	Onsan-eup (Ulsan)	ONSAN II	Grade A Copper (KIDD)	Flat	1,020*980*11	2,300	11
30	Chile	Minera Michillia S.A.	Mejillones	MIC-P	Grade A Copper (SX-EW)	Flat	960*1000*6	1,400	18
31	Chile	Minera Michillia S.A.	Mejillones	MIC-T	Grade A Copper (SX-EW)	Flat	1,100*1,000*10	1,950	13
32	USA	Kennecott Utah Copper Corp.	Magna (UT)	KUC	Grade A Copper (conventional electrolysis)	Flat	990*993*5	2,520	10
33	Chile	CODELCO	Chuquicamata	CCC SX-EW	Grade A Copper (SX-EW)	Flat	1,100*920*7	2,300	11
34	Poland	KGHM Polska Miedz S.A.	Glogów	HMG-B	Grade A Copper (conventional electrolysis)	Flat	1,030*1,030*12	1,900	13
35	Poland	KGHM Polska Miedz S.A.	Glogów	HMG-S	Grade A Copper (conventional electrolysis)	Flat	910*910*14	1,900	13
36	Poland	KGHM Polska Miedz S.A.	Legnica	HML	Grade A Copper (conventional electrolysis)	Flat	918*785*14	2,100	12
37	Brazil	Carariba Metais	Dias D'Avila, Bahia	CbM	Grade A Copper (conventional electrolysis)	Flat	990*970*15	2,500	10
38	Chile	Anglo American Chile	Antofagasta	MB	Grade A Copper (SX-EW)	Flat	1,000*1,100*8	2,500	10

No.	Country	Producer	Origin	Brand	Grade/Specification	Premium / Discount	Dimension (mm)	Bundle Weight (kg)	Bundle / Lot
39	Chile	Anglo American Chile	Copiapó	MV	Grade A Copper (SX-EW)	Flat	1,004*1,000*8	2,500	10
40	Chile	Minera Escondida	Antofagasta	ESOX	Grade A Copper (SX-EW)	Flat	1,000*1,000*8-10	2,500	10
41	Chile	Compañía Minera Cerro Colorado	Iquique	CMCC	Grade A Copper (SX-EW)	Flat	1,000*1,000*5	2,500	10
42	Canada	Glencore Canada Corp.	Quebec	NORANDA	Grade A Copper (KIDD)	Flat	937*949*14	3,100	8
43	Chile	Freeport-McMoRan Copper & Gold Inc.	Calama	ABRA	Grade A Copper (SX-EW)	Flat	1000*1000*5	2,500	10
44	Peru	Freeport-McMoRan Copper & Gold Inc.	Arequipa	SMCV	Grade A Copper (SX-EW)	Flat	1,000*1,020*20	3,125	8
			Uchumayo						
45	Japan	Sumitomo Metal Mining Co. Ltd.	Ehime	SUMIKO-N	Grade A Copper (conventional electrolysis)	Flat	1,060*1,080*17	2,800	9
46	Japan	Sumitomo Metal Mining Co. Ltd.	Ehime	SUMIKO-T	Grade A Copper (conventional electrolysis)	Flat	1,060*1,080*17	2,800	9
47	Indonesia	PT. Smelting	Java	GRESIK	Grade A Copper (ISA)	Flat	1,000*1,000*6	2,500	10
48	The Philippines	PASAR	Isabel	PSR ISABEL	Grade A Copper (ISA)	Flat	1,040*1,020*8	2,500	10
49	Chile	CODELCO	Chuquicamata	cCc-P	Grade A Copper (KIDD)	Flat	1,270*925*12-18	2,750	9
50	Australia	Mount Isa Mines Limited	Townsville	ISA	Grade A Copper (ISA)	Flat	975*965*10	3,168	8
51	Chile	CODELCO	Radomiro Tomic	RT	Grade A Copper (SX-EW)	Flat	1,050*1,000*9-11	2,270	11
52	Peru	Southern Perú Copper	Ilo	SPCC-ILO	Grade A Copper (conventional electrolysis)	Flat	1,020*1,020*20	3,600	7
53	Chile	Centinela Antofagasta Minerals	Antofagasta	MET	Grade A Copper (SX-EW)	Flat	1,000*1,000*4	2,300	11



Designated Delivery Storage Facilities for Bonded Copper Futures

No.	Name	Storage Address	Approved Storage Capacity (Unit: 10,000 metric tons)	Storage Capacity in Use (Unit: 10,000 metric tons)
1	Shanghai CMST Lingang Logistics Co., Ltd.	No.195, Shuanghui Road, Yangshan Free Trade Port, Pudong New Area, Shanghai	3	3
2	Shanghai SIPG Bonded Warehousing Management Co., Ltd.	No.389, Shunyun Road, Yangshan Free Trade Port, Pudong New Area, Shanghai	6	6
3	Shanghai Yangshan Free Trade Port C. Steinweg Logistics Co., Ltd.	No.288, Haiwang Road, Yangshan Free Trade Port, Pudong New Area, Shanghai	4	4
4	C. Steinweg Logistics (Shanghai Waigaoqiao Bonded Logistics Zone) Co., Ltd.	No.89, Shenyua Road, Waigaoqiao Bonded Logistics Zone, Pudong New Area, Shanghai	4	4
5	COSCO SHIPPING Logistic Co., Ltd.	#101, No.150, Rijing Road, Waigaoqiao Free Trade Zone, Pudong New Area, Shanghai	0.5	0.5
Total (Unit: 10,000 metric tons)			17.5	17.5

Designated Inspection Agencies for Bonded Copper Futures

Contact Information of Designated Inspection Agencies for Bonded Copper Futures

No.	Name	Office Address	Contact(s)	Telephone
1	Shanghai Customs Industrial Products and Raw Material Testing Technology Center	No. 1208 Minsheng Road, Pudong New Area, Shanghai	Zhi Huibo	021-38620642 13636512268
2	Shanghai CMST Material Inspection Co., Ltd.	No. 489 Tieshan Road, Baoshan District, Shanghai	Song Yihua Zhu Baozhu	021-64174564 13585515287 13311671069
3	Inspectorate (Shanghai) Ltd.	4/F Complex Building, No. 1288 Waima Road, Huangpu District, Shanghai	Huang Chun Zhou Qunchao	18116008075 18116008032

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