

COPPER MARKET FRAGMENTATION

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A surplus and a deficit at the same time

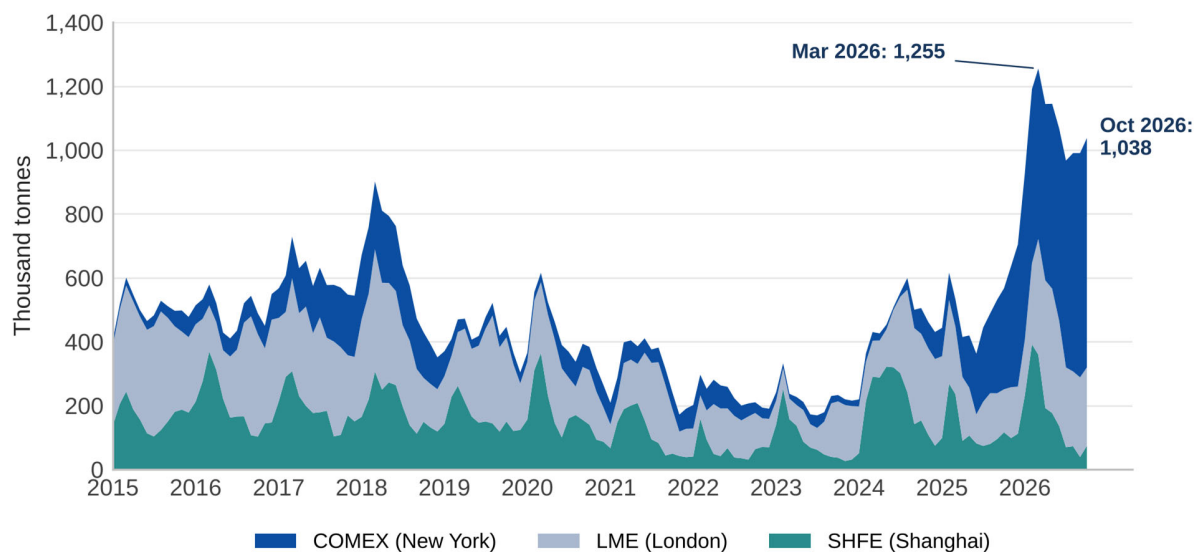
On October 14, the International Copper Study Group (ICSG) raised its forecast of the 2026 world refined copper surplus to 104 thousand tonnes. Five days later, Goldman Sachs raised its year-end 2026 copper price forecast to US\$14,700 per tonne and estimated a 2026 deficit of about 950 thousand tonnes outside the United States. That same week, a first trial shipment of 12 thousand tonnes of Congolese copper entered Project Vault, the US public-private strategic stockpile. The two numbers look contradictory, but both can be right if the copper left over sits mostly in one country. This brief asks a simple question: where are the world's visible copper stocks, and how has that changed since 2025?

The benchmark is the copper held in the warehouses of the three major metal exchanges: the London Metal Exchange (LME), COMEX in New York and the Shanghai Futures Exchange (SHFE). The analysis uses month-end data compiled by the Chilean Copper Commission (Cochilco), from January 2015 to its latest report of October 21, 2026, and compares copper prices in New York and London over the same period.

Visible stocks are close to a two-decade high

Visible exchange stocks stood at 1.04 million tonnes in the latest data, 83% more than a year earlier (**Figure 1**). At their March 2026 peak they reached 1.26 million tonnes, the highest month-end level since January 2003. Taken at face value, the market has not held this much exchange copper in more than twenty years.

Figure 1. Copper stocks in LME, COMEX and SHFE warehouses, January 2015 to October 2026 (thousand tonnes)



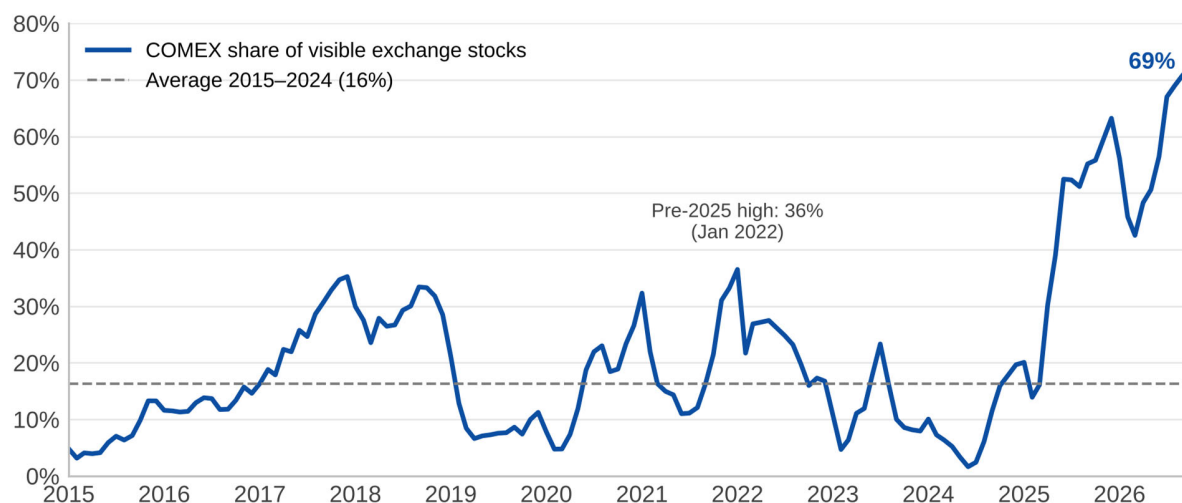
Source: GEM Mining Consulting calculations based on Cochilco (historical exchange stock series and La Rueda daily reports). Month-end data; October 2026 corresponds to the report of October 21, 2026.

Seven in every ten tonnes are in New York

The total hides where the metal is. COMEX warehouses now hold 718 thousand tonnes, 69% of visible exchange stocks (**Figure 2**). Between 2015 and 2024 COMEX held 16% on average, and its share never exceeded 36%. Its current stock is about twice its previous record in Cochilco's series since 1990, set in December 2002.

Outside COMEX the picture is the opposite. LME and SHFE together hold 319 thousand tonnes, 11% below their 2015–2024 average. Even that overstates what is available outside the United States, because the LME total includes its own US warehouses in New Orleans and Baltimore, which held close to 130 thousand tonnes in mid-October according to press reports. Without them, visible exchange stocks outside the United States would be closer to 190 thousand tonnes.

Figure 2. COMEX share of visible copper stocks in LME, COMEX and SHFE warehouses, January 2015 to October 2026



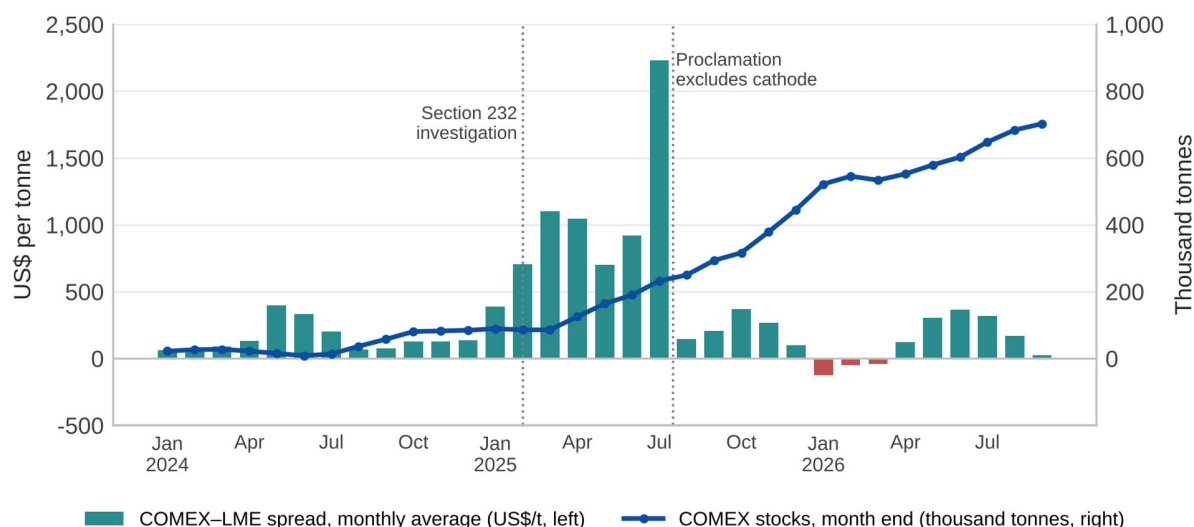
Source: GEM Mining Consulting calculations based on Cochilco. Share = COMEX stocks divided by the sum of LME, COMEX and SHFE stocks, at month end.

The premium started the build, but did not sustain it

The movement began with price. After the United States opened a Section 232 investigation into copper imports in February 2025, the COMEX price rose above the LME price as buyers brought metal in ahead of a possible tariff. Between February and July 2025 the gap averaged about US\$1,120 per tonne, and its monthly average peaked at US\$2,230 in July (**Figure 3**). On July 30, 2025, the tariff proclamation left refined cathode out of the 50% duty, and the premium collapsed.

What followed is less intuitive. From August 2025 to September 2026 the premium averaged US\$156 per tonne, almost the same as in 2024 (US\$151), yet metal kept arriving. Of the 633 thousand tonnes added to COMEX stocks since February 2025, 77% arrived after July 2025. The proclamation also left open a duty on refined copper of 15% from 2027 and 30% from 2028, and no decision has been published since the June 2026 deadline for the Commerce Department's update. With a premium too small to pay for shipping the metal back, the incentive is to keep it in the United States while that decision is pending.

Figure 3. COMEX–LME price spread and COMEX copper stocks, January 2024 to September 2026



Source: GEM Mining Consulting calculations based on Cochilco (La Rueda: COMEX first-position monthly averages and COMEX stocks) and Westmetall (LME cash settlement monthly averages). Spread = COMEX monthly average converted to US\$ per tonne minus LME monthly average.

Why it matters

A global balance measures how much copper the market produces and uses, not where the surplus ends up. With most visible stocks in the United States, a world surplus can coexist with tightness everywhere else, which is what LME prices and the estimates of a deficit outside the United States are reflecting. The two readings of the market are not in conflict: they measure different things.

This also frames what to expect from prices. The data in this brief do not support a price forecast, but they do show what prices will hinge on. While the tariff question is open, the LME price reflects a market outside the United States where visible stocks are below their 2015–2024 average, which is consistent with prices holding near record levels. The decision on refined copper is therefore the main source of price risk, and the risk is asymmetric. If the duty is confirmed, tightness outside the United States would likely persist and COMEX would need a wider premium ahead of 2027. If it is dropped, part of the metal stored in the United States could return to the rest of the world, putting downward pressure on the LME price and possibly pushing COMEX to a discount, as briefly happened between January and March 2026.