

# Argus launches copper concentrate mean indexes as market evolves

*Global copper concentrate supply is expected to continue to tighten in 2025 as smelting capacity expansions outpace increases in mine output. This has boosted spot market activity and price volatility, prompting mining companies, trading firms and copper smelters to increase their use of spot indexes rather than the negotiated annual benchmark to settle their term contracts for copper concentrate treatment/refining charges*

China is the world's largest copper smelting country and is highly reliant on imported copper concentrate as the main feedstock for domestic cathode production. The country's refined copper production has increased rapidly over recent years, while overseas suppliers have struggled to add new mining capacity.

Chinese copper output rose by 4.1pc last year to 13.64mn t, according to the National Bureau of Statistics, compared with growth of just 2.7pc in global concentrate supply. Growth in global copper mine production is expected to slow further to 2.3pc in 2025, reaching total output of 23.5mn t, whilst China's smelting capacity is expected to grow to 14.5mn t/yr in one to two years, according to the China Nonferrous Metals Industry Association.

The supply squeeze has led to increasingly volatile prices for the raw material. Treatment and refining charges (TC/RCs) charged by smelters to miners, deducted from the copper price, are the key negotiated price point for copper concentrate. While these charges have historically been agreed annually, there are now multiple published spot references for TC/RCs that give a much more up-to-date indication of supply and demand for concentrate, and more accurately reflect how volatile the market has become. Argus launched spot weekly assessments for smelter TC/RCs in 2021.

Spot TC/RCs have fallen substantially this year, with the Argus smelter TC/RC assessment hitting a historical low in the minus \$40s/t in June as a result of rising demand from China's rapidly expanding smelting industry. A negative TC/RC means that smelters are effectively paying, rather than charging, miners to smelt concentrate. The speed at which these spot charges have declined has been too rapid for the annual TC/RC benchmark to keep pace.

Traders are active players in the market for copper concentrate, but often achieve TC/RCs at a significant differential compared with smelters. This necessitated the launch by Argus of a separate set of weekly assessments for trader TC/RCs in 2022.

The trading relationship between smelters and traders, and the dynamic of their respective TC/RCs, has evolved again in recent months. This is because an increasing number of traders have switched from using annual benchmarks to spot indexes to settle monthly or quarterly shipments to smelters under their term contracts. Traders have done so in response to high price volatility caused by the continuing supply shortage.

Until now, traders' spot sales to smelters have been based on smelter TC/RC indexes. But this has become increasingly challenging for traders as TC/RCs have fallen further into negative territory and the differential between trader and smelter TC/RCs has widened — to almost \$50/t in June 2025. For traders, an index that averages smelter and trader TC/RC prices is viewed as a fairer solution to this problem as it more accurately represents their model of buying concentrate from a miner that they then sell to a smelter.

While improved terms for traders alone might not encourage smelters to go down this average route, they also have issues with the current index offering. Relying on weekly smelter charge assessments alone can cause a lag in monthly averages, especially when the weekly charges change sharply in either direction — and it is on the monthly averages of these assessments that they largely settle business with traders.

By factoring in the wide differential of the trader TC/RC into a mean average alongside smelter equivalents, smelters are less exposed to any lag between the movement of a weekly spot index and its monthly average than when they use smelter TC/RCs alone. Even when the mean monthly average of the smelter and trader TC/RC assessments is a slightly higher negative than the smelter average alone, smelters are willing to pay it to fully capture late spot volatility and to ensure security of supply from traders in an environment of tight concentrate availability.

Consequently, Argus has launched a weekly index to show the mean values of the smelter and trader purchase TC/RCs to help participants better conduct their term contracts.

## Mismatched supply and demand

A total of 1.43mn t/yr of new mining capacity is expected to come on line globally in the coming few years, according to Argus estimates (see *table 1*). At the same time, Chinese copper smelters have been actively expanding their cathode capacity, with more than 2.7mn t/yr scheduled to start production during the same period (see *table 2 and graph*). This indicates that the global concentrate supply shortage is unlikely to be relieved in the short term. This means that TC/RC price movement is likely to remain volatile, which will result in continued evolution of pricing structures that Argus will ensure is reflected in its own offering to the market.

Copper new mine/expansion			'000t
Mine	Location	Capacity	Start-up
Julong II	Tibet China	200	late 2025
Oyu Tolgoi	Mongolia	300	2025-28
Kamoa	DRC	150	3Q24
Kansanshi S3	Zambia	55	mid-2025
El Teniente new mine level	Chile	170	1Q25
Comide	DRC	40	end-2025
Malmyzh	Russia	150	2025
Escondida Full Sal	Chile	200	FY 2025 (3Q 2024-2Q 2025)
Tongling Non-Ferrous Mirador II	Ecuador	75	Jun 25
Salvado Rajo Inca	Peru	90	late 2024
<b>Total</b>		<b>1,430</b>	

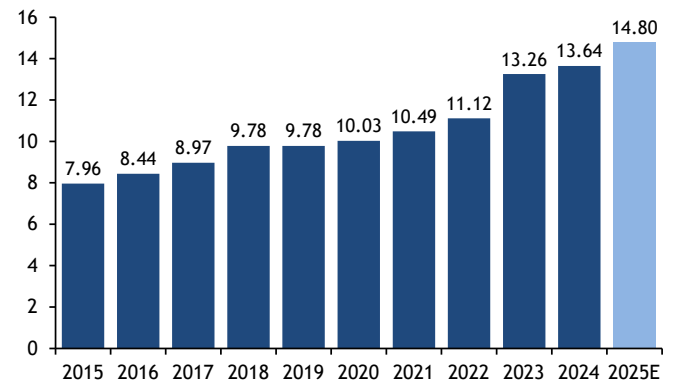
— Argus

Copper new smelter capacity			'000t
Smelter	Location	Capacity	Start-up
Tongling Jintong Copper	Inner Mongolia China	300	Oct 25
Guangxi Jinchuan	Guangxi China	300	end-2024
Tongling Jinxin Copper	Anhui China	500	Mar 25
Huading Copper	Inner Mongolia China	100	2025
Adani	India	500	Mar 25
Freeport Indonesia	Indonesia	300	2025-26
PT Amman	Indonesia	200	4Q 2024
Kamoa-Kakula	DRC	500	2025/9
Kansanshi S3	Zambia	55	mid-2025
<b>Total</b>		<b>2,755</b>	

— Argus

## China refined copper output

mn t



## New price launch

Argus launched a mean index for copper concentrate TC/RCS in June 2025. It will be updated weekly along with the physically assessed indexes, and generate monthly averages at the end of each month.

## Specifications:

- Delivery: cif China
- TC currency/unit: \$/t
- RC currency/unit: €/lb
- Payment terms: on sight L/C
- Minimum tonnage: 5,000t
- Delivery: within three months
- QP: M+3
- Cut-off time: 5.30pm Shanghai time, Friday

This document has been prepared by the Argus Media group (referred to herein as "Argus") for informational purposes only and has not been prepared for any particular purpose. The information or opinions contained in this document are provided on an "as is" basis and should not be construed as legal, tax, accounting or investment advice or the rendering of legal, consulting, or other professional services of any kind.

To the maximum extent permitted by law, neither Argus nor its directors, shareholders, personnel or advisers makes any representations or warranties as to the accuracy or completeness of this document. Argus offers no implied warranty, representation or confirmation of merchantability or fitness for any particular purpose and accepts no responsibility whatsoever for any damages arising from the use of or reliance on the information contained in or omitted from this document and any related materials (such as slides, handouts, other presentation documents and recordings and any other materials or information distributed at a presentation at which this document is displayed or in connection with this document) (whether arising by breach of contract, tort (including the tort of negligence), breach of statutory duty, or otherwise). No rights or remedies are conferred upon the recipients of this document or any other person.

Data and information contained in the document come from a variety of sources, some of which are third parties outside Argus' control and some of which may not have been verified. Any analysis and opinions, data, projections and forecasts provided may be based on assumptions that are not correct or which change, being dependent upon fundamentals and other factors and events subject to change and uncertainty; future results or values could be materially different from any forecast or estimates described in the document.

Copyright notice: Copyright © 2025 Argus Media group. All rights reserved. All intellectual property rights in this document and the information herein are the exclusive property of Argus and/or its licensors and may only be used under licence from Argus. Without limiting the foregoing, you will not copy or reproduce any part of its contents (including, but not limited to, single prices or any other individual items of data) in any form or for any purpose whatsoever without the prior written consent of Argus.

Trademark notice: ARGUS, the ARGUS logo, Argus publication titles, the tagline "illuminating the markets®", and Argus index names are trademarks of Argus Media Limited. For additional information, including details of our other trademarks, visit [argusmedia.com/trademarks](https://argusmedia.com/trademarks).