

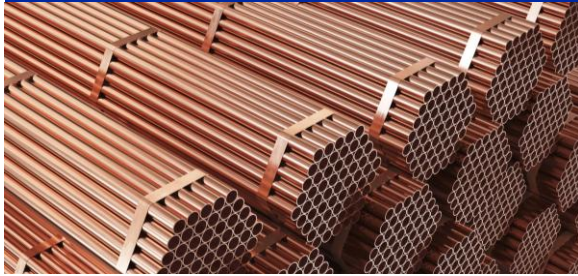
PRIMARY COPPER INDUSTRY

Copper prices supported by supply tightness and US tariff-related uncertainty, with near-term demand risks

FEBRUARY 2026

1

Copper prices surge in current fiscal amid supply tightness and inventory realignment



2

Widening refined copper deficit to support prices, though elevated levels pose near-term demand risks



3

Despite near-term risks, medium-term copper demand remains structurally supported



4

Elevated copper prices may temper near-term domestic demand growth



5

Energy transition-led segments to increasingly drive domestic copper demand over the medium term



6

Upstream entities to benefit from firm copper prices, while downstream profitability remain under pressure



CEA: Central Electricity Authority

COMEX: Commodity Exchange Inc

CY: Calendar year

E-2W: Electric two-wheeler

E-3W: Electric three-wheeler

E-LCV: Electric light commercial vehicle

EV: Electric vehicle

FY: Financial year

IEA: International Energy Agency

Kt: Kilotonnes

LME: London Metal Exchange

Mmt: Million Metric Tonnes

SHFE: Shanghai Futures Exchange

TC: Treatment charges

Yangshan premium: Premium on copper at China's Yangshan Port above LME



[Click to see full report](#)

Stocks in COMEX-registered warehouses increased nearly fivefold to ~498 kilotonnes (Kt) by December 2025 from ~98 Kt in January 2025. This sharp build-up reflects the front-loading of refined copper imports into the US amid fears of potential tariff actions under review in June 2026, which, alongside mine supply disruptions, has supported the sharp price rally in recent months.



- **Global copper prices recorded a sharp uptrend in the current fiscal, reaching ~\$13,000/tonne by January 2026** (+ 40% since beginning of the fiscal year) driven by persistent mine-side supply disruptions, declining ore grades and inventory dislocations across exchanges. Tariff-related uncertainties in the US, amid risk of renewed tariff actions under review in June 2026, led to inventory build-up at COMEX and drawdowns at the LME, tightening ex-US availability and supporting copper prices.



- **The refined copper market is expected to remain in deficit in CY2025 and CY2026 as supply growth continues to lag demand**, thus supporting prices. While potential downside risks to copper prices cannot be ruled out in FY2027, ICRA expects tight ex-US supply amid uncertainty on US tariffs to support copper prices at ~\$11,000-12,000/tonne till H1 FY2027.



- **Elevated copper prices are expected to pose near-term demand moderation risks, particularly in price-sensitive end-use segments.** In China, despite strong refined copper output in CY2025, the softening physical premium (Yangshan) indicates emerging demand sensitivity at higher price levels, suggesting near-term risks of demand deferral or substitution.



- **Domestically, high copper prices are likely to temper near-term demand growth, even an underlying demand drivers remain healthy.** While domestic copper consumption is expected to grow at ~10-12% over the next two years, the pace is likely to moderate from the elevated growth of ~14-15% witnessed in 7M FY2026 due to price-related headwinds.



- **Over the medium term, India's copper demand is expected to be increasingly driven by energy-transition-linked applications**, including renewable energy, power grids, data centres and electric vehicles. On the supply side, the domestic refined copper deficit is expected to gradually narrow over the medium term, aided by the ramp-up of announced capacity additions and improving supply adequacy.



- **Margin trends across the value chain are expected to diverge.** Upstream copper entities are likely to benefit from firm copper prices, supporting operating profitability. However, downstream smelting and refining entities are expected to continue facing margin pressure owing to sharply lower treatment charges, with by-product credits providing only partial offset.



ICRA

Analytical Contact Details

Name	Designation	Email	Contact Number
Girishkumar Kadam	Senior Vice-President & Group Head	girishkumar@icraindia.com	022 – 6114 3408
Ankit Jain	Vice-President & Co-Group Head	Ankit.jain@icraindia.com	0124 – 4545 865
Sumit Jhunjunwala	Vice-President & Sector Head	Sumit.jhunjunwala@icraindia.com	033 – 6521 6814





ICRA

Business Development/Media Contact Details

Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	shivakumar@icraindia.com	022-61693304
Sai Krishna	Head - Research Sales and Investor Connect	sai.krishna1@icraindia.com	9840774883
Rohit Gupta	Head Business Development – Infrastructure Sector	rohitg@icraindia.com	0124-4545340
Vivek Bhalla	Head Business Development – Financial Sector	vivek.bhalla@icraindia.com	022-61693372
Vinita Baid	Head Business Development – East	vinita.baid@icraindia.com	033-65216801
Shivam Bhatia	Head Business Development – Corporate Sector – North & South	shivam.bhatia@icraindia.com	0124-4545803
Sanket Kulkarni	Head Business Development – Corporate Sector – West	sanket.kulkarni@icraindia.com	022-6169 3365
Naznin Prodhani	Head - Group Corporate Communications & Media Relations	communications@icraindia.com	0124-4545860





© Copyright, 2026 ICRA Limited. All Rights Reserved.

All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/or opinions that may be inconsistent with the data, analyses and/or opinions in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

#35YearsofUnwaveringCredibility



ICRA

35
Years of
Unwavering
Credibility

Thank You!

#35YearsofUnwaveringCredibility

Sensitivity Label : Public