

October 23, 2012

Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: File No. SR-NYSEArca-20120-28

Dear Secretary Murphy:

Acknowledging that the comment period has closed in the above referenced rulemaking, we felt it important to bring to the Commission's attention an October 22, 2012 publication from one of the world's largest copper processors that provides critical factual commentary on the state of the world copper supply.

Aurubis is a German company with worldwide operations that has as its core business the production of marketable copper cathodes from copper concentrates, copper scrap and recycling raw materials. Aurubis is the leading integrated copper group and the world's largest copper recycler. The company produces some 1 million tons of copper cathodes each year and from them a variety of copper products. Aurubis has about 6,300 employees, production sites in Europe and the USA and an extensive service and sales system for copper products in Europe, Asia and North America. Customers of the Aurubis Group include companies in the copper semis industry, the electrical engineering, electronics and chemical industries as well as suppliers of the renewable energies, construction and automotive sectors. See <http://www.aurubis.com/en/corporate-group/>

On October 22, 2012, Aurubis published the attached two-page commentary on the current state of copper supply. As you will note, with regard to copper backed ETFs, Aurubis states that if physically backed ETFs on the market are successful, "about 180,000 t[ons] of copper will most likely have to be collected for it. This would probably lead to significant price effects in light of the LME copper inventories, which currently amount to 211,000 t[ons]."

We believe that this document is relevant to the Commission's proceeding, and should we be offered the opportunity for an oral presentation, will discuss the publication in greater detail.

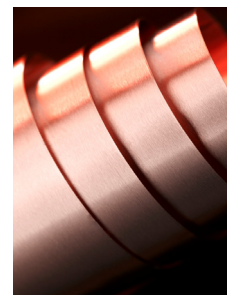
Thank you for your attention.

Sincerely,



Robert B. Bernstein

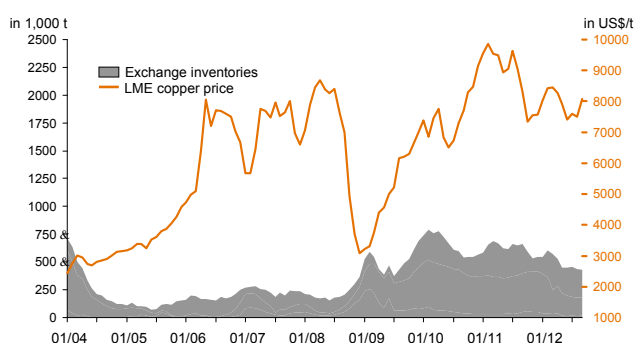
These days it's extremely difficult to write anything about the copper market that hasn't been written already. Triggered by the LME Week, the number of published opinions and statements about the copper market has increased considerably. The topic of copper inventories at the metal exchanges is receiving a great deal of attention in particular. The perspective has changed, however, which is indicated by the aggressive choice of words found in news articles. They refer to "warehouse wars" and pose the question of whether this is part of a larger "battle" between investors and physical industrial users. The head of the Hong Kong Exchange and Clearing, which is taking over the LME, talked about using a "bazooka" to quickly solve the problem of the limited availability of exchange inventories.



Copper market

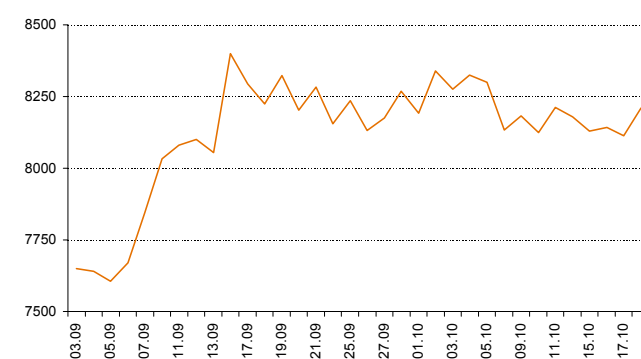
Copper inventories at metal exchanges are increasing again overall and are currently at about 440,000 t

Copper price and metal exchange inventories



Copper price stays above US\$ 8,000 with slight fluctuations

LME settlement price for copper (in \$/t)



But it won't really be all that fast. The CEO of the LME just explained that a review process has started that is estimated to take six months. This topic is unavoidable when assessing the current copper market situation.

The LME copper inventories are often used to determine availability on the market and are therefore a factor in price formation. The inventory system appears to be subject to distortions in its functionality which have a severe effect on the use of the system for physical load-out. Processors and other consumers in particular, who were physically supplied with LME inventories up to now, are criticizing the situation. What happened? It boils down to the fact that metals have become a basis for investment products and the influence of financial institutions has increased recently.




The focus is on so-called exchange-traded funds (ETFs), which require physical volumes to be on deposit. This was practiced with aluminum in 2009 with the participation of Credit Suisse, Glencore and RUSAL. Large quantities of aluminum were subsequently removed from the industry's supply chain. LME inventories increased drastically but were bound in financial transactions and therefore were not physically available. For copper there are meanwhile

also two candidates standing by, J.P. Morgan and Blackrock, which likewise want to bring physically backed ETFs on the market. If this plan is successful, about 180,000 t of copper will most likely have to be collected for it. This would probably lead to significant price effects in light of the LME copper inventories, which currently amount to 211,000 t. In the US, however, there are a lot of discussions, some involving attorneys, regarding the practical implementation. Another phenomenon plays a role as well. The accumulation of aluminum and zinc in warehouses and very high load-out orders (1.7 million t of cancelled warrants for aluminum) lead to long waits for physical delivery of other metals. Rental and handling costs for removing volumes from the warehouses have increased as well.

With this development and the fact that investor and industry interests are drifting apart, the exchange inventories will increasingly lose their previous function if no countermeasures are implemented: their function as a physical coverage option for fast supply security and as a clear indicator for a tightening of the market or an oversupply.

Strong imbalances in the regional distribution of exchange inventories of copper

Structure of exchange inventories of copper as of October 16, 2012

	North America	Europe	Asia	Total
				
LME	107,225 t	18,500 t	85,000 t	210,725 t
COMEX/ SHFE	47,578 t	---	181,514 t	229,092 t
Total exchange inventories of copper	154,803 t 35.2%	18,500 t 4.2%	266,514 t 60.6%	439,817 t 100%

There is also the question about the end of the so-called super cycle for metal commodities. Skeptics point to the seemingly subdued copper demand in China, the tense situation in Europe and better production than in past years. This is true with regard to copper mine production, as there have been improvements in this area, especially in South America, where this year's production in Chile and Peru showed upward tendencies. While Indonesia is lower than the previous year owing to strikes in the first half of the year, there have been no disruptions in the meantime. Although some mining companies are supposedly managing their investments more restrictively, the production tendencies still point upward.

A report from a business publication has drawn some attention and seems to confirm that copper mining is dynamically moving forward. It states that General Electric will be focusing on the mining business in a big way and wants to achieve total revenues of US\$ 5 billion in four years in the supplier sector. The commodity super cycle will thus continue for the company.

According to the ICSG, the production increase will continue on the refiner side as well. The study group foresees production growth first and foremost in China and Africa and predicts a surplus of 458,000 t of refined copper for 2013. This seems too high in light of the deficit of 470,000 t for the first half of 2012 and the special situation in both regions, even if the concentrate supply will likely be better in 2013 than in 2012. Still, limiting and adverse factors shouldn't be underestimated: lower copper demand, maintenance standstills, long learning curves for new projects, inefficient plant operation and other production disruptions such as strikes, energy supply problems, etc.

There is hope concerning copper demand in China due to programs to support the economy and the upcoming change in political leadership, which will be pressured to achieve success; meanwhile, it seems that Europe has reached its low. The current Reuters survey of

Glossary

» Arbitrage	price difference between metal exchanges
» Backwardation	spot price > forward price
» Cancelled warrants	delivery notes registered for shipment
» Comex	New York Commodity Exchange
» Contango	spot price < forward price
» ETF	exchange-traded fund
» ICSG	International Copper Study Group
» LME	London Metal Exchange
» Lot	minimum contract size in LME trade
» Settlement	cash selling rate
» SHFE	Shanghai Futures Exchange
» TC/RC	treatment and refining charge
» ZVEI	German Electrical and Electronic Manufacturers' Association

27 analysts indicates an average copper price forecast of US\$ 8,020/t for 2012 and US\$ 8,267/t for 2013.

Copper raw materials and copper products

On the concentrate market the TC/RCs moved further upward in spot business owing to good concentrate availability and are currently about US\$ 70/t and 7 cents/lb. An additional increase can be expected since the output from new projects will reach the market in 2013. This is the decisive argument for higher TC/RCs in the upcoming annual negotiations between smelters and mines. Copper scrap availability on the European market remains at a high level, supported by high copper prices. Trading companies exhibit a good willingness to sell. The downward trend in European demand for rod and continuous cast products stopped in the summer. Stable demand is expected in Europe for the coming year. The construction industry, the electronics sector and renewable energies could provide momentum in particular.

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This information contains forward-looking statements based on current assumptions and forecasts. Various known and unknown risks, uncertainties and other factors could have the impact that the actual future results, financial situation or developments differ from the estimates given here.