

Copper: Powering Electrification and Income Potential

KEY TAKEAWAYS

- **Copper's strategic importance can't be ignored:** As the backbone of electrification, renewable energy and AI infrastructure, growing demand from data centres and electric vehicles (EVs) alongside constrained supply and mine disruptions has tightened market conditions, increasing both price pressure and volatility.
- **The Global X Copper Producer Equity Covered Call ETF (CPCC) offers income-focused copper exposure:** As the world's first copper producer equity ETF with a covered call overlay, CPCC provides access to global copper miners while seeking regular income through monthly distributions from dividends and option premiums.
- **Managing volatility through strategy:** Copper's sharp price swings make timing difficult, but CPCC's actively managed covered call approach aims to smooth returns, generate yield and provide an alternative way to participate in AI-driven copper demand. It should be noted that covered call writing can limit the upside potential of the underlying security.

Copper is the meeting point of three themes: electrification, clean energy and Artificial Intelligence (AI) infrastructure. With demand accelerating and supply increasingly constrained, price volatility has returned. **Global X** introduces a way to access this trend through income-generating exposure to copper producers.

Why Copper?

Copper is [one of the oldest metals](#) ever used and has been one of the important materials in the development of civilization. It has become a [major industrial metal](#); three-quarters of copper's use comes from power transmission and generation, and its use in electrical and telecommunications wiring and in electronic products.

An interesting copper fact: its consumption is often used as a bellwether for global economic activity, earning it the nickname "[Doctor Copper](#)", as increases in copper usage typically correspond to periods of global economic expansion.

With the world transitioning to a [low-carbon era](#), renewable energy systems such as wind, solar and hydro-electric power need copper to generate, transmit and store electricity. Copper is also an essential component in electric vehicles, which can use [up to four times the amount](#) of copper that can be found in a conventional internal combustion engine.

Copper's strategic importance was further highlighted as it joined the U.S. government's [list of critical metals](#) vital to the U.S. economy and national security that face potential risks from disrupted supply chains. This move could potentially pave the way for greater domestic investment and restrictions on international imports, which could boost price and volatility for the metal.

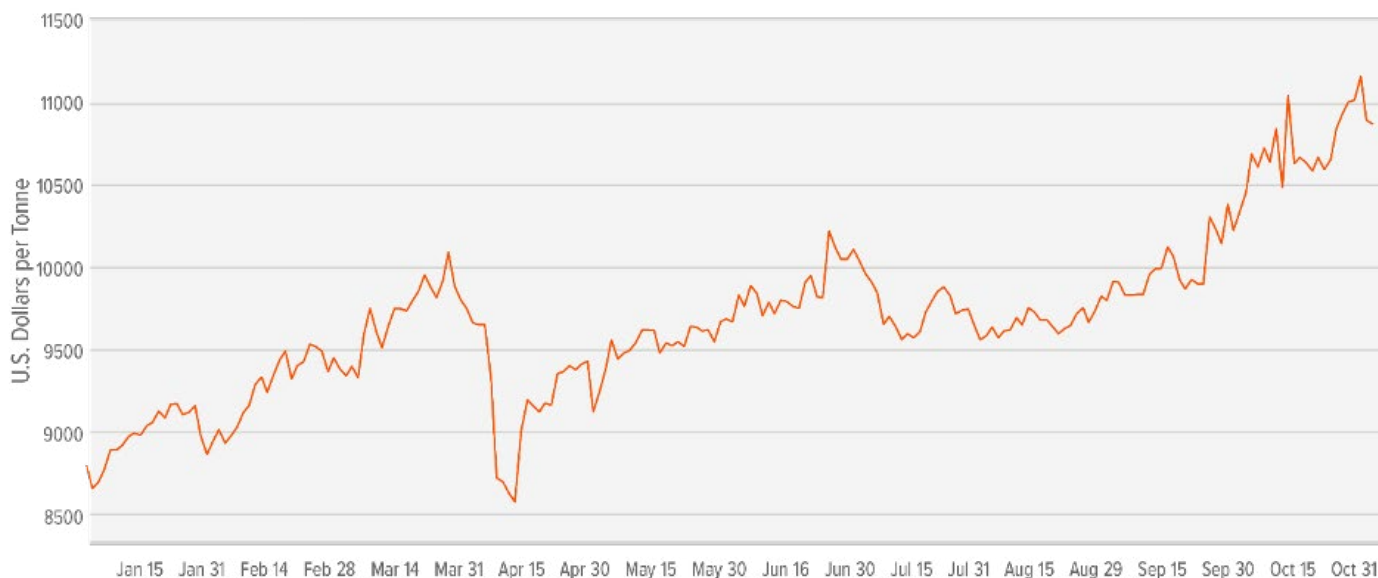
Disruption and Deficit

Given the world's current electrical needs and plans for a carbon-neutral future, demand is high. But supply might not be enough.

Copper prices [hit 15-month highs](#) in early October, weeks after an accident at [Freeport-McMoRan's Grasberg mine](#), the [world's second-largest](#) copper mine, tightened the outlook for the commodity. Bank of America [increased its 2026 market deficit forecast](#) to 350,000 tonnes from 162,000 tonnes and increased its price forecast by 11% to \$11,313 a tonne for 2026.

LME SPOT COPPER PRICE YEAR-TO DATE

Source: Bloomberg, as at October 31, 2025.

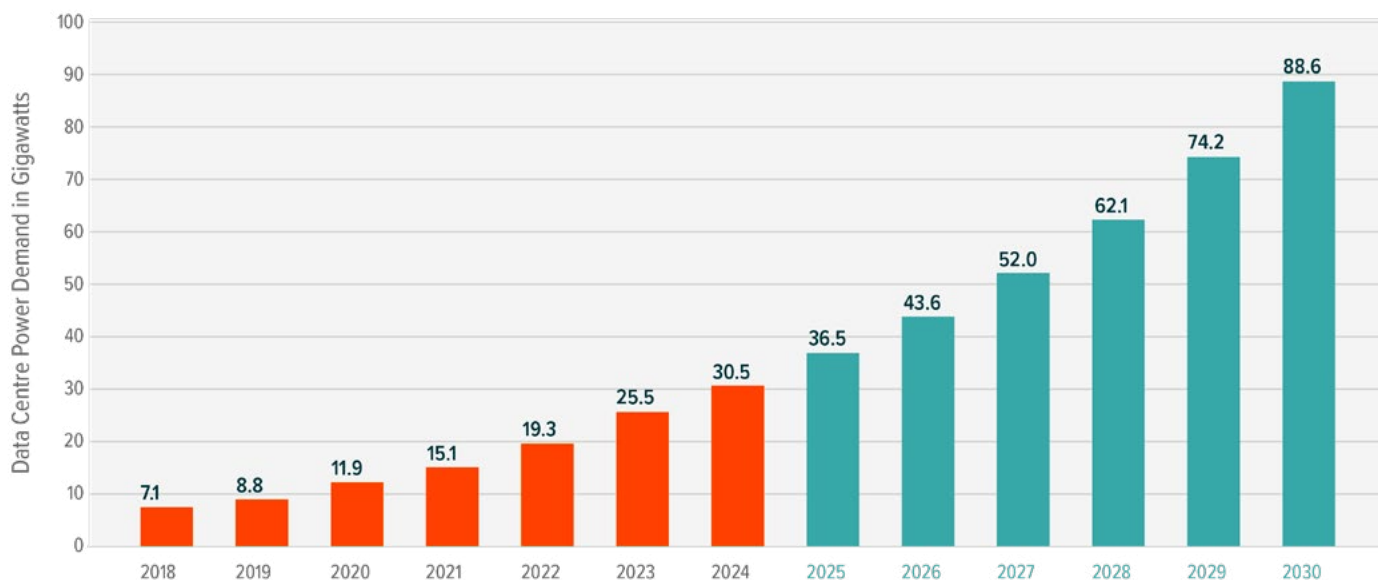


A key driver of near-term copper demand is the AI boom, which has driven a profound shift in computing, comparable to the internet or mobile revolutions. Building on digital connectivity and data, AI automates and enhances decision-making processes and has been used as a source of media and content generation.

Rapid growth in cloud computing and AI is fuelling sustained demand for data centre capacity as [hyperscalers](#) and corporations expand digital infrastructure. This infrastructure requires significant power. Commercial real estate firm Avison Young forecasts that data centre power demand will triple by 2030, based on recent compound annual growth rates.

U.S. DATA CENTRE INVENTORY AND PROJECTED GROWTH TO 2030

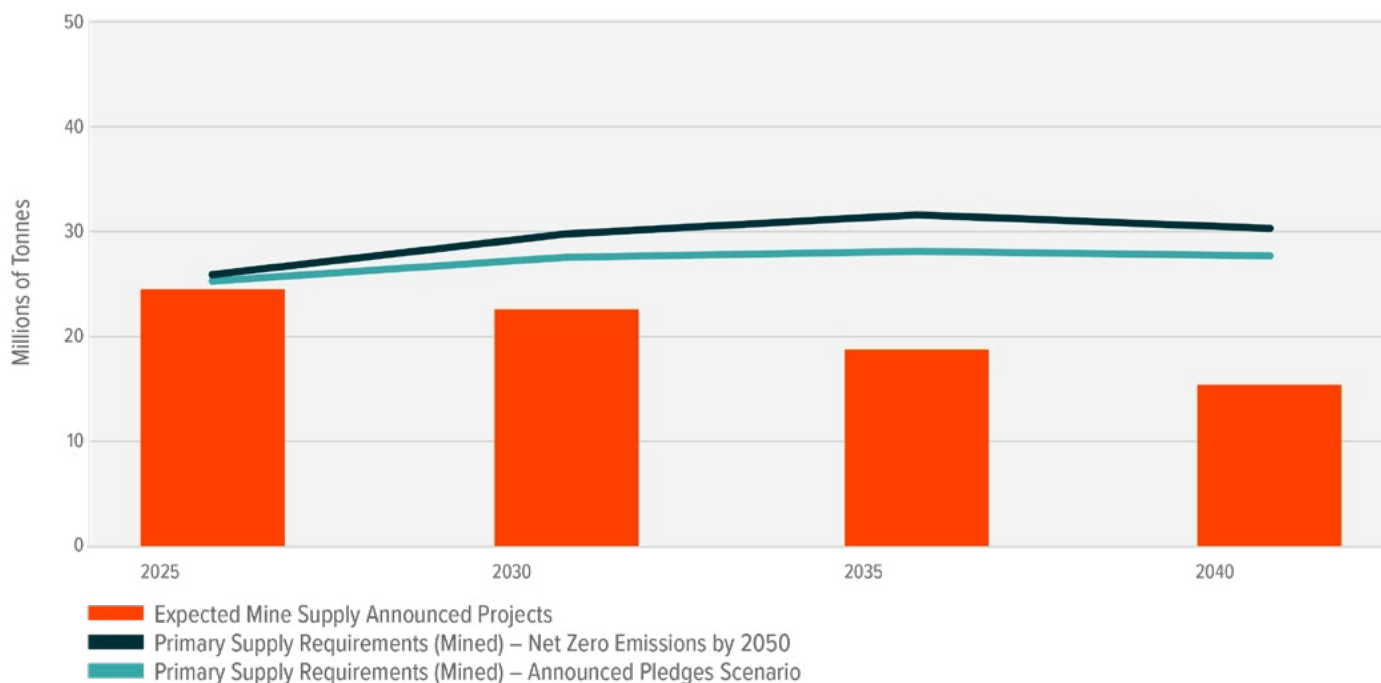
Source: Avison Young, Datacenterhawk as at November 2024.



On the demand side, expected copper output from mines is forecast to fall short of primary supply requirements:

IEA COPPER SUPPLY FORECAST

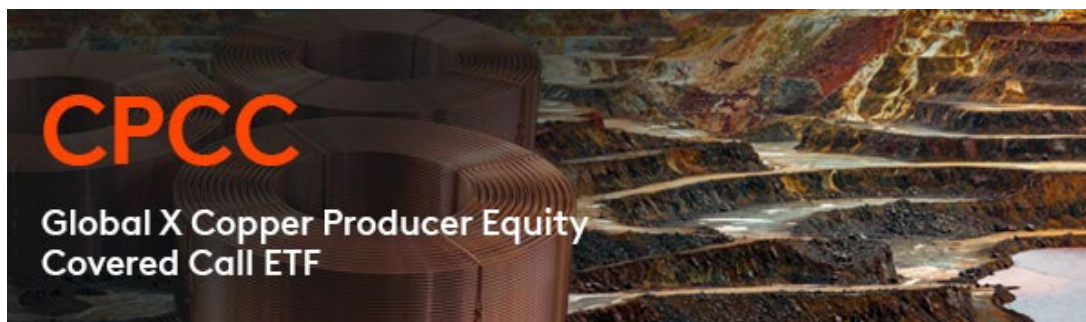
Source: International Energy Agency, as at May 2024.



Note: Demand projections include both clean energy applications and other uses, focusing on International Energy Agency Scenarios: Announced Pledges Scenario (APS) and the Net Zero Emissions by 2050 (NZE) Scenario.

Introducing CPCC

Amid a fluid supply and price scenario, Global X is offering the world's first copper miner exchange traded fund (ETF) with a covered call overlay: introducing the [Global X Copper Producer Equity Covered Call ETF \(CPCC\)](#).



CPCC seeks to provide exposure to the performance of copper mining companies globally with at least monthly distributions of dividend income and call options premiums. To mitigate downside risk and generate premiums, **CPCC** employs a dynamic covered call option writing program.



Chris McHaney

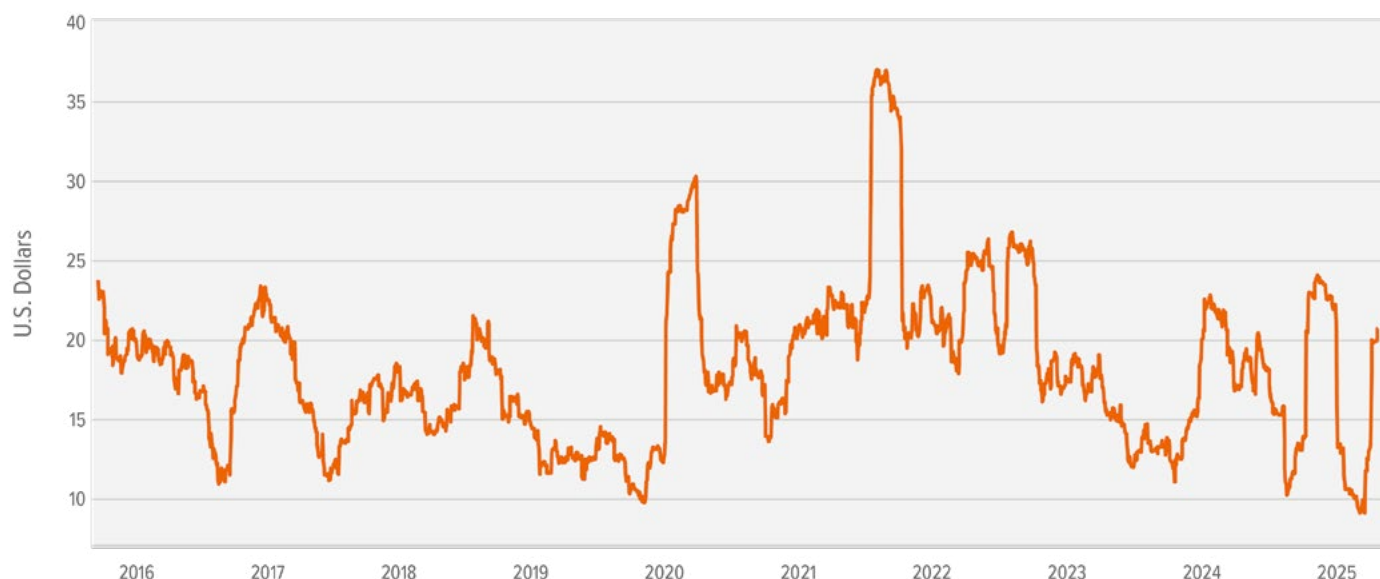
Executive Vice President,
Head of Investment Management and Strategy

“Copper is one of the best metals to take a covered call approach on, given its historical volatility,” said Chris McHaney, Executive Vice President, Head of Investment Management & Strategy at Global X.

Copper is inherently volatile, and market swings are difficult to predict. Covered call ETFs could help smooth this volatility by generating regular income and yield from copper exposure. As a critical industrial metal used in data centre wiring and electrical infrastructure, copper is a commodity that is integral to the AI boom, offering investors an alternative way to participate without directly owning individual technology stocks.

LME COPPER 60-DAY HISTORICAL VOLATILITY 2015-2025

Source: Bloomberg, as at October 31, 2025.



“Supply and demand factors can result in larger month-to-month movements, which options writing strategies can harness to help generate above-average option premium yields for investors. Meanwhile, the long-term trends of A.I. demand and national security priority mean that investors could expect to be meaningfully rewarded for maintaining a position in this critical mineral,” Global X’s McHaney said.

Copper’s critical role in electrification, clean energy and AI-driven infrastructure continues to drive strong demand, while constrained supply and volatility are shaping price dynamics. **CPCC** offers investors income-generating exposure to global copper miners through an actively managed covered call strategy, providing a disciplined way to access the long-term copper opportunity.

Related ETFs

CPCC – Global X Copper Producer Equity Covered Call ETF

COPP – Global X Copper Producers Index ETF

MTRX – Global X Artificial Intelligence Infrastructure Index ETF

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