



Copper: Preliminary Data for September 2007

The International Copper Study Group (ICSG) released preliminary data for September 2007 for world copper supply and demand in its December 2007 Copper Bulletin. The Bulletin is available for sale upon request.

According to the preliminary ICSG data, the copper market remained in surplus for the second consecutive month with a surplus in September of around 25,000 metric tonnes (t). After making seasonal adjustments for world refined usage and production, however, September had a higher surplus of 73,000 t. However, the apparent refined copper balance for the first 9 months of 2007, including revisions to data previously presented, indicates a production deficit of about 265,000 t (a seasonally adjusted deficit of 75,000 t). This compares with a production surplus of 21,000 t (but a seasonally adjusted surplus of about 265,000 t) for the same period in 2006.

World refined copper usage is estimated to have increased by 7.1% in the first 9 months of 2007 compared with usage in the same period in 2006. World usage growth was driven by China, where apparent usage grew by 38% as net imports of refined copper rose by 195% to about 1.09 Mt (million tonnes). Note that China's apparent copper usage is based on reported data (production + net trade +/- SHFE stock changes) and does not take into account changes in unreported stocks [State Reserve Bureau (SRB), producer, consumer and merchant/traders], which may be significant during periods of stocking or de-stocking. World usage outside of China decreased by around 1%: increases in Asia (excluding China) and Africa of 3% and 9%, respectively, were offset by decreases in all the other regions (Americas, 4.2%; Europe, 2.3%; and Oceania, 10%).

World mine production increased by 4.9% in the first 9 months of 2007 compared with that in the same period of 2006, when production was reduced by technical problems and strikes: concentrate production was up by 3.7% and SX-EW production was up by 10.3%. Year-on-year mine production for the first 9 months of 2007 was up by 9% in Asia, 7% in Latin America, 2% in North America, and 15% in Africa, but decreased by 3% in Europe and 6% in Oceania. The average global mine capacity utilization rate for the first 9 months of about 87% is slightly above that in the same period of 2006.

Total world refined production increased by 4.9% in the first 9 months of 2007 compared with refined production in the same period in 2006: primary production was up by 4.5% (with the biggest share of the growth attributed to SX-EW production) and secondary production (from scrap) was up by 7.2%. Refined production grew in almost all regions - Africa (17%), Americas (2%), Asia (9%) – remaining flat in Europe and Oceania. Refined capacity utilization was little changed at around 83%.

The average LME cash price for November 2007 decreased to US\$6,966.70 per tonne from the October 2007 average of US\$8,008.43 per tonne. On October 3, the price spiked to its highest level of the year at US\$8,301.00. The price was at its low point for the year of US\$5,225.50 per tonne in February, and averaged US\$7,167.79 per tonne for the year through November. As of the end November 2007, copper stocks held at the major metal exchanges (LME, COMEX, SHFE) totalled 240,250 t, a decrease of 12,450 t from stocks held at the end of December 2006. As compared with stock levels at the end of October, stocks held at the end of November 2007 were up at the LME but down at COMEX and SHFE.

World Refined Copper Usage and Supply Trends, 2001-2007

Thousand metric tonnes, copper

	2001	2002	2003	2004	2005	2006	2006	2007	2007			
							Jan-Sep	Jun	Jul	Aug	Sep	
World Mine Production	13,634	13,578	13,758	14,595	14,923	15,015	10,913	11,450	1,276	1,267	1,238	1,279
World Mine Capacity	14,431	15,102	15,284	15,859	16,638	16,971	12,687	13,155	1,451	1,503	1,507	1,463
Mine Capacity Utilization (%)	94.5	89.9	90.0	92.0	89.7	88.5	86.0	87.0	87.9	84.3	82.2	87.4
Primary Refined Production	13,746	13,436	13,464	13,839	14,411	14,776	10,979	11,468	1,261	1,266	1,278	1,305
Secondary Refined Production	1,892	1,898	1,792	2,076	2,177	2,601	1,924	2,063	229	232	227	235
World Refined Production (Secondary+Primary)	15,638	15,334	15,256	15,915	16,588	17,377	12,903	13,531	1,491	1,498	1,505	1,540
World Refinery Capacity	17,677	18,240	18,741	19,120	20,164	20,630	15,435	16,276	1,799	1,865	1,871	1,816
Refineries Capacity Utilization (%)	88.5	84.1	81.4	83.2	82.3	84.2	83.6	83.1	82.9	80.3	80.5	84.8
World Refined Usage 1/	14,946	15,231	15,716	16,846	16,731	17,122	12,882	13,797	1,548	1,518	1,453	1,515
Refined Stocks End of Period	1,992	2,048	1,780	928	855	1,093	842	906	915	875	900	906
Period Stock Change	702	55	-267	-852	-73	238	-13	-187	3	-39	25	6
Refined Balance 2/	692	103	-461	-931	-143	255	21	-265	-57	-20	53	26
Seasonally Adjusted Refined Balance 3/							267	-75	-18	-18	-13	73

Due to the nature of statistical reporting, the published data should be considered as preliminary as some figures are currently based on estimates and could change.
1/ Based on EU apparent usage. 2/ Surplus/deficit is calculated using refined production minus refined usage. 3/ Surplus/deficit is calculated using seasonally adjusted refined production minus seasonally adjusted refined usage.