



**Copper: Preliminary Data for October 2007**

The International Copper Study Group (ICSG) released preliminary data for October 2007 for world copper supply and demand in its January 2008 Copper Bulletin. The Bulletin is available for sale upon request.

According to the preliminary ICSG data, the copper market remained in surplus for the third consecutive month with a surplus in October of around 50,000 metric tonnes (t). After making seasonal adjustments for world refined usage and production, however, October shows a surplus of 15,000 t. However, the apparent refined copper balance for the first 10 months of 2007, including revisions to data previously presented, indicates a

production deficit of about 220,000 t (a seasonally adjusted deficit of 63,000 t). This compares with a production surplus of 78,000 t (but a seasonally adjusted surplus of about 300,000 t) for the same period in 2006.

World refined copper usage is estimated to have increased by 7.2% in the first 10 months of 2007 compared with usage in the same period in 2006. World usage growth was driven by China, where apparent usage grew by 37% as net imports of refined copper rose by 170% to about 1.18 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 0.7%: increases in Asia (excluding China) and Africa of 3% and 9%, respectively, were offset by decreases in all the other regions (Americas, 3%; Europe, 2.6%; and Oceania, 7.7%).

World mine production increased by 4.2% in the first 10 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 2.9% and SX-EW production was up by 9.7%. Year-on-year mine production for the first 10 months of 2007 was up by 6.5% in Asia, 6.6% in Latin America, 0.3% in North America, and 15% in Africa, but decreased by 3% in Europe and 5.5% in Oceania. The average global mine capacity utilization rate for the first 10 months of about 87% is slightly above that in the same period of 2006 (86.6%).

Total world refined production increased by 5% in the first 10 months of 2007 compared with refined production in the same period in 2006: primary production was up by 4.6% (with the biggest share of the growth attributed to SX-EW production) and secondary production (from scrap) was up by 7.5%. Refined production grew in almost all regions - Africa (18%), Americas (2%), Asia (9.5%) – remaining flat in Europe and Oceania. Refined capacity utilization was little changed at around 83%.

The average LME cash price for December 2007 decreased to US\$6,587.67 per tonne from the November 2007 average of US\$6,966.70 per tonne. On October 3, the price spiked to its highest level of 2007 at US\$8,301.00. The price was at its low point for 2007 of US\$5,225.50 in February 8, and averaged US\$7,126.35 per tonne for the full year. As of the end December 2007, copper stocks held at the major metal exchanges (LME, COMEX, SHFE) totalled 238,338 t, a decrease of 14,452 t from stocks held at the end of December 2006. As compared with stock levels at the end of November, stocks held at the end of December 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-Oct	Jul	Aug	Sep	Oct	
World Mine Production	13,634	13,578	13,758	14,595	14,923	15,015	12,251	12,765	1,267	1,238	1,277	1,317
World Mine Capacity	14,431	15,102	15,284	15,859	16,638	16,971	14,148	14,671	1,503	1,507	1,463	1,516
Mine Capacity Utilization (%)	94.5	89.9	90.0	92.0	89.7	88.5	86.6	87.0	84.3	82.2	87.3	86.9
Primary Refined Production	13,746	13,456	13,484	13,859	14,431	14,776	12,230	12,797	1,267	1,278	1,303	1,331
Secondary Refined Production	1,892	1,898	1,792	2,076	2,177	2,601	2,151	2,313	232	227	235	250
World Refined Production (Secondary+Primary)	15,638	15,354	15,276	15,935	16,608	17,377	14,381	15,110	1,499	1,505	1,538	1,580
World Refinery Capacity	17,677	18,240	18,741	19,120	20,164	20,630	17,222	18,159	1,865	1,871	1,816	1,883
Refineries Capacity Utilization (%)	88.5	84.2	81.5	83.3	82.4	84.2	83.5	83.2	80.3	80.5	84.7	83.9
World Refined Usage 1/	14,946	15,231	15,716	16,846	16,731	17,122	14,303	15,328	1,518	1,453	1,517	1,529
Refined Stocks End of Period	1,992	2,048	1,780	928	855	1,093	900	899	875	900	906	899
Period Stock Change	702	55	-267	-852	-73	238	44	-194	-39	25	6	-8
Refined Balance 2/	692	123	-441	-911	-123	255	78	-218	-19	53	21	51
Seasonally Adjusted Refined Balance 3/							300	-63	-16	-14	61	15

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.