



Copper: Preliminary Data for November 2007

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

According to the preliminary ICSG data, the copper market surplus, that has existed since August, continued in November with a small surplus of around 25,000 metric tonnes (t). After making seasonal adjustments for world refined usage and production, the November surplus was essentially unchanged at 23,000 t. However, the apparent refined copper balance for the first 11 months of 2007, including revisions to data previously presented, indicates a production deficit of about 150,000 t (a seasonally adjusted surplus of 6,000 t). This compares with a production surplus of 104,000 t (but a seasonally adjusted surplus of about 255,000 t) for the same period in 2006. The still large discrepancy between the year-to-date apparent balance and the seasonally adjusted balance reflects the traditional large drop in usage during the December holiday period.

World refined copper usage is estimated to have increased by 6.8% in the first 11 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 157% to about 1.3 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/trader], which may be significant during periods of stocking or de-stocking. Usage in the other three major consuming regions (United States, EU-15 countries and Japan) decreased by around 3.5%. Usage growth in the remaining countries, which collectively increased by 1.6%, varied significantly, with India, the European (ex-EU-15) countries and Asian (ex-China and Japan) countries growing by 13%, 7 % and 1.8% respectively, and the Americas (ex-USA) and Oceania decreasing by 8% and 1.8% respectively.

World mine production increased by 3.6% in the first 11 months of 2007 compared with that in the same period of 2006: concentrate production was up by 2.3% and SX-EW production was up by 9%. Year-on-year mine production for the first 11 months of 2007 was up by 15% in Africa, 4.3% in Asia and 6.1% in Latin America, but decreased by 3% in Europe, 0.8% in North America and 3.4% in Oceania. The average global mine capacity utilization rate for the first 11 months of 2007 of about 87.3% was similar to that in the same period of 2006.

Total world refined production increased by 5.1% in the first 11 months of 2007 compared with refined production in the same period in 2006: primary production was up by 4.7% (with the biggest share of the growth attributed to SX-EW production) and secondary production (from scrap) was up by 7.8%. Refined production grew in almost all regions - Africa (17%), Americas (2%), Asia (10%), Oceania (1.6%) – but remained flat in Europe. The refined capacity utilization rate was little changed at around 83.5%.

The average LME cash price for January 2008 increased to US\$7,061.02 per tonne from the December 2007 average of US\$6,587.67 per tonne. The 2008 high and low copper prices through end of January were US\$7,361.00 and US\$6,666.00 per tonne, respectively, and the average was US\$7,061.02 per tonne. As of the end January 2008, copper stocks held at the major metal exchanges (LME, COMEX, SHFE) totalled 210,726 t, a decrease of 27,612 t from stocks held at the end of December 2007. Stocks were down at all three Exchanges.

World Refined Copper Usage and Supply Trends, 2001-2007

Thousand metric tonnes, copper

	2001	2002	2003	2004	2005	2006	2006		2007			
							Jan-Nov	Aug	Sep	Oct	Nov	
World Mine Production	13,634	13,578	13,758	14,595	14,923	15,008	13,601	14,090	1,239	1,278	1,332	1,304
World Mine Capacity	14,431	15,102	15,284	15,859	16,638	16,971	15,566	16,142	1,507	1,463	1,516	1,471
Mine Capacity Utilization (%)	94.5	89.9	90.0	92.0	89.7	88.4	87.4	87.3	82.2	87.4	87.9	88.7
Primary Refined Production	13,746	13,456	13,484	13,858	14,427	14,770	13,480	14,112	1,279	1,303	1,319	1,318
Secondary Refined Production	1,892	1,898	1,792	2,076	2,177	2,601	2,366	2,549	226	234	246	245
World Refined Production (Secondary+Primary)	15,638	15,354	15,275	15,935	16,604	17,371	15,846	16,661	1,505	1,538	1,565	1,562
World Refinery Capacity	17,677	18,240	18,741	19,120	20,164	20,630	18,961	19,987	1,871	1,816	1,883	1,828
Refineries Capacity Utilization (%)	88.5	84.2	81.5	83.3	82.3	84.2	83.6	83.4	80.4	84.7	83.1	85.5
World Refined Usage 1/	14,946	15,231	15,716	16,846	16,728	17,100	15,742	16,810	1,448	1,506	1,530	1,537
Refined Stocks End of Period	1,992	2,048	1,780	928	855	1,093	970	890	903	910	907	890
Period Stock Change	702	55	-267	-852	-73	238	115	-203	25	8	-3	-17
Refined Balance 2/	692	123	-441	-912	-124	271	104	-149	57	31	35	25
Seasonally Adjusted Refined Balance 3/							254	6	-9	69	4	23

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.