



Copper: Preliminary Data for 1st Half 2012

The International Copper Study Group (ICSG) released preliminary data for June 2012 world copper supply and demand in its September 2012 Copper Bulletin. The Bulletin is available for sale upon request.

According to preliminary ICSG data, the refined copper market balance for June 2012 showed a production deficit of 36,000 metric tonnes (t). When making seasonal adjustments for world refined production and usage, June showed a production surplus of 19,000 t. The apparent refined copper balance for the first half 2012, including revisions to data previously presented, indicates a production deficit of 473,000 t (a seasonally adjusted deficit of 292,000 t). This compares with a production deficit of 131,000 t (a seasonally adjusted surplus of 56,000 t) in the same period of 2011.

In the first half of 2012, world apparent usage grew by 7.3% compared with that in the same period of 2011 principally owing to strong growth in Chinese apparent usage¹ (that represented 42.5% of world usage over this period) as usage in the remaining regions declined by an aggregated 3.7%. China's apparent usage grew by 27% due to an 80% increase in Chinese net imports of refined copper. However, comparative net imports levels in the first half 2011 were 40% weaker than in the same period of 2010 and anecdotal evidence suggests that the high import level in 2012 was accompanied by increased inventories held in bonded warehouses. Usage in the other three leading consuming regions, the European Union, Japan and the United States, declined by 8.7%, 4.4% and 0.5%, respectively. On a regional basis, usage grew by 16% in Asia and 1% in the Americas, and declined by 9% in Europe, 14% in Oceania, and 8% in Africa.

In the first half of 2012, world mine production increased by 2.4% compared with production in the same period of 2011. Concentrate production increased by 0.5% while solvent extraction-electrowinning (SX-EW) was up by 9.2%. Increases in Chile (2%), China (27%), Democratic Republic of the Congo (25%), Mexico (26%) and the United States (2.6%) more than offset declines in Indonesia (46%) and Zambia (11%). On a regional basis, production rose by 2% in Africa, 2% in Asia, 3% in Europe and 3% in the Americas, but declined by 4% in Oceania. The average world mine capacity utilization rate for the first half 2012 remained practically unchanged at around 77.9%.

World refined production increased by 3.8% in the first half of 2012 compared with refined production in the same period of 2011: primary production was up by 3.2% (mainly due to the increase in electrowon production), and secondary production (from scrap) increased by 6.6%. The main contributors to growth were China (+11%), Japan (+16%) and the DRC (+34%) with production declining by 4.8% in Chile and 5.3% in the United States, the latter owing to a series of smelter maintenance shutdowns. The average world refinery capacity utilization rate for the first half 2012 remained practically unchanged at around 78.9%.

The average LME cash price for August 2012 was US\$7,492.45 per tonne, up from the July average of US\$7,589.39 per tonne. The 2012 high and low copper prices through the end of August were US\$8,658 and US\$7,251.5 per tonne, respectively, and the average was US\$7,951.18 per tonne. As of the end of August, copper stocks held at the major metal exchanges (LME, COMEX, SHFE) totalled 434,277 t, a decline of 110,334 t from stocks held at the end of December 2011 and a decrease of 14,520 t from stock levels at the end of July 2012. Compared with the July levels, stocks were down at the LME and up at Comex and SHFE.

Please visit the ICSG website www.icsg.org for further copper market related information.

¹ China's apparent copper usage is based only on reported data (production + net trade +/- SHFE stock changes +/- industry stock changes, if reported) 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.

World Refined Copper Usage and Supply Trends, 2007-2012

Thousand metric tonnes, copper

	2007	2008	2009	2010	2011	2011		2012			
						p/	Jan-Jun	Mar	Apr	May	Jun
World Mine Production	15,485	15,527	15,906	16,039	16,033	7,821	8,007	1,360	1,363	1,398	1,376
World Mine Capacity	18,061	18,743	19,515	19,897	20,304	10,027	10,293	1,761	1,708	1,769	1,716
Mine Capacity Utilization (%)	85.7	82.8	81.5	80.6	79.0	78.0	77.8	77.2	79.8	79.0	80.2
Primary Refined Production	15,190	15,416	15,431	15,756	16,167	7,856	8,109	1,391	1,314	1,369	1,355
Secondary Refined Production	2,743	2,823	2,839	3,250	3,483	1,691	1,804	326	319	301	310
World Refined Production (Secondary+Primary)	17,933	18,239	18,270	19,006	19,650	9,548	9,913	1,717	1,633	1,671	1,666
World Refinery Capacity	21,823	22,658	23,467	23,838	24,569	12,108	12,583	2,151	2,089	2,166	2,103
Refineries Capacity Utilization (%)	82.2	80.5	77.9	79.7	80.0	78.9	78.8	79.8	78.2	77.1	79.2
World Refined Usage 1/	18,196	18,053	18,070	19,371	19,887	9,679	10,386	1,851	1,748	1,711	1,702
World Refined Stocks End of Period	970	1,102	1,376	1,199	1,202	1,325	1,060	1,149	1,101	1,066	1,060
Period Stock Change	-105	132	275	-177	3	126	-142	-66	-48	-35	-6
Refined Balance 2/	-263	185	199	-365	-238	-131	-473	-134	-115	-40	-36
Seasonally Adjusted Refined Balance 3/						56	-292	-61	-52	25	19

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. p/ Preliminary data