



Copper: Preliminary Data for July 2012

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

According to preliminary ICSG data, the refined copper market balance for July 2012 showed a production deficit of 23,000 metric tonnes (t). When making seasonal adjustments for world refined production and usage, July showed a production deficit of 8,000 t. The refined copper balance for the first seven month of 2012, including revisions to data previously presented, indicates a production deficit of 524,000 t (a seasonally adjusted deficit of 333,000 t). This compares with a production deficit of 73,000 t (a seasonally adjusted surplus of 117,000 t) in the same period of 2011.

In the first seven months of 2012, world apparent usage grew by 6.2% compared with that in the same period of 2011: A growth of 25% in China's apparent usage* more than offset an aggregated decline of 7% in usage in the European Union and Japan. China's apparent usage growth reflects a year-on-year 70% increase in net imports of refined copper. However, anecdotal evidence suggests that the high import level in the first months of 2012 was accompanied by increased inventories held in bonded warehouses. On a regional basis, usage remained practically unchanged in the Americas and in Asia ex-China, and declined by 10% in Europe, 10.5% in Oceania, and 10% in Africa.

In the first seven months of 2012, world mine production increased by 2.5% compared with production in the same period of 2011. Concentrate production increased by 1% while solvent extraction-electrowinning (SX-EW) was up by 8%. Increases in Chile (3%), China (25%), Democratic Republic of Congo (DRC) (22%), Mexico (23%) and Peru (4.5%) more than offset declines in Indonesia (44%) and Zambia (10%). On a regional basis, production rose by 2% in Africa, 1% in Asia, 3% in Europe and 4% in the Americas, but declined by 3% in Oceania. The average world mine capacity utilization rate for the first seven months of 2012 remained practically unchanged at around 77.5%.

World refined production increased by 2.2% in the first seven months of 2012 compared with refined production in the same period of 2011: primary production was up by 2% (mainly due to the increase in electrowinning production), and secondary production (from scrap) increased by 3.3%. The main contributors to growth were China (+9.5%), Japan (+17%) and the DRC (+31%), with production declining by 5% in Chile, 3% in the United States (owing to a series of smelter maintenance shutdowns), and by 86% in the Philippines (owing to a fire at the smelter). The average world refinery capacity utilization rate for the first seven months of 2012 was 77.5% as compared to 78.8% in the same period of 2011.

The average LME cash price for September 2012 was US\$8,068.38 per tonne, up from the August average of US\$7,492.45 per tonne. The 2012 high and low copper prices through the end of September were US\$8,658 and US\$7,251.5 per tonne, respectively, and the average was US\$7,963.65 per tonne. As of the end of September, copper stocks held at the major metal exchanges (LME, COMEX, SHFE) totalled 431,711 t, a decline of 112,900 t from stocks held at the end of December 2011 and a decrease of 2,566 t from stock levels at the end of August 2012. Compared with the August levels, stocks were down at the LME and Comex and up at SHFE.

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

* 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-Jul	Apr	May	Jun	Jul
World Mine Production	15,485	15,527	15,906	16,024	16,019	9,109	9,339	1,358	1,393	1,369	1,357
World Mine Capacity	18,061	18,743	19,515	19,897	20,304	11,755	12,072	1,708	1,769	1,716	1,780
Mine Capacity Utilization (%)	85.7	82.8	81.5	80.5	78.9	77.5	77.4	79.5	78.8	79.8	76.2
Primary Refined Production	15,190	15,416	15,431	15,753	16,168	9,202	9,387	1,305	1,355	1,340	1,356
Secondary Refined Production	2,743	2,823	2,839	3,250	3,483	1,996	2,060	318	295	303	276
World Refined Production (Secondary+Primary)	17,933	18,239	18,270	19,003	19,651	11,198	11,448	1,623	1,651	1,643	1,632
World Refinery Capacity	21,823	22,658	23,467	23,838	24,569	14,202	14,763	2,089	2,166	2,103	2,180
Refineries Capacity Utilization (%)	82.2	80.5	77.9	79.7	80.0	78.8	77.5	77.7	76.2	78.1	74.9
World Refined Usage 1/	18,196	18,053	18,070	19,346	19,865	11,271	11,971	1,744	1,691	1,672	1,655
World Refined Stocks End of Period	970	1,102	1,376	1,199	1,205	1,340	1,034	1,105	1,070	1,064	1,034
Period Stock Change	-105	132	275	-177	6	141	-171	-48	-35	-6	-30
Refined Balance 2/	-263	186	199	-343	-214	-73	-524	-121	-41	-29	-23
Seasonally Adjusted Refined Balance 3/						117	-333	-57	25	17	-8

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