



## Copper: Preliminary Data for August 2012

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

According to preliminary ICSG data, the refined copper market balance for August 2012 showed a small production deficit of 8,000 metric tonnes (t). When making seasonal adjustments for world refined production and usage, August showed a production deficit of 23,000 t. The refined copper balance for the first eight month of 2012, including revisions to data previously presented, indicates a production deficit of 522,000 t (a seasonally adjusted deficit of 361,000 t). This compares with a production deficit of 77,000 t (a seasonally adjusted surplus of 85,000 t) in the same period of 2011.

In the first eight months of 2012, world apparent usage grew by 5.4% compared with that in the same period of 2011 principally owing to strong growth in Chinese apparent usage\* (that represented 42.7% of world usage over this period) as usage in the remaining regions declined by an aggregated 4%. China's apparent usage grew by 21% as reflected in a 60% increase in Chinese net imports of refined copper that were particularly high in the first quarter of 2012. However, Chinese net imports in the 3<sup>rd</sup> quarter of 2012 were 24% lower than in the first quarter, and anecdotal evidence suggests that the high import level in early 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, 4% in Oceania, and 13% in Africa.

In the first eight months of 2012, world mine production increased by 3% compared with production in the same period of 2011. Concentrate production increased by 1.8% while solvent extraction-electrowinning (SX-EW) was up by 7.6%. Increases in Chile (3.8%), China (23%), Democratic Republic of Congo (DRC) (23%), Mexico (22%) and Peru (5%) more than offset declines in Australia (5%), Indonesia (40%) and Zambia (4%). On a regional basis, production rose by 4.8% in Africa, 1.4% in Asia, 3.5% in Europe and 4.2% in the Americas, but declined by 3.7% in Oceania. The average world mine capacity utilization rate for the first eight months of 2012 remained practically unchanged at around 77.7%.

World refined production increased by 2% in the first eight months of 2012 compared with refined production in the same period of 2011: primary production was up by 1.9% (mainly due to the increase in electrowon production), and secondary production (from scrap) increased by 2.4%. The main contributors to growth were China (+8.8%), Japan (+17%) and the DRC (+31.5%), with production declining by 5.3% in Chile, 1.3% in the United States (owing to a series of smelter maintenance shutdowns), and by 82% in the Philippines (owing to a fire at the sole smelter). The average world refinery capacity utilization rate for the first eight months of 2012 was 77.5% compared with 79% in the same period of 2011.

The average LME cash price for October 2012 was US\$8,069.52 per tonne, up from the September average of US\$8,068.38 per tonne. The 2012 high and low copper prices through the end of October were US\$8,658 and US\$7,251.5 per tonne, respectively, and the average was US\$7,975.19 per tonne. As of the end of October, copper stocks held at the major metal exchanges (LME, COMEX, SHFE) totalled 483,663 t, a decline of 60,948 t from stocks held at the end of December 2011 and an increase of 51,952 t from stock levels at the end of September 2012. Compared with the September levels, stocks were up at all exchanges.

Please visit the ICSG website [www.icsg.org](http://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	2012			
					p/	Jan-Aug	May	Jun	Jul	Aug	
World Mine Production	15,485	15,527	15,906	16,024	16,019	10,461	10,784	1,395	1,366	1,362	1,442
World Mine Capacity	18,061	18,743	19,515	19,897	20,304	13,488	13,858	1,769	1,716	1,780	1,786
Mine Capacity Utilization (%)	85.7	82.8	81.5	80.5	78.9	77.6	77.8	78.9	79.6	76.5	80.8
Primary Refined Production	15,190	15,416	15,431	15,753	16,168	10,575	10,778	1,357	1,340	1,362	1,382
Secondary Refined Production	2,743	2,823	2,839	3,250	3,483	2,306	2,362	295	303	279	298
World Refined Production (Secondary+Primary)	17,933	18,239	18,270	19,003	19,651	12,882	13,140	1,652	1,644	1,642	1,680
World Refinery Capacity	21,823	22,658	23,467	23,838	24,569	16,303	16,949	2,166	2,103	2,180	2,187
Refineries Capacity Utilization (%)	82.2	80.5	77.9	79.7	80.0	79.0	77.5	76.3	78.2	75.3	76.8
World Refined Usage 1/	18,196	18,053	18,070	19,346	19,865	12,958	13,662	1,691	1,671	1,659	1,687
World Refined Stocks End of Period	970	1,102	1,376	1,199	1,205	1,327	1,091	1,089	1,107	1,102	1,091
Period Stock Change	-105	132	275	-177	6	128	-114	-25	18	-6	-11
Refined Balance 2/	-263	186	199	-343	-214	-77	-522	-39	-27	-18	-8
Seasonally Adjusted Refined Balance 3/						85	-361	25	17	-19	-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. p/ Preliminary data