Copper: Preliminary Data for October 2012

The International Copper Study Group (ICSG) released preliminary data for October 2012 world copper supply and demand in its January 2013 Copper Bulletin. The Bulletin is available for sale upon request.

According to preliminary ICSG data, the refined copper market balance for October 2012 showed a production surplus of 52,000 metric tonnes (t). When making seasonal adjustments for world refined production and usage, October showed a production deficit of 30,000 t. The refined copper balance for the first ten months of 2012, including revisions to data previously presented, indicates a production deficit of 557,000 t (a seasonally adjusted deficit of 456,000 t). This compares with a production deficit of 146,000 t (a seasonally adjusted deficit of 44,000 t) in the same period of 2011.

In the first ten months of 2012, world apparent usage of copper grew by 4.2% compared with that in the same period of 2011, principally owing to strong growth in Chinese apparent usage*. Based on a 40% increase in net imports of refined copper, China's apparent usage grew by 15.5% in the ten months compared with that in the same period of 2011 and accounted for 42.5% of world usage. However, anecdotal evidence suggests that the high import level in the first months of 2012 was accompanied by an increase in inventories held in bonded warehouses. Usage in the other three leading consuming regions, the EU, Japan and the United States, declined by 7.5% and 1.5% and remained practically unchanged, respectively.

In the first ten months of 2012 world mine production increased by 3.9% compared with production in the same period of 2011. Concentrate production increased by 3.2% while solvent extraction-electrowinning (SX-EW) was up by 6.3%. Increases in Chile (3.8%), China (28%), Democratic Republic of Congo (DRC) (20%), Mexico (19%) and Peru (6%) more than offset declines in Australia (4.6%) and Indonesia (35%). On a regional basis, production rose by 6% in Africa, 4.3% in the Americas. 4.9% in Asia, and 3.6% in Europe, but declined by 4.3% in Oceania. The average world mine capacity utilization rate for the first ten months of 2012 increased to 78.8% from 78% in the same period of 2011.

World refined production increased by 1.7% in the first ten months of 2012 compared with refined production in the same period of 2011: primary production was up by 1.7% due to the increase in electrowon production, and secondary production (from scrap) increased by 1.5%. The main contributors to growth were China (+9%), Japan (+15%) and the DRC (+29%), with production declining by 6% in Chile, 3% in the United States (owing to a series of smelter maintenance shutdowns), and by 67% in the Philippines (owing to a fire at the sole smelter). The average world refinery capacity utilization rate for the first ten months of 2012 was 77.8% compared with 79.5% in the same period of 2011.

The average LME cash price for December 2012 was US$7,962.58 per tonne, down from the November average US$7,694.2 per tonne. The 2012 high and low copper prices were US$8,658 (on 28 Feb) and US$7,251.5 per tonne (on 8 Jun), respectively, and the average was US$7,949,71 per tonne. As of the end of December, copper stocks held at the major metal exchanges (LME, COMEX, SHFE) totalled 589,422 t, an increase of 44,811 t from stocks held at the end of December 2011 and an increase of 82,885 t from stock levels at the end of November 2012. Compared with the November levels, stocks were up at all exchanges.

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	2012			
						Jan-Oct		Jul	Aug	Sep	Oct
World Mine Production	15,484	15,531	15,902	16,020	16,020	13,190	13,705	1,361	1,438	1,441	1,489
World Mine Capacity	18,061	18,743	19,515	19,897	20,304	16,909	17,393	1,780	1,786	1,735	1,800
Mine Capacity Utilization (%)	85.7	82.9	81.5	80.5	78.9	78.0	78.8	76.5	80.5	83.1	82.7
Primary Refined Production	15,190	15,416	15,431	15,753	16,168	13,349	13,583	1,352	1,382	1,378	1,422
Secondary Refined Production	2,738	2,823	2,841	3,250	3,481	2,920	2,964	282	297	305	313
World Refined Production (Secondary+Primary)	17,928	18,239	18,272	19,003	19,649	16,269	16,547	1,634	1,678	1,684	1,735
World Refinery Capacity	21,823	22,658	23,467	23,838	24,569	20,459	21,272	2,180	2,187	2,123	2,200
Refineries Capacity Utilization (%)	82.2	80.5	77.9	79.7	80.0	79.5	77.8	75.0	76.7	79.3	78.8
World Refined Usage 1/	18,196	18,053	18,070	19,346	19,865	16,414	17,104	1,660	1,698	1,746	1,683
World Refined Stocks End of Period	970	1,102	1,376	1,199	1,205	1,342	1,125	1,040	1,029	1,125	1,250
Period Stock Change	-105	132	275	-177	6	142	-80	-23	-11	96	125
Refined Balance 2/	-268	186	202	-343	-216	-146	-557	-26	-20	-62	52
Seasonally Adjusted Refined Balance 3/						-44	-456	-28	-38	-45	-30

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.