Copper: Preliminary Data for November 2012

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

According to preliminary ICSG data, the refined copper market balance for November 2012 showed a production surplus of around 30,000 metric tonnes (t). When making seasonal adjustments for world refined production and usage, November showed a production surplus of 14,000 t. The refined copper balance for the first eleven months of 2012, including revisions to data previously presented, indicates a production deficit of 513,000 t (a seasonally adjusted deficit of 427,000 t). This compares with a production deficit of 260,000 t (a seasonally adjusted deficit of 175,000 t) in the same period of 2011.

In the first eleven months of 2012, world apparent usage of copper grew by 3.5% compared with that in the same period of 2011, principally owing to strong growth in Chinese apparent usage*. A growth of 13% in China's apparent usage* more than offset an aggregated decline of 4.4% in usage in Japan, the European Union and the United States. China's apparent usage growth was based on a 28% 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 grew by 9% in Asia (0.8% in Asia ex-China region); 1% in the Americas; remained practically unchanged in Oceania; and declined by 7.5% in Europe, and 13% in Africa.

In the first eleven months of 2012 world mine production increased by around 4% compared with production in the same period of 2011. Concentrate production increased by 3.8% while solvent extraction-electrowinning (SX-EW) was up by 5.8%. Increases in Chile (3.7%), China (26%), Democratic Republic of Congo (DRC) (21%), Mexico (19%) and Peru (6%) more than offset declines in Australia (4%) and Indonesia (30%). On a regional basis, production rose by 8% in Africa, 4.4% in the Americas. 5.9% in Asia, and 3.2% in Europe, but declined by 4.3% in Oceania. The average world mine capacity utilization rate for the first eleven months of 2012 increased to 81.2% from 80.1% in the same period of 2011.

World refined production increased by 2.1% in the first eleven months of 2012 compared with refined production in the same period of 2011: Primary production was up by 2% due to the increase in electrowon production, and secondary production (from scrap) increased by 2.4%. The main contributors to growth were China (10%), 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 50% in the Philippines (owing to a fire at the sole smelter). The average world refinery capacity utilization rate for the first eleven months of 2012 was 78.7% compared with 80.6% in the same period of 2011.

The average LME cash price for January 2013 was US$8,049.27 per tonne, up from the December 2012 average of US$7,962.58 per tonne. The 2013 high and low copper prices were US$8,175.50 (on 30 Jan) and US$7,910.50 per tonne (on 16 Jan), respectively, and the annual average was US$8,049.27 per tonne. As of the end of January, copper stocks held at the major metal exchanges (LME, COMEX, SHFE) totalled 648,352 t, an increase of 58,930 t from stocks held at the end of December 2012. Compared with the December 2012 levels, stocks were up at all three 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-Nov		Aug	Sep	Oct	Nov
World Mine Production	15,482	15,531	15,898	16,020	16,023	14,559	15,180	1,439	1,429	1,490	1,483
World Mine Capacity	17,900	18,551	19,254	19,560	19,824	18,171	18,703	1,746	1,697	1,761	1,712
Mine Capacity Utilization (%)	86.5	83.7	82.6	81.9	80.8	80.1	81.2	82.4	84.2	84.6	86.7
Primary Refined Production	15,190	15,416	15,431	15,753	16,168	14,719	15,024	1,395	1,383	1,412	1,410
Secondary Refined Production	2,738	2,823	2,841	3,250	3,481	3,208	3,284	300	308	316	323
World Refined Production (Secondary+Primary)	17,928	18,239	18,272	19,003	19,649	17,927	18,308	1,695	1,692	1,728	1,733
World Refinery Capacity	21,787	22,588	23,457	23,839	24,385	22,255	23,270	2,174	2,114	2,196	2,135
Refineries Capacity Utilization (%)	82.3	80.7	77.9	79.7	80.6	80.6	78.7	78.0	80.0	78.7	81.2
World Refined Usage 1/	18,196	18,053	18,070	19,346	19,865	18,187	18,821	1,705	1,743	1,685	1,706
World Refined Stocks End of Period	970	1,102	1,376	1,199	1,205	1,262	1,246	1,021	1,119	1,246	1,267
Period Stock Change	-105	132	275	-177	6	63	41	-11	98	128	20
Refined Balance 2/	-268	186	202	-343	-216	-260	-513	-10	-51	43	27
Seasonally Adjusted Refined Balance 3/						-175	-427	-30	-34	-27	14

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.