



Copper: Preliminary Data for January 2013

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

In developing its global market balance, ICSG uses an apparent demand calculation for China, the leading global consumer of copper, accounting for about 40% of world demand. Apparent copper demand for China is based only on reported data (production + net trade +/- SHFE stock changes) 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 and which could significantly alter supply-demand balances

According to preliminary ICSG data, the refined copper market balance for January 2013 showed a production surplus of about 70,000 metric tonnes (t) as apparent refined demand was weak in major consuming regions. When making seasonal adjustments for world refined production and usage, January showed a surplus of 25,000 t. This compares with a production deficit of 60,000 t (a seasonally adjusted deficit of 103,000 t) in January 2012.

In January 2013, world usage is estimated to have declined by around 6% compared with that in January 2012. Chinese apparent demand declined by 6.8% owing to a 35% decline in net imports of refined copper. However, anecdotal evidence suggests that the lower import level was accompanied by a decline in unreported inventories held in bonded warehouses in China, which may have been all or partially directed to domestic industrial use. (In its April 26th forecast press release, the ICSG reported that unreported inventories in China were estimated to have risen by about 600,000 t during 2012). Excluding China, world usage declined by around 5%. On a regional basis, usage is estimated to have declined by 10% in Africa, by 3% in the Americas, by 6.5% in Asia and by 6% in Europe, while apparent usage is estimated to have increased in Oceania by 20%.

World mine production is estimated to have increased by almost 14% in January 2013 compared with production in January 2012 mainly owing to a recovery in production levels from constrained output in January 2012. Concentrate production increased by 20% while solvent extraction-electrowinning (SX-EW) declined by 7%. Mine production increased by 10% in Chile, the world's leading producer accounting for 32% of world mine production, and by 17% in the United States, but declined by 4% in Peru. On a regional basis, production in January rose by 26% in Africa, 9% in the Americas, 34% in Asia, and 9% in Oceania, but declined by 1% in Europe. The average world mine capacity utilization rate for January 2013 increased to around 82% from around 75% in January 2012.

World refined production is estimated to have increased by 1.6% in January 2013 compared with refined production in the same month of 2012: primary production was up by only 1.2% (growth of 3.6% in electrolytic production was partially offset by a 7% decline in electrowon production) and secondary production (from scrap) was up by 3.6%. The main contributors to growth were China (7%), Japan (8.5%) and Africa (22%), with refined production declining by 17.5% in Chile, the world's second largest refined copper producer. On a regional basis, refined production is estimated to have increased in Africa (22%), Asia (6.5%), and Europe (1%) but declined in the Americas (9%) and Oceania (14%). The average world refinery capacity utilization rate for January 2013 declined to around 77% from around 80% in January 2012.

The average LME cash price for March 2013 was US\$7,662.90 per tonne, up from the February 2013 average of US\$8,070.48 per tonne. The 2013 high and low copper prices through the end of March were US\$8,242.50 (on 5 Feb) and US\$7,539.00 per tonne (on 19 Mar), respectively, and the annual average was US\$7,931.48 per tonne. As of the end of March, copper stocks held at the major metal exchanges (LME, COMEX, SHFE) totalled 887,881 t, an increase of 298,459 t from stocks held at the end of December 2012 and an increase of 153,336 t from stock levels at the end of February 2013. Compared with the February levels, stocks were up at all three exchanges.

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

World Refined Copper Usage and Supply Trends, 2008-2013

Thousand metric tonnes, copper

	2008	2009	2010	2011	2012	2012	2013	2012				2013
						Jan	Jan	Oct	Nov	Dec	Jan	
World Mine Production	15,569	15,943	16,053	16,076	16,702	1,290	1,467	1,490	1,484	1,541	1,467	
World Mine Capacity	18,551	19,254	19,560	19,824	20,380	1,711	1,784	1,761	1,712	1,776	1,784	
Mine Capacity Utilization (%)	83.9	82.8	82.1	81.1	82.0	75.4	82.3	84.6	86.7	86.8	82.3	
Primary Refined Production	15,391	15,407	15,732	16,126	16,544	1,402	1,420	1,403	1,412	1,513	1,420	
Secondary Refined Production	2,823	2,841	3,250	3,470	3,572	279	289	308	319	299	289	
World Refined Production (Secondary+Primary)	18,214	18,248	18,981	19,596	20,116	1,681	1,708	1,711	1,731	1,813	1,708	
World Refinery Capacity	22,588	23,457	23,839	24,385	25,489	2,113	2,227	2,196	2,135	2,217	2,227	
Refineries Capacity Utilization (%)	80.6	77.8	79.6	80.4	78.9	79.6	76.7	77.9	81.1	81.8	76.7	
World Refined Usage 1/	18,053	18,070	19,346	19,830	20,512	1,741	1,641	1,676	1,713	1,658	1,641	
World Refined Stocks End of Period	1,102	1,376	1,199	1,205	1,406	1,192	1,430	1,238	1,258	1,406	1,430	
Period Stock Change	132	275	-177	6	200	-13	25	117	21	147	25	
Refined Balance 2/	161	178	-365	-234	-396	-60	67	35	18	155	67	
Seasonally Adjusted Refined Balance 3/						-103	25	-31	9	63	25	

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.