



Copper: Preliminary Data for February 2013

The International Copper Study Group (ICSG) released preliminary data for February 2013 world copper supply and demand in its May 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 February 2013 showed a production surplus of about 40,000 metric tonnes (t) as apparent refined demand was weak in major consuming regions. When making seasonal adjustments for world refined production and usage, February showed a surplus of 46,000 t. The refined copper balance for the first two months of 2013, including revisions to data previously presented, indicates a production surplus of 127,000 t (a seasonally adjusted surplus of 86,000 t). This compares with a production deficit of 170,000 t (a seasonally adjusted deficit of 222,000 t) in the same period of 2012.

In the first two months 2013, world usage is estimated to have declined by around 6.5% compared with that in the same period of 2012. Chinese apparent demand declined by 11% owing to a 45% 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 3%. On a regional basis, usage is estimated to have declined by 10% in Africa, by 1% in the Americas, by 9% in Asia, by 3% in Europe, and by 1.5% in Oceania.

World mine production is estimated to have increased by almost 12% in the first two months of 2013 compared with production in the same period of 2012, mainly owing to a recovery in production levels from constrained output in early 2012. Concentrate production increased by 15% and solvent extraction-electrowinning (SX-EW) by 1.5%. Mine production increased by 7% in Chile, the world's leading producer accounting for 32% of world mine production, and by 9% in the United States, but declined by 0.5% in Peru. On a regional basis, production rose by 32% in Africa, 7% in the Americas, 26% in Asia, 2% in Europe, and 11% in Oceania. The average world mine capacity utilization rate for the first two months of 2013 increased to around 82.5% from around 77% in the same period of 2012.

World refined production is estimated to have increased by 2.3% in the first two months of 2013 compared with refined production in the same period of 2012: primary production was up by 2.8%, and secondary production (from scrap) remained practically unchanged. The main contributors to growth were China (4%), Japan (6.5%) and Africa (25%), with refined production declining by 8% in Chile, the world's second largest refined copper producer. On a regional basis, refined production is estimated to have increased in Africa (25%), Asia (5%), and Europe (2%) but declined in the Americas (4.5%) and Oceania (8%). The average world refinery capacity utilization rate for the first two months of 2013 declined to around 78% from around 80.5% in the same period of 2012.

The average LME cash price for April 2013 was US\$7,203.36 per tonne, up from the March 2013 average of US\$7,662.90 per tonne. The 2013 high and low copper prices through the end of April were US\$8,242.50 (on 5 Feb) and US\$6,811.00 per tonne (on 23 April), respectively, and the annual average was US\$7,747.25 per tonne. As of the end of April, copper stocks held at the major metal exchanges (LME, COMEX, SHFE) totalled 912,975 t, an increase of 323,553 t from stocks held at the end of December 2012 and an increase of 25,094 t from stock levels at the end of March 2013. Compared with the March levels, stocks were up at LME and Comex and down at SHFE.

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		2012		2013	
						Jan-Feb	Nov	Dec	Jan	Feb	
World Mine Production	15,569	15,943	16,053	16,076	16,700	2,502	2,802	1,483	1,541	1,471	1,331
World Mine Capacity	18,551	19,254	19,560	19,824	20,380	3,260	3,402	1,712	1,776	1,784	1,618
Mine Capacity Utilization (%)	83.9	82.8	82.1	81.1	81.9	76.8	82.4	86.7	86.8	82.5	82.2
Primary Refined Production	15,391	15,407	15,732	16,126	16,542	2,700	2,775	1,412	1,513	1,450	1,325
Secondary Refined Production	2,823	2,841	3,250	3,470	3,572	543	544	319	299	289	254
World Refined Production (Secondary+Primary)	18,214	18,248	18,981	19,596	20,114	3,243	3,319	1,731	1,812	1,739	1,579
World Refinery Capacity	22,588	23,457	23,839	24,385	25,489	4,030	4,249	2,135	2,217	2,227	2,022
Refineries Capacity Utilization (%)	80.6	77.8	79.6	80.4	78.9	80.5	78.1	81.1	81.8	78.1	78.1
World Refined Usage 1/	18,053	18,070	19,346	19,830	20,512	3,413	3,191	1,713	1,658	1,653	1,539
World Refined Stocks End of Period	1,102	1,376	1,199	1,205	1,406	1,219	1,518	1,258	1,406	1,459	1,518
Period Stock Change	132	275	-177	6	200	13	112	21	147	54	59
Refined Balance 2/	161	178	-365	-234	-397	-170	127	18	155	87	41
Seasonally Adjusted Refined Balance 3/						-222	86	9	70	40	46

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.