



Copper: Preliminary Data for March 2013

The International Copper Study Group (ICSG) released preliminary data for March 2013 world copper supply and demand in its June 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 March 2013 showed a production surplus of about 100,000 metric tonnes (t) as apparent refined demand was weak in major consuming regions. When making seasonal adjustments for world refined production and usage, March showed a surplus of 133,000 t. The refined copper balance for the first three months of 2013, including revisions to data previously presented, indicates a production surplus of 222,000 t (a seasonally adjusted surplus of 231,000 t). This compares with a production deficit of 312,000 t (a seasonally adjusted deficit of 307,000 t) in the same period of 2012.

In the first quarter of 2013, world usage is estimated to have declined by around 5.3% compared with that in the same period of 2012. Chinese apparent demand declined by 10% owing to a 46% 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, ICSG said that unreported inventories in China were estimated to have risen by about 600,000 t during 2012.) Excluding China, year-on-year world usage declined by around 1.7%. On a regional basis, usage is estimated to have declined by 7.8% in Africa, 1.8% in the Americas, 7.6% in Asia, 0.2% in Europe, and 14.3% in Oceania.

World mine production is estimated to have increased by almost 11% in the first three 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 13.2% and solvent extraction-electrowinning (SX-EW) by 2.3%. Mine production increased by 7.7% in Chile, the world's leading producer accounting for 32% of world mine production, and by 8.2% in the United States, but declined by 1.2% in Peru. On a regional basis, production rose by 31.9% in Africa, 6.6% in the Americas, 18.6% in Asia, 2.8% in Europe, and 11.1% in Oceania. The average world mine capacity utilization rate for the first quarter of 2013 increased to around 82% from around 77% in the same period of 2012.

World refined production is estimated to have increased by 5.2% in the first quarter of 2013 compared with refined production in the same period of 2012: primary production was up by 3.8%, and secondary production (from scrap) increased by 11.6%. The main contributors to growth were China (12.3%), Democratic Republic of Congo (DRC) (43.4%) and Zambia (17%), with refined production declining by 6.4% 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 (9.2%), and Europe (2.5%) but declined in the Americas (2.7%) and Oceania (5.6%). The average world refinery capacity utilization rate for the first three months of 2013 declined to around 79.8% from around 80.1% in the same period of 2012.

The average LME cash price for May 2013 was US\$7,229.17 per tonne, up from the April 2013 average of US\$7,203.36 per tonne. The 2013 high and low copper prices through the end of May 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\$7,642.64 per tonne. As of the end of May, copper stocks held at the major metal exchanges (LME, COMEX, SHFE) totalled 868,970 t, an increase of 279,548 t from stocks held at the end of December 2012 and a decline of 44,005 t from stock levels at the end of April 2013. Compared with the April levels, stocks were down 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	2013			
						Jan-Mar	Dec	Jan	Feb	Mar	
World Mine Production	15,569	15,943	16,053	16,076	16,700	3,851	4,262	1,541	1,464	1,324	1,473
World Mine Capacity	18,551	19,254	19,560	19,824	20,380	4,980	5,200	1,776	1,784	1,618	1,799
Mine Capacity Utilization (%)	83.9	82.8	82.1	81.1	81.9	77.3	82.0	86.8	82.1	81.8	81.9
Primary Refined Production	15,391	15,407	15,732	16,126	16,542	4,078	4,233	1,513	1,452	1,326	1,456
Secondary Refined Production	2,823	2,841	3,250	3,470	3,572	856	955	299	325	282	348
World Refined Production (Secondary+Primary)	18,214	18,248	18,981	19,596	20,114	4,934	5,189	1,812	1,776	1,608	1,804
World Refinery Capacity	22,588	23,457	23,839	24,385	25,489	6,163	6,498	2,217	2,227	2,022	2,249
Refineries Capacity Utilization (%)	80.6	77.8	79.6	80.4	78.9	80.1	79.8	81.8	79.8	79.5	80.2
World Refined Usage 1/	18,053	18,070	19,346	19,830	20,512	5,246	4,966	1,658	1,702	1,564	1,700
World Refined Stocks End of Period	1,102	1,376	1,199	1,205	1,406	1,151	1,668	1,406	1,459	1,518	1,668
Period Stock Change	132	275	-177	6	200	-54	263	147	54	59	150
Refined Balance 2/	161	178	-365	-234	-397	-312	222	155	74	44	104
Seasonally Adjusted Refined Balance 3/						-307	231	57	40	58	133

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.