



Copper: Preliminary Data for April 2013

The International Copper Study Group (ICSG) released preliminary data for April 2013 world copper supply and demand in its July 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 April 2013 showed a production surplus of 50,000 metric tonnes (t) as apparent refined demand was weak in major consuming regions. When making seasonal adjustments for world refined production and usage, April showed a surplus of 106,000 t. The refined copper balance for the first four months of 2013, including revisions to data previously presented, indicates a production surplus of 266,000 t (a seasonally adjusted surplus of 322,000 t). This compares with a production deficit of 429,000 t (a seasonally adjusted deficit of 377,000 t) in the same period of 2012.

In the first four months of 2013, world usage is estimated to have declined by around 4% compared with that in the same period of 2012. Chinese apparent demand declined by 7% 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, 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 1.6%. On a regional basis, usage is estimated to have declined by around 6% in Africa, 2% in the Americas, 5.5% in Asia, 0.5% in Europe, and 1.5% in Oceania.

World mine production is estimated to have increased by almost 9% in the first four 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 11% and solvent extraction-electrowinning (SX-EW) by 2.4%. Mine production increased by around 6% in Chile, the world's leading producer accounting for 32% of world mine production. On a regional basis, production rose by around 31% in Africa, 4.5% in the Americas, 15% in Asia, 3% in Europe, and 12% in Oceania. The average world mine capacity utilization rate for the first four months of 2013 increased to around 82% from around 78% in the same period of 2012.

World refined production is estimated to have increased by around 6% in the first four months of 2013 compared with refined production in the same period of 2012: primary production was up by around 5%, and secondary production (from scrap) increased by 11%. The main contributors to growth were China (14%), Democratic Republic of Congo (DRC) (40%) and Zambia (21%), with refined production declining by 6% in Chile, the world's second largest refined copper producer. On a regional basis, refined production is estimated to have increased in Africa (26%), Asia (10%), and Europe (2.5%) but declined in the Americas (1%) and Oceania (1%). The average world refinery capacity utilization rate for the first four months of 2013 increased to around 80.5% from around 79.5% in the same period of 2012.

The average LME cash price for June 2013 was US\$7,004.05 per tonne, down from the May 2013 average of US\$7,229.17 per tonne. The 2013 high and low copper prices through the end of June were US\$8,242.50 (on 5 Feb) and US\$6,637.50 per tonne (on 24 June), respectively, and the annual average was US\$7,539.34 per tonne. As of the end of June, copper stocks held at the major metal exchanges (LME, COMEX, SHFE) totalled 910,776 t, an increase of 321,354 t from stocks held at the end of December 2012 and an increase of 41,806 t from stock levels at the end of May 2013. Compared with the May levels, stocks were up at LME and SHFE and down at COMEX.

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-Apr | Jan | Feb | Mar | Apr | |
| World Mine Production | 15,569 | 15,943 | 16,054 | 16,076 | 16,701 | 5,209 | 5,675 | 1,466 | 1,323 | 1,476 | 1,411 |
| World Mine Capacity | 18,551 | 19,254 | 19,560 | 19,824 | 20,380 | 6,647 | 6,948 | 1,784 | 1,618 | 1,799 | 1,748 |
| Mine Capacity Utilization (%) | 83.9 | 82.8 | 82.1 | 81.1 | 81.9 | 78.4 | 81.7 | 82.2 | 81.8 | 82.0 | 80.7 |
| Primary Refined Production | 15,391 | 15,407 | 15,732 | 16,126 | 16,542 | 5,391 | 5,677 | 1,456 | 1,327 | 1,466 | 1,428 |
| Secondary Refined Production | 2,823 | 2,841 | 3,250 | 3,470 | 3,572 | 1,166 | 1,296 | 325 | 282 | 342 | 347 |
| World Refined Production (Secondary+Primary) | 18,214 | 18,248 | 18,981 | 19,596 | 20,114 | 6,557 | 6,973 | 1,781 | 1,609 | 1,808 | 1,775 |
| World Refinery Capacity | 22,588 | 23,457 | 23,839 | 24,385 | 25,489 | 8,238 | 8,684 | 2,227 | 2,022 | 2,249 | 2,187 |
| Refineries Capacity Utilization (%) | 80.6 | 77.8 | 79.6 | 80.4 | 78.9 | 79.6 | 80.3 | 80.0 | 79.6 | 80.4 | 81.2 |
| World Refined Usage 1/ | 18,053 | 18,070 | 19,346 | 19,830 | 20,511 | 6,986 | 6,706 | 1,702 | 1,568 | 1,711 | 1,725 |
| World Refined Stocks End of Period | 1,102 | 1,376 | 1,199 | 1,205 | 1,406 | 1,103 | 1,806 | 1,455 | 1,512 | 1,651 | 1,806 |
| Period Stock Change | 132 | 275 | -177 | 6 | 200 | -102 | 400 | 50 | 57 | 140 | 154 |
| Refined Balance 2/ | 161 | 178 | -365 | -234 | -397 | -429 | 266 | 79 | 41 | 97 | 50 |
| Seasonally Adjusted Refined Balance 3/ | | | | | | -377 | 322 | 46 | 42 | 128 | 106 |

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.