



**Copper: Preliminary Data for May 2013**

The International Copper Study Group (ICSG) released preliminary data for May 2013 world copper supply and demand in its August 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, after seven consecutive months of surplus, the refined copper market balance for May 2013 showed a small production deficit of 17,000 metric tonnes (t). Although world refined production continued its gradual increase, Chinese apparent refined demand in May was at the highest level since December 2011, and usage in the United States was at the highest level since March 2012. After making seasonal adjustments for world refined production and usage, however, May, a historically high demand period ahead of seasonal construction, showed a surplus of 84,000 t. The refined copper balance for the first five months of 2013, including revisions to data previously presented, indicates a production surplus of 228,000 t (a seasonally adjusted surplus of 372,000 t). This compares with a production deficit of 480,000 t (a seasonally adjusted deficit of 344,000 t) in the same period of 2012.

In the first five months of 2013, world usage is estimated to have declined by around 2% compared with that in the same period of 2012. Despite May's high level, Chinese apparent demand declined by 3% owing to a 37% 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 26<sup>th</sup> 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 1.5%. On a regional basis, usage is estimated to have declined by around 6% in Africa, 2.5% in Asia, 2% in Europe, and 3% in Oceania, remaining unchanged in the Americas.

World mine production is estimated to have increased by around 9% in the first five 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 10.5% and solvent extraction-electrowinning (SX-EW) by 3.5%. Mine production increased by around 5% in Chile, the world's leading producer, and accounted for 32% of world mine production. On a regional basis, production rose by around 33% in Africa, 4.5% in the Americas, 14.5% in Asia, 2.5% in Europe, and 11% in Oceania. The average world mine capacity utilization rate for the first five months of 2013 increased to around 82% from around 79% in the same period of 2012.

World refined production is estimated to have increased by around 6.5% in the first five 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 12%. The main contributors to growth were China (15.5%), Democratic Republic of Congo (DRC) (43%) and Zambia (18%), with refined production declining by 5.5% in Chile, the world's second largest refined copper producer. On a regional basis, refined production is estimated to have increased in Africa (26.5%), Asia (10%), and Europe (1.5%) but declined in Oceania (1%) and remained unchanged in the Americas. The average world refinery capacity utilization rate for the first five months of 2013 increased to around 80% from around 79% in the same period of 2012.

The average LME cash price for July 2013 was US\$6,892.98 per tonne, down from the June 2013 average of US\$7,004.05 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\$7,438.46 per tonne. As of the end of July, copper stocks held at the major metal exchanges (LME, COMEX, SHFE) totalled 830,861 t, an increase of 241,439 t from stocks held at the end of December 2012 and a decrease of 79,915 t from stock levels at the end of June 2013. Compared with the June levels, stocks were down at all three exchanges.

Please visit the ICSG website [www.icsg.org](http://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-May	Feb	Mar	Apr	May			
World Mine Production	15,569	15,943	16,053	16,076	16,700	6,601	7,193	1,324	1,480	1,418	1,501		
World Mine Capacity	18,551	19,254	19,560	19,824	20,380	8,374	8,762	1,618	1,799	1,748	1,814		
Mine Capacity Utilization (%)	83.9	82.8	82.1	81.1	81.9	78.8	82.1	81.8	82.3	81.1	82.7		
Primary Refined Production	15,391	15,407	15,732	16,126	16,542	6,749	7,097	1,328	1,467	1,399	1,445		
Secondary Refined Production	2,823	2,841	3,250	3,470	3,572	1,459	1,637	281	341	345	346		
World Refined Production (Secondary+Primary)	18,214	18,248	18,981	19,596	20,114	8,209	8,735	1,609	1,808	1,744	1,791		
World Refinery Capacity	22,588	23,457	23,839	24,385	25,489	10,393	10,955	2,022	2,249	2,187	2,270		
Refineries Capacity Utilization (%)	80.6	77.8	79.6	80.4	78.9	79.0	79.7	79.6	80.4	79.8	78.9		
World Refined Usage 1/	18,053	18,070	19,346	19,830	20,511	8,689	8,507	1,569	1,712	1,714	1,808		
World Refined Stocks End of Period	1,102	1,376	1,199	1,205	1,406	1,067	1,749	1,513	1,653	1,808	1,749		
Period Stock Change	132	275	-177	6	200	-138	343	57	140	155	-59		
Refined Balance 2/	161	178	-365	-234	-397	-480	228	40	97	30	-17		
Seasonally Adjusted Refined Balance 3/								-344	372	51	116	80	84

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.