



## Copper: Preliminary Data for April 2015

The International Copper Study Group (ICSG) released preliminary data for April 2015 world copper supply and demand in its July 2015 Copper Bulletin. The Bulletin is available for sale upon request.

In developing its global market balance, the ICSG uses an apparent demand calculation for China—the leading global consumer of copper accounting for about 40% of world demand—that does not take into account changes in unreported stocks [State Reserve Bureau (SRB), producer, consumer and merchant/trader]. To facilitate global market analysis, however, an additional line item—Refined World Balance Adjusted for Chinese Bonded Stock

Changes—is included below that adjusts the world refined copper balance based on an average estimate of changes in unreported inventories provided by three consultants with expertise in China's copper market. The resulting adjustments to world refined copper balance are discussed separately in italics below.

According to preliminary ICSG data, after four months of consecutive surplus the refined copper market balance for April 2015 (excluding the adjustment for changes in China's bonded stocks) showed an apparent production deficit of about 80,000 metric tonnes (t), mainly due to strong Chinese apparent demand. When making seasonal adjustments for world refined production and usage, April showed a production deficit of around 30,000 t. The refined copper balance for the first four months of 2015, including revisions to data previously presented, indicates a production surplus of around 60,000 t (a seasonally adjusted surplus of 67,000 t). This compares with a production deficit of 436,000 t (a seasonally adjusted deficit of 435,000 t) for the same period of 2014.

In the first four months of 2015, world apparent usage is estimated to have declined by around 4% (290,000 t) compared with that in the same period of 2014. Chinese apparent demand declined by 5% (165,000 t) based on a 14% decrease in net imports of refined copper from the high net import level in early 2014 and consequently higher apparent usage. However, Chinese apparent usage in April was the highest since December 2014. Excluding China, world usage declined by around 3% in the first four months of 2015 mainly due to a decline of 43% in Russia's apparent usage (following the withdrawal of Russia's cathode export tax in September 2014) and a decline of 6% and 7% in Japan and the EU, respectively. On a regional basis, usage is estimated to have declined by 3% in Asia (when excluding China, Asia usage increased by 2%), by 11% in Europe and by 75% in Oceania. Usage increased by 4% and 2.5% in Africa and the Americas, respectively.

World mine production is estimated to have increased by around 3% (175,000 t) in the first four months of 2015 compared with production in the same period of 2014. Concentrate production increased by 3% while solvent extraction-electrowinning (SX-EW) increased by 3.5%. The increase in world mine production was mainly due to a recovery in production levels at mines in Indonesia and Chile, although the latter also benefited from production at mines that started last year. Production in Peru increased by 4% and in the United States production declined by 6%. On a regional basis, production rose by 2.5% in Africa, 3% in South America, 11% in Asia and 1% in Europe, but declined by 5% in North America and 3% in Oceania. The average world mine capacity utilization rate for the first four months of 2015 declined slightly to 85% from 86% in the same period of 2014.

World refined production is estimated to have increased by around 3% (210,000 t) in the first four months of 2015 compared with refined production in the same period of 2014: primary production was up by 2% and secondary production (from scrap) was up by 8.5%. The main contributor to growth was China (up by 6%), followed by the Philippines and Indonesia where production was reduced in the first quarter of last year due to operational constraints. Production also increased in the DRC (+14%). Output in Chile, Japan and the United States (the second, third and fourth leading refined copper producers) each declined by around 4%. On a regional basis, refined production is estimated to have increased in Africa (7%) and Asia (6%) and to have declined in the Americas (-1%) and Oceania (16%) while remaining essentially unchanged in Europe. The average world refinery capacity utilization rate for the first four months of 2015 remained unchanged as compared to the same period of 2014.

*Based on the average of stock estimates provided by independent consultants, China's bonded stocks increased by 30,000 t in the first four months of 2015 from the yearend 2014 level. Stocks increased by around 190,000 t in the same period of 2014. In the first four months of 2015, the world refined copper balance adjusted for the change in Chinese bonded stocks indicates a production surplus of around 92,000 t compared with a deficit of around 246,000 t in the same period of 2014.*

The average LME cash price for June was US\$5,833.61 per tonne, down from the May average of US\$6,300.61 per tonne. The 2015 high and low copper prices through the end of June were US\$6,448.00 (on 12<sup>th</sup> May) and US\$5,390.50 per tonne (on 29<sup>th</sup> Jan), respectively, and the year-to-date average was US\$5,928.73 per tonne (14% below 2014 annual average). As of the end of June, copper stocks held at the major metal exchanges (LME, COMEX, SHFE) totalled 464,099 t, an increase of 157,662 t (50%) from stocks held at the end of December 2014. Compared with the May levels, stocks were up at LME and COMEX and down at SHFE.

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 table on next page)

### World Refined Copper Usage and Supply Trends, 2011-2015

Thousand metric tonnes, copper

	2011	2012	2013	2014	2014	2015	2015			
					Jan-Apr	Jan	Feb	Mar	Apr	
World Mine Production	16,056	16,778	18,272	18,715	6,089	6,263	1,611	1,452	1,614	1,587
World Mine Capacity	19,468	19,964	20,787	21,718	7,058	7,393	1,898	1,721	1,914	1,859
Mine Capacity Utilization (%)	82.5	84.0	87.9	86.2	86.3	84.7	84.9	84.3	84.3	85.3
Primary Refined Production	16,132	16,590	17,239	18,571	5,931	6,035	1,536	1,421	1,572	1,506
Secondary Refined Production	3,468	3,596	3,803	3,909	1,216	1,320	345	318	335	322
World Refined Production (Secondary+Primary)	19,600	20,186	21,043	22,480	7,147	7,355	1,881	1,739	1,907	1,827
World Refinery Capacity	23,950	25,027	26,375	27,288	8,866	9,082	2,341	2,118	2,348	2,275
Refineries Capacity Utilization (%)	81.8	80.7	79.8	82.4	80.6	81.0	80.4	82.1	81.2	80.3
World Refined Usage 1/	19,705	20,441	21,370	22,887	7,582	7,293	1,858	1,623	1,903	1,909
World Refined Stocks End of Period	1,205	1,376	1,325	1,339	1,219	1,535	1,410	1,509	1,550	1,535
Period Stock Change	7	171	-52	14	-106	196	72	99	41	-15
Refined Balance 2/	-105	-255	-328	-407	-436	62	23	116	4	-81
Seasonally Adjusted Refined Balance 3/					-435	67	26	66	2	-27
Refined Balance Adjusted for Chinese bonded stock change 4/	-166	313	-584	-420	-246	92	20	123	21	-71

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. 4/ For details of this adjustment see paragraph 2 of the press release.