

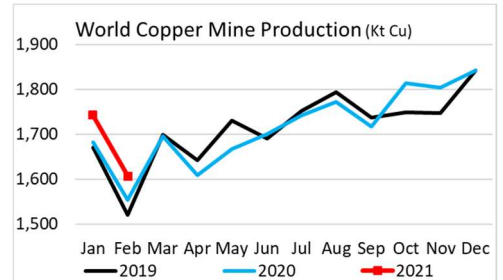


**Copper: Preliminary Data for February 2021**

The International Copper Study Group (ICSG) released preliminary data for February world copper supply and demand in its May 2021 Copper Bulletin. The Bulletin and ICSG online statistical database provide data, on a country basis, for copper mine, smelter, refined and semis production, copper refined usage, trade, stocks and prices. The bulletin is available for sale (annual subscription €550/€850 for orders originating from/outside institutions based in ICSG member countries).

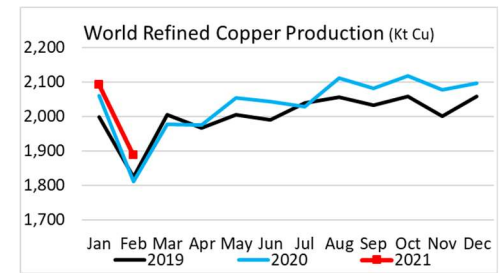
**Preliminary data indicates that world copper mine production increased by 3.5% in the first two months of 2021, with concentrate production increasing by 5% and solvent extraction-electrowinning (SX-EW) declining by about 3%:**

- World mine production started to recover in June 2020 as lockdown measures eased and the copper industry adapted to stricter health protocols that remain in place in 2021. Improved production in Indonesia and additional output from new or expanded mines in other countries contributed to growth that more than offset declines in Chile and Peru.
- In Chile, the world's biggest copper mine producing country, total output was down by 2.6% with a 3.5% growth in concentrate production being more than offset by a 18% decline in SX-EW output.
- Output in Peru, the world's second biggest copper mine producing country, declined by 7.5% in January due to lower output at three major copper producers but recovered in February. Total production in the first two months was down by 3.7%.
- Indonesian production increased by about 90% mainly due to the continued ramp-up of underground production at Grasberg mine
- Strong increases were also seen in the D.R.Congo, Mongolia, Panama and Russia due to additional output from new or expanded operations.



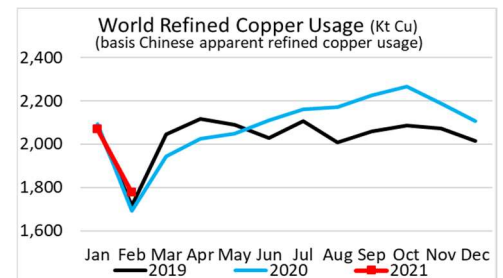
**Preliminary data indicates that world refined copper production increased by about 2.9% in the first two months of 2021 with primary production (electrolytic and electrowinning) up by 3% and secondary production (from scrap) up by 0.6%.**

- Preliminary official Chinese refined production data indicates growth of 5%.
- Chilean electrolytic refined output increased by 10%. This was mainly due to the fact that in the 2020 comparative period production was still ramping up from smelter upgrades to comply with new environmental regulations. After taking into account a 18% decline in electrowinning refined production, total Chilean refined copper production (electrolytic and electrowinning) declined by 8.7%.
- In Africa, refined production was up by 16% in the D.R. Congo due to the continued ramp-up of new or expanded SX-EW plants, and by 45% in Zambia, where output has recovered from smelters' operational issues and temporary shutdowns during 2019 and early 2020.
- Preliminary data indicates small declines for Brazil, Japan, Mexico (SX-EW); Spain (SX-EW), Sweden and Russia for various reasons including maintenance work, operational issues and the shutdown of SX-EW plants.
- Globally, secondary refined production increased by 0.6%.



**Preliminary data indicates that world apparent refined copper usage increased by 1.7% in the first two months of 2021:**

- The COVID-19 related global lockdown has had a notable negative impact on the world economy and subsequently on key copper end-use sectors in all regions. Although usage started to recover in the 2<sup>nd</sup> half of 2020, global demand is still below the pre-pandemic level.
- World ex-China refined copper usage was significantly impacted and is estimated to have declined by about 9% in 2020. Usage in the first two months of this year is estimated to have declined by about 6%.
- Chinese apparent usage (excluding changes in bonded/unreported stocks) increased by around 9%.



**Preliminary world refined copper balance in the first two months of 2021 indicates an apparent surplus of about 130,000 t:**

- In developing its global market balance, ICSG uses an apparent demand calculation for China that does not consider changes in unreported stocks [State Reserve Bureau (SRB), producer, consumer, merchant/trader, bonded]. To facilitate global market analysis, however, an additional line item - Refined World Balance Adjusted for Chinese Bonded Stock Changes - is included in the attached table that adjusts the world refined copper balance based on an average estimate of changes in bonded inventories provided by two consultants with expertise in China's copper market.
- In the first two months of 2021, the world refined copper balance, based on Chinese apparent usage (excluding changes in unreported stocks), indicated a surplus of 130,000 t. The world refined copper balance adjusted for changes in Chinese bonded stocks indicated a market surplus of about 140,000 t.

**Copper Prices and Stocks:**

- Based on the average of estimates provided by two independent consultants, China's bonded stocks are thought to have increased by about 6,000 t in the first two months of 2021 compared to the year-end 2020 level.
- As of the end of April 2021, copper stocks held at the major metal exchanges (LME, COMEX, SHFE) totalled 397,512 t, an increase 146,337 t (+58%) from stocks held at the end of December 2020. Stocks were down at COMEX (-14%) and up at the LME (+0.3%) and SHFE (+166%).
- The average LME cash price for April was US\$ 9,335.55 /t, up 3.7% from the March average of US\$ 9,004.98 /t. The 2021 high and low copper prices through the end of April were US\$ 9,990 /t (on 29<sup>th</sup> Apr) and US\$ 7,755.50 /t (on 2<sup>nd</sup> Feb), respectively, and the year average was US\$ 8,704.10 /t (39% above the 2020 annual average).

**(World Refined Copper Usage and Supply Trends table on next page)**

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

Thousand metric tonnes, copper

	2018	2019	2020	2020	2021	2020		2021	
				Jan-Feb		Nov	Dec	Jan	Feb
World Mine Production	20,579	20,572	20,598	3,236	3,349	1,803	1,842	1,742	1,607
World Mine Capacity	24,063	24,163	24,762	3,966	4,132	2,079	2,158	2,167	1,965
Mine Capacity Utilization (%)	85.5	85.1	83.2	81.6	81.0	86.7	85.4	80.4	81.8
Primary Refined Production	20,040	20,013	20,561	3,229	3,337	1,755	1,774	1,754	1,584
Secondary Refined Production	4,035	4,028	3,876	642	646	323	322	340	306
World Refined Production (Secondary+Primary)	24,075	24,041	24,436	3,871	3,983	2,078	2,097	2,093	1,889
World Refinery Capacity	28,234	29,044	29,945	4,786	4,884	2,476	2,562	2,565	2,319
Refineries Capacity Utilization (%)	85.3	82.8	81.6	80.9	81.5	83.9	81.8	81.6	81.5
World Refined Usage 1/	24,484	24,429	25,041	3,787	3,852	2,187	2,109	2,073	1,779
World Refined Stocks End of Period	1,227	1,229	1,236	1,547	1,297	1,275	1,236	1,191	1,297
Period Stock Change	-148	1	7	318	62	-67	-39	-45	106
Refined Balance 2/	-409	-388	-605	85	131	-109	-12	20	111
Seasonally Adjusted Refined Balance 3/				-6	33	-65	-62	15	18
Refined Balance Adjusted for Chinese bonded stock change 4/	-468	-566	-495	170	141	-99	-14	24	117

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 Chinese and 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 the paragraph of the press release on "World refined copper balance".