



Copper: Preliminary Data for November 2009

The International Copper Study Group (ICSG) released preliminary data for November world copper supply and demand in its February 2010 Copper Bulletin. The Bulletin is available for sale upon request.

According to the preliminary ICSG data, the apparent refined copper market balance for November showed a surplus of 75,000 metric tonnes (t). When making seasonal adjustments for world refined production and usage, November showed a surplus of about 48,000 t. The apparent refined copper balance for the first 11 months of 2009, including revisions to data previously presented, indicates a production surplus of about 144,000 t (a seasonally adjusted surplus of around 285,000 t). This compares with a production surplus of around 58,000 t (a seasonally adjusted surplus of about 197,000 t) for the same period in 2008.

In the first 11 months of 2009, world usage is estimated to have decreased by less than 1% compared with that in the same period of 2008. Chinese apparent usage, which accounted for 40% of world usage over this period, grew by 1.9 Mt (41%) and nearly offset a 16% decline in the rest of the world.* Usage in the EU-15 countries, Japan, and the United States, which combined accounted for about 30% of world usage, decreased by 19%, 28% and 20%, respectively.

World mine production grew by 1.6% in the first 11 months of 2009 compared with that in the same period of 2008: Concentrate production grew by 0.4% while solvent extraction-electrowinning (SX-EW) was up by 6.6%. Among major world producers, production in Australia, the United States, China and Canada fell by a total of 319,000 t and partially offset growth in Chile, Indonesia, Peru, the Democratic Republic of Congo and Brazil. Mine production capacity utilization fell to 80.5% compared with 82.4% in the same period of 2008.

In the first 11 months of 2009, world refined production increased slightly (0.4%) compared with that in the same period of 2008: Primary production increased by 0.5% while secondary production (from scrap) increased by 0.3%. Announced production cuts led to decreases in refined production of 5% in Europe, 12% in North America, and 0.9% in Asia (ex-China), which were essentially balanced by increases of 8.2% in Chile and 8.6% in China. Refined production capacity utilization fell to 78.2% compared with an average rate of 81.2% in the same period of 2008.

The average LME cash price for January 2010 was US\$7,386.25 per tonne, up from the December 2009 average of US\$6,981.71 per tonne. The 2010 high and low copper prices through the end of January were US\$7,685 and US\$6,854 per tonne, respectively. As of the end of January 2010, copper stocks held at the major metal exchanges (LME, COMEX, SHFE) totalled 738,737 t, an increase of 51,049 t from stocks held at the end of December 2009. Compared to the December levels, stocks were up at the LME, COMEX and SHFE warehouses.

Please visit the ICSG website www.icsg.org for further copper market related information.

* China's apparent copper usage is based only on reported data (production + net trade +/- SHFE stock changes +/- industry stock changes, if reported) 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.

World Refined Copper Usage and Supply Trends, 2003-2009

Thousand metric tonnes, copper

	2003	2004	2005	2006	2007	2008	2009					
							2008	2009	2009			
									Jan-Nov	Aug	Sep	Oct
World Mine Production	13,757	14,594	14,924	14,990	15,463	15,530	14,137	14,361	1,339	1,319	1,357	1,331
World Mine Capacity	15,338	16,072	16,826	17,141	18,098	18,739	17,162	17,831	1,665	1,615	1,672	1,622
Mine Capacity Utilization (%)	89.7	90.8	88.7	87.5	85.4	82.9	82.4	80.5	80.4	81.7	81.2	82.0
Primary Refined Production	13,485	13,858	14,412	14,682	15,201	15,407	14,095	14,159	1,306	1,306	1,331	1,325
Secondary Refined Production	1,786	2,069	2,161	2,613	2,743	2,829	2,614	2,620	256	266	271	295
World Refined Production (Secondary+Primary)	15,272	15,928	16,572	17,295	17,944	18,236	16,708	16,779	1,562	1,571	1,602	1,620
World Refinery Capacity	18,804	19,179	20,250	20,604	21,569	22,472	20,581	21,448	2,002	1,939	2,006	1,943
Refineries Capacity Utilization (%)	81.2	83.0	81.8	83.9	83.2	81.1	81.2	78.2	78.0	81.0	79.9	83.4
World Refined Usage ^{1/}	15,714	16,839	16,673	17,043	18,168	18,010	16,650	16,635	1,426	1,568	1,481	1,544
Refined Stocks End of Period	1,780	923	867	1,131	1,027	1,158	1,031	1,341	1,099	1,195	1,232	1,341
Period Stock Change	(267)	(857)	(56)	264	(104)	131	3	183	106	96	37	109
Refined Balance ^{2/}	(443)	(911)	(101)	252	(224)	225	58	144	137	4	121	75
Seasonally Adjusted Refined Balance ^{3/}							197	285	67	17	66	48

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. p/ preliminary, 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.