



ICSG PRESS RELEASE

Copper: Preliminary Data for March 2005

The International Copper Study Group (ICSG) released preliminary data for March and the first quarter of 2005 for world copper supply and demand in its June 2005 Copper Bulletin.

According to the preliminary ICSG data, the refined market balance for March 2005 showed a deficit of 26,000 metric tonnes (t). After making seasonal adjustments for world usage, however, the calculated balance for March showed a surplus of 21,000 t. The apparent refined copper balance for the first quarter of 2005, including revisions to data for January and February, indicated a production deficit of 59,000 t and, when seasonally adjusted, a surplus of 25,000 t. This compares with a production deficit of 452,000 t (seasonally adjusted, 364,000 t) for the same period in 2004. Total reported stocks of refined copper at the end of March were down by 35,000 t compared with the stock level at yearend 2004. The main reason for the world refined copper balance (unadjusted) returning to deficit following the previously reported surplus through February was revision of usage data for January for the United States and February for the European Union.

World refined usage for the first quarter of 2005 fell by 5.5% compared with that of the first quarter of 2004, yet remained 3.8% above that for the first quarter of 2003. The year-on-year changes for the first quarter of 2005 were: the United States, -11%; the EU-15, -15%; South Korea, -8.5%; Japan, -13%; and China, +6.4%.

On the supply side, mine production increased by 7.5% in January to March 2005 compared with that in January to March 2004. For the first 3 months 2005, primary refined production rose by 5.5% compared with that of the equivalent period in 2004. Secondary refined production (from scrap) decreased by 5.3%, resulting in an increase in total refined copper production of 4.1% compared with that of the equivalent period in 2004. During the first quarter, capacity utilization rates for refineries remained at low levels (around 80%).

At the end of May 2005, copper stocks held at the major metal exchanges (LME, COMEX, SHFE) totalled 92,930 t, a decrease of 12,656 t from stocks at the end of April. Stocks were down on the LME and Comex, but up on the SHFE. However, compared to the year-end 2004 level, exchange stocks decreased by 31,359 t. The average LME cash price for May 2005 was US\$3,249.1 per tonne, as compared with the April average of US\$3,394.5 per tonne.

World Refined Copper Usage and Supply Trends, 1999-2005

Thousand metric tonnes, copper

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2004 | 2005 | 2004 | 2005 | | |
|---|--------|--------|--------|--------|--------|--------|---------|-------|-------|-------|-------|-------|
| | | | | | | | Jan-Mar | Dec | Jan | Feb | Mar | |
| World Mine Production | 12,787 | 13,211 | 13,626 | 13,579 | 13,676 | 14,529 | 3,297 | 3,543 | 1,351 | 1,207 | 1,088 | 1,247 |
| World Mine Capacity | 13,760 | 14,201 | 14,462 | 15,121 | 15,273 | 15,766 | 3,853 | 4,064 | 1,386 | 1,393 | 1,264 | 1,407 |
| Mine Capacity Utilization (%) | 92.9 | 93.0 | 94.2 | 89.8 | 89.5 | 92.2 | 85.6 | 87.2 | 97.4 | 86.7 | 86.1 | 88.6 |
| Primary Refined Production | 12,443 | 12,634 | 13,718 | 13,422 | 13,460 | 13,802 | 3,312 | 3,495 | 1,229 | 1,200 | 1,093 | 1,201 |
| Secondary Refined Production | 2,103 | 2,125 | 1,862 | 1,846 | 1,774 | 1,967 | 505 | 478 | 153 | 167 | 149 | 162 |
| Refined Production (Secondary+Primary) | 14,545 | 14,759 | 15,580 | 15,268 | 15,234 | 15,769 | 3,817 | 3,973 | 1,382 | 1,367 | 1,242 | 1,363 |
| World Refinery Capacity | 16,946 | 17,046 | 17,741 | 18,327 | 18,806 | 19,303 | 4,747 | 4,960 | 1,694 | 1,702 | 1,543 | 1,716 |
| Refineries Capacity Utilization (%) | 85.8 | 86.6 | 87.8 | 83.3 | 81.0 | 81.7 | 80.4 | 80.1 | 81.6 | 80.3 | 80.5 | 79.4 |
| World Refined Usage 1/ | 14,278 | 15,129 | 14,895 | 15,156 | 15,641 | 16,523 | 4,269 | 4,032 | 1,286 | 1,391 | 1,252 | 1,389 |
| Four Weeks of World Refined Usage 3/ | 1,098 | 1,164 | 1,146 | 1,166 | 1,203 | 1,271 | 1,318 | 1,245 | 1,298 | 1,274 | 1,227 | 1,236 |
| Refined Stocks End of Period | 1,634 | 1,291 | 1,992 | 2,048 | 1,780 | 923 | 1,358 | 887 | 923 | 885 | 968 | 887 |
| Period Stock Change | 126 | -344 | 702 | 55 | -267 | -857 | -422 | -35 | 14 | -37 | 83 | -81 |
| Refined Balance 2/ | 267 | -370 | 685 | 113 | -406 | -755 | -452 | -59 | 96 | -24 | -9 | -26 |
| Refined Balance Seasonally adjusted 2/ 3/ | 267 | -370 | 685 | 113 | -406 | -755 | -364 | 25 | -30 | -16 | 19 | 21 |

Due to the nature of statistical reporting, the published data should be considered as preliminary since some figures are currently based on estimates and could change.

1/ Based on EU apparent usage

2/ Surplus or deficit is calculated using total refined production minus refined usage

3/ Seasonally adjusted for the months