



## Copper: Preliminary Data for November 2005

The International Copper Study Group (ICSG) released preliminary data for November 2005 for world copper supply and demand in its February 2006 Copper Bulletin.

According to the preliminary ICSG data, the refined copper market had an apparent production surplus in November of around 48,000 metric tonnes (t), increasing to around 59,000 t after making seasonal adjustments for world usage. The apparent refined copper balance for the January-November 2005 period, including revisions to data previously presented, indicated a cumulative production deficit of about 154,000 t and, when seasonally adjusted, a deficit of 28,000 t. This compares with a production deficit of 972,000 t (seasonally adjusted 846,000 t) for the same period in 2004.

World refined usage in November was essentially unchanged from that of October's low level, and was more than 2% below that for November 2004. Chinese apparent usage continued to be weak based on a further decline in the country's net refined copper imports, and reported U.S. usage fell to its lowest level in 6 months. On the other hand, use in Japan remained at the high level achieved in October and the European Union usage showed signs of recovery. For January-November 2005, global usage fell by 1.5% compared with that of the equivalent period of 2004. On a country by country basis, China, India and Russian Federation achieved year-to-date growths of 9%, 13.5% and 9%, respectively, while the European Union, Japan and the United States fell by 9%, 5% and by 6.5%, respectively.

On the supply side, world mine production increased by 2.5% in the first 11 months of the year when compared with that in the same period of 2004: Concentrate production was up by 3.3%, and SX-EW was down by 1%. Mine capacity utilization averaged 88.3% during the first 11 months of 2005, below the average (90.6%) for the same period of 2004. However, November showed a significant increase in Chilean mine production, which had been reduced by unforeseen production problems in the preceding months. Total world refined production increased by 4.1% in the January-November 2005 period compared with that of the same period of 2004: Primary production was up by 4.3% and secondary production (from scrap) was up by 3%. Main contributors to this increase were China, India and Indonesia, which achieved year-to-date growths of 17%, 20% and 27%, respectively. Refinery capacity utilization averaged 80.7% during the first 11 months of 2005.

As of end of January 2006, copper stocks held at the major metal exchanges (LME, COMEX, SHFE) totalled 157,914 t, an increase of 1,663 t from stocks at the end of December 2005. Stocks were up at Comex and LME warehouses and down at SHFE warehouses. The average LME cash price for January 2006 was US\$4,734.33 per tonne, as compared with the December 2005 average of US\$4,576.78 per tonne.

### World Refined Copper Usage and Supply Trends, 1999-2005

Thousand metric tonnes, copper

	1999	2000	2001	2002	2003	2004	2004	2005	2005			
							Jan-Nov	Aug	Sep	Oct	Nov	
World Mine Production	12,787	13,211	13,637	13,581	13,680	14,509	13,157	13,483	1,268	1,246	1,274	1,295
World Mine Capacity	13,760	14,201	14,443	15,097	15,227	15,821	14,514	15,273	1,428	1,384	1,433	1,389
Mine Capacity Utilization (%)	92.9	93.0	94.4	90.0	89.8	91.7	90.6	88.3	88.8	90.1	88.9	93.3
Primary Refined Production	12,443	12,632	13,713	13,419	13,443	13,783	12,558	13,095	1,207	1,200	1,232	1,257
Secondary Refined Production	2,103	2,125	1,862	1,846	1,774	2,016	1,858	1,914	174	177	177	185
Refined Production (Secondary+Primary)	14,545	14,757	15,575	15,265	15,217	15,798	14,416	15,009	1,381	1,377	1,409	1,442
World Refinery Capacity	16,946	17,046	17,719	18,325	18,841	19,337	17,745	18,589	1,739	1,690	1,753	1,704
Refineries Capacity Utilization (%)	85.8	86.6	87.9	83.3	80.8	81.7	81.2	80.7	79.4	81.5	80.4	84.6
World Refined Usage 1/	14,278	15,130	14,896	15,160	15,642	16,687	15,388	15,163	1,306	1,443	1,384	1,395
Four Weeks of World Refined Usage 3/	1,098	1,164	1,146	1,166	1,203	1,284	1,293	1,274	1,275	1,340	1,250	1,293
Refined Stocks End of Period	1,634	1,291	1,992	2,048	1,780	919	906	843	844	821	831	843
Period Stock Change	126	-344	702	55	-267	-861	-874	-76	41	-22	10	12
Refined Balance 2/	267	-373	679	105	-426	-888	-972	-154	76	-67	25	48
Refined Balance Seasonally adjusted 2/ 3/	267	-373	679	105	-426	-888	-846	-28	-6	-56	49	59

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/deficit is calculated using refined production minus refined usage. 3/ Seasonally adjusted for the months