



## Copper: Preliminary Data for February 2006

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

According to the preliminary ICSG data, the refined copper market had an apparent production surplus in February of about 24,000 metric tonnes (t), increasing to about 52,000 t after making seasonal adjustments for world usage. The apparent refined copper balance for the January-February 2006 period, including revisions to data previously presented, indicated a cumulative production surplus of about 77,000 t and, when seasonally adjusted, a surplus of 117,000 t. This compares with a production deficit of 55,000 t (seasonally adjusted 18,000 t) for the same period in 2005.

In the first two months of 2006, world refined usage remained essentially flat compared with usage in the same period of 2005 (-0.5%): a weak January 2006 (-2.5% compared with that in January 2005) was offset by growth in February (+1.6% compared with that in February 2005). Year-to-date usage in China, the European Union and the United States, which combined accounted for 55% of global usage, fell by 5.2%, 4.7% and 3.4%, respectively. India achieved year-to-date growth of 15% and usage in Japan showed a year-to-date flat growth (+0.5%).

On the supply side, world mine production continued to be affected by technical problems, strikes and lower than anticipated head-grades. Mine production in the first two months of 2006 was essentially unchanged (0.1%) from that in the same period of 2005: Concentrate production was down by 0.4%, and SX-EW production was up by 2.4%. Mine capacity utilization decreased to an average of 83% compared with an average of 87% in the same period of 2005. Supply increases from Australia, Congo, Peru and Zambia were balanced by level production in Chile and lower output in Brazil, China, Indonesia, Kazakhstan, Mexico and the United States.

Total world refined production increased by 4.5% in the January-February 2006 period compared with that of the same period of 2005: Primary production was up by 4.5% and secondary production (from scrap) was up by 4.6%. Declines in Canada (-3%), Chile (-3%) and the United States (-3.6%) were more than offset by increases in China (+21%), India (+41%), Japan (+5%) and Zambia (18%). Refined capacity utilization averaged 82%, similar to the average for the same period of 2005.

As of end of April 2006, copper stocks held at the major metal exchanges (LME, COMEX, SHFE) totalled 164,209 t, a decrease of 20,573 t from stocks at the end of March and 7,958 t from those held at the end of December 2005. Stocks were down at all three exchanges (Comex, LME and SHFE). Total reported world stocks at the end of February 2006, which include exchange, producer, consumer and some merchant stocks, were up by about 80,000 t from those held at the end of 2005. The average LME cash price for April 2006 was US\$6,387.78 per tonne, as compared with the March average of US\$5,102.85 per tonne. The 2006 LME average cash price through April was US\$5,261.15 per tonne. 2006 high and low copper prices through end of April were US\$7,400.0 and US\$4,537.0 per tonne, respectively.

### World Refined Copper Usage and Supply Trends, 2000-2006

Thousand metric tonnes, copper

	2000	2001	2002	2003	2004	2005	2005		2006		2006	
							Jan-Feb	Nov	Dec	Jan	Feb	
World Mine Production	13,211	13,637	13,581	13,678	14,507	14,875	2,290	2,293	1,307	1,414	1,198	1,095
World Mine Capacity	14,213	14,458	15,091	15,228	15,779	16,578	2,631	2,752	1,387	1,439	1,444	1,309
Mine Capacity Utilization (%)	92.9	94.3	90.0	89.8	91.9	89.7	87.0	83.3	94.2	98.2	83.0	83.6
Primary Refined Production	12,633	13,721	13,422	13,459	13,805	14,344	2,285	2,387	1,247	1,281	1,221	1,166
Secondary Refined Production	2,125	1,862	1,847	1,775	2,018	2,103	331	347	181	196	181	165
Refined Production (Secondary+Primary)	14,758	15,583	15,269	15,234	15,823	16,446	2,616	2,734	1,428	1,477	1,403	1,331
World Refinery Capacity	17,046	17,719	18,305	18,822	19,308	20,202	3,211	3,332	1,683	1,744	1,749	1,584
Refineries Capacity Utilization (%)	86.6	87.9	83.4	80.9	81.9	81.4	81.5	82.0	84.8	84.7	80.2	84.0
World Refined Usage 1/	15,132	14,902	15,166	15,661	16,725	16,512	2,672	2,657	1,390	1,316	1,350	1,307
Four Weeks of World Refined Usage	1,164	1,146	1,167	1,205	1,287	1,270	1,262	1,257	1,284	1,315	1,231	1,283
Refined Stocks End of Period	1,291	1,992	2,048	1,780	919	851	966	930	784	851	937	930
Period Stock Change	-344	702	55	-267	-861	-68	47	79	7	67	86	-7
Refined Balance 2/	-373	682	104	-427	-902	-66	-55	77	38	161	52	24
Refined Balance Seasonally adjusted 2/	-373	682	104	-427	-902	-66	-18	117	53	46	65	52

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.