



**Copper: Preliminary Data for April 2007**

The International Copper Study Group (ICSG) released preliminary data for April 2007 for world copper supply and demand in its July 2007 Copper Bulletin. The Bulletin is available for sale upon request.

According to the preliminary ICSG data, the refined copper market had an apparent production deficit in April 2007 of about 90,000 metric tonnes (t), decreasing to about 45,000 t after making seasonal adjustments for world refined usage and production. Owing primarily to strong Chinese apparent usage, the apparent refined copper balance for the first 4 months of 2007, including revisions to data previously presented, indicates a

production deficit of about 265,000 t and, when seasonally adjusted, a deficit of 155,000 t. This compares with a production surplus of about 35,000 t (seasonally adjusted 145,000 t) for the same period in 2006. Note that in its calculation of the refined copper balance, the ICSG does not take into account changes in China's State Reserve Bureau (SRB) stocks, which are unreported and which might significantly affect calculation of China's apparent consumption during periods of stocking or de-stocking.

In the first 4 months of 2007, world refined copper usage is estimated to have increased by 10.5% compared with that in the same period in 2006. Chinese apparent usage grew by 38% during the first 4 months of 2007 compared with that of the first 4 months of 2006 as net imports of refined copper rose by 270% to about 480,000 t. Anecdotal evidence suggests, however, that SRB stocks may have increased significantly during this period, accounting for some of the apparent increase in usage. World usage outside of China grew by only 3% and was mainly supported by a rise in Indian and Russian usage of 17% and 11%, respectively. Year-on-year usage growth in the EU-15 countries, which had grown by more than 10% for full-year 2006, weakened to 0.8% in the first 4 months of 2007, and usage in Japan and the U.S. decreased by 3.8 and 3%, respectively.

On the supply side, world mine production increased by 7% in the first 4 months of 2007 compared with that in the same period of 2006 when production was reduced by technical problems and strikes: Concentrate production was up by 5.8%, and SX-EW production was up by 11.8%. However, average monthly mine production in the first 4 months of 2007 was 7% below the average monthly rate in the 4<sup>th</sup> quarter 2006. Regionally, year-on-year mine production for the first 4 months of 2007 was up by 21% in Asia, 6% in Africa, 3% in Oceania, 6% in Latin America and 1.5% in North America, and down by 1.6% in Europe. Global mine capacity utilization increased to an average of 88.6% from an average of 85.8% in the same period of 2006.

Total world refined production increased by 5% in the first 4 months of 2007 compared with that of the same period of 2006: Primary production was up by 4.9% (with the biggest share of the growth attributed to SX-EW production), and secondary production (from scrap) was up by 6.3%. With the exception of the United States, where production fell by 2.8%, all major producing countries increased their production: Chile (11%), China (4%), Japan (4%), India (33%), Russia (6%). Refined capacity utilization increased to an average of 84.1% from an average of 83.9% in the same period of 2006.

The average LME cash price for June 2007 decreased to US\$7,475.88 per tonne from the May 2007 average of US\$7,682.17 per tonne. The 2007 high and low copper prices through the end of June were US\$8,100.00 and US\$5,225.50 per tonne, respectively, and the average was US\$6,675.11 per tonne. As of the end June 2007, copper stocks held at the major metal exchanges (LME, COMEX, SHFE) totalled 223,287 t, a decrease of 29,503 t from stocks held at the end of December 2006. Stocks were down at the three exchanges.

**World Refined Copper Usage and Supply Trends, 2001-2007**

Thousand metric tonnes, copper

	2001	2002	2003	2004	2005	2006	2006	2007	2007			
							Jan-Apr	Jan	Feb	Mar	Apr	
World Mine Production	13,636	13,578	13,785	14,607	14,921	15,008	4,754	5,081	1,276	1,167	1,347	1,292
World Mine Capacity	14,418	15,068	15,245	15,827	16,606	16,958	5,541	5,738	1,475	1,337	1,485	1,442
Mine Capacity Utilization (%)	94.6	90.1	90.4	92.3	89.9	88.5	85.8	88.6	86.5	87.3	90.7	89.6
Primary Refined Production	13,773	13,442	13,467	13,843	14,413	14,865	4,884	5,124	1,311	1,211	1,288	1,315
Secondary Refined Production	1,846	1,862	1,759	2,037	2,130	2,466	776	825	209	192	211	214
World Refined Production (Secondary+Primary)	15,618	15,304	15,226	15,880	16,543	17,331	5,660	5,949	1,520	1,402	1,498	1,529
Seasonally Adjusted Refined Production - monthly 1/	1,301	1,275	1,269	1,323	1,378	1,444	1,431	1,504	1,500	1,497	1,470	1,549
World Refinery Capacity	17,659	18,245	18,749	19,096	20,194	20,641	6,743	7,070	1,813	1,646	1,831	1,780
Refineries Capacity Utilization (%)	88.4	83.9	81.2	83.2	81.9	84.0	83.9	84.1	83.8	85.2	81.8	85.9
World Refined Usage 1/	14,935	15,208	15,691	16,822	16,692	17,036	5,625	6,216	1,529	1,475	1,592	1,620
Seasonally Adjusted World Refined Usage - monthly	1,245	1,268	1,307	1,402	1,391	1,420	1,395	1,543	1,502	1,552	1,526	1,593
Refined Stocks End of Period	1,992	2,048	1,780	928	855	1,099	827	1,028	1,072	1,072	1,079	1,028
Period Stock Change	702	55	-267	-852	-73	243	-28	-71	-26	-0	7	-51
Refined Balance 2/	683	96	-466	-942	-149	295	35	-267	-9	-73	-93	-91
Seasonally Adjusted Refined Balance 3/							143	-157	-2	-55	-56	-44

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 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.