Copper: Preliminary Data for November 2011

The International Copper Study Group (ICSG) released preliminary data for November 2011 world copper supply and demand in its February 2012 Copper Bulletin. The Bulletin is available for sale upon request.

According to preliminary ICSG data, the refined copper market balance for November 2011 showed a production deficit of 119,000 metric tonnes (t) that is mainly attributable to China’s strong net imports and resulting high apparent usage. When making seasonal adjustments for world refined production and usage, November showed a deficit of 156,000 t. The apparent refined copper balance for the first eleven months of 2011, including revisions to data previously presented, indicates a production deficit of 382,000 t (a seasonally adjusted deficit of 291,000 t). This compares with a production deficit of 460,000 t (a seasonally adjusted deficit of 345,000 t) in the same period of 2010.

During the first eleven months of 2011, world apparent usage grew by 2.7% compared with that in the same period of 2010. However, in the October-November period, world usage grew by 12% due to an increase of 38% in China’s apparent usage*. China’s net imports in October-November were 59% higher than those for the same period in 2010. In the European Union (EU), Japan, and the United States, usage weakened as the year progressed, with usage in the first eleven months of 2011 falling by 4% in Japan and remaining essentially unchanged in the EU and in the United States, compared with that in the same period of 2010. World usage without these four major users increased by 3.8%, primarily owing to significant increases in Russian Federation (64%) and Indian (6%) apparent usages.

World mine production continued to underperform relative to capacity, and in the first eleven months of 2011, remained practically unchanged compared with production in the same period of 2010 (+0.1%): Concentrate production declined by 0.5% and solvent extraction-electrowinning (SX-EW) grew by 2.8%. Production at three of the world’s four leading producers (Chile, Peru and the United States), that combined accounted for almost one half of the world’s production, was down by an aggregated 2.8% during the first eleven months of 2011 compared with that in the same period of 2010. Production in China, currently the second leading copper mine producer, was up by 12% in the same period. Indonesian production declined significantly in October/November due to labour unrest. On a regional basis, mine production increased by 6.5% in Africa, 3% in Europe, 12% in North America, and 7% in Oceania, but decreased by 3.5% in South America and 5% in Asia. The average mine capacity utilization rate for the first eleven months of 2011 fell to 78.5% from 80% in the same period of 2010.

During the first eleven months of 2011 world refined production grew by 3.2% compared with that in the same period of 2010: Primary production increased by 2% and secondary production (from scrap) increased by 9%. Production increases of 16% in Australia (recovery from 2010 operational constraints), 15% in China, and 38% in the Democratic Republic of Congo were partially offset by declines in Chile (4.5%), the United States (7%), Canada (15%), and Japan (15%). The average refinery capacity utilization rate for the first eleven months of 2011 was practically unchanged from that in the same period of 2010 at around 79%.

The average LME cash price for January 2012 was US$8,043.45 per tonne, up from the December 2011 average of US$7,567.55 per tonne. The high and low copper prices in January were US$8,610 (27Jan) and US$7,471 per tonne (5 Jan), respectively, and offset by declines in Chile (4.5%), the United States (7%), Canada (15%), and Japan (15%). The average refinery capacity utilization rate for the first eleven months of 2011 compared with that in the same period of 2010: Production increases of 16% in Australia (recovery from 2010 operational constraints), 15% in China, and 38% in the Democratic Republic of Congo were partially offset by declines in Chile (4.5%), the United States (7%), Canada (15%), and Japan (15%). The average mine capacity utilization rate for the first eleven months of 2011 fell to 78.5% from 80% in the same period of 2010.

World mine production continued to underperform relative to capacity, and in the first eleven months of 2011, remained practically unchanged compared with production in the same period of 2010 (+0.1%): Concentrate production declined by 0.5% and solvent extraction-electrowinning (SX-EW) grew by 2.8%. Production at three of the world’s four leading producers (Chile, Peru and the United States), that combined accounted for almost one half of the world’s production, was down by an aggregated 2.8% during the first eleven months of 2011 compared with that in the same period of 2010. Production in China, currently the second leading copper mine producer, was up by 12% in the same period. Indonesian production declined significantly in October/November due to labour unrest. On a regional basis, mine production increased by 6.5% in Africa, 3% in Europe, 12% in North America, and 7% in Oceania, but decreased by 3.5% in South America and 5% in Asia. The average mine capacity utilization rate for the first eleven months of 2011 fell to 78.5% from 80% in the same period of 2010.

During the first eleven months of 2011 world refined production grew by 3.2% compared with that in the same period of 2010: Primary production increased by 2% and secondary production (from scrap) increased by 9%. Production increases of 16% in Australia (recovery from 2010 operational constraints), 15% in China, and 38% in the Democratic Republic of Congo were partially offset by declines in Chile (4.5%), the United States (7%), Canada (15%), and Japan (15%). The average refinery capacity utilization rate for the first eleven months of 2011 was practically unchanged from that in the same period of 2010 at around 79%.

The average LME cash price for January 2012 was US$8,043.45 per tonne, up from the December 2011 average of US$7,567.55 per tonne. The high and low copper prices in January were US$8,610 (27Jan) and US$7,471 per tonne (5 Jan), respectively, and offset by declines in Chile (4.5%), the United States (7%), Canada (15%), and Japan (15%). The average mine capacity utilization rate for the first eleven months of 2011 fell to 78.5% from 80% in the same period of 2010.