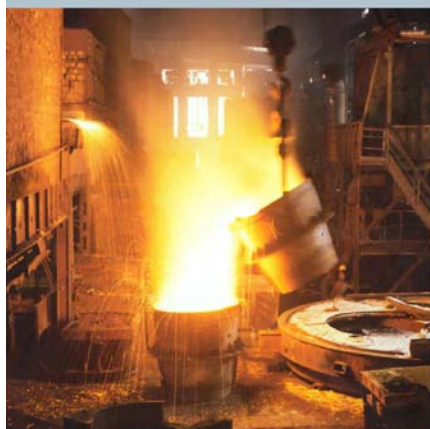


11 November 2009



Focus: Auto sales are improving but remain well below the levels seen in 2007. While we remain bullish on PGM prices, auto sales are constituent with our view that upward price pressure will come from cost pressures on producers rather than demand-pull factors. Are target for platinum remains ZAR11,200

- The base metals are all much stronger heading into Wednesday afternoon. The much anticipated Chinese economic data was generally positive, with better than expected industrial production, retail sales and trade surplus lending background support to the base metals, however, the main driver behind the rally this morning has been a weakening in the US dollar.
- Gold has hit fresh highs this morning, climbing above \$1,117/oz. With the metal in uncharted territory, resistance levels have reverted to round figures, with the next level being \$1,120. While we still look for a possible retracement in gold towards \$1,090 the fact that gold is consolidating its gains above \$1,100 is making such a retracement more unlikely.
- A Federal holiday in the US means that the usual US Department of Energy inventory data will be released tomorrow. Consequently it appears crude is set for another dollar-driven but ultimately rangebound day.

Walter de Wet* CFA

+44 (20) 3145 6821

Walter.DeWet@standardbank.com

Leon Westgate*

+44 (20) 7626 6004

Leon.Westgate@standardbank.com

Manqoba Madinane*

+27 (11) 378 7220

Manqoba.Madinane@standardbank.co.za

Commodity price data (09 November 2009)**Base metals LME 3-month**

	Open	Close	High	Low	Daily change	Change (%)	Cash Settle	Change in cash settle	Cash – 3m
Aluminium	1,950	1,959	1,960	1,952	8	0.41	1,918.00	22	-33.75
Copper	6,480	6,530	6,563	6,510	-10	-0.15	6,475.00	-90	-23.75
Lead	2,285	2,289	2,290	2,275	-12	-0.52	2,258.00	-20	-26.50
Nickel	16,900	16,830	17,000	16,900	-605	-3.47	16,850.00	-580	-70.00
Tin	14,754	14,850	14,856	14,665	75	0.51	14,860.00	-190	95.00
Zinc	2,145	2,161	2,175	2,155	1	0.05	2,121.50	-67	-24.50

Energy

	Open	Close	High	Low	day/day	Change (%)
ICE Brent	77.70	77.20	77.76	77.16	-0.30	-0.39%
NYMEX WTI	78.88	78.69	79.31	78.67	-0.36	-0.46%
ICE Gasoil	625.50	628.50	637.00	619.00	-0.50	-0.08%
API2 Q4'09	67.80	66.90	-	-	-0.90	-1.35%
ICE EUA Dec09	12.61	12.58	-	-	-25.19	-0.24%

Precious metals

	AM Fix	PM Fix	High bid	Low offer	Closing bid	Change (d/d)	EFPs
Gold	1,099.75	1,101.50	1,109.30	1,098.00	1,101.50	106.50	0/0.4
Silver	-	17.37	17.57	17.18	17.20	0.54	-
Platinum	1,354.00	1,354.00	1,365.00	1,345.00	1,343.00	61.00	3/5
Palladium	332.00	333.00	333.00	324.00	322.00	31.00	1/3

Sources: Standard Bank; LME; BBG



Focus: Vehicle sales still well below 2007 levels

Auto sales are improving but remain well below the levels seen in 2007. While we remain bullish on PGM prices, auto sales are consistent with our view that upward price pressure will come from cost pressures on producers rather than demand-pull factors. Are target for platinum remains ZAR11,200.

After rising at a steady pace for many years, China's auto sales have exploded since the start of the year, reaching 1,33million units sold in September. This is 580,000 auto's more than September sales in 2008. Furthermore, China has sold 9.6 million vehicles between January and September — 2.4million cars more than the same period last year.

The Euro-zone has sold 8.98 million cars between January and October which compares well with the 9 million units sold during the first 9 months of 2008. However, this number is still 500K less than the sales during the same period in 2007. It is also worth noting that sales are buoyed by continued government assistance to the auto industry in Europe.

In contrast, the US has sold 8.6 million autos between January and October — 2.9 million vehicles less than the same period last year. However, while the numbers in the US remain low at an absolute level, the decline has stopped.

Between the three large economies mentioned above, 26,4 million vehicles have been sold during the first 9 months of 2009, compared with 27 million during the same period in 2008. But this is still well below the 28.2 million units in the corresponding period in 2007.

Base metals

The base metals are all much stronger heading into Wednesday afternoon, on the back of a weaker dollar. The much anticipated Chinese economic data was generally positive, with better than expected industrial production, retail sales and trade surplus lending background support to the base metals, however, the main driver behind the rally this morning has been a weakening in the US dollar. With a Federal holiday leaving the afternoon clear of US economic data, it seems likely the base metals will continue to look to the currencies for direction.

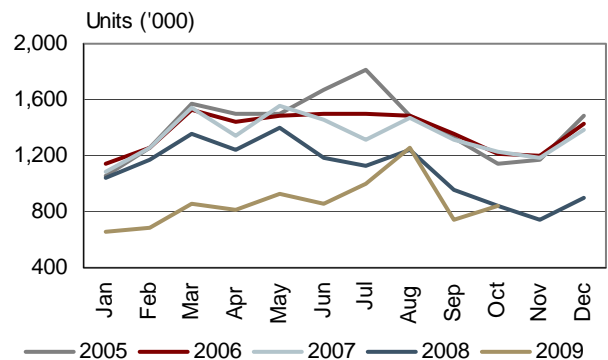
Copper has climbed back above \$6,600 this morning, in spite of another large increase in on-warrant LME inventory - up 2,975 mt, though the metal does appear to be running out of momentum heading into the afternoon session. As has been the case in previous day's Asian warehouses were again the main destination for the material, with Singapore accounting for 1,925 mt of this morning's inflow. The rest of the material was split between the US warehouses of Chicago and New Orleans.

Meanwhile, the latest Chinese data shows that imports of refined copper and copper products fell 34% m-o-m in October to 263.1 kt. Given the recent signals from the physical markets, the drop in imports was largely expected, however it does serve to hammer home the extent of the recent drop-off in Chinese activity.

Tin has been the only metal not to make any upwards progress this morning, with the metal trading more or less sideways. Part of the reason for the lack of movement is due to pretty poor turnover however also weighing on prices appears to be news that Chinese output of tin jumped 18% m-o-m in October to 13 kt. We note however that though in the first 10 months of the year Chinese output is still down 6% in y-o-y terms.

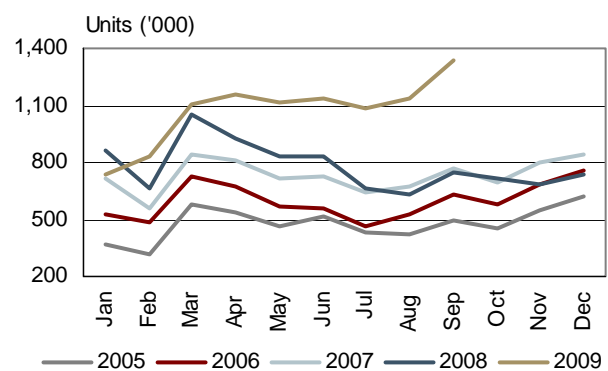
Elsewhere, the other base metals have followed a similar pattern to copper, rallying on the back of dollar weakness. Volumes outside of copper remain pretty subdued however.

Figure 1: US vehicle sales



Source: China CEIStandard Bank

Figure 1: China vehicle sales



Source: China CEIStandard Bank

By Walter de Wet

By Leon Westgate

Precious metals

Gold has hit fresh highs this morning, climbing above \$1,117/oz. With the metal in uncharted territory, resistance levels have reverted to round figures, with the next level being \$1,120. While we still look for a possible retracement in gold towards \$1,090 the fact that gold is consolidating its gains above \$1,100 is making such a retracement more unlikely.

China has released its industrial production figures for October which showed y/y growth of 16.1%. Retail sales were up 16.2% y/y in October. Both figures are higher-than-expected and confirms that China's economic growth remains well balanced on the consumer and producer side of the economy. While there is very little data releases in other parts of the world today the markets might find direction from the positive Chinese data. This could lead to support for precious metals, especially gold. That said, with certain markets closed in the US today we might remain range-bound.

Although buying appetite in the physical market remains small, we are seeing less scrap coming to the market as gold consolidates above \$1,100. The lack of scrap gold flowing to the market is adding to gold's support. Support for gold is at \$1,100 and \$1,095. Resistance is at \$1,110 and \$1,120.

PGM is quiet. We are observing the same trend in silver and base metals. The fact that base metals have reacted very little to data releases in China this morning may signal upside for PGM and silver, who has large industrial demand exposure, remains limited. For platinum we see support at \$1,350 and resistance still at \$1,370. Support for palladium is at \$325 and support at \$335.

Silver has climbed above the \$17.50 level, albeit finding it hard work. The next resistance level is at \$18.00. Support is still in place at \$17.00.

By Walter de Wet

Energy

The weaker dollar has helped support prices this morning, with front month WTI climbing back above \$79/bbl and Brent climbing back above \$78/bbl however crude oil is still very much rangebound, perfectly highlighted by Brent opening and closing at the same level yesterday.

Front month WTI was also little changed overall on Tuesday, however this masks a \$2.62 intraday price range. After a decent start, profit taking activity emerged during the afternoon, sending prices from a high of \$80.51 to \$77.89 in the space of around 2 hours or so. Decent support emerged around \$78 however, with prices recovering again late-on.

With the lack of movement in the price, the focus of the market has switched to the more peripheral and gossipy elements that may impact on the market over the coming weeks, namely various OPEC members talking about perhaps not needing to make any cuts, and rumours that the CFTC may have regulations regarding position limits in place by early December.

A Federal holiday in the US means that the usual US Department of Energy inventory data will be released tomorrow. Consequently it appears crude is set for another dollar-driven but ultimately rangebound day.

After little change yesterday, (API2 for Dec-09 up 10¢), coal prices are a bit stronger this morning on the back of firmer physical demand. Also supporting prices are reports of mounting vessel queues at Newcastle. The latest estimates of vessel arrivals for November are coming in at around 9.5 million tonnes of capacity, versus a nameplate capacity at the port of only 7.4 million tonnes per month. As a result the queue of vessels is estimated to increase to around the 50 level by the end of the month, compared with the current level of around 24.

By Leon Westgate

Base metals

Daily LME Stock Movement (mt)

Metal	Today	Yesterday	In	Out	One day change	YTD change (mt)	Cancelled warrants (mt)	Cancelled warrants (%)	Contract turnover
Aluminium	4,543,075	4,535,900	11,825	4,650	7,175	2,214,175	123,850	2.73	138,055
Copper	397,325	394,150	3,175	475	3,175	57,550	2,225	0.56	91,722
Lead	131,800	131,350	475	25	450	86,650	825	0.63	24,157
Nickel	131,640	131,388	294	42	252	53,250	1,056	0.80	43,953
Tin	26,850	26,795	60	5	55	19,060	175	0.65	2,225
Zinc	424,725	425,625	0	525	-900	171,225	10,900	2.57	42,136

Shanghai 3-month forward prices

Metal	Open	Last	1d Chnge
Aluminium	15,150	15,140	-15
Copper	50,940	50,850	-110
Zinc	16,760	16,725	-45

COMEX active month future prices

Metal	Open	Close	Change	Change (%)
Aluminium	Ali Nov'09	-	-	-
Copper	Cu Nov'09	296	300.85	4.70
Zinc				

ZAR metal prices (10 November 2009)

	Aluminium	Copper	Lead	Nickel	Tin	Zinc	ZAR/USD fix
Cash	14,289	48,239	16,822	125,533	110,707	15,805	7.4500
3-month	14,844	49,480	17,345	127,528	112,524	16,375	7.5774

Energy

Energy futures pricing	Price Change		Price Change		Price Change		Price Change		Price Change	
	1-month forward	2-month forward	3-month forward	6-month forward	1-year forward					
Sing Gasoil (\$/bbl)	84.91	0.00	85.59	-0.28	86.19	-0.38	88.63	-0.37		
Gasoil 0.1% Rdam (\$/mt)	628.50	-0.50	632.75	-4.75	643.00	-4.25	667.00	-2.75	704.25	-2.25
NWE CIF jet (\$/mt)	682.50	-0.82	692.65	-1.59	704.83	-2.10	730.79	-2.75	769.25	-2.25
Singapore Kero (\$/bbl)	85.66	0.33	87.04	-0.03	87.84	-0.18	91.56	-0.19	96.15	-0.27
3.5% Rdam barges (\$/mt)	446.02	-16.04	445.80	-6.61	448.04	-7.06	450.97	-8.24	456.19	-9.37
1% Fuel Oil FOB (\$/mt)	465.02	-13.54	466.30	-5.36	476.29	-6.31	485.47	-7.74	503.19	-8.87
Sing FO 380 Cargo (\$/mt)	466.80	-5.61	468.04	-6.06	468.76	-7.07	470.20	-8.03		
Sing FO180 Cargo (\$/mt)	467.77	-15.29	470.30	-5.86	472.29	-6.31	475.22	-7.74		

Thermal coal	Q4:09		Q1:10		Q2:10		Cal 11		Cal 12	
API2 (CIF ARA)	76.25	0.15	87.20	0.20	82.20	0.05	97.00	-0.65	104.40	-2.25
API4 (FOB RBCT)	67.40	0.15	77.50	0.30	73.30	0.20	87.10	-0.65	94.30	-2.35

Carbon	Spot		Dec-09		Dec-10		Dec-11		Dec-12	
ICE - ECX EUA (€/mt)	14.43	0.05	14.43	0.05	14.78	0.04	15.35	0.04	16.16	0.06
ICE - ECX CER (€/mt)	13.60	0.00	13.44	-0.01	13.28	0.03	13.30	0.05	13.62	0.00

Precious metals

Forwards (%)	1-month	2-month	3-month	6-month	12-month
Gold	0.25167	0.26833	0.29000	0.41000	0.61333
Silver	0.58000	0.58000	0.58000	0.59167	0.60000
USD Libor	0.23875	0.25031	0.27250	0.53625	1.12000

Technical Indicators	30-day RSI	10-day MA	20-day MA	100-day MA	200-day MA	Support	Resistance
Gold	67.85	1,083.19	1,066.81	988.79	957.95	1100	1110
Silver	55.50	17.12	17.22	15.46	14.53	17.50	18.00
Platinum	56.57	1,349.00	1,346.92	1,264.12	1,199.47	1,350.00	1,370.00
Palladium	61.90	329.07	330.05	287.87	255.69	325.00	335.00

Active Month Future	COMEX GLD	COMEX SLV	NYMEX PAL	NYMEX PLAT	DGCX GLD	TOCOM GLD	CBOT GLD
	Dec'09	Sep'09	Oct'09	Oct'09	Aug'09	Jun'10	Aug'09
Settlement	1,108.60	17,3800	334.50	1,351.20	1,108.50	3,197.00	1,108.70
Open Interest	521,618	140,275	22,466	32,759	1,827	102,753	4,622
Change in Open Interest	-163	-131	-127	-309	178	-2,737	-4,622

Date: 10 November 2009

Sources: Standard Bank; LME; Bloomberg

Disclaimer

Certification

The analyst(s) who prepared this research report (denoted by an asterisk*) hereby certifies(y) that: (i) all of the views and opinions expressed in this research report accurately reflect the research analyst's(s') personal views about the subject investment(s) and issuer(s) and (ii) no part of the analyst's(s') compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed by the analyst(s) in this research report.

Conflict of Interest

It is the policy of The Standard Bank Group Limited and its worldwide affiliates and subsidiaries (together the "Standard Bank Group") that research analysts may not be involved in activities in a way that suggests that he or she is representing the interests of any member of the Standard Bank Group or its clients if this is reasonably likely to appear to be inconsistent with providing independent investment research. In addition research analysts' reporting lines are structured so as to avoid any conflict of interests. For example, research analysts cannot be subject to the supervision or control of anyone in the Standard Bank Group's investment banking or sales and trading departments. However, such sales and trading departments may trade, as principal, on the basis of the research analyst's published research. Therefore, the proprietary interests of those sales and trading departments may conflict with your interests. **Please note that one or more of the analysts that prepared this report sit on a sales and trading desk of the Standard Bank Group.**

Legal Entities:

To U. S. Residents

Standard New York Securities, Inc. is registered with the Securities and Exchange Commission as a broker-dealer and is also a member of the FINRA and SIPC. Standard Americas, Inc is registered as a commodity trading advisor and a commodity pool operator with the CFTC and is also a member of the NFA. Both are affiliates of Standard Bank Plc and Standard Bank of South Africa. Standard New York Securities, Inc is responsible for the dissemination of this research report in the United States. Any recipient of this research in the United States wishing to effect a transaction in any security mentioned herein should do so by contacting Standard New York Securities, Inc.

To South African Residents

The Standard Bank of South Africa Limited (Reg.No.1962/000738/06) is regulated by the South African Reserve Bank and is an Authorised Financial Services Provider.

To U.K. Residents

Standard Bank Plc is authorised and regulated by the Financial Services Authority (register number 124823) and is an affiliate of Standard Bank of South Africa. The information contained herein does not apply to, and should not be relied upon by, retail customers.

General

This research report is based on information from sources that Standard Bank Group believes to be reliable. Whilst every care has been taken in preparing this document, no research analyst or member of the Standard Bank Group gives any representation, warranty or undertaking and accepts no responsibility or liability as to the accuracy or completeness of the information set out in this document (except with respect to any disclosures relative to members of the Standard Bank Group and the research analyst's involvement with any issuer referred to above).

All views, opinions and estimates contained in this document may be changed after publication at any time without notice. Past performance is not indicative of future results. The investments and strategies discussed here may not be suitable for all investors or any particular class of investors; if you have any doubts you should consult your investment advisor. The investments discussed may fluctuate in price or value.

Changes in rates of exchange may have an adverse effect on the value of investments. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. Members of Standard Bank Group may act as placement agent, advisor or lender, make a market in, or may have been a manager or a co-manager of, the most recent public offering in respect of any investments or issuers referenced in this report. Members of the Standard Bank Group and/or their respective directors and employees may own the investments of any of the issuers discussed herein and may sell them to or buy them from customers on a principal basis. This report is intended solely for clients and prospective clients of members of the Standard Bank Group and is not intended for, and may not be relied on by, retail customers or persons to whom this report may not be provided by law. This report is for information purposes only and may not be reproduced or distributed to any other person without the prior consent of a member of the Standard Bank Group. Unauthorised use or disclosure of this document is strictly prohibited. By accepting this document, you agree to be bound by the foregoing limitations. Copyright 2009 Standard Bank Group. All rights reserved.