

FICC Research

Commodities: Daily



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Walter de Wet, CFA*
Walter.DeWet@standardbank.com

Leon Westgate*
Leon.Westgate@standardbank.com

- Once again, commodity prices are mirroring movements in the dollar market. The dollar has weakened significantly against most major currencies, as finance leaders at the weekend's G-20 meeting stated their commitment to limiting currency intervention but failed to announce any concrete actions/policies regarding currency devaluation. Base metals have received added support from encouraging data flow out of Japan, Australia and the Eurozone.
- Markets are again talking about a figure of \$500bn for the Fed's additional monetary easing. As we have mentioned previously, we have calculated (given the strong relationship between global liquidity and gold price) that this would be consistent with gold at \$1,350. Markets will be listening carefully to Bernanke's speech, due later today, for any details regarding the expected additional quantitative easing.
- Oil prices ended last weekly broadly flat despite some very high daily volatility. Last Tuesday saw the biggest daily drop in eight months, while Wednesday gave a largest daily gain in five weeks. Latest CFTC report shows reduction in net oil lengths held by large non-commercials after a repaid build in length for the previous three weeks in a row. We expect continuous risk unwinding for the next 10 days prior to the Fed meeting, and the dollar should continue driving commodities.

NOTE: The full version of this report will resume on Wednesday 27 October.

Commodity price data (22 October 2010)

Base metals LME 3-month									
	Open	Close	High	Low	Daily change	Change (%)	Cash Settle	Change in cash settle	Cash – 3m
Aluminium	2,363	2,370	2,415	2,362	1	0.30%	2,326.50	-22	-31.00
Copper	8,325	8,334	8,549	8,382	28	0.11%	8,309.50	-97	-16.00
Lead	2,510	2,530	2,600	2,533	45	0.80%	2,494.00	19	-26.75
Nickel	23,350	23,225	24,000	23,490	-325	-0.54%	23,405.00	-310	-65.00
Tin	26,402	26,400	26,899	26,000	-100	-0.01%	26,405.00	-495	-25.00
Zinc	2,518	2,513	2,600	2,530	38	-0.22%	2,489.50	33	-27.50
Energy									
	Open	Close	High	Low	day/day	Change (%)			
ICE Brent	83.15	83.84	83.90	82.86	0.88	1.05%			
NYMEX WTI	82.01	82.77	82.84	81.73	1.08	1.30%			
ICE Gasoil	709.50	715.50	715.75	708.50	15.50	2.17%			
API2 Q4'10	101.00	100.50	-	-	-0.50	-0.50%			
EUA Dec10	14.88	14.96	-	-	0.08	0.54%			
Precious metals									
	AM Fix	PM Fix	High bid	Low offer	Closing bid	Change (d/d)	EFPs		
Gold	1,319.00	1,322.50	1,328.30	1,317.60	1,324.50	-0.80	0.0/0.4		
Silver	-	23.75	23.38	22.98	23.11	-0.02	-1.0/1.0		
Platinum	1,661.00	1,673.00	1,677.00	1,673.00	1,673.00	3.00	3.5/5.5		
Palladium	583.00	586.00	593.00	588.00	590.00	5.00	1.0/3.0		

Sources: Standard Bank; LME; BBG

Please refer to the disclaimer at the end of this document.

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	4,320,950	4,325,125	750	4,925	-4,175	-307,950	202,550	4.69	197,724
Copper	368,825	370,000	-	1,175	-1,175	-133,500	28,475	7.72	134,154
Lead	197,775	198,075	-	300	-300	51,275	6,225	3.15	37,615
Nickel	125,670	124,836	930	96	834	-32,340	4,050	3.22	25,073
Tin	12,640	12,645	40	45	-5	-14,125	475	3.76	5,201
Zinc	607,250	605,775	1,600	125	1,475	119,200	38,275	6.30	59,277

Shanghai 3-month forward prices

COMEX active month future prices

Metal	Open	Last	1d Change		Open	Close	Change	Change (%)
Aluminium	16,620	16,760	270	Ali Dec'10	-	-	-	-
Copper	63,510	64,200	1,430	Cu Dec'10	380	387.80	8.10	2.13%
Zinc	20,555	20,685	730					

ZAR metal prices (22 October 2010)

	Aluminium	Copper	Lead	Nickel	Tin	Zinc	ZAR/USD fix
Cash	16,153	57,693	17,316	162,501	183,330	17,285	6.9430
3-month	16,694	58,703	17,821	163,592	185,956	17,698	7.0438

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)	92.58	-0.15	92.62	-0.48	93.09	-0.52	94.35	-0.57	-	-
Gasoil 0.1% Rdam (\$/mt)	715.50	15.50	717.75	15.00	721.00	14.25	714.00	-4.00		
NWE CIF jet (\$/mt)	756.96	-0.94	747.00	-6.34	751.03	-5.83	761.89	-5.25		
Singapore Kero (\$/bbl)	94.09	-0.18	93.87	-0.48	94.24	-0.52	95.40	-0.62		
3.5% Rdam barges (\$/mt)	452.23	0.27	448.25	-0.75	450.25	-0.75	459.33	-0.88		
1% Fuel Oil FOB (\$/mt)	469.69	0.59	471.25	-0.50	475.75	-0.50	487.33	-0.63		
Sing FO 380 Cargo (\$/mt)	100.15	-	100.15	-	100.15	-	100.15	-		
Sing FO180 Cargo (\$/mt)	473.45	0.59	473.50	-0.25	476.25	-0.25	484.08	-0.38		
Thermal coal	Q4-10		Q1-11		Q2-11		Cal 11		Cal 12	
API2 (CIF ARA)	100.50	-0.50	101.30	-0.20	102.00	-0.10	102.40	-0.10	107.40	-0.60
API4 (FOB RBCT)	94.10	-0.50	97.50	-0.25	98.10	-0.20	98.50	-0.20	102.10	-0.60

Precious metals

Forwards (%)	1-month	2-month	3-month	6-month	12-month		
Gold	0.35333	0.36500	0.39333	0.43667	0.49833		
Silver	0.47333	0.48167	0.49000	0.53500	0.55167		
USD Libor	0.25625	0.27109	0.28844	0.45250	0.76538		
Technical Indicators	30-day RSI	10-day MA	20-day MA	100-day MA	200-day MA	Support	Resistance
Gold	60.53	1,351.85	1,340.21	1,249.39	1,195.81	1,330.00	1,350.00
Silver	64.03	23.82	23.13	19.66	18.54	23.23	23.80
Platinum	59.41	1,689.16	1,684.25	1,578.81	1,594.05	1,676.00	1,700.00
Palladium	64.25	590.74	583.54	506.25	489.89	594.00	615.00
Active Month Future	COMEX GLD	COMEX SLV	NYMEX PAL	NYMEX PLAT	DGCX GLD	TOCOM GLD	CBOT GLD
	Dec'10	Dec'10	Jan'11	Jan'11	Dec'10	Aug'11	Dec'10
Settlement	1,344.80	23.7000	611.70	1,675.10	1,346.60	3,497.00	1,346.00
Open Interest	614,117	151,279	24,587	38,153	1,741	100,523	2,278
Change in Open Interest	9,333	-40	-272	-58	-17	-532	-38

Date: 22 October 2010

Sources: Standard Bank; LME; Bloomberg

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