

Prices flat to lower on mixed US data

- Commodity markets cheered the better than expected US non-farm payrolls result but then gave back almost all gains when the US ISM services index came in well below expectations. Bonds fell (yields higher) and the US dollar eased against the Euro and commodity currencies as investors relinquished safe haven assets.
- US non-farm payrolls (employment) fell by 54,000 in August, far better than expectations for a 110,000 decline in jobs. Estimates of job losses in June and July were also revised down. Private sector jobs rose by 67,000, ahead of forecasts for a 41,000 lift in jobs. The unemployment rate rose from 9.5% to 9.6%. The US ISM services index eased from 54.3 to 51.5 in August, below expectations for a result near 53.0. But it was still the eighth consecutive month of service sector expansion.
- Base metals ended mixed on the day, ranging from a price rise of 0.5% for lead, to price falls of 1.1% for tin and zinc. Copper and aluminium both ended 0.1% lower on LME, while exchange stocks on LME fell for all metals but tin.
- Xstrata received government approval for its Peruvian Las Bambas copper project, while Russia is considering an export tax on nickel that "fairly actively removes excess profit if prices go above \$15,000-17,000 tonne", reported Reuters.
- Oil prices slid 0.6% lower as Hurricane Earl was expected to affect US east coast gasoline demand over the weekend, and weaker than expected services sector activity offset better than forecast labour market data.
- Iron ore spot import prices eased 0.6% Friday but remained 0.8% higher over the week.

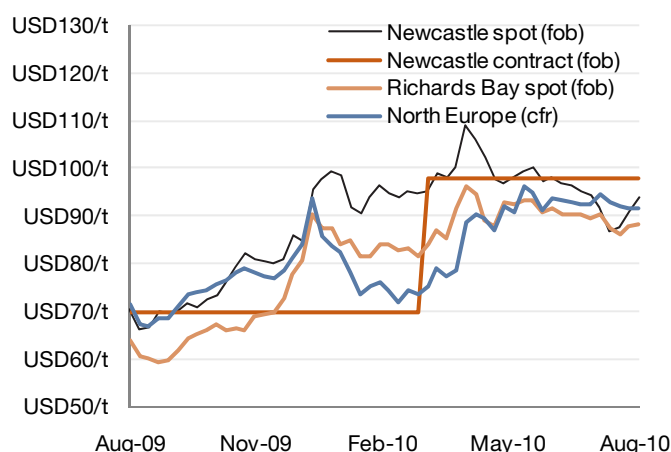
Chart of the day: Newcastle spot thermal coal prices move higher, Asian market robust

- Newcastle spot thermal coal prices moved higher last week, finishing 3.2% higher at USD 93.90/t, while Richards Bay eked out a very modest rise and delivered North Europe prices actually fell.
- The firmer pricing for Newcastle thermal coals might reflect some additional activity into China, as the coal truck inspired 100 mile traffic jam continues to disrupt China's internal coal transport. Higher thermal prices may also reflect a return of buyer activity now that some coking coal contract prices for the December quarter have settled. Having said that, we have not yet heard of a semi-soft coking coal settlement, despite low volatility PCI coal settling at USD 147/t for the December quarter.

Overnight market snapshot		As at 03-Sep-10	
Dow Jones Industrial average		10,448	1.2%
AUD/USD		0.9166	0.8%
LME base metals			
	USD/t	USc/lb	% chg
Aluminium	\$2,121	96	0.1%
Copper	\$7,633	346	0.1%
Lead	\$2,141	97	0.5%
Nickel	\$21,552	978	-0.2%
Tin	\$21,195	961	-1.1%
Zinc	\$2,122	96	-1.1%
Precious Metals			
Gold			
Spot (USD/oz)		\$1,246.75	-0.3%
Comex (USD/oz)**		\$1,249.80	-0.2%
AUD spot (AUD/oz)		\$1,360.05	-0.9%
Silver (USD/oz)		\$19.89	1.2%
Platinum (USD/oz)		\$1,555.25	0.3%
Palladium (USD/oz)		\$529.75	1.3%
Oil			
NYMEX light sweet crude (USD/bbl)**		\$74.60	-0.6%
Brent (USD/bbl)		\$75.98	-0.3%
Dubai (USD/bbl)		\$74.26	0.2%

Daily. **near month. Source: Bloomberg, globalCOAL, CBA. Prices are indicative and subject to change. Oz refers to troy ounce.

Chart of the day: Newcastle spot thermal coal prices move higher



Source: globalCOAL, Bloomberg, CBA



Figure 2: NYMEX Light Sweet Crude (USD/bbl) intraday price

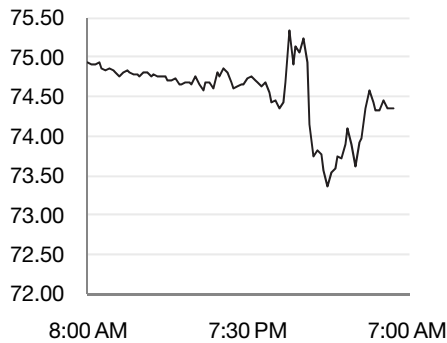


Figure 3: Gold (Spot, USD/oz) intraday price

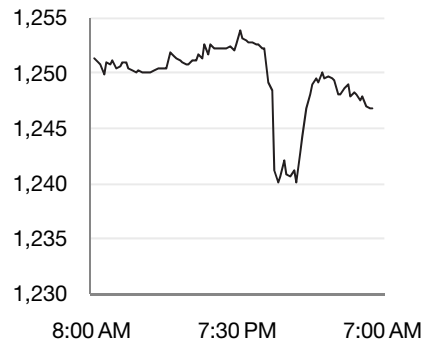
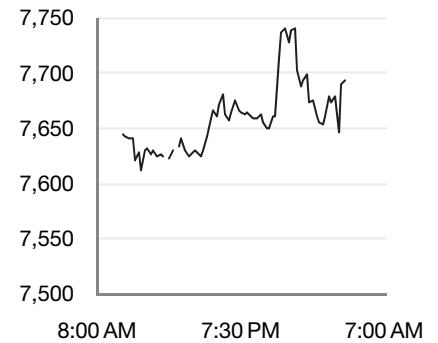


Figure 4: Copper (LME, 3 mth future, USD/t) intraday price



Source: Bloomberg, CBA. 15 min intervals.

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Provisional prices as at 03/09/10

LME base metals		change over					change over			
Cash	USD/t	USc/lb	1 day	1 wk	1 mth	Oil	USD/bl	1 day	1 wk	1 mth
Aluminium	\$2,121	96	0.1%	3.7%	-2.8%	NYMEX light sweet crude**	\$74.60	-0.6%	-0.8%	-7.6%
Copper	\$7,633	346	0.1%	2.5%	3.9%	Brent (Dated)	\$75.98	-0.3%	-0.5%	-5.2%
Lead	\$2,141	97	0.5%	3.7%	0.3%	Dubai	\$74.26	0.2%	2.4%	-4.5%
Nickel	\$21,552	978	-0.2%	2.6%	-2.2%	Refined Products (Singapore)				
Tin	\$21,195	961	-1.1%	-2.2%	2.4%	Gas Oil (USD/bl)	\$85.85	0.1%	1.2%	-6.8%
Zinc	\$2,122	96	-1.1%	2.7%	1.0%	Jet Fuel (USD/b)	\$87.05	0.8%	2.6%	-5.4%
						Fuel Oil (USD/t)	\$442.75	0.3%	-0.1%	-6.9%
						<i>Gas Oil is 0.5% sulphur, Fuel Oil is 180 Centistoke</i>				
LME futures (3 mth)		change over					change over			
	USD/t	USc/lb	1 day	1 wk	1 mth	Currencies		1 day	1 wk	1 mth
Aluminium	\$2,147	97	0.1%	4.3%	-2.0%	AUD/USD (London close)	0.9166	0.8%	2.0%	-0.2%
Copper	\$7,646	347	0.1%	2.5%	3.7%	AUD/EUR	0.7107	0.1%	0.9%	2.8%
Lead	\$2,168	98	0.6%	3.7%	0.3%	AUD/JPY	77.28	0.9%	0.9%	-1.6%
Nickel	\$21,600	980	-0.2%	2.6%	-2.3%	AUD/KOR	1,073	0.0%	0.5%	1.3%
Tin	\$21,200	962	-1.1%	-2.0%	2.3%	EUR/USD	1.2896	0.7%	1.0%	-2.9%
Zinc	\$2,151	98	-1.1%	2.7%	1.0%	USD/JPY	84.31	0.1%	-1.1%	-1.4%
LME stocks		tonnes								
Aluminium	4,426,825	-5,375	-18,775	29,150	Coal*		USD/t			
Copper	397,675	-1,800	-2,425	-14,950	Newcastle	\$93.90	~	3.2%	2.2%	
Lead	191,400	-400	-750	3,425	Richards Bay	\$88.11	~	0.4%	-2.3%	
Nickel	120,354	-156	1,494	3,018	DES ARA	\$91.43	~	-0.1%	-3.4%	
Tin	14,225	20	-25	-815	Iron ore & Steel		USD/t			
Zinc	622,150	-700	-950	3,775	Iron ore (62% Fe, cfr China)	\$144.10	-0.6%	0.8%	-0.3%	
Precious Metals		USD/oz (unless stated otherwise)								
Gold	\$1,246.75	-0.3%	0.7%	3.4%	China domestic Rebar	\$577.64	~	0.9%	1.6%	
Spot	\$1,249.80	-0.2%	1.1%	3.9%	East Asia HRC (cfr) ***	\$615.00	0.0%	0.0%	2.1%	
Comex**	\$1,360.05	-0.9%	-1.2%	3.6%	US domestic HRC (US/st)***	\$585.00	0.0%	0.0%	0.9%	
AUD spot (AUD/oz)	\$19.89	1.2%	4.2%	7.7%	Freight		Index			
Silver	\$1,555.25	0.3%	1.4%	-1.2%	Baltic Dry Index	2,876	1.4%	6.0%	41.7%	
Platinum	\$529.75	1.3%	5.0%	7.7%	Baltic Capesize Index	3,937	0.9%	14.1%	79.4%	
Palladium					Baltic Panamax Index	3,121	2.9%	4.8%	20.9%	
Natural Gas										
Henry Hub (USD/MMBtu)**	\$3.939	5.0%	7.9%	-11.8%	<i>*Weekly, 03/09 ***Weekly, 31/08</i>					
British NBP (GBP/therm)**	43.23	1.8%	16.9%	9.2%	<i>**Near Month (not adjusted for contract changes)</i>					

Source: Bloomberg, globalCOAL, CBA. Data is indicative snapshot, prices subject to change.



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