



## Alaska pipeline shutdown impact minor

- US crude oil prices finished 1% higher overnight on modest supply concerns following the shutdown of the 640,000 bbl/d TransAlaska oil pipeline and Canadian Natural's 110,000 bbl/d tar sands oil plant. The TransAlaska leak is thought to be quite small and therefore the shutdown is unlikely to last more than a week at this stage.
- The Chicago purchasing managers index for December was revised down from 68.6 to 66.8, but this is still well up on the 61.9 reading in November. Atlanta Federal Reserve President Dennis Lockhart has expressed optimism about the economic outlook, saying that the "economy seems to have gained durable momentum as we begin 2011". France's industrial production grew a faster than expected 2.3% in November, with manufacturing production up 2.2% in the month, against forecasts for a 0.8% rise, to be 5.1% higher over the year. The US dollar was mixed against major currencies overnight.
- Base metal prices eased by between 0.7%-2.8%, with tin doing best and zinc faring worst. Lower copper imports into China, combined with lower equity markets and ongoing concerns about European sovereign debt weighed on markets. Gold finished up on renewed safe haven buying.
- Norwegian Aluminium smelter Hydro said it has no plans to restart idled smelters following Alcoa's announcement over the weekend that it plans to restart three potlines in the US to add about 200,000 tonnes of annualised capacity.
- Union reps at Peru's Cerro Verde copper mine will meet with mine owners Freeport McMoran and Buenaventura to avert a strike planned to commence January 14. The mine produced 283,750 tonnes of copper in Jan-Nov 2010.
- Spot iron ore prices edged 0.5% higher to USD 173.40/t.

## Chart of the Day: Thermal coal prices slip in Atlantic but edge higher in Asia-Pacific markets

- Thermal coal spot prices finished higher last week ex-Newcastle but eased ex-Richards Bay and North Europe. Tightness in the Asia Pacific market was attributed to the devastating floods in Queensland heavily impacting production, rail and shipment of thermal coal, as well as rains in Indonesia. Meanwhile, heavy rains in Columbia were not enough to avoid the bid falling in Northern European markets as cold weather abated.
- The delays resulting from Queensland flooding are likely to endure for at least weeks and possibly months, keeping thermal coal supply tight. Thermal supply will be compounded as NSW producers substitute semi-soft and PCI coking coals for thermal. These factors will support spot prices in the near term.

### OVERNIGHT MARKET SNAPSHOT

10-Jan-11

Dow Jones Industrial average	11,635	-0.3%
AUD/USD	0.9948	-0.1%
<b>LME base metals</b>		
	USD/t	USc/lb % chg
Aluminium	\$2,471	112 -1.3%
Copper	\$9,330	423 -1.1%
Lead	\$2,613	119 -2.3%
Nickel	\$23,839	1,081 -1.4%
Tin	\$26,279	1,192 -0.7%
Zinc	\$2,369	107 -2.8%

### Precious Metals

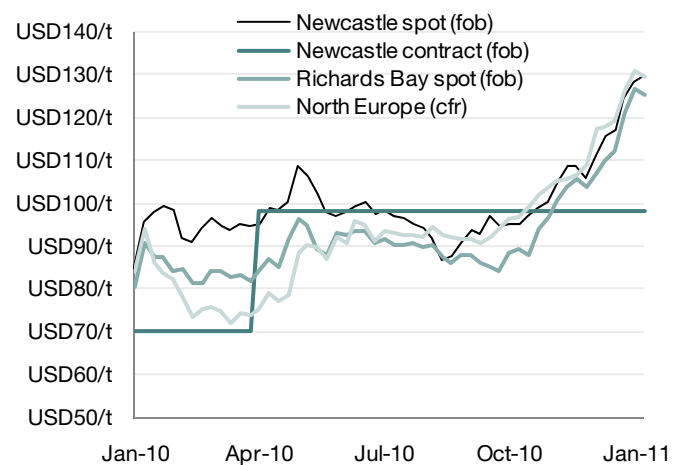
<b>Gold</b>		
Spot (USD/oz)	\$1,374.15	0.3%
Comex (USD/oz)**	\$1,374.10	0.4%
AUD spot (AUD/oz)	\$1,380.03	0.4%
<b>Silver (USD/oz)</b>		
	\$28.97	1.1%
<b>Platinum (USD/oz)</b>		
	\$1,746.25	0.7%
<b>Palladium (USD/oz)</b>		
	\$751.03	-0.1%

### Oil

NYMEX light sweet crude (USD/bbl)**	\$88.95	1.0%
Brent (USD/bbl)	\$95.22	2.1%
Dubai (USD/bbl)	\$90.29	0.2%

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

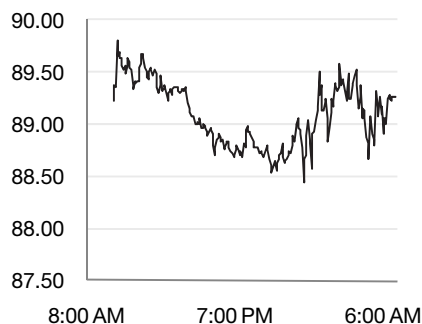
## Chart of the Day: Thermal coal prices



Source: globalCOAL, Bloomberg, CBA.

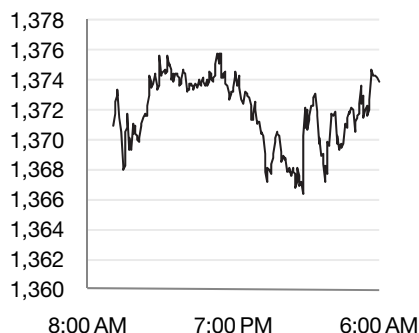


Figure 1: NYMEX light sweet crude (US/bbl) first month intraday price



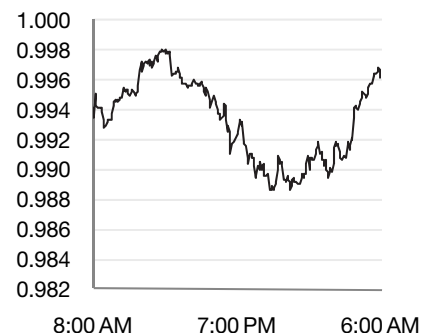
Source: Bloomberg, CBA. 5 min intervals.

Figure 2: Gold (spot, US/oz) intraday price



Source: Bloomberg, CBA. 5 min intervals.

Figure 3: Australian dollar (USD/AUD) intraday price



Source: Bloomberg, CBA. 5 min intervals.

## PROVISIONAL PRICES AS AT : 10-Jan-11

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	\$2,471	112	-1.3%	0.4%	6.9%	NYMEX light sweet crude**	\$88.95	1.0%	-2.8%	0.4%		
Copper	\$9,330	423	-1.1%	-3.3%	0.4%	Brent (Dated)	\$95.22	2.1%	0.5%	5.4%		
Lead	\$2,613	119	-2.3%	1.9%	7.9%	Dubai	\$90.29	0.2%	2.0%	1.4%		
Nickel	\$23,839	1,081	-1.4%	-3.5%	-2.6%	<b>Refined products, Singapore</b>						
Tin	\$26,279	1,192	-0.7%	-2.4%	0.4%	Gas Oil (USD/bbl)	\$105	0.0%	0.8%	2.4%		
Zinc	\$2,369	107	-2.8%	-3.1%	2.3%	Jet Fuel (USD/bbl)	\$106	0.3%	1.9%	3.1%		
<b>LME futures (3 mth)</b>						Fuel Oil (USD/t)	\$524	0.1%	1.8%	3.4%		
	USD/t	USc/lb				<i>Gas Oil is 0.5% sulphur, Fuel Oil is 180 Centistoke</i>						
Aluminium	\$2,488	113	-1.2%	0.7%	6.7%	<b>Currencies</b>						
Copper	\$9,321	423	-1.0%	-2.9%	1.0%	AUD/USD (London close)	0.9948	-0.1%	-2.5%	0.0%		
Lead	\$2,589	117	-2.3%	1.5%	6.1%	AUD/EUR	0.7687	-0.4%	0.8%	3.4%		
Nickel	\$23,875	1,083	-1.3%	-3.5%	-2.7%	AUD/JPY	82.32	-0.6%	-1.1%	-0.9%		
Tin	\$26,275	1,192	-0.7%	-2.3%	0.5%	AUD/KOR	1,122	0.5%	-2.2%	-1.2%		
Zinc	\$2,379	108	-2.7%	-3.1%	2.5%	EUR/USD	1.2941	0.3%	-3.2%	-3.3%		
<b>LME stocks</b>			tonnes			USD/JPY	82.75	-0.5%	1.5%	-0.9%		
Aluminium	4,369,500	97,100	92,450	97,125	<b>Coal*</b>							
Copper	378,300	-1,225	750	27,850	USD/t							
Lead	210,375	675	2,100	7,200	Newcastle	\$129.90	~	1.1%	~			
Nickel	136,806	-90	1,134	5,742	Richards Bay	\$125.16	~	-1.3%	~			
Tin	16,690	-15	415	1,335	DES ARA	\$129.50	~	-1.2%	~			
Zinc	700,950	-25	-475	44,575	<b>Iron ore &amp; Steel</b>							
<b>Precious Metals</b>						USD/t						
Gold	USD/oz (unless stated otherwise)					Iron ore (62% Fe, cfr China)	\$173.40	0.5%	~	3.9%		
Spot	\$1,374.15	0.3%	-2.9%	-1.4%	China domestic Rebar	\$687.26	0.0%	~	-0.5%			
Comex**	\$1,374.10	0.4%	-3.4%	-1.7%	East Asia HRC (cfr) ***	\$642.50	0.0%	3.6%	6.2%			
AUD spot (AUD/oz)	\$1,380.03	0.4%	-0.8%	-1.4%	US domestic HRC (US/st)***	\$720.00	0.0%	2.1%	18.5%			
Silver	\$28.97	1.1%	-5.6%	-1.9%	<b>Freight</b>							
Platinum	\$1,746.25	0.7%	-1.2%	2.7%	Index							
Palladium	\$751.03	-0.1%	-5.4%	-0.9%	Baltic Dry Index	~	~	~	~			
<b>Natural Gas</b>						Baltic Capesize Index	~	~	~	~		
Henry Hub (USD/MMBtu)**	\$4.401	-0.5%	-5.4%	-0.4%	Baltic Panamax Index	~	~	~	~			
British NBP (GBP/therm)**	54.92	-2.2%	-10.1%	-4.3%	*Weekly, 07/01 ***Weekly, 04/01							
						**Near Month (not adjusted for contract changes)						

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



Please view our website at [www.research.commbank.com.au](http://www.research.commbank.com.au). The Commonwealth Bank of Australia ABN 48 123 123 124 AFSL 234945 ("the Bank") and its subsidiaries, including Commonwealth Securities Limited ABN 60 067 254 399 AFSL 238814 ("CommSec"), Commonwealth Australia Securities LLC, CBA Europe Ltd and Global Markets Research, are domestic or foreign entities or business areas of the Commonwealth Bank Group of Companies (CBGOC). CBGOC and their directors, employees and representatives are referred to in this Appendix as "the Group". This report is published solely for informational purposes and is not to be construed as a solicitation or an offer to buy any securities or financial instruments. This report has been prepared without taking account of the objectives, financial situation and capacity to bear loss, knowledge, experience or needs of any specific person who may receive this report. No member of the Group does, or is required to, assess the appropriateness or suitability of the report for recipients who therefore do not benefit from any regulatory protections in this regard. All recipients should, before acting on the information in this report, consider the appropriateness and suitability of the information, having regard to their own objectives, financial situation and needs, and, if necessary seek the appropriate professional, foreign exchange or financial advice regarding the content of this report. We believe that the information in this report is correct and any opinions, conclusions or recommendations are reasonably held or made, based on the information available at the time of its compilation, but no representation or warranty, either expressed or implied, is made or provided as to accuracy, reliability or completeness of any statement made in this report. Any opinions, conclusions or recommendations set forth in this report are subject to change without notice and may differ or be contrary to the opinions, conclusions or recommendations expressed elsewhere by the Group. We are under no obligation to, and do not, update or keep current the information contained in this report. The Group does not accept any liability for any loss or damage arising out of the use of all or any part of this report. Any valuations, projections and forecasts contained in this report are based on a number of assumptions and estimates and are subject to contingencies and uncertainties. Different assumptions and estimates could result in materially different results. The Group does not represent or warrant that any of these valuations, projections or forecasts, or any of the underlying assumptions or estimates, will be met. Past performance is not a reliable indicator of future performance. The Group has provided, provides, or seeks to provide, investment banking, capital markets and/or other services, including financial services, to the companies described in the report and their associates. This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject any entity within the Group to any registration or licensing requirement within such jurisdiction. All material presented in this report, unless specifically indicated otherwise, is under copyright to the Group. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior written permission of the appropriate entity within the Group. In the case of certain products, the Bank or one of its related bodies corporate is or may be the only market maker. The Group, its agents, associates and clients have or have had long or short positions in the securities or other financial instruments referred to herein, and may at any time make purchases and/or sales in such interests or securities as principal or agent, including selling to or buying from clients on a principal basis and may engage in transactions in a manner inconsistent with this report.

**US Investors:** If you would like to speak to someone regarding the subject securities described in this report, please contact Commonwealth Australia Securities LLC (the "US Broker-Dealer"), a broker-dealer registered under the U.S. Securities Exchange Act of 1934 (the "Exchange Act") and a member of the Financial Industry Regulatory Authority ("FINRA") at 1 (212) 336-7737. This report was prepared, approved and published by Global Markets Research, a division of Commonwealth Bank of Australia ABN 48 123 123 124 AFSL 234945 ("the Bank") and distributed in the U.S. by the US Broker-Dealer. The Bank is not registered as a broker-dealer under the Exchange Act and is not a member of FINRA or any U.S. self-regulatory organization. Commonwealth Australia Securities LLC ("US Broker-Dealer") is a wholly owned, but non-guaranteed, subsidiary of the Bank, organized under the laws of the State of Delaware, USA, with limited liability. The US Broker-Dealer is not authorized to engage in the underwriting of securities and does not make markets or otherwise engage in any trading in the securities of the subject companies described in our research reports. The US Broker-Dealer is the distributor of this research report in the United States under Rule 15a-6 of the Exchange Act and accepts responsibility for its content. Global Markets Research and the US Broker-Dealer are affiliates under common control. Computation of 1% beneficial ownership is based upon the methodology used to compute ownership under Section 13(d) of the Exchange Act. The securities discussed in this research report may not be eligible for sale in all States or countries, and such securities may not be suitable for all types of investors. Offers and sales of securities discussed in this research report, and the distribution of this report, may be made only in States and countries where such securities are exempt from registration or qualification or have been so registered or qualified for offer and sale, and in accordance with applicable broker-dealer and agent/salesman registration or licensing requirements. The preparer of this research report is employed by Global Markets Research and is not registered or qualified as a research analyst, representative, or associated person under the rules of FINRA, the New York Stock Exchange, Inc., any other U.S. self-regulatory organization, or the laws, rules or regulations of any State.

**European Investors:** This report is published, approved and distributed in the UK by the Bank and by CBA Europe Ltd ("CBAE"). The Bank and CBAE are both registered in England (No. BR250 and 05687023 respectively) and authorised and regulated in the UK by the Financial Services Authority ("FSA"). This report does not purport to be a complete statement or summary. For the purpose of the FSA rules, this report and related services are not intended for retail customers and are not available to them. The products and services referred to in this report may put your capital at risk. Investments, persons, matters and services referred to in this report may not be regulated by the FSA. CBAE can clarify where FSA regulations apply.

**Singapore Investors:** This report is distributed in Singapore by Commonwealth Bank of Australia, Singapore Branch (company number F03137W) and is made available only for persons who are Accredited Investors as defined in the Singapore Securities and Futures Act and the Financial Advisers Act. It has not been prepared for, and must not be distributed to or replicated in any form, to anyone who is not an Accredited Investor.

**Hong Kong Investors:** This report was prepared, approved and published by the Bank, and distributed in Hong Kong by the Bank's Hong Kong Branch. The Hong Kong Branch is a registered institution with the Hong Kong Monetary Authority to carry out the Type 1 (Dealing in securities) and Type 4 (Advising on securities) regulated activities under the Securities and Futures Ordinance. Investors should understand the risks in investments and that prices do go up as well as down, and in some cases may even become worthless. Research report on collective investment schemes which have not been authorized by the Securities and Futures Commission is not directed to, or intended for distribution in Hong Kong.

**All investors: Analyst Certification and Disclaimer:** Each research analyst, primarily responsible for the content of this research report, in whole or in part, certifies that with respect to each security or issuer that the analyst covered in this report: (1) all of the views expressed accurately reflect his or her personal views about those securities or issuers; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by that research analyst in the report. The analyst(s) responsible for the preparation of this report may interact with trading desk personnel, sales personnel and other constituencies for the purpose of gathering, synthesizing, and interpreting market information. Directors or employees of the Group may serve or may have served as officers or directors of the subject company of this report. The compensation of analysts who prepared this report is determined exclusively by research management and senior management (not including investment banking). No inducement has been or will be received by the Group from the subject of this report or its associates to undertake the research or make the recommendations. The research staff responsible for this report receive a salary and a bonus that is dependent on a number of factors including their performance and the overall financial performance of the Group, including its profits derived from investment banking, sales and trading revenue.

Unless agreed separately, we do not charge any fees for any information provided in this presentation. You may be charged fees in relation to the financial products or other services the Bank provides, these are set out in the relevant Financial Services Guide (FSG) and relevant Product Disclosure Statements (PDS). Our employees receive a salary and do not receive any commissions or fees. However, they may be eligible for a bonus payment from us based on a number of factors relating to their overall performance during the year. These factors include the level of revenue they generate, meeting client service standards and reaching individual sales portfolio targets. Our employees may also receive benefits such as tickets to sporting and cultural events, corporate promotional merchandise and other similar benefits. If you have a complaint, the Bank's dispute resolution process can be accessed on [132221](http://132221).

Unless otherwise noted, all data is sourced from Australian Bureau of Statistics material ([www.abs.gov.au](http://www.abs.gov.au)).




---

**Equities Research**


---

**Head of Research Product**

Mark Storey +612 9118 1198

**Banks / Insurance**

Ben Zucker (Banks) +612 9118 1185  
 Jeff Cai (Banks) +612 9118 1186  
 Cindy Dowling (Banks) +612 9118 7582  
 Naveen Patney (Insurance) +612 9118 6391

**Basic Materials**

Michael Ward\* +612 9118 1139  
 Athlene Piech +612 9118 1195  
 Ryan Gerhardy +612 9118 1197

**Economics**

Michael Blythe +612 9118 1101  
 James McIntyre +612 9118 1100

**Healthcare**

Natalie Kelly +613 9675 7107  
 Bruce Du +613 9675 6244

**Media & Telecommunications**

Alice Bennett +613 9675 7118  
 Dominique d'Avrincourt\* +613 9675 6933  
 Nathan Burley +613 9675 7029

**Property**

David Lloyd +612 9118 1192  
 James Druce +612 9118 1193

**Resources**

Andrew Hines +613 9675 7443  
 Lachlan Shaw +613 9675 8618  
 Andrew Knuckey +613 9675 6791  
 Luke Smith +613 9675 7117  
 Paul Hodsman +613 9675 8532  
 Tomas Vasquez +613 9675 6059

**Retail, Food & Beverage**

Andrew McLennan +612 9118 1199  
 Jordan Rogers +612 9118 1177  
 Amy Toepfer +612 9118 1182

**Small Companies**

Nick Maclean +613 9675 7972  
 Wassim Kisirwani +612 9118 1187

**Transport / Developers & Contractors**

Matt Crowe (Transport) +612 9118 1189  
 Andre Fromyhr (Transport) +612 9118 1188  
 Ben Brownette (D&C) +612 9118 1190  
 Amy Toepfer (D&C) +612 9118 1182

**Utilities & Toll Roads**

Paul Johnston\* +613 9675 7101  
 Paul Mason +613 9675 7275

**Quantitative Research & Database**

Nizar Torlakovic +612 9118 1178  
 Hendrik Botha +612 9118 1200  
 Luke Hartigan\* +612 9118 6393

Publishing +612 9118 1183

Fax (Sydney) +612 9118 1000  
 Fax (Melbourne) +613 9675 7622

---

**CommSec Retail**


---

Craig James +612 9312 0265  
 Savanth Sebastian +612 8223 7130

To contact any of our staff via email, type: first name.surname@cba.com.au

\*Except: Dominique d'Avrincourt – dominique.davrincourt@cba.com.au

Luke Hartigan – lhartigan@cba.com.au  
 Michael Ward – michael.ward1@cba.com.au  
 Paul Johnston – paul.a.johnston@cba.com.au  
 Michael Robson - michael.robson@asb.co.nz  
 Nick Tuffley – nick.tuffley@asb.co.nz  
 Jane Turner – jane.turner@asb.co.nz  
 Christina Leung – christina.leung@asb.co.nz

---

**Institutional Equities**


---

**Executive General Manager Institutional Equities & Debt Capital Markets**

David Hancock +612 9118 1441

**Co-head Cash Equities**

Peter Wade +612 9118 1448  
 Lance Jenkins +612 9118 1447

**Equity Research Sales – Sydney**

Angus Esslemont +612 9118 1471  
 Christine Leonard +612 9118 1442  
 Rod Hardwick +612 9118 1444  
 Rodney Walker +612 9117 7888  
 Sarah Beeby +612 9118 1018  
 Will Corkill +612 9118 1461  
 Melissa George (Desk Manager) +612 9118 1446

**Corporate Access**

Amanda Chamberlin +612 9118 1443

**Equity Research Sales – Melbourne**

Boyd Carter +613 9675 6815  
 Wayne Murray +613 9675 7495  
 Nicolas Thompson +613 9675 6618

**Sales Trading**

Andrew Tyrrell +612 9118 1451  
 Jarred Rubin +612 9117 7887  
 Justin Rooney +612 9118 1453  
 Paul Welsh +612 9118 1450  
 Rod Ellis +612 9118 1452  
 Michael Robson\* +64 9374 8693

**Equity Trading**

Alex Stanford +612 9118 1456  
 Andrew Millward (Electronic) +612 9118 1457  
 Anthony Brownlow (Electronic) +612 9118 1463  
 Hun Low (Electronic) +612 9118 1458  
 Jeremy Weber +612 9118 1454  
 Mark Ashton +612 9118 1405  
 Matt Bromfield +612 9118 1455

**Hybrid Sales**

Damien Berlioz +612 9118 1460

**Asian Sales**

Toll Free (HK) +800 901 636  
 Toll Free (Sing) +800 616 1949

Fax (Melbourne) +613 9675 7622

---

**Global Markets Research**


---

**Commodities**

Luke Mathews +612 9118 1098  
 Lachlan Shaw +613 9675 8618

**Foreign Exchange**

Richard Grace +612 9117 0080  
 Joseph Capurso +612 9118 1106  
 Peter Dragicevich +612 9118 1107  
 Andy Ji +65 6349 7056

**Fixed Income**

Adam Donaldson +612 9118 1095  
 Philip Brown +612 9118 1090  
 Michael Bors +612 9118 1108  
 Steve Shoobert +612 9118 1096  
 Winnie Chee +612 9118 1104  
 Tally Dewan +612 9118 1105  
 Kevin Ward +612 9118 1960  
 Alex Stanley +612 9118 1125

**Economics**

Michael Blythe +612 9118 1101  
 Michael Workman +612 9118 1019  
 John Peters +612 9117 0112  
 James McIntyre +612 9118 1100  
 Chris Tennent-Brown +64 9374 8819  
 Nick Tuffley\* +64 9374 8604  
 Jane Turner\* +64 9374 8185  
 Christina Leung\* +64 9369 4421

Fax (Sydney) +612 9118 1010

---