

Weak data, risk off, prices thumped

- US jobless claims rose by 43,000 to 474,000 last week - marking the highest reading since August, and well above forecasts for a 19,000 *fall* in claims to 410,000. Continuing claims rose from 3.64m to 3.73m, above forecasts for no change. Layoffs in the auto sector due to Japanese earthquake related supply disruption were expected to keep the labour market subdued in the near term. Factory orders in Germany fell 4% in March against forecasts for a small increase, and are now 9.7% higher over the year, lower than the 15.4% expected by markets.
- Weaker US jobless claims, reduced expectations for world growth and the European Central Bank's decision to hold off interest rate increases until at least June saw the euro plunge against the US dollar. Commodity currencies also weakened due to steep falls in commodity markets.
- Base metal prices ended between 3-6.6% lower overnight as fears of a slowdown in economic growth in the US and elsewhere intensified. Gold spot prices finished 2.7-2.8% lower, dragged down by the collapse in silver prices, and on the firmer US dollar and an expectation that potential weaker world growth reduces the prospects for inflation.
- Oil prices were carted overnight. US and UK crude both ended 8.6% lower with US WTI crude closing below USD 100/bbl for the first time since March 16. New York Mercantile Exchange doubled the daily limit for crude oil price contract movements to USD 20/bbl, from USD 10/bbl.
- Spot iron ore prices, delivered China port, edged 0.4% lower yesterday to USD 182.50/t, which implies a Pilbara netback for 62% Fe fines of ~USD 175/t.

Chart of the Day: Gold to silver price ratio better but silver price downside risks remain

- We pointed out to readers at the start of the week that silver prices looked very topy and perhaps due for a correction. We had no idea that over the course of the last few trading days, silver would end overnight at levels some 28.4% lower than prices seven days ago.
- Still, even following the rout this week, the gold to silver price ratio remain at around 42 times, levels not seen since the late 1990s and, before then, the early 1980s. Comex has announced five margin hikes for trading silver futures in the last two weeks which have increased the cash margin requirements by 86%. The higher cash margin requirements simply cannot be met by all participants, and when a trader can't make margin, the underlying security is often liquidated. As such, the latest margin hike comes into effect on May 9, so further silver price falls are possible in coming trading sessions.

Overnight Price Moves (full table over)	05-May-11	
New York (Dow Jones IA)	12,584	-1.1%
London (FTSE 100)	5,920	-1.1%
AUD/USD	1.0639	-1.1%

LME Metals (05-May)	USD/t	USc/lb	% chg
Aluminium	\$2,626	119	-4.2%
Copper	\$8,794	399	-3.3%
Lead	\$2,328	106	-6.1%
Nickel	\$24,510	1,112	-5.0%
Tin	\$28,857	1,309	-6.6%
Zinc	\$2,106	96	-3.0%

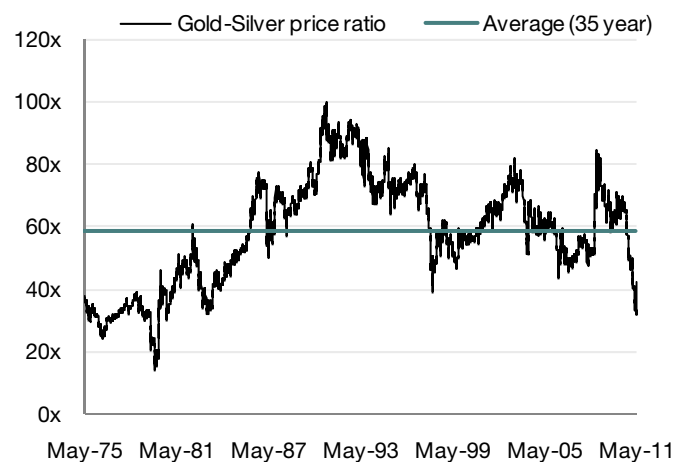
Iron ore & Steel	USD/t	% chg
Iron ore (62% Fe, cfr China)	\$182.50	-0.4%
Steel Billet (LME)	\$565	0.0%

Precious Metals			% chg
Gold			
Spot (USD/oz)	\$1,474.05		-2.8%
Comex (USD/oz) *	\$1,474.00		-2.7%
AUD spot (AUD/oz)	\$1,393.22		-1.3%
Silver (USD/oz)	\$34.67		-11.9%
Platinum (USD/oz)	\$1,765.25		-3.2%
Palladium (USD/oz)	\$713.75		-4.6%

Oil		% chg
NYMEX light sweet crude (USD/bbl) *	\$99.80	-8.6%
Brent (USD/bbl)	\$110.23	-8.6%
Singapore TAPIS (USD/bbl)	\$126.93	-2.3%

Source: Bloomberg, globalCOAL, CBA. Prices are indicative and subject to change. Oz refers to Troy ounce. * Near month.

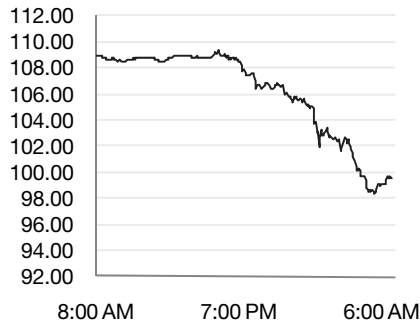
Chart of the Day: Gold to silver price ratio



Source: Bloomberg, CBA.

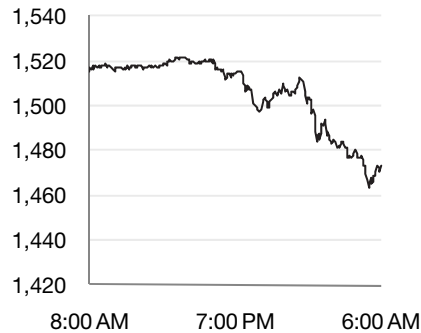


Figure 1: NYMEX light sweet crude (US/bbl) first month intraday price



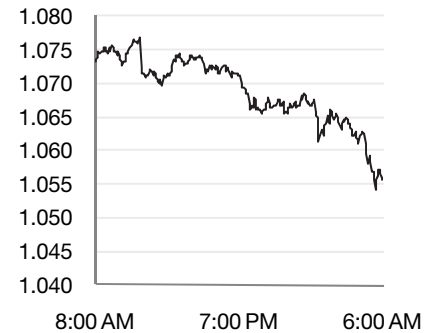
Source: Bloomberg, CBA. 5 min intervals.

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.

Overnight Market Price Snapshot

LME Metals (05-May)			change over			change over				
Cash	USD/t	USc/lb	day	week	month	Oil	USD/bi	day	week	month
Aluminium	\$2,626	119	-4.2%	-4.8%	-0.6%	NYMEX light sweet crude **	\$99.80	-8.6%	-11.6%	-9.5%
Copper	\$8,794	399	-3.3%	-5.4%	-8.9%	Brent (Dated)	\$110.23	-8.6%	-11.5%	-10.1%
Lead	\$2,328	106	-6.1%	-7.1%	-18.1%	Singapore TAPIS	\$126.93	-2.3%	-3.9%	-1.1%
Nickel	\$24,510	1,112	-5.0%	-8.7%	-8.5%	Dubai	\$114.53	-1.7%	-3.7%	-0.4%
Tin	\$28,857	1,309	-6.6%	-9.9%	-11.3%	Refined products, Singapore				
Zinc	\$2,106	96	-3.0%	-5.7%	-13.4%	Gas Oil (USD/bbl) ***	\$135	-1.1%	-2.8%	-2.4%
Steel Billet	\$565	na	0.0%	1.8%	9.8%	Jet Fuel (USD/bbl)	\$136	-1.3%	-3.4%	-2.1%
Futures (3 mth)						Fuel Oil (USD/t) ****	\$681	-0.9%	-1.0%	-0.7%
Aluminium	\$2,635	120	-4.3%	-4.8%	-1.4%	Currencies				
Copper	\$8,820	400	-3.3%	-5.4%	-8.8%	AUD/USD (London close)	1.0639	-1.1%	-2.3%	1.7%
Lead	\$2,296	104	-6.5%	-7.8%	-17.7%	AUD/EUR	0.7298	0.8%	-0.8%	-0.2%
Nickel	\$24,525	1,112	-5.0%	-8.7%	-8.5%	AUD/JPY	85.29	-1.5%	-3.9%	-4.1%
Tin	\$28,900	1,311	-6.6%	-9.8%	-11.2%	AUD/CNY	6.91	-1.1%	-2.4%	0.9%
Zinc	\$2,125	96	-3.0%	-5.4%	-13.3%	AUD/KOR	1,152	-0.4%	-1.4%	1.1%
Steel Billet	\$565	na	0.0%	1.1%	7.0%	EUR/USD	1.4576	-1.8%	-1.5%	1.9%
Stocks			tonnes			Coal*				
Aluminium	4,603,350		-2,650	-8,700	18,875	Newcastle	USD/t			
Copper	467,450		3,525	3,800	25,075	Richards Bay	\$122.27	~	0.7%	0.9%
Lead	311,450		400	3,075	33,325	DES ARA	\$123.80	~	0.4%	2.2%
Nickel	116,364		-12	-1,020	-5,388		\$127.55	~	0.0%	0.2%
Tin	21,080		0	510	2,325	Iron ore & Steel				
Zinc	822,225		-125	850	87,400	Iron ore (62% Fe, cfr China)	USD/t			
Steel Billet	58,630		1,235	325	6,500	China domestic Rebar	\$739.18	-0.4%	0.6%	1.7%
Precious Metals						East Asia HRC (cfr) *****	\$725.00	0.0%	0.0%	-0.7%
Gold	USD/oz (unless stated otherwise)					US domestic HRC (US/st) *****	\$855.00	0.0%	-1.2%	-2.3%
Spot	\$1,474.05		-2.8%	-4.0%	1.1%	Equity & Debt Capital Markets				
Comex *	\$1,474.00		-2.7%	-3.7%	1.1%	New York (Dow Jones IA)	12,584	-1.1%	-1.4%	1.4%
AUD spot (AUD/oz)	\$1,393.22		-1.3%	-0.9%	0.1%	London (FTSE 100)	5,920	-1.1%	-2.5%	-1.5%
Silver	\$34.67		-11.9%	-28.4%	-12.5%	Europe (EuroStoxx50)	2,927	-0.9%	-2.6%	-1.3%
Platinum	\$1,765.25		-3.2%	-4.2%	-1.1%	Toronto (Metals & Mining)	4,174	-3.0%	-7.1%	-10.2%
Palladium	\$713.75		-4.6%	-8.1%	-8.1%	Philadelphia Gold & Silver Index	201.6	-3.4%	-8.5%	-10.8%
Natural Gas						US 2 year bond yield	0.575%	-2.4%	-7.4%	-26.8%
Henry Hub (USD/MMBtu) **	\$4.249		-7.2%	-7.0%	4.7%	US 10 year bond yield	3.152%	-2.1%	-4.8%	-11.1%
British NBP (GBP/therm) **	55.32		-0.9%	-4.4%	-8.4%					

Source: Bloomberg, globalCOAL, CBA. Data is indicative and prices subject to change. * Near Month (not adjusted for contract changes). ** Weekly, 29/04 *** Gas Oil is 0.5% sulphur. **** Fuel Oil is 180 centistoke. ***** Weekly, 03/05



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