



Prices rise on better growth outlook

- Germany's exports grew a much stronger 7.3% in March, against forecasts for 1.1% growth, while imports were also above expectations. Taiwan's exports grew a much stronger 24.6% (yoy) in April, against forecasts for 18% growth, while imports also surprised on the upside. Europe's Sentix investor confidence gauge fell more than expected in May. Commodity markets reacted positively to these data, and the better US non-farm payrolls data reported last Friday. The US dollar eased against the Aussie but rallied against the Euro.
- Standard & Poor's downgraded Greece's long-term credit rating from B to BB-minus, citing that it saw an increased risk that Greece will need to restructure its debt. S&P said its projections suggested that a 50pct reduction in principal debt could be needed to restore Greece's debt burden to a sustainable level.
- Based metals ended mostly higher, with nickel the exception. Aluminium stocks fell but copper and lead added warehouse stocks yesterday.
- Crude oil prices rallied strongly yesterday following better economic data and optimism that US demand will grow on a recovering economy. Mississippi river floods have peaked in Memphis and are now moving downstream towards large oil refineries. The Comex commodity exchange increased oil futures trading margins for crude oil from \$6,750 per contract to \$8,438, effective close of business tomorrow. Trading margins also rose for heating oil and gasoline.
- Spot iron ore prices delivered China port fell 0.6%.

Chart of the Day: US Midwest aluminium premia jump to record highs on long lead times

- Premia paid over LME cash spot prices to secure immediate physical metal delivery soared to record highs of up to USc 9.5/lb in the US Midwest last week (refer to chart). The jump in premia reflects growing lead times to secure physical metal as strong aluminium demand overwhelms tight supply due to continued large amounts of metal being tied up in financing deals.
- Incentives of up to USD 150/t are luring more metal into warehouses across North America. In Detroit alone, up to 1.1 million tonnes of metal sit in warehouses under financing deals. Record low interest rates and an economy flush with liquidity mean that buy and hold strategies for aluminium make sense in an environment of relatively stable forward contango. These deals are disrupting supply chains, with delivery times for newly issued warrants as far out as February 2012. As long as US interest rates remain close to zero and the forward contango remains, it's difficult to see a catalyst that might reverse this trade.

Overnight Price Moves (full table over)	09-May-11	
New York (Dow Jones IA)	12,685	0.4%
London (FTSE 100)	5,943	-0.6%
AUD/USD	1.0755	0.5%

LME Metals (09-May)	USD/t	USc/lb	% chg
Aluminium	\$2,610	118	0.3%
Copper	\$8,867	402	0.7%
Lead	\$2,334	106	0.7%
Nickel	\$24,362	1,105	-0.9%
Tin	\$29,743	1,349	0.5%
Zinc	\$2,147	97	1.2%

Iron ore & Steel	USD/t	% chg
Iron ore (62% Fe, cfr China)	\$179.70	-0.6%
Steel Billet (LME)	\$564	0.0%

Precious Metals

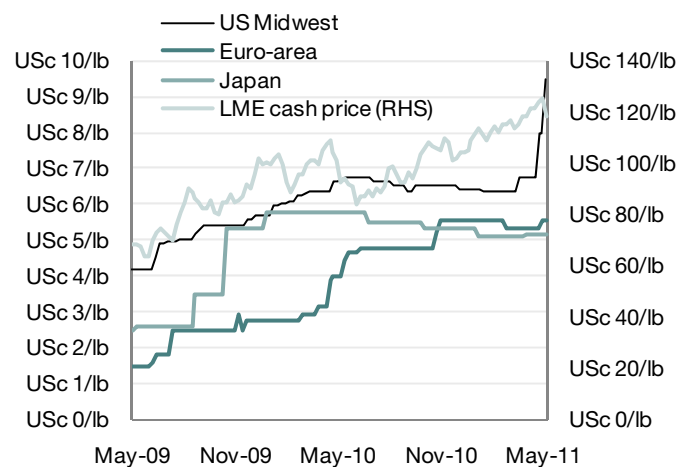
Gold		
Spot (USD/oz)	\$1,513.85	1.2%
Comex (USD/oz) *	\$1,513.40	1.5%
AUD spot (AUD/oz)	\$1,401.20	0.3%
Silver (USD/oz)	\$37.95	6.5%
Platinum (USD/oz)	\$1,794.75	0.5%
Palladium (USD/oz)	\$730.50	1.4%

Oil

NYMEX light sweet crude (USD/bbl) *	\$102.55	5.5%
Brent (USD/bbl)	\$115.80	5.4%
Singapore TAPIS (USD/bbl)	\$118.91	1.5%

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

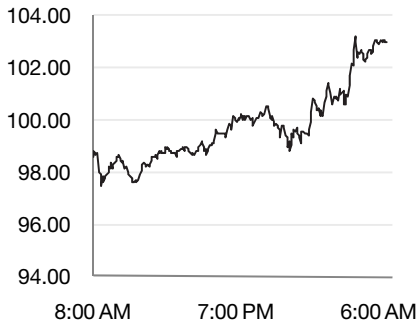
Chart of the Day: US Midwest aluminium premia jump to record highs



Source: Metal Bulletin, LME, Bloomberg, CBA.

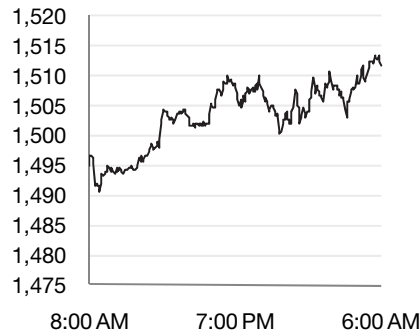


Figure 1: NYMEX light sweet crude (US/bbl) first month intraday price



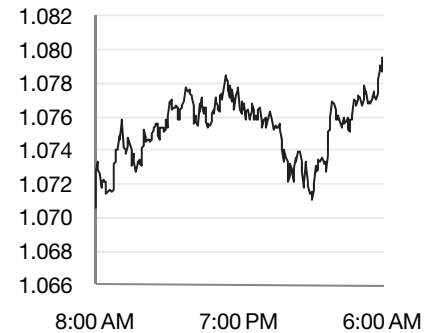
Source: Bloomberg, CBA. 5 min intervals.

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 (09-May)			change over			change over				
Cash	USD/t	USc/lb	day	week	month	Oil	USD/bi	day	week	month
Aluminium	\$2,610	118	0.3%	-5.4%	-1.8%	NYMEX light sweet crude **	\$102.55	5.5%	-9.7%	-6.7%
Copper	\$8,867	402	0.7%	-4.6%	-9.9%	Brent (Dated)	\$115.80	5.4%	-6.9%	-5.9%
Lead	\$2,334	106	0.7%	-6.9%	-20.2%	Singapore TAPIS	\$118.91	1.5%	-9.8%	-10.0%
Nickel	\$24,362	1,105	-0.9%	-9.2%	-12.1%	Dubai	\$105.56	1.8%	-11.0%	-10.7%
Tin	\$29,743	1,349	0.5%	-7.1%	-10.6%	Refined products, Singapore				
Zinc	\$2,147	97	1.2%	-3.9%	-14.9%	Gas Oil (USD/bbl) ***	\$125	3.4%	-9.7%	-12.3%
Steel Billet	\$564	na	0.0%	1.6%	8.7%	Jet Fuel (USD/bbl)	\$126	3.8%	-10.4%	-12.0%
Futures (3 mth)						Fuel Oil (USD/t) ****	\$642	4.4%	-6.1%	-7.9%
Aluminium	\$2,610	118	0.1%	-5.7%	-2.9%	Currencies				
Copper	\$8,890	403	0.7%	-4.6%	-9.8%	AUD/USD (London close)	1.0755	0.5%	-1.9%	2.3%
Lead	\$2,300	104	0.9%	-7.7%	-19.4%	AUD/EUR	0.7515	0.5%	2.0%	3.2%
Nickel	\$24,375	1,106	-0.9%	-9.2%	-12.0%	AUD/JPY	86.61	0.4%	-2.6%	-2.7%
Tin	\$29,795	1,351	0.5%	-7.0%	-10.5%	AUD/CNY	6.98	0.5%	-1.9%	1.6%
Zinc	\$2,164	98	1.1%	-3.7%	-15.0%	AUD/KOR	1,163	0.4%	-0.5%	1.6%
Steel Billet	\$560	na	0.0%	0.2%	5.2%	EUR/USD	1.4311	0.0%	-3.8%	-0.9%
Stocks			tonnes			Coal*				
Aluminium		4,596,875	-3,450	-15,175	19,350	Newcastle	USD/t			
Copper		468,600	1,425	4,950	22,900	Richards Bay	\$122.71	~	0.4%	-0.5%
Lead		312,475	1,025	4,100	35,900	DES ARA	\$123.85	~	0.0%	-0.6%
Nickel		115,872	-372	-1,512	-5,118		\$127.19	~	-0.3%	-1.7%
Tin		21,720	305	1,150	3,005	Iron ore & Steel				
Zinc		823,025	-350	1,650	87,350	Iron ore (62% Fe, cfr China)	USD/t			
Steel Billet		57,005	-585	-1,300	4,875	China domestic Rebar	\$737.58	0.0%	~	3.7%
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	\$1,513.85		1.2%	-2.0%	3.5%	Equity & Debt Capital Markets				
Comex *	\$1,513.40		1.5%	-2.8%	3.1%	New York (Dow Jones IA)	12,685	0.4%	-1.0%	2.5%
AUD spot (AUD/oz)	\$1,401.20		0.3%	-0.8%	0.5%	London (FTSE 100)	5,943	-0.6%	~	-1.8%
Silver	\$37.95		6.5%	-13.4%	-5.7%	Europe (EuroStoxx50)	2,902	-1.7%	-3.5%	-2.4%
Platinum	\$1,794.75		0.5%	-3.5%	0.6%	Toronto (Metals & Mining)	4,271	1.6%	-3.2%	-6.9%
Palladium	\$730.50		1.4%	-5.5%	-6.1%	Philadelphia Gold & Silver Index	206.5	2.1%	-4.1%	-7.3%
Natural Gas						US 2 year bond yield	0.547%	-0.7%	-9.6%	-33.8%
Henry Hub (USD/MMBtu) **	\$4.187		-1.1%	-10.8%	1.9%	US 10 year bond yield	3.155%	0.2%	-3.8%	-12.0%
British NBP (GBP/therm) **	56.87		2.1%	-1.8%	-7.0%					

Source: Bloomberg, globalCOAL, CBA. Data is indicative and prices subject to change. * Near Month (not adjusted for contract changes). ** Weekly,06/05 *** Gas Oil is 0.5% sulphur. **** Fuel Oil is 180 centistoke. ***** Weekly,03/05



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