



China raises bank reserve ratio

- The People's Bank of China has raised the bank reserve requirement ratio for the seventh time since early 2010. The lift of 50 basis points takes effect on January 20. The central bank was acting to stem a surge in new loans at the start of the year after official's 2010 target was breached. Countries across Asia are attempting to grapple with accelerating inflation as food and commodity costs climb and liquidity rises with an influx of foreign capital. South Korea and Thailand both lifted official interest rates also, with India tipped to follow this month.
- European shares eased slightly on Friday as investors digested the latest news on Chinese monetary policy. Mining shares fell after the news from China. In London trade shares in Rio Tinto lost 1.5% while BHP Billiton lost 1.8%.
- US share markets rose on Friday with investors heartened by solid earnings from JP Morgan and Intel. The Dow Jones index rose by 56 points or 0.5% to 30-month highs with the S&P 500 up 0.7% to 28-month highs and the Nasdaq rose by 20 points or 0.7%. Over the week the Dow rose by 1.0% while the S&P 500 was up 1.7% and the Nasdaq finished higher by 1.9%.
- Meanwhile, copper futures advanced for the third time in four days as expanding industrial output in the US boosted demand prospects for the metal. Industrial output at factories, mines and utilities in the US gained more than forecast in December. Copper futures for March delivery rose 0.6% to US\$4.40 a pound on the Comex in New York on Friday.
- Iran, which holds the rotating presidency of OPEC, sees no need for the producer group to hold an emergency meeting if crude prices rise to US\$100 a barrel, echoing a view expressed by the Kuwait oil minister last week. "None of the OPEC members considers this figure [US\$100] unreasonable" he told a news conference in Tehran. OPEC accounts for 40% of global oil supply, and Iran is the second biggest producer after Saudi Arabia.
- Silver may be poised to decline, paring a five-month rally after the spot price plunged below its 21-day moving average. Silver prices have surged 72% since August 2010, and reached a three-decade high of US\$31.28 an ounce on 3rd January 2011.

OVERNIGHT MARKET SNAPSHOT

14-Jan-11

Dow Jones Industrial average	11,787	0.5%
AUD/USD	0.9888	-0.9%
LME base metals		
	USD/t	USc/lb % chg
Aluminium	\$2,453	111 -0.5%
Copper	\$9,662	438 0.4%
Lead	\$2,711	123 2.0%
Nickel	\$25,851	1,173 1.3%
Tin	\$26,889	1,220 0.0%
Zinc	\$2,445	111 -0.3%

Precious Metals

Gold		
Spot (USD/oz)	\$1,361.72	-0.9%
Comex (USD/oz)**	\$1,360.50	-1.9%
AUD spot (AUD/oz)	\$1,376.91	0.0%
Silver (USD/oz)	\$28.48	-0.7%
Platinum (USD/oz)	\$1,812.50	0.5%
Palladium (USD/oz)	\$796.50	-1.3%

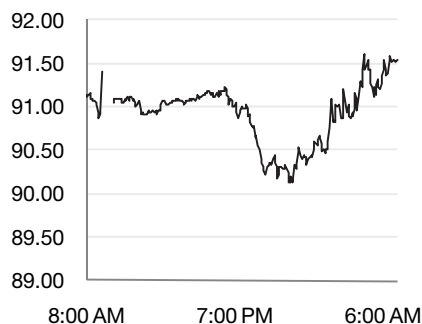
Oil

NYMEX light sweet crude (USD/bbl)**	\$91.54	0.2%
Brent (USD/bbl)	\$98.11	0.9%
Dubai (USD/bbl)	\$92.97	-1.1%

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

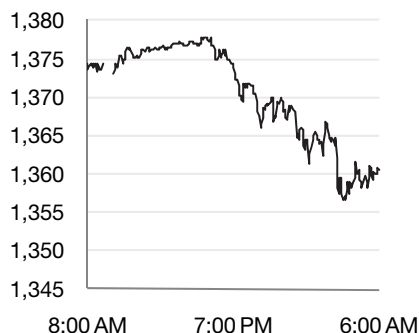


Figure 1: NYMEX light sweet crude (US/bbl) first month intraday price



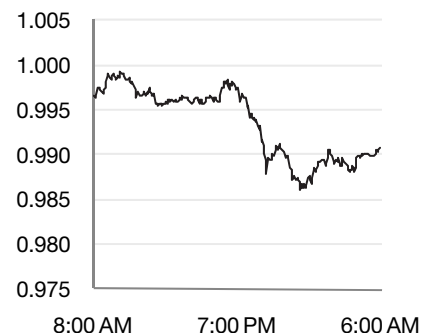
Source: Bloomberg, CBA. 5 min intervals.

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 : 14-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	\$2,453	111	-0.5%	-2.0%	5.7%	NYMEX light sweet crude**	\$91.54	0.2%	4.0%	4.0%		
Copper	\$9,662	438	0.4%	2.4%	6.0%	Brent (Dated)	\$98.11	0.9%	5.2%	7.3%		
Lead	\$2,711	123	2.0%	1.3%	11.7%	Dubai	\$92.97	-1.1%	3.2%	3.2%		
Nickel	\$25,851	1,173	1.3%	6.9%	3.6%	Refined products, Singapore						
Tin	\$26,889	1,220	0.0%	1.6%	3.0%	Gas Oil (USD/bbl)	\$109	0.0%	4.1%	6.4%		
Zinc	\$2,445	111	-0.3%	0.4%	7.9%	Jet Fuel (USD/bbl)	\$110	-0.2%	4.1%	6.7%		
LME futures (3 mth)						Fuel Oil (USD/t)	\$538	0.3%	2.9%	4.2%		
	USD/t	USc/lb				<i>Gas Oil is 0.5% sulphur, Fuel Oil is 180 Centistoke</i>						
Aluminium	\$2,472	112	-0.5%	-1.8%	5.9%	Currencies						
Copper	\$9,650	438	0.4%	2.5%	6.4%	AUD/USD (London close)	0.9888	-0.9%	-0.7%	0.1%		
Lead	\$2,680	122	1.7%	1.2%	10.7%	AUD/EUR	0.7385	-1.1%	-4.3%	-1.4%		
Nickel	\$25,875	1,174	1.3%	6.9%	3.5%	AUD/JPY	81.94	-0.8%	-1.0%	-1.3%		
Tin	\$26,850	1,218	0.0%	1.5%	3.1%	AUD/KOR	1,102	-0.6%	-1.4%	-4.0%		
Zinc	\$2,457	111	-0.2%	0.5%	8.0%	EUR/USD	1.3388	0.2%	3.7%	1.5%		
LME stocks			tonnes			USD/JPY						
Aluminium	4,435,000		50	162,600	147,400	82.87						
Copper	376,225		-1,125	-3,300	14,825	Coal*						
Lead	210,975		-450	1,275	3,375	USD/t						
Nickel	136,302		-360	-594	4,440	Newcastle	~	~	~	~		
Tin	17,250		80	545	1,430	Richards Bay	~	~	~	~		
Zinc	709,725		-100	8,750	10,275	DES ARA	~	~	~	~		
Precious Metals						Iron ore & Steel						
Gold	USD/oz (unless stated otherwise)					USD/t						
Spot	\$1,361.72		-0.9%	-0.6%	-1.0%	Iron ore (62% Fe, cfr China)	\$178.30	1.0%	3.3%	5.4%		
Comex**	\$1,360.50		-1.9%	-0.6%	-1.3%	China domestic Rebar	\$697.23	0.0%	1.4%	0.6%		
AUD spot (AUD/oz)	\$1,376.91		0.0%	0.1%	-1.1%	East Asia HRC (cfr) ***	\$660.00	0.0%	2.7%	9.1%		
Silver	\$28.48		-0.7%	-0.7%	-2.3%	US domestic HRC (US/st)***	\$752.50	0.0%	4.5%	14.2%		
Platinum	\$1,812.50		0.5%	4.6%	6.6%	Freight						
Palladium	\$796.50		-1.3%	6.0%	7.7%	Index						
Natural Gas						Baltic Dry Index	1,439	0.1%	-5.3%	-28.0%		
Henry Hub (USD/MMBtu)**	\$4.480		1.7%	1.3%	10.2%	Baltic Capesize Index	1,595	-0.8%	-14.5%	-41.4%		
British NBP (GBP/therm)**	55.31		-1.2%	-1.5%	-7.8%	Baltic Panamax Index	1,923	-1.3%	-0.7%	-5.6%		

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



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