



Gold up as US credit outlook turns negative

- Gold Futures rose yesterday on news that S&P had revised its credit outlook to negative for the US, increasing the appeal of gold as an alternate investment. S&P cited 'material risk' that US policy won't reach a consensus on 'medium to longer term budgetary challenges'. The spot market rose 0.6% to \$1495.30, while the Comex rose 0.5% to \$1492.30.
- Oil fell yesterday after Saudi Oil Minister, Ali al-Naimi, stated that the oil 'market is oversupplied'. With Libyan crude still unavailable for some time due to the ongoing conflict, oil prices have trended upwards from perceived oil shortages as Libyan supply has shrunk to 390,000 barrels a day from 1.6m last year. Saudi Arabia, the world's biggest oil exporter, has said it will make up for any crude production lost in Libya. Further downward pressure on prices came as OPEC ministers noted the strain high oil prices could place on large consumer based economies, with the IEA already observing indications of a slowdown in demand.
- US sharemarkets fell yesterday as sovereign debt fears dominated sentiment. Energy stocks were down following the decline in oil. The Dow Jones, Nasdaq and S&P500 all fell 1.1%. European shares also slid downwards, reaching a 3-week low as Eurozone debt troubles and S&P's negative credit outlook for US caused a 2.1% fall in the German Dax and UK FTSE. The Australian dollar reached a high of US105.60c and a low of US104.60 before settling at US105.09.
- The negative S&P credit outlook for the US, the second-largest consumer of copper, led to declines in the metal. The downwards movement was accentuated by China, the world's biggest consumer, raising the bank's reserve requirements and a fall in US homebuilders confidence in April. Base Metals fell on the LME yesterday, falling between 0.7-4.5%, with aluminium faring the best, while lead fared the worst.
- Abu Dhabi-based Emirates Aluminium (EMAL) plans to ramp up its Taweelah smelter to 800kt/year, a 50kt/yr increase from current production amid a strong demand outlook. The Taweelah smelter reached its previous full production capacity of 750kt/yr on the last working day of 2010.

Overnight Price Moves (full table over)		18-Apr-11	
New York (Dow Jones IA)		12,202	-1.1%
London (FTSE 100)		5,870	-2.1%
AUD/USD		1.0509	-0.6%
LME Metals (18-Apr)			
	USD/t	USc/lb	% chg
Aluminium	\$2,656	120	-0.7%
Copper	\$9,204	417	-1.9%
Lead	\$2,592	118	-4.5%
Nickel	\$25,505	1,157	-2.5%
Tin	\$32,318	1,466	-2.3%
Zinc	\$2,308	105	-3.0%
Iron ore & Steel			
		USD/t	% chg
Iron ore (62% Fe, cfr China)		\$180.90	-0.3%
Steel Billet (LME)		\$536	0.0%
Precious Metals			
Gold			
Spot (USD/oz)		\$1,495.30	0.6%
Comex (USD/oz) *		\$1,492.30	0.5%
AUD spot (AUD/oz)		\$1,422.70	1.1%
Silver (USD/oz)		\$43.42	1.0%
Platinum (USD/oz)		\$1,781.50	-0.6%
Palladium (USD/oz)		\$735.75	-3.9%
Oil			
		USD/bbl	% chg
NYMEX light sweet crude (USD/bbl) *		\$107.12	-2.3%
Brent (USD/bbl)		\$122.15	-1.5%
Singapore TAPIS (USD/bbl)		\$129.07	0.5%

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



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

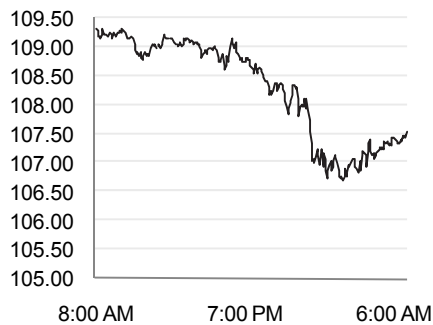


Figure 2: Gold (spot, US/oz) intraday price

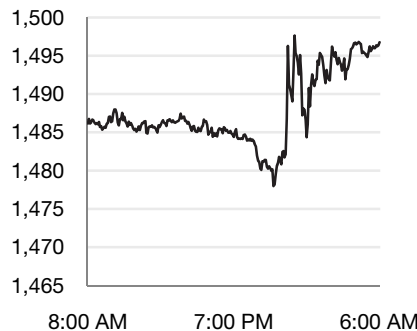
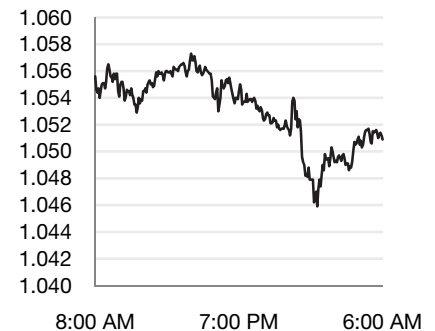


Figure 3: Australian dollar (USD/AUD) intraday price



Source: Bloomberg, CBA. 5 min intervals.

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Overnight Market Price Snapshot

LME Metals (18-Apr)			change over			Oil			change over		
	USD/t	US\$/lb	day	week	month		USD/bbl	day	week	month	
Cash						NYMEX light sweet crude **	\$107.12	-2.3%	-2.5%	4.7%	
Aluminium	\$2,656	120	-0.7%	-0.1%	4.4%	Brent (Dated)	\$122.15	-1.5%	-0.7%	6.8%	
Copper	\$9,204	417	-1.9%	-6.4%	-2.0%	Singapore TAPIS	\$129.07	0.5%	-2.3%	7.3%	
Lead	\$2,592	118	-4.5%	-11.4%	-2.9%	Dubai	\$115.31	0.6%	-2.5%	6.0%	
Nickel	\$25,505	1,157	-2.5%	-7.9%	-4.6%	Refined products, Singapore					
Tin	\$32,318	1,466	-2.3%	-2.8%	8.7%	Gas Oil (USD/bbl) ***	\$138	0.5%	-3.5%	4.6%	
Zinc	\$2,308	105	-3.0%	-8.6%	2.1%	Jet Fuel (USD/bbl)	\$139	0.5%	-3.0%	4.9%	
Steel Billet	\$536	na	0.0%	3.4%	-3.7%	Fuel Oil (USD/t) ****	\$684	0.2%	-1.8%	6.5%	
Futures (3 mth)						Currencies					
Aluminium	\$2,674	121	-0.7%	-0.5%	4.0%	AUD/USD (London close)	1.0509	-0.6%	0.1%	4.4%	
Copper	\$9,225	418	-1.9%	-6.4%	-1.8%	AUD/EUR	0.7383	0.8%	1.5%	4.4%	
Lead	\$2,528	115	-4.6%	-11.5%	-4.4%	AUD/JPY	86.86	-1.1%	-2.2%	6.5%	
Nickel	\$25,505	1,157	-2.5%	-7.9%	-4.7%	AUD/CNY	6.86	-0.6%	0.0%	3.9%	
Tin	\$32,350	1,467	-2.3%	-2.9%	8.9%	AUD/KOR	1,146	-0.4%	0.4%	1.8%	
Zinc	\$2,325	105	-3.0%	-8.6%	2.0%	EUR/USD	1.4235	-1.4%	-1.4%	0.1%	
Steel Billet	\$550	na	0.0%	3.3%	-3.5%	Coal*	USD/t				
Stocks		tonnes				Newcastle	~	~	~	~	
Aluminium	4,564,975		-1,400	-12,550	-41,200	Richards Bay	~	~	~	~	
Copper	451,775		1,350	6,075	21,275	DES ARA	~	~	~	~	
Lead	291,775		4,700	15,200	4,125	Iron ore & Steel	USD/t				
Nickel	119,988		-492	-1,002	-4,860	Iron ore (62% Fe, cfr China)	\$180.90	-0.3%	-1.1%	10.4%	
Tin	20,235		1,245	1,520	1,985	China domestic Rebar	\$719.90	0.0%	1.2%	3.6%	
Zinc	764,300		50	28,625	28,150	East Asia HRC (cfr) *****	\$730.00	0.0%	0.0%	0.0%	
Steel Billet	58,305		0	6,175	7,150	US domestic HRC (US/st) *****	\$875.00	0.0%	0.0%	0.6%	
Precious Metals						Equity & Debt Capital Markets					
Gold		USD/oz (unless stated otherwise)				New York (Dow Jones IA)	12,202	-1.1%	-1.4%	1.4%	
Spot	\$1,495.30		0.6%	2.2%	4.7%	London (FTSE 100)	5,870	-2.1%	-3.0%	1.5%	
Comex *	\$1,492.30		0.5%	1.7%	4.6%	Europe (EuroStoxx50)	2,848	-2.4%	-4.3%	-0.4%	
AUD spot (AUD/oz)	\$1,422.70		1.1%	2.1%	0.3%	Toronto (Metals & Mining)	4,461	-1.1%	-2.8%	1.0%	
Silver	\$43.42		1.0%	7.9%	20.2%	Philadelphia Gold & Silver Index	216.7	-0.9%	-2.7%	3.9%	
Platinum	\$1,781.50		-0.6%	-0.1%	2.1%	US 2 year bond yield	0.665%	-4.6%	-19.5%	4.4%	
Palladium	\$735.75		-3.9%	-5.4%	-1.6%	US 10 year bond yield	3.376%	-1.0%	-5.9%	1.4%	
Natural Gas											
Henry Hub (USD/MMBtu) **	\$4.138		-1.6%	0.7%	-0.6%						
British NBP (GBP/therm) **	57.69		-3.2%	-5.7%	-5.1%						

Source: Bloomberg, globalCOAL, CBA. Data is indicative and prices subject to change. * Near Month (not adjusted for contract changes). ** Weekly, 15/04 *** Gas Oil is 0.5% sulphur. **** Fuel Oil is 180 centistoke. ***** Weekly, 12/04



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Equities Research

Head of Research

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
 Ross Curran (Insurance) +612 9118 1181
 Naveen Patney (Insurance) +612 9118 6391

Basic Materials

Michael Ward* +612 9118 1139

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/Energy

Andrew Hines +613 9675 7443
 Lachlan Shaw (Commodities) +613 9675 8618
 Andrew Knuckey (Metals & Mining) +613 9675 6791
 Tomas Vasquez (Metals & Mining) +613 9675 6059
 Paul Hodsman (Metals & Mining) +613 9675 8532
 Luke Smith (Energy) +613 9675 7117

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
 Sam Teeger (D&C) +612 9118 1184

Utilities & Toll Roads

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

Supervisory Analyst

Joe Pardea +612 9118 6388

Quantitative Research & Database

Nizar Torlakovic +612 9118 1178
 Hendrik Botha +612 9118 1200

Publishing +612 9118 1183

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

CommSec Retail

Craig James +612 9118 1806
 Savanth Sebastian +612 9118 1805

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

*Except: Dominique d'Avrincourt – dominique.davrincourt@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

Head of Cash Equities

Lance Jenkins +612 9118 1447

Equity Distribution

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
 Terase Davidson +612 9118 1448

Equity Research Sales – Melbourne

Boyd Carter +613 9675 6815
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Sales Trading

Andrew Tyrrell +612 9118 1451
 Jarred Rubin +612 9117 7887
 Justin Rooney +612 9118 1453
 Nicolas Thompson +613 9675 6618
 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

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