



ECB successfully lends €489b

- Please note this is the last edition of the *Commodities Daily* for 2011. We'd like to wish our readers a Merry Christmas and all the best over the festive season. The *Commodities Daily* will be back in early January 2012.
- In European markets overnight all eyes were on the ECB as it lent Euro-zone banks €489b in its first ever 3-year lending facility. The allotment was the highest ever in a single ECB operation and was taken up by 523 banks. The take-up exceeded expectations fuelling a rally for both the AUD and EUR against the USD and equities more generally. But markets did not hold on to gains and both the EUR and AUD corrected sharply lower a few minutes after the announcement of the results. The EUR:USD ended the session under 1.3050 and AUD:USD back under 1.01.
- European equity markets were mostly down overnight. The FTSEurofirst index fell by 0.5%, the UK FTSE closed up by 0.6% while the German Dax was lower by 1.0%. In the US, the Dow Jones was flat and the S&P500 rose by 0.2%.
- Commodities were broadly higher overnight with the exception of aluminium, zinc and gold all closing slightly lower. Copper is continuing to edge higher and closed at a one-week high overnight to settle at USD3.37/lb. The recent rally has been attributed to imports of refined metal by China climbing to their highest level since June 2009 while Premier Wen Jiabao pledged to bolster exports. Chinese customs data showed that refined-copper imports jumped to 344,000 tonnes in November, which is 48% higher from a year earlier.
- Meanwhile an LME warehouse delivery rule on aluminium which restricts movements to 1,500 tonnes per day is potentially creating bottlenecks at the Dutch port of Vlissingen. Inventories at Vlissingen account for approximately 18% of global stockpiles and there is currently over 900,000 tonnes in storage there. Orders to remove the metal by buyers recently almost doubled to 145,000 tonnes which translates to over 97 days to take full delivery of the metal under existing LME rules. However the LME is currently considering increasing the daily limit to 3,000 tonnes.
- Oil rose for the third consecutive day overnight as US inventories declined for the most in a decade. The US Energy Department reported supplies fell by 10.6 million barrels to 323.6 million which was the largest fall since February 2001 and almost five times consensus estimates. Crude oil for February delivery increased by 1.3% to settle at USD98.48 a barrel on NYMEX overnight.

Overnight Price Moves (full table over)	21-Dec-11	
New York (Dow Jones IA)	12,080	-0.2%
London (FTSE 100)	5,390	-0.6%
AUD/USD	1.0089	0.1%

LME Metals (21-Dec)	USD/t	USc/lb	% chg
Aluminium	\$1,969	89	-0.8%
Copper	\$7,441	337	0.6%
Lead	\$1,944	88	0.3%
Nickel	\$18,939	859	0.5%
Tin	\$19,148	869	1.1%
Zinc	\$1,837	83	-1.1%

Iron ore & Steel	USD/t	% chg
Iron ore (62% Fe, cfr China)	\$134.80	2.1%
Steel Billet (LME)	\$543	0.0%

Precious Metals		
Gold		
Spot (USD/oz)	\$1,617.25	0.1%
Comex (USD/oz) *	\$1,611.90	-0.2%
AUD spot (AUD/oz)	\$1,602.87	0.0%
Silver (USD/oz)	\$29.40	-0.5%
Platinum (USD/oz)	\$1,430.63	-0.2%
Palladium (USD/oz)	\$634.25	1.0%

Oil		
NYMEX light sweet crude (USD/bbl) *	\$98.48	1.3%
Brent (USD/bbl)	\$108.81	1.1%
Singapore TAPIS (USD/bbl)	\$116.52	1.9%

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

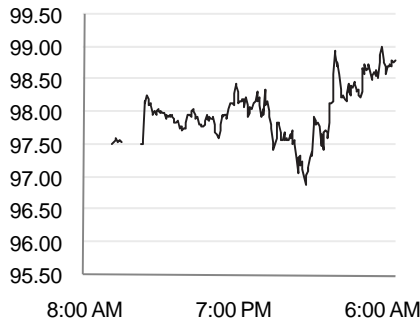


Figure 2: Gold (spot, US/oz) intraday price

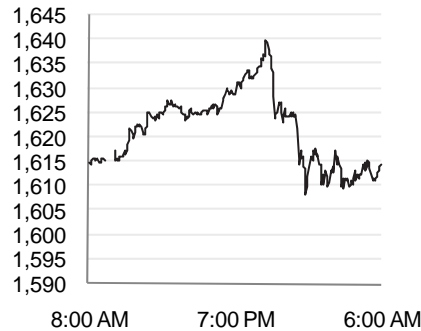
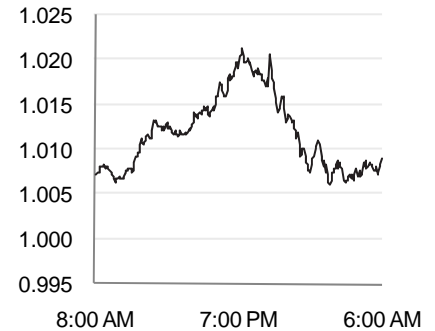


Figure 3: Australian dollar (USD/AUD) intraday price



Source: Bloomberg, CBA. 5 min intervals.

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Overnight Market Price Snapshot

LME Metals (21-Dec)			change over						change over		
Cash	USD/t	US\$/lb	day	week	month	Oil	USD/bl	day	week	month	
Aluminium	\$1,969	89	-0.8%	0.6%	-1.9%	NYMEX light sweet crude **	\$98.48	1.3%	3.7%	2.7%	
Copper	\$7,441	337	0.6%	3.5%	3.2%	Brent (Dated)	\$108.81	1.1%	4.1%	1.5%	
Lead	\$1,944	88	0.3%	-2.0%	-1.9%	Singapore TAPIS	\$116.52	1.9%	-1.6%	-1.1%	
Nickel	\$18,939	859	0.5%	8.8%	11.2%	Dubai	\$105.43	2.5%	-1.6%	-2.8%	
Tin	\$19,148	869	1.1%	3.7%	-5.1%	Refined products, Singapore					
Zinc	\$1,837	83	-1.1%	-0.8%	-4.1%	Gas Oil (USD/bbl) ***	\$123	2.2%	-1.6%	-2.9%	
Steel Billet	\$543	na	0.0%	-1.4%	5.9%	Jet Fuel (USD/bbl)	\$122	2.2%	-1.7%	-3.9%	
Futures (3 mth)						Fuel Oil (USD/t) ****	\$668	2.1%	1.7%	-0.7%	
Aluminium	\$1,994	90	-0.4%	1.6%	-1.5%	Currencies					
Copper	\$7,455	338	0.6%	3.4%	3.0%	AUD/USD (London close)	1.0089	0.1%	1.8%	4.1%	
Lead	\$1,966	89	0.4%	-1.6%	-1.9%	AUD/EUR	0.7736	0.4%	1.3%	6.5%	
Nickel	\$18,975	861	0.6%	9.1%	11.5%	AUD/JPY	78.73	0.3%	1.8%	5.1%	
Tin	\$19,200	871	1.1%	3.6%	-5.0%	AUD/CNY	6.40	0.0%	1.3%	3.8%	
Zinc	\$1,851	84	-0.9%	0.3%	-3.3%	AUD/KOR	1,161	-0.5%	0.9%	3.2%	
Steel Billet	\$538	na	0.0%	-3.2%	2.9%	EUR/USD	1.3041	-0.3%	0.4%	-2.3%	
Stocks			tonnes			Coal*					
Aluminium	4,953,725	30,925	127,450	385,350		Newcastle	~	~	~	~	
Copper	371,300	450	-10,850	-26,225		Richards Bay	~	~	~	~	
Lead	358,450	-2,625	-1,875	-12,775		DES ARA	~	~	~	~	
Nickel	87,900	-186	-1,920	1,614		Iron ore & Steel					
Tin	11,970	-230	-45	-1,280		Iron ore (62% Fe, cfr China)	\$134.80	2.1%	0.0%	-5.3%	
Zinc	811,550	2,225	52,750	66,850		China domestic Rebar	\$672.02	-0.1%	0.3%	0.8%	
Steel Billet	72,735	0	5,525	9,165		East Asia HRC (cfr) *****	\$630.00	0.0%	0.0%	0.0%	
Precious Metals						US domestic HRC (US/st) *****	\$670.00	0.0%	0.6%	4.7%	
Gold	USD/oz (unless stated otherwise)					Equity & Debt Capital Markets					
Spot	\$1,617.25	0.1%	2.7%	-4.4%		New York (Dow Jones IA)	12,080	-0.2%	2.2%	7.3%	
Comex *	\$1,611.90	-0.2%	1.7%	-5.0%		London (FTSE 100)	5,390	-0.6%	0.4%	4.9%	
AUD spot (AUD/oz)	\$1,602.87	0.0%	0.9%	-8.2%		Europe (EuroStoxx50)	2,244	-0.8%	1.7%	7.0%	
Silver	\$29.40	-0.5%	1.7%	-7.3%		Toronto (Metals & Mining)	3,735	-0.5%	0.8%	-4.0%	
Platinum	\$1,430.63	-0.2%	0.7%	-7.6%		Philadelphia Gold & Silver Index	184.9	-0.3%	1.3%	-2.5%	
Palladium	\$634.25	1.0%	2.6%	8.2%		US 2 year bond yield	0.273%	6.2%	13.8%	3.4%	
Natural Gas						US 10 year bond yield	1.973%	2.5%	3.6%	4.7%	
Henry Hub (USD/MMBtu) **	\$3.168	1.3%	1.0%	-8.4%							
British NBP (GBP/therm) **	55.79	-1.5%	-3.0%	-8.8%							

Source: Bloomberg, globalCOAL, CBA. Data is indicative and prices subject to change. * Near Month (not adjusted for contract changes). ** Weekly, 16/12 *** Gas Oil is 0.5% sulphur. **** Fuel Oil is 180 centistoke. ***** Weekly, 20/12



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