



Metals down on speculation of tighter US and Chinese monetary policy

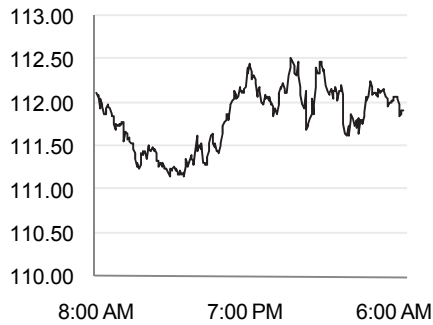
- Gold and silver futures fell yesterday for the first time in two weeks as some investors sold the precious metals following the rallies. Gold futures on the Comex dropped 0.4% to \$1,503.00/oz, while silver fell 3% to \$45.49/oz. The declines in precious metals could be linked to speculation that monetary policy will tighten in the US and China.
- US Consumer confidence rose from 63.8 to 65.4 in April. The expectations index and the present situation index both recorded healthy gains. US share markets rallied yesterday, with the Dow Jones and S&P500 both rising 0.9%, while the Nasdaq rose 0.8%. The Aussie dollar rose 0.6% to settle at US107.86c.
- Despite comments by the head of Saudi Arabia's national oil company outlining concerns with the high oil prices and the threat it poses to the pace of the economic recovery, oil rose 0.3% on the NYMEX yesterday. The CEO of Saudi Arabian Oil committed to maintaining 3 to 4 million barrels a day of spare capacity to stabilise the market.
- Despite the speculation on tighter monetary policies in China and the US, aluminium rose 0.1% and tin changed negligibly. The other base metals fell sharply, with zinc and copper leading the fall, with a 4.3% and 1.7% drop respectively.
- The US\$7.69b bid for Equinox Minerals by Barrick Gold has trumped that of the Chinese-owned Minmetals Resources. The withdrawal of Minmetals Resources has allowed Barrick Gold to take control of Equinox's Lumwana mine in Zambia and Saudi Arabia's largest copper deposit. Andrew Michelmore, the CEO of Hong Kong-based Minmetals, commented "the price offered by Barrick is above our most optimistic assessment of value." On the Toronto stock exchange, Equinox and Barrick fell 3.1% and 3.5% respectively, while Minmetals declined 9.1% on the Hong Kong markets.
- Chinese thermal coal prices rose for a fourth consecutive week as power demand from factories rose and construction activity increased. The increasing demand has strengthened concerns of a summer fuel shortage. Rising Chinese prices have helped non-domestic producers secure deals in coal in the last week. Demand for Indonesian sub-bituminous coals remains strong with prices on a landed basis hovering at \$131/t, which is cheaper than the minimum domestic coal priced at \$133.40/t.
- *In regards to the 21/4/2011 Commodities: Daily Alert, the comment "US Treasury numbers are showing that US debt cannot be repaid without a dollar debasement" was not sourced from the US treasury, but comments from the Bloomberg 21/4/2011 article "Gold Futures Top \$1,500 on Dollar Slide, Inflation; Silver Gains."*

Overnight Price Moves (full table over)		26-Apr-11	
New York (Dow Jones IA)		12,595	0.9%
London (FTSE 100)		6,069	~
AUD/USD		1.0786	0.6%
LME Metals (26-Apr)			
	USD/t	USc/lb	% chg
Aluminium	\$2,737	124	0.1%
Copper	\$9,521	432	-1.7%
Lead	\$2,596	118	-1.5%
Nickel	\$26,628	1,208	-0.9%
Tin	\$32,687	1,483	0.0%
Zinc	\$2,243	102	-4.3%
Iron ore & Steel			
	USD/t		% chg
Iron ore (62% Fe, cfr China)	\$178.90		~
Steel Billet (LME)	\$533		0.0%
Precious Metals			
Gold			
Spot (USD/oz)	\$1,506.30		-0.1%
Comex (USD/oz) *	\$1,503.00		-0.4%
AUD spot (AUD/oz)	\$1,396.32		-0.7%
Silver (USD/oz)	\$45.49		-3.0%
Platinum (USD/oz)	\$1,806.25		-1.0%
Palladium (USD/oz)	\$752.50		-1.1%
Oil			
NYMEX light sweet crude (USD/bbl) *	\$112.21		0.3%
Brent (USD/bbl)	\$124.05		0.3%
Singapore TAPIS (USD/bbl)	\$131.04		0.2%

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

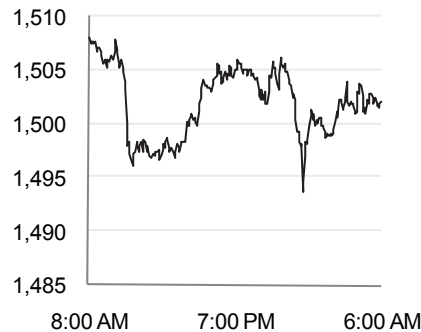


Figure 1: NYMEX light sweet crude (US/bbl) first month intraday price



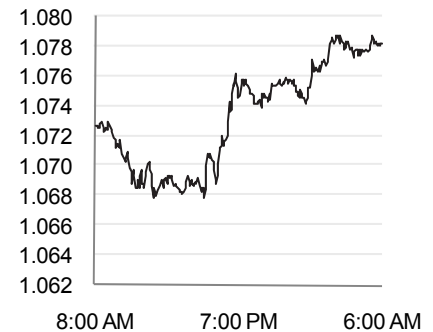
Source: Bloomberg, CBA. 5 min intervals.

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 (26-Apr)			change over						change over		
Cash	USD/t	USc/lb	day	week	month	Oil	USD/bl	day	week	month	
Aluminium	\$2,737	124	0.1%	1.5%	4.7%	NYMEX light sweet crude **	\$112.21	0.3%	3.8%	7.1%	
Copper	\$9,521	432	-1.7%	2.2%	-0.5%	Brent (Dated)	\$124.05	0.3%	2.0%	7.4%	
Lead	\$2,596	118	-1.5%	-0.2%	-4.9%	Singapore TAPIS	\$131.04	0.2%	3.6%	9.5%	
Nickel	\$26,628	1,208	-0.9%	5.3%	0.2%	Dubai	\$117.69	0.2%	4.1%	9.2%	
Tin	\$32,687	1,483	0.0%	1.0%	3.6%	Refined products, Singapore					
Zinc	\$2,243	102	-4.3%	-2.9%	-4.9%	Gas Oil (USD/bbl) ***	\$137	-0.8%	1.0%	4.9%	
Steel Billet	\$533	na	0.0%	-0.9%	-1.6%	Jet Fuel (USD/bbl)	\$138	-0.6%	1.4%	4.9%	
						Fuel Oil (USD/t) ****	\$687	-0.1%	2.5%	5.7%	
Futures (3 mth)						Currencies					
Aluminium	\$2,747	125	0.1%	1.2%	3.7%	AUD/USD (London close)	1.0786	0.6%	2.5%	4.8%	
Copper	\$9,545	433	-1.6%	2.2%	-0.4%	AUD/EUR	0.7364	0.1%	0.3%	1.0%	
Lead	\$2,558	116	-1.7%	0.0%	-4.8%	AUD/JPY	87.96	0.3%	1.2%	3.6%	
Nickel	\$26,650	1,209	-0.9%	5.3%	0.2%	AUD/CNY	7.04	0.5%	2.4%	4.3%	
Tin	\$32,725	1,484	0.0%	1.0%	3.7%	AUD/KOR	1,167	0.8%	2.2%	2.2%	
Zinc	\$2,261	103	-4.2%	-2.9%	-4.8%	EUR/USD	1.4644	0.4%	2.2%	3.8%	
Steel Billet	\$545	na	0.0%	-0.9%	-1.8%	Coal*	USD/t				
Stocks		tonnes				Newcastle	~	~	~	~	
Aluminium		4,600,175	-2,900	4,650	-2,425	Richards Bay	~	~	~	~	
Copper		460,100	3,825	8,150	20,600	DES ARA	~	~	~	~	
Lead		304,500	-125	6,075	20,825	Iron ore & Steel	USD/t				
Nickel		118,338	396	-648	-6,168	Iron ore (62% Fe, cfr China)	\$178.90	~	0.1%	6.2%	
Tin		20,350	165	180	2,195	China domestic Rebar	\$721.52	0.3%	0.5%	4.0%	
Zinc		816,925	2,625	31,325	79,825	East Asia HRC (cfr) *****	\$725.00	0.0%	0.0%	-0.7%	
Steel Billet		58,305	0	0	3,965	US domestic HRC (US/st) *****	\$865.00	-0.3%	-0.3%	-1.1%	
Precious Metals						Equity & Debt Capital Markets					
Gold	USD/oz (unless stated otherwise)					New York (Dow Jones IA)	12,595	0.9%	2.7%	2.6%	
Spot	\$1,506.30		-0.1%	0.7%	6.2%	London (FTSE 100)	6,069	~	2.9%	2.3%	
Comex *	\$1,503.00		-0.4%	0.6%	6.1%	Europe (EuroStoxx50)	2,955	~	3.4%	1.5%	
AUD spot (AUD/oz)	\$1,396.32		-0.7%	-1.8%	1.3%	Toronto (Metals & Mining)	4,457	-1.6%	-1.2%	1.3%	
Silver	\$45.49		-3.0%	3.4%	22.8%	Philadelphia Gold & Silver Index	218.0	-1.0%	-1.1%	3.1%	
Platinum	\$1,806.25		-1.0%	1.8%	3.7%	US 2 year bond yield	0.607%	-5.2%	-6.5%	-25.7%	
Palladium	\$752.50		-1.1%	2.7%	-0.4%	US 10 year bond yield	3.307%	-1.7%	-1.7%	-5.2%	
Natural Gas											
Henry Hub (USD/MMBtu) **	\$4.381		-0.2%	2.8%	3.3%						
British NBP (GBp/therm) **	55.10		-3.3%	-5.3%	-10.3%						

Source: Bloomberg, globalCOAL, CBA. Data is indicative and prices subject to change. * Near Month (not adjusted for contract changes). ** Weekly, 22/04 *** Gas Oil is 0.5% sulphur. **** Fuel Oil is 180 centistoke. ***** Weekly, 26/04



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