



## Manufacturing PMIs print better

- The US ISM manufacturing index rose from 53.1 to 54.1 in January, just short of forecasts centred on a result near 54.5. The new orders index jumped from 54.8 to 57.6. The Eurozone Purchasing Managers' Index (PMI) rose from 46.9 to 48.8 in January. The UK PMI gauge rose from 49.6 to 52.1, well above forecasts near 50.0. The firmer European and US manufacturing survey data followed a better-than-expected January PMI in China yesterday (refer below). The US ADP National Employment index revealed that 170,000 private sector jobs were created in January, slightly weaker than market expectations centred on a gain of 185,000 jobs.
- Base metals ended mostly higher on LME overnight, the exception being tin. Copper ended 1.4% higher, aluminium 1.2%, as a weaker US dollar supported sentiment. Meanwhile, LME copper inventories fell again. The gold price rose, taking direction from the weaker US dollar.
- BHP Billiton will restructure its Nickel West operation, cutting 150 jobs – mostly from head office – and slowing mine production for 12 months at Mount Keith in an effort to improve the financial performance of the division.
- Crude oil benchmarks ended mixed, with UK Brent drifting up but US WTI ending lower. Weekly US crude inventory data undermined sentiment in US trade as crude and product inventories rose more than expected last week. US crude oil inventories rose 4.175mmbbls last week, against forecasts for a 2.6mmbbl increase; distillate inventories fell by 0.135mmbbls vs an expected 1.375mmbbl fall, and gasoline inventories rose by 3.017mmbbls against forecasts for a 0.5mmbbl increase. Higher product inventories resulted despite lower-than-expected refinery utilisation, pointing to weaker apparent demand than expected.
- Spot iron ore edged another 0.3% higher to USD142.80/t.

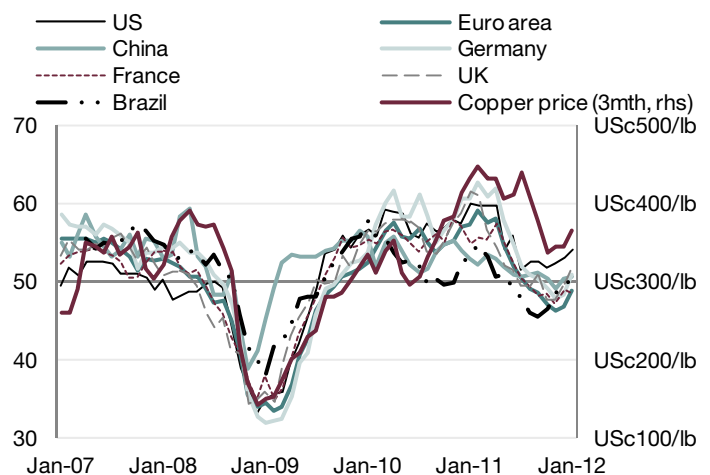
## Chart of the Day: Global manufacturing PMI indices rally, in line with higher copper price

- Global manufacturing PMI indices for January for the most part printed better than expected. China's PMI printed at 50.5, up from 50.3 in December and better than the expected print of 49.6. The headline number was boosted by robust domestic new orders – mostly due to a bring forward of activity before the Lunar New Year holiday last week – and further growth in output rates. The bad news was a notable deterioration in export-oriented sectoral reads, which is likely to weigh on growth in the months ahead. We expect further policy easing over 1H 2012.
- PMIs in the US, the Euro-zone, UK, Germany and Brazil all printed better than expected, and for many, above the key 50 level that indicates an expansion in activity. The momentum appears to have shifted to a modest recovery/growth bias in recent months, consistent with firmer commodity prices (refer to chart). But most PMIs remain below levels associated with strong economic growth and commodity prices.

Overnight Price Moves (full table over)		01-Feb-12	
New York (Dow Jones IA)		12,753	1.0%
London (FTSE 100)		5,791	1.9%
AUD/USD (as at 02-Feb-12)		1.0704	-0.2%
<b>LME Metals (01-Feb)</b>			
	USD/t	USc/lb	% chg
Aluminium	\$2,229	101	1.2%
Copper	\$8,418	382	1.4%
Lead	\$2,205	100	0.9%
Nickel	\$20,889	948	0.6%
Tin	\$24,108	1,094	-0.8%
Zinc	\$2,113	96	1.2%
<b>Iron ore &amp; Steel</b>			
	USD/t		% chg
Iron ore (62% Fe, cfr China)	\$142.80		0.3%
Steel Billet (LME)	\$498		0.0%
<b>Precious Metals</b>			
Gold			
Spot (USD/oz)	\$1,745.38		0.4%
Comex (USD/oz) *	\$1,745.00		0.4%
AUD spot (AUD/oz)	\$1,628.00		-0.7%
Silver (USD/oz)	\$33.80		1.9%
Platinum (USD/oz)	\$1,620.00		2.0%
Palladium (USD/oz)	\$696.25		1.6%
<b>Oil</b>			
	USD/bbl		% chg
NYMEX light sweet crude (USD/bbl) *	\$97.76		-0.7%
Brent (USD/bbl)	\$110.99		0.2%
Singapore TAPIS (USD/bbl)	\$120.78		0.5%

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

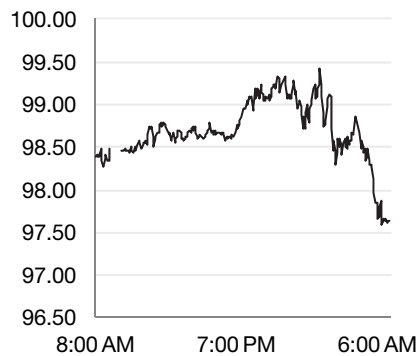
## Chart of the Day: Global manufacturing PMI indices and the copper price



Source: Bloomberg, CBA

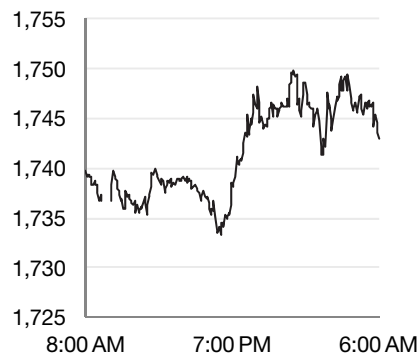


Figure 1: NYMEX light sweet crude (US/bbl) first month intraday price



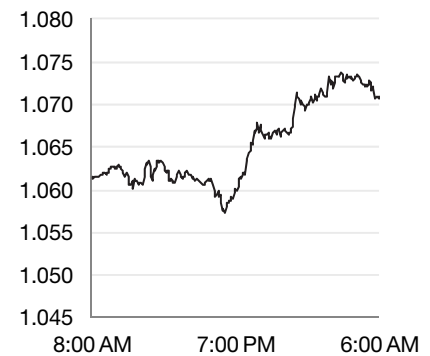
Source: Bloomberg, CBA. 5 min intervals.

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 (01-Feb)

Cash	USD/t	US\$/lb	change over		
			day	week	month
Aluminium	\$2,229	101	1.2%	0.5%	9.2%
Copper	\$8,418	382	1.4%	0.6%	11.8%
Lead	\$2,205	100	0.9%	-2.3%	8.2%
Nickel	\$20,889	948	0.6%	0.1%	11.1%
Tin	\$24,108	1,094	-0.8%	7.6%	23.3%
Zinc	\$2,113	96	1.2%	-2.1%	14.0%
Steel Billet	\$498	na	0.0%	-2.4%	-9.3%

## Futures (3 mth)

Aluminium	\$2,265	103	1.2%	0.6%	9.7%
Copper	\$8,440	383	1.4%	0.7%	11.9%
Lead	\$2,235	101	1.0%	-2.1%	8.5%
Nickel	\$20,975	951	0.6%	0.2%	11.6%
Tin	\$24,155	1,096	-0.8%	7.6%	23.2%
Zinc	\$2,131	97	1.2%	-2.0%	14.0%
Steel Billet	\$513	na	0.0%	-1.0%	-5.5%

## Stocks

	tonnes			
Aluminium	4,996,275	1,850	-7,525	13,100
Copper	329,300	-1,525	-10,450	-39,850
Lead	366,225	3,075	20,375	13,150
Nickel	95,598	1,086	1,494	6,048
Tin	9,175	75	-510	-2,620
Zinc	842,500	-1,800	-6,675	21,750
Steel Billet	67,080	0	-650	-6,825

## Precious Metals

	USD/oz (unless stated otherwise)			
Gold	\$1,745.38	0.4%	2.0%	8.3%
Spot	\$1,745.00	0.4%	2.6%	8.2%
Comex *	\$1,628.00	-0.7%	0.4%	4.7%
AUD spot (AUD/oz)	\$33.80	1.9%	1.9%	15.8%
Silver	\$1,620.00	2.0%	2.4%	14.2%
Platinum	\$696.25	1.6%	0.5%	7.4%
Palladium				

## Natural Gas

Henry Hub (USD/MMBtu) **	\$2.366	-5.5%	-13.3%	-23.6%
British NBP (GBP/therm) **	57.00	1.3%	3.7%	7.4%

## Oil

	USD/bbl	day	week	month
NYMEX light sweet crude **	\$97.76	-0.7%	-1.4%	-5.3%
Brent (Dated)	\$110.99	0.2%	1.1%	-2.1%
Singapore TAPIS	\$120.78	0.5%	0.9%	-1.0%
Dubai	\$109.37	-0.1%	0.5%	1.1%

## Refined products, Singapore

Gas Oil (USD/bbl) ***	\$128	-0.1%	1.1%	0.7%
Jet Fuel (USD/bbl)	\$127	0.2%	0.8%	0.4%
Fuel Oil (USD/t) ****	\$722	-0.4%	0.0%	-0.2%

## Currencies (as at 02-Feb-12)

		day	week	month
AUD/USD (London close)	1.0704	-0.2%	1.5%	3.3%
AUD/EUR	0.8133	0.0%	0.6%	1.6%
AUD/JPY	81.774	1.1%	-0.2%	2.9%
AUD/CNY	6.762	1.1%	1.7%	3.6%
AUD/KOR	1,205	1.0%	1.5%	1.2%
EUR/USD	1.318	0.9%	1.0%	1.8%

## Coal\*

	USD/t			
Newcastle	~	~	~	~
Richards Bay	~	~	~	~
DES ARA	~	~	~	~

## Iron ore &amp; Steel

	USD/t			
Iron ore (62% Fe, cfr China)	\$142.80	0.3%	2.1%	2.9%
China domestic Rebar	\$654.77	0.0%	~	-1.4%
East Asia HRC (cfr) *****	\$630.00	0.0%	0.0%	0.0%
US domestic HRC (US/st) *****	\$735.00	0.0%	0.0%	5.0%

## Equity &amp; Debt Capital Markets

New York (Dow Jones IA)	12,753	1.0%	0.0%	2.7%
London (FTSE 100)	5,791	1.9%	1.2%	2.2%
Europe (EuroStoxx50)	2,471	2.2%	2.1%	5.1%
Toronto (Metals & Mining)	4,057	0.2%	1.3%	5.2%
Philadelphia Gold & Silver Index	201.6	0.3%	2.0%	6.5%
US 2 year bond yield	0.221%	1.8%	-1.8%	-15.3%
US 10 year bond yield	1.846%	2.7%	-7.5%	-6.7%

Source: Bloomberg, globalCOAL, CBA. Data is indicative and prices subject to change. \* Near Month (not adjusted for contract changes). \*\* Weekly, 27/01 \*\*\* Gas Oil is 0.5% sulphur. \*\*\*\* Fuel Oil is 180 centistoke. \*\*\*\*\* Weekly, 31/01



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