

Rain impacts Brazil iron ore output

- Spot iron ore prices (cfr China) were flat at USD140/t. Iron ore output in Brazil's Minas Gerais state is being impacted by heavier-than-usual January rains at the moment. Vale has said that its operations in Minas Gerais have been subject to "momentary halts" for safety reasons. Minas Gerais contributed over three-fifths of Vale's 85Mt output in the September quarter 2011. MMX Mineracao e Metalicos SA warned that operations are being impacted but did not change output guidance, while Companhia Siderurgica Nacional (CSN) has said iron ore shipments are so far continuing as normal. Rainfall in the first week of January has been 77% of average total January rainfall with more heavy rains forecast over the coming days/weeks.
- German industrial production dropped by a larger-than-expected 0.6% in November after rising 0.8% in October, but still remained 3.6% higher over the year. German exports rose a stronger-than-expected 2.5% in November with imports down 0.4%. Meanwhile, Taiwan's total exports and imports were both considerably weaker than expected (in y/y terms) in December, a continuation of the theme of slowing global trade volumes through 2H 2011.
- Base metals ended mostly higher, led by aluminium, lead, nickel and zinc. Copper and tin closed down even as the US dollar weakened. The same was true for gold, which slipped despite the weaker tone of the US dollar.
- Alcoa Inc, in its 4Q 2011 earnings report, expects 7% growth in global aluminium demand in 2012, down from 10% in 2011. Aluminium markets will record a 600,000 tonne deficit in 2012, according to the company.
- Crude oil benchmarks slipped overnight. Iran confirmed the start of uranium enrichment at its Fordow nuclear plant. Iran's nuclear program has prompted trade sanctions against the country by western nations and Iran recently countered by threatening to close the Strait of Hormuz. Markets appear to be heavily discounting the prospect of a lengthy closure of the strait, instead taking a view that the US Fifth Fleet (based in Bahrain) will ensure that any Iranian interference in the strait is short-lived.

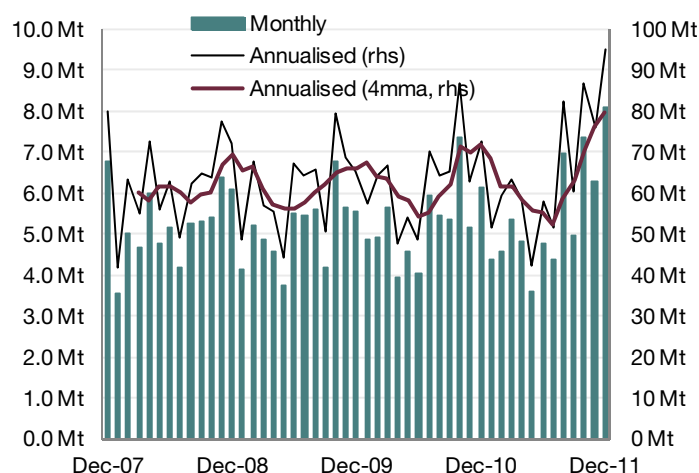
Chart of the Day: Richards Bay sets new all-time high for monthly coal shipments in December

- South Africa's Richards Bay coal terminal shipped 8.08Mt of coal in December, a new all-time high for the (mostly) thermal coal export terminal that has been plagued by under-performing rail infrastructure in recent years. Recent monthly throughput figures have stepped higher, and much closer to the port's nameplate capacity of 91Mtpa.
- A combination of factors appear to have driven higher shipments in December. Lower seaborne thermal coal prices saw higher tonnage through November and December, especially to Indian and Chinese buyers, plus utility de-stocking ahead of 31 December balance dates may also have resulted in higher volumes into end year.

Overnight Price Moves (full table over)		09-Jan-12	
New York (Dow Jones IA)		12,387	0.2%
London (FTSE 100)		5,612	-0.7%
AUD/USD (as at 10-Jan-12)		1.0237	0.1%
LME Metals (09-Jan)			
	USD/t	USc/lb	% chg
Aluminium	\$2,086	95	1.9%
Copper	\$7,488	340	-1.1%
Lead	\$1,942	88	0.4%
Nickel	\$19,089	866	1.8%
Tin	\$19,741	895	-0.3%
Zinc	\$1,869	85	1.6%
Iron ore & Steel			
	USD/t		% chg
Iron ore (62% Fe, cfr China)	\$140.00		0.0%
Steel Billet (LME)	\$525		1.0%
Precious Metals			
Gold			
Spot (USD/oz)	\$1,609.02		-0.6%
Comex (USD/oz) *	\$1,609.20		-0.5%
AUD spot (AUD/oz)	\$1,575.77		-0.4%
Silver (USD/oz)	\$28.92		0.5%
Platinum (USD/oz)	\$1,425.00		1.7%
Palladium (USD/oz)	\$618.25		0.5%
Oil			
NYMEX light sweet crude (USD/bbl) *	\$101.44		-0.1%
Brent (USD/bbl)	\$111.64		-1.3%
Singapore TAPIS (USD/bbl)	\$122.70		-0.5%

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

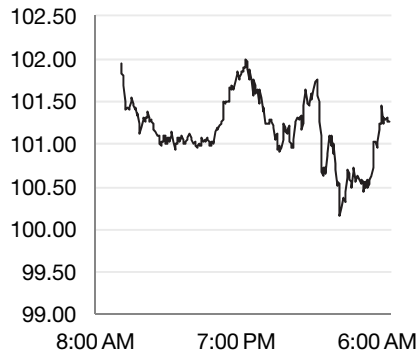
Chart of the Day: Richards Bay December coal shipments set new all-time record high



Source: RBCT, TEX Report, CBA

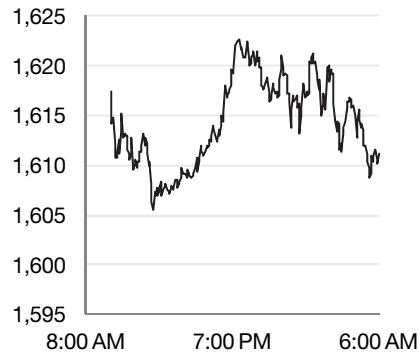


Figure 1: NYMEX light sweet crude (US/bbl) first month intraday price



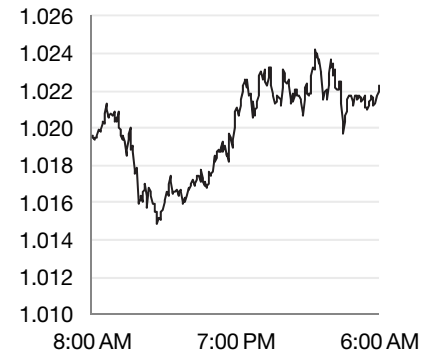
Source: Bloomberg, CBA. 5 min intervals.

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 (09-Jan)			change over			change over				
Cash	USD/t	USc/lb	day	week	month	Oil	USD/bl	day	week	month
Aluminium	\$2,086	95	1.9%	4.6%	3.7%	NYMEX light sweet crude **	\$101.44	-0.1%	~	3.8%
Copper	\$7,488	340	-1.1%	-1.3%	-1.2%	Brent (Dated)	\$111.64	-1.3%	~	4.6%
Lead	\$1,942	88	0.4%	-3.5%	-7.0%	Singapore TAPIS	\$122.70	-0.5%	4.4%	4.9%
Nickel	\$19,089	866	1.8%	1.9%	3.6%	Dubai	\$110.68	0.7%	5.6%	3.8%
Tin	\$19,741	895	-0.3%	3.1%	-0.3%	Refined products, Singapore				
Zinc	\$1,869	85	1.6%	2.3%	-3.0%	Gas Oil (USD/bbl) ***	\$130	0.6%	5.7%	5.2%
Steel Billet	\$525	na	1.0%	-2.3%	-2.0%	Jet Fuel (USD/bbl)	\$129	0.8%	6.0%	5.2%
						Fuel Oil (USD/t) ****	\$718	-0.2%	5.1%	8.9%
Futures (3 mth)						Currencies (as at 10-Jan-12)				
Aluminium	\$2,108	96	1.9%	4.4%	4.6%	AUD/USD (London close)	1.0237	0.1%	0.2%	1.6%
Copper	\$7,496	340	-1.1%	-1.4%	-1.4%	AUD/EUR	0.8020	-0.3%	1.5%	5.1%
Lead	\$1,966	89	0.3%	-3.4%	-6.6%	AUD/JPY	78.508	-0.3%	-0.2%	0.1%
Nickel	\$19,100	866	1.9%	2.1%	3.5%	AUD/CNY	6.447	-0.1%	0.1%	0.6%
Tin	\$19,800	898	-0.3%	3.1%	-0.3%	AUD/KOR	1,185	-0.2%	0.3%	2.4%
Zinc	\$1,879	85	1.4%	1.8%	-2.8%	EUR/USD	1.274	0.2%	-1.5%	-3.5%
Steel Billet	\$540	na	0.9%	1.9%	-0.9%	Coal*				
						Newcastle	USD/t			
Stocks			tonnes			Richards Bay	\$105.87	~	-1.0%	2.5%
Aluminium		4,971,075	-4,525	675	255,375	DES ARA	\$110.23	~	-1.9%	-1.3%
Copper		366,900	-1,225	-4,000	-18,675	Iron ore & Steel				
Lead		350,875	1,100	-2,200	-9,425	Iron ore (62% Fe, cfr China)	USD/t			
Nickel		89,838	0	-210	-486	China domestic Rebar	\$660.38	-0.1%	~	-1.4%
Tin		11,330	-5	-860	-760	East Asia HRC (cfr) *****	\$630.00	0.0%	0.0%	0.0%
Zinc		819,200	-875	-2,500	59,300	US domestic HRC (US/st) *****	\$700.00	0.0%	1.1%	7.1%
Steel Billet		73,905	0	780	8,060	Equity & Debt Capital Markets				
Precious Metals						New York (Dow Jones IA)	12,387	0.2%	~	3.0%
Gold	USD/oz (unless stated otherwise)					London (FTSE 100)	5,612	-0.7%	~	3.4%
Spot	\$1,609.02		-0.6%	2.7%	-3.5%	Europe (EuroStoxx50)	2,286	-0.5%	-3.5%	0.7%
Comex *	\$1,609.20		-0.5%	~	-3.3%	Toronto (Metals & Mining)	3,875	0.2%	~	-2.5%
AUD spot (AUD/oz)	\$1,575.77		-0.4%	2.8%	-4.7%	Philadelphia Gold & Silver Index	188.2	0.5%	~	-2.9%
Silver	\$28.92		0.5%	3.8%	-7.6%	US 2 year bond yield				
Platinum	\$1,425.00		1.7%	~	-4.2%	0.246%				
Palladium	\$618.25		0.5%	~	-6.4%	US 10 year bond yield				
Natural Gas						1.959%				
Henry Hub (USD/MMBtu) **	\$3.012		-1.6%	~	-7.4%					
British NBP (GBP/therm) **	54.84		3.7%	~	-6.5%					

Source: Bloomberg, globalCOAL, CBA. Data is indicative and prices subject to change. * Near Month (not adjusted for contract changes). ** Weekly, 06/01 *** Gas Oil is 0.5% sulphur. **** Fuel Oil is 180 centistoke. ***** Weekly, 03/01



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