



Commodities up on Fed statements

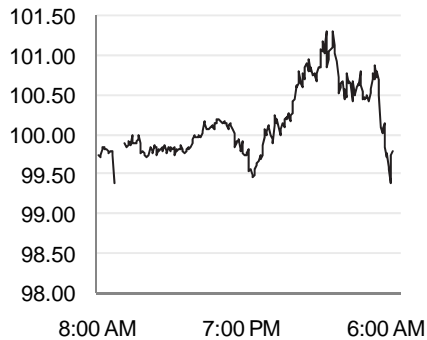
- Gold prices rose 1.4% on the Comex as the Federal Reserve said that it would keep its benchmark interest rate low until at least late 2014. The statement prompted the US dollar to slide against a basket of currencies and boosted demand for gold as an alternative asset. Platinum prices were also supported by an increase in mine-safety stoppages in South Africa, which provides more than 75% of the world's platinum. Anglo American Platinum and Lonmin both attributed a drop in platinum output in Q4 to a high number of safety stops in their South African operations.
- The statements by the Federal Reserve also boosted base metal prices between 1.2-7.0% as sustained low interest rates could potentially heighten demand for the metals. Higher prices were also supported by the Fed indicating that it is willing to purchase assets for growth. The 7% rise in tin is the highest recorded increase in the metal since September last year. Copper's rise of 2.5% was also attributable to inventory orders advancing 10%, leaving copper inventories at its lowest level since September 2009.
- US durables orders rose by a larger than expected 3% in December. Durables orders, ex defence and aircraft orders, a proxy for business spending, rose by 2.9%. US initial jobless claims rose by 21k to 377k last week. But the underlying trend remains lower with the four week average of claims falling by 2,500 to 377,500. New home sales fell by 2.2pct to 307k unit annual rate. The median price for a new home fell 2.5pct to \$210,300 - the biggest drop in four months. US sharemarkets eased lower on Thursday as weaker than expected housing data drove selling. However losses were minimal given the Fed's commitment to keep interest rates near zero until at least the end of 2014. US treasuries rallied on Thursday (yields lower) as traders continued to react to the dovish signal from the Federal Reserve. US 2yr yields fell 1pt to 0.215pct and US 10yr yields fell 6pts to 1.933pct
- Metal producers in Japan are facing an annual cost increase of US\$64m as Tokyo Power Electric Company announced higher prices for electricity from April. The 17% increase in costs for metal producers can be linked to an increase in Tokyo Power Electric's dependency on more expensive thermal power as a number of nuclear plants have been closed due to safety checks.
- Oil rose 1.4% on the NYMEX and Brent oil increased 0.2% on the back of the statements made by the Federal Reserve and a report showing that US durable goods orders grew faster than expected. The rise in prices came despite reports that Libyan oil supply has increased to 1.3m barrels a day from 1m barrels a day in December. Before the fighting broke out in February last year, Libya was pumping 1.59m barrels a day. During the height of the tension in August, production fell to 45k barrels a day.

Overnight Price Moves (full table over)		26-Jan-12	
New York (Dow Jones IA)		12,734	-0.2%
London (FTSE 100)		5,795	1.3%
AUD/USD (as at 27-Jan-12)		1.0620	-0.2%
LME Metals (26-Jan)			
	USD/t	USc/lb	% chg
Aluminium	\$2,245	102	1.2%
Copper	\$8,577	389	2.5%
Lead	\$2,300	104	2.0%
Nickel	\$21,535	977	3.2%
Tin	\$23,954	1,087	7.0%
Zinc	\$2,189	99	1.4%
Iron ore & Steel			
		USD/t	% chg
Iron ore (62% Fe, cfr China)		\$139.80	0.0%
Steel Billet (LME)		\$512	0.5%
Precious Metals			
Gold			
Spot (USD/oz)		\$1,723.32	0.7%
Comex (USD/oz) *		\$1,724.40	1.4%
AUD spot (AUD/oz)		\$1,619.97	-0.1%
Silver (USD/oz)		\$33.47	0.9%
Platinum (USD/oz)		\$1,609.00	1.7%
Palladium (USD/oz)		\$691.75	-0.2%
Oil			
NYMEX light sweet crude (USD/bbl) *		\$100.77	1.4%
Brent (USD/bbl)		\$110.05	0.2%
Singapore TAPIS (USD/bbl)		\$119.46	-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



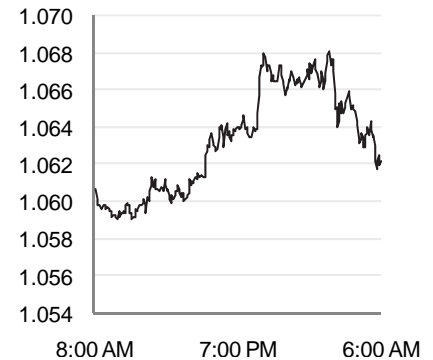
Source: Bloomberg, CBA. 5 min intervals.

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-Jan)			change over						change over		
Cash	USD/t	USc/lb	day	week	month	Oil	USD/bbl	day	week	month	
Aluminium	\$2,245	102	1.2%	2.2%	13.7%	NYMEX light sweet crude **	\$100.77	1.4%	0.4%	1.1%	
Copper	\$8,577	389	2.5%	2.7%	15.7%	Brent (Dated)	\$110.05	0.2%	-0.7%	1.6%	
Lead	\$2,300	104	2.0%	6.7%	16.4%	Singapore TAPIS	\$119.46	-0.2%	-1.0%	1.8%	
Nickel	\$21,535	977	3.2%	6.9%	18.4%	Dubai	\$109.54	0.6%	-0.5%	3.5%	
Tin	\$23,954	1,087	7.0%	9.8%	27.7%						
Zinc	\$2,189	99	1.4%	8.8%	20.6%	Refined products, Singapore					
Steel Billet	\$512	na	0.5%	-2.8%	-6.9%	Gas Oil (USD/bbl) ***	\$127	0.3%	-2.2%	3.9%	
						Jet Fuel (USD/bbl)	\$126	0.3%	-1.5%	4.0%	
						Fuel Oil (USD/t) ****	\$728	0.9%	0.0%	7.7%	
Futures (3 mth)						Currencies (as at 27-Jan-12)					
Aluminium	\$2,277	103	1.1%	2.0%	14.3%	AUD/USD (London close)	1.0620	-0.2%	2.1%	4.8%	
Copper	\$8,590	390	2.5%	2.7%	15.7%	AUD/EUR	0.8104	0.2%	0.7%	3.5%	
Lead	\$2,325	105	1.9%	6.5%	16.3%	AUD/JPY	82.396	0.5%	2.6%	4.7%	
Nickel	\$21,600	980	3.2%	6.9%	18.7%	AUD/CNY	6.717	1.0%	2.3%	4.9%	
Tin	\$24,005	1,089	6.9%	9.7%	27.7%	AUD/KOR	1,193	0.5%	1.0%	1.8%	
Zinc	\$2,205	100	1.4%	8.6%	20.4%	EUR/USD	1.315	0.8%	1.7%	1.6%	
Steel Billet	\$520	na	0.5%	-2.8%	-4.1%						
Stocks		tonnes				Coal*	USD/t				
Aluminium	5,000,150		-3,650	-5,075	30,550	Newcastle	~	~	~	~	
Copper	337,875		-1,875	-13,325	-32,525	Richards Bay	~	~	~	~	
Lead	344,525		-1,325	-4,200	-8,725	DES ARA	~	~	~	~	
Nickel	94,452		348	2,664	4,152						
Tin	9,665		-20	-1,080	-2,275	Iron ore & Steel	USD/t				
Zinc	848,500		-675	8,000	24,975	Iron ore (62% Fe, cfr China)	\$139.80	0.0%	0.1%	1.0%	
Steel Billet	67,405		-325	-585	-5,330	China domestic Rebar	\$654.48	~	0.1%	-2.0%	
						East Asia HRC (cfr) *****	\$630.00	0.0%	0.0%	0.0%	
						US domestic HRC (US/st) *****	\$735.00	0.0%	0.0%	6.1%	
Precious Metals						Equity & Debt Capital Markets					
Gold	USD/oz (unless stated otherwise)					New York (Dow Jones IA)	12,734	-0.2%	0.9%	3.6%	
Spot	\$1,723.32		0.7%	3.9%	11.5%	London (FTSE 100)	5,795	1.3%	0.9%	4.1%	
Comex *	\$1,724.40		1.4%	4.2%	11.9%	Europe (EuroStoxx50)	2,460	1.6%	1.0%	7.3%	
AUD spot (AUD/oz)	\$1,619.97		-0.1%	1.6%	6.2%	Toronto (Metals & Mining)	4,035	0.8%	5.2%	10.7%	
Silver	\$33.47		0.9%	9.3%	20.8%	Philadelphia Gold & Silver Index	199.9	1.1%	6.3%	11.4%	
Platinum	\$1,609.00		1.7%	5.7%	17.5%						
Palladium	\$691.75		-0.2%	2.2%	10.5%	US 2 year bond yield	0.213%	-5.3%	-9.7%	-20.8%	
						US 10 year bond yield	1.932%	-3.2%	-2.3%	1.7%	
Natural Gas											
Henry Hub (USD/MMBtu) **	\$2.598		-4.8%	11.9%	-14.2%						
British NBP (GBP/therm) **	53.85		-2.1%	2.6%	0.1%						

Source: Bloomberg, globalCOAL, CBA. Data is indicative and prices subject to change. * Near Month (not adjusted for contract changes). ** Weekly, 20/01 *** Gas Oil is 0.5% sulphur. **** Fuel Oil is 180 centistoke. ***** Weekly, 24/01



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