

## Profit taking ahead of the EU Summit

- A lack of positive news from the weekend and ahead of the EU Summit triggered a bout of profit taking and falls in commodity markets overnight to start the new week. European shares fell to a two-week low and cyclical stocks bore the brunt of the sell-off. The FTSEurofirst index fell by 1.0%, with the UK FTSE down 1.1% while the German Dax fell by 1.0%. US share markets also eased slightly following the weaker sentiment in Europe. The Dow Jones closed lower by 0.1% while the S&P500 closed down 0.3%.
- On a more positive note, Italy again successfully auctioned EUR7.5b of 5 and 10-year notes. Yields were substantially below levels in late-2012; for example the 2022 bonds were sold to yield 6.08%. Bid-covers were uninspiring at 1.42 and 1.29. But the Italian Treasury has funded another EUR7.5b of its huge total for 2012.
- A suite of Euro-zone sentiment surveys generally stabilised another month in January, some improving modestly, others holding roughly flat. For example, the business climate indicator edged up to -0.32 from -0.21, the economic confidence indicator to 93.4 from 92.8. German CPI inflation dipped to 2.0% y/y in December, continuing its drift lower from the September 2.6% peak.
- The NSW State Government has decided not to approve a project of the construction of coal terminals at Mayfield located in the suburbs of Newcastle submitted by Tinkler Group. Tinkler Group has been asking the NSW State Government for the approval to construct the coal terminals on the site of BHP's Newcastle steel plant at Mayfield. However, the NSW State Government has considered it's appropriate to reconfigure the complex terminals for containers and ordinary cargoes on the site of that steel plant, and therefore not approved Tinkler's submission.
- Copper has dropped the most in three weeks in LME trade overnight, shedding 1.2% to settle at USD3.82/lb. The fall is being attributed to China's cautious signal towards more monetary loosening by holding off on a reduction in bank reserve requirements and also as the Euro fell before the first European leader's summit for 2012. The metal closed below its 200-day moving average, a signal that traders typically perceive as bearish.
- OPEC's Secretary-General, Abdalla El-Badri, has said overnight in London that global oil markets remain very well supplied and that Saudi Arabia, the group's largest member, stands ready to deal with any future shortages caused by the EU sanctions against Iran. However he warned that any closure of the Strait of Hormuz as threatened by Iran, which is an access route from the Persian Gulf through which 20% of global supplies flow each day, would be an impossible task to replace.

Overnight Price Moves (full table over)		30-Jan-12	
New York (Dow Jones IA)		12,646	-0.1%
London (FTSE 100)		5,671	-1.1%
AUD/USD (as at 30-Jan-12)		~	~
<b>LME Metals (30-Jan)</b>			
	USD/t	USc/lb	% chg
Aluminium	\$2,245	102	0.5%
Copper	\$8,413	382	-1.2%
Lead	\$2,237	101	-1.5%
Nickel	\$21,238	963	-1.8%
Tin	\$23,926	1,085	-1.7%
Zinc	\$2,107	96	-1.2%
<b>Iron ore &amp; Steel</b>			
	USD/t		% chg
Iron ore (62% Fe, cfr China)	\$139.90		0.1%
Steel Billet (LME)	\$508		0.0%
<b>Precious Metals</b>			
Gold			
Spot (USD/oz)	\$1,728.32		-0.6%
Comex (USD/oz) *	\$1,727.30		-0.3%
AUD spot (AUD/oz)	\$1,631.57		0.0%
Silver (USD/oz)			
	\$33.47		-1.3%
Platinum (USD/oz)			
	\$1,611.13		-0.6%
Palladium (USD/oz)			
	\$688.50		-0.3%
<b>Oil</b>			
NYMEX light sweet crude (USD/bbl) *			
	\$98.63		-0.9%
Brent (USD/bbl)			
	\$110.28		-0.4%
Singapore TAPIS (USD/bbl)			
	\$119.91		0.3%

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

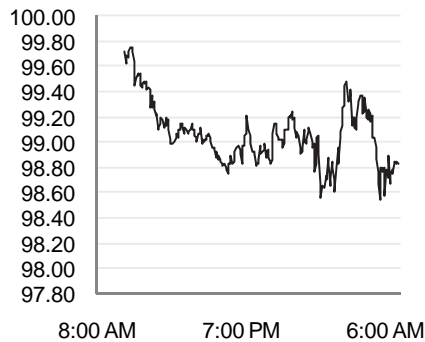


Figure 2: Gold (spot, US/oz) intraday price

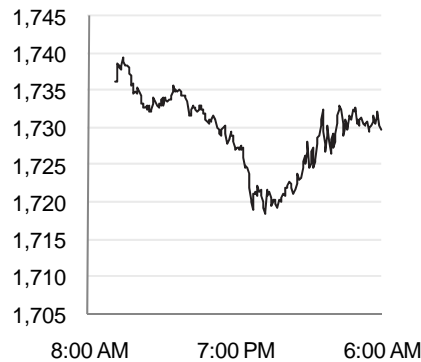
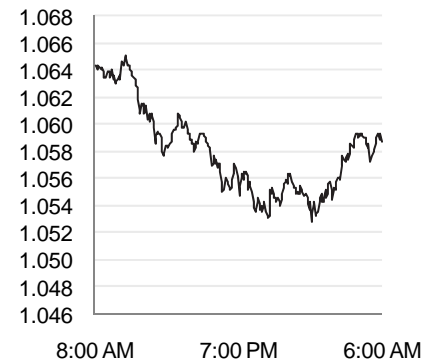


Figure 3: Australian dollar (USD/AUD) intraday price



Source: Bloomberg, CBA. 5 min intervals.

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## Overnight Market Price Snapshot

LME Metals (30-Jan)			change over						change over		
Cash	USD/t	US\$/lb	day	week	month	Oil	USD/bl	day	week	month	
Aluminium	\$2,245	102	0.5%	1.9%	12.6%	NYMEX light sweet crude **	\$98.63	-0.9%	-0.8%	~	
Copper	\$8,413	382	-1.2%	0.7%	10.8%	Brent (Dated)	\$110.28	-0.4%	-0.1%	~	
Lead	\$2,237	101	-1.5%	0.8%	11.2%	Singapore TAPIS	\$119.91	0.3%	-1.4%	2.0%	
Nickel	\$21,238	963	-1.8%	4.8%	13.4%	Dubai	\$109.55	-0.1%	0.0%	4.5%	
Tin	\$23,926	1,085	-1.7%	8.3%	25.0%	<b>Refined products, Singapore</b>					
Zinc	\$2,107	96	-1.2%	3.2%	15.3%	Gas Oil (USD/bbl) ***	\$128	0.0%	0.3%	4.1%	
Steel Billet	\$508	na	0.0%	-0.4%	-5.6%	Jet Fuel (USD/bbl)	\$126	-0.3%	-0.1%	3.9%	
						Fuel Oil (USD/t) ****	\$721	-1.6%	-1.0%	5.6%	
<b>Futures (3 mth)</b>						<b>Currencies (as at 30-Jan-12)</b>					
Aluminium	\$2,279	103	0.6%	1.8%	12.8%	AUD/USD (London close)	~	~	~	~	
Copper	\$8,429	382	-1.1%	0.8%	10.9%	AUD/EUR	~	~	~	~	
Lead	\$2,264	103	-1.4%	0.8%	11.3%	AUD/JPY	80.843	-1.1%	-0.3%	2.7%	
Nickel	\$21,305	966	-1.8%	4.9%	13.9%	AUD/CNY	6.709	-0.2%	0.6%	4.0%	
Tin	\$23,975	1,087	-1.7%	8.2%	24.9%	AUD/KOR	1,195	0.2%	0.6%	1.2%	
Zinc	\$2,125	96	-1.2%	3.2%	15.2%	EUR/USD	1.313	-0.7%	0.9%	1.5%	
Steel Billet	\$518	na	0.0%	0.0%	-2.4%	<b>Coal*</b>					
						USD/t					
<b>Stocks</b>			tonnes			Newcastle					
Aluminium	4,996,475		-175	-14,275	26,075	~					
Copper	333,125		-2,300	-12,650	-37,775	~					
Lead	345,100		2,050	-925	-7,975	~					
Nickel	94,776		-240	2,004	4,728	~					
Tin	9,315		-50	-390	-2,875	~					
Zinc	847,075		-1,275	-1,000	25,375	<b>Iron ore &amp; Steel</b>					
Steel Billet	67,080		0	-910	-6,045	USD/t					
						Iron ore (62% Fe, cfr China)					
<b>Precious Metals</b>						\$139.90					
Gold	USD/oz (unless stated otherwise)					\$652.14					
Spot	\$1,728.32		-0.6%	3.0%	10.3%	China domestic Rebar					
Comex *	\$1,727.30		-0.3%	2.9%	~	~					
AUD spot (AUD/oz)	\$1,631.57		0.0%	2.4%	6.6%	East Asia HRC (cfr) *****					
Silver	\$33.47		-1.3%	3.5%	20.1%	\$630.00					
Platinum	\$1,611.13		-0.6%	3.2%	~	US domestic HRC (US/st) *****					
Palladium	\$688.50		-0.3%	0.1%	~	\$735.00					
						0.0%					
						0.0%					
<b>Natural Gas</b>						<b>Equity &amp; Debt Capital Markets</b>					
Henry Hub (USD/MMBtu) **	\$2.681		0.1%	6.2%	~	New York (Dow Jones IA)					
British NBP (GBP/therm) **	59.38		4.4%	9.9%	~	12,646					
						-0.1%					
						-0.5%					
						~					
						London (FTSE 100)					
						5,671					
						-1.1%					
						-1.9%					
						~					
						Europe (EuroStoxx50)					
						2,405					
						-1.3%					
						-1.5%					
						1.5%					
						Toronto (Metals & Mining)					
						4,038					
						-1.4%					
						4.3%					
						~					
						Philadelphia Gold & Silver Index					
						201.0					
						-0.8%					
						5.8%					
						~					
						US 2 year bond yield					
						0.213%					
						0.0%					
						-9.7%					
						-11.6%					
						US 10 year bond yield					
						1.845%					
						-2.5%					
						-10.1%					
						-1.7%					

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, 24/01



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