



# Commodity Research

15<sup>th</sup> March 2010

## MORNING MANTRA (METALS & ENERGY)

### NEWS ROUND UP

- The U.S. and the U.K. have moved “substantially” closer to losing their AAA credit ratings as the cost of servicing their debt rose, according to Moody’s Investors Service.
- Vale SA, the world’s largest iron- ore producer, plans to hire outside workers and increase production at its striking mines in Canada to counter a drop in inventories.
- Steel mills in China, the world’s biggest producer of the alloy, may pay more for domestic coking coal this year as demand increases, Macquarie Group Ltd. said.
- Vedanta Resources Plc is ready to begin a breakup of its businesses by splitting off its aluminum unit, the Independent on Sunday said, citing sources close to the company.

### MOVEMENTS IN INTERNATIONAL EXCHANGES AS ON 12<sup>th</sup> March 2010

COMMODITY	EXCHANGE	CONTRACT	UNIT	CLOSING	%CHANGE
<b>BULLIONS</b>					
GOLD	COMEX	APR	USD/TROY OUNCE	1,101.70	-0.59
SILVER	COMEX	MAR	USD/OUNCE	17.024	-0.65
PLATINUM	COMEX	MAR	USD/TROY OUNCE	1,606.50	-0.27
<b>BASE METALS</b>					
COPPER	COMEX	MAR	USD/POUND	3.3695	0.10
ZINC	SHFE	MAY*	YUAN/TONNE	18390.00	-2.60
COPPER	SHFE	MAY*	YUAN/TONNE	58460.00	-1.71
ALUMINIUM	SHFE	MAY*	YUAN/TONNE	16520.00	-1.37
<b>LME</b>					
COPPER	LME	3 MONTHS	USD/TONNE	7498.50	1.19
ALUMINIUM	LME	3 MONTHS	USD/TONNE	2245.50	0.85
ZINC	LME	3 MONTHS	USD/TONNE	2356.50	0.83
LEAD	LME	3 MONTHS	USD/TONNE	2281.00	0.71
NICKEL	LME	3 MONTHS	USD/TONNE	21795.00	1.85
TIN	LME	3 MONTHS	USD/TONNE	17605.00	0.17
<b>ENERGY</b>					
CRUDE OIL	NYMEX	APR	USD/BARREL	81.24	-1.06
NATURAL GAS	NYMEX	APR	USD/MMBTU	4.4	-0.90
<b>CURRENCY</b>			<b>CLOSING</b>		
DOLLAR INDEX (MAR)			79.84		-0.59
EURO/ USD (MAR)			1.37585		0.633

\*Closing as per first session of 15.03.10

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## MOVEMENTS IN MCX AND NCDEX AS ON 13<sup>th</sup> March 2010

COMMODITY	EXCHANGE	CONTRACT	UNIT	CLOSING	% CHANGE
<b>BULLIONS</b>					
GOLD	MCX	APR	INR / 10 GM	16452	0.03
SILVER	MCX	MAY	INR /1KG	26655	0.08
<b>BASE METALS</b>					
COPPER	MCX	APR	INR /1KG	340.85	0.18
ALUMINIUM	MCX	MAR	INR /1KG	102.35	0.20
ZINC	MCX	MAR	INR /1KG	106.25	0.14
LEAD	MCX	MAR	INR/1KG	102.70	0.15
NICKEL	MCX	MAR	INR /1KG	992.90	0.24
NEW STEEL LONG	NCDEX	MAR	INR /MT	26440.00	-0.53
<b>ENERGY</b>					
CRUDE OIL	MCX	MAR	INR /1BARREL	3704	0.08
NATURAL GAS	MCX	MAR	INR /1MMBTU	200.6	-0.99
<b>CURRENCY (As on 12.03.10)</b>				<b>CLOSING</b>	<b>% CHANGE</b>
INR/ 1 DOLLAR MCX (MAR. CONTRACT)				45.50	-0.35
INR/ 1 EURO (RBI REFERENCE RATE)				62.27	0.40

## STOCK POSITIONS AT LME WAREHOUSES AS ON 12<sup>th</sup> March 2010

COMMODITY	CLOSING STOCK POSITION	+/-	LME WARRANT	LME CANCELLED WARRANT
<b>Copper</b>	532575	-3075	504325	28250
<b>Aluminium</b>	4518800	-4400	4240700	278100
<b>Nickel</b>	158940	-444	155220	3720
<b>Zinc</b>	538750	-500	535750	3000
<b>Lead</b>	170150	-75	157675	12475
<b>Tin</b>	23835	-25	22830	1005

**Note:** **LME WARRANT:** - A document of possession, issued by the warehouse company, for each lot of LME approved metal held within an LME approved facility. Warrants are used as the means of delivering metal under LME contracts.

**LME CANCELLED WARRANT:** - Change in stockpiles of metal, which may no longer be available at warehouses and is booked for removal or onward shipment. This information is a valuable indicator of consumption trends, which in turn can provide valuable information in price trends.

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### Yesterday results of key U.S economic releases

Indicator	Period	Forecast	Previous	Actual
-	-	-	-	-
-	-	-	-	-

### Market Update

Gold prices rebounded on Monday from a two-week low hit late last week, but remained pressured by wariness over speculation European authorities may use their vast gold reserves to help euro zone states facing fiscal problems. Gold prices fell below \$1,100 per ounce on Friday to their lowest level since Feb. 25, as investors unwound positions on speculation of further monetary tightening by China while uncertainty over Europe's sovereign debt worries spurred heavy futures liquidation. Germany's Bundesbank would oppose any government initiative to use its gold reserves as backing for a European Monetary Fund, a spokeswoman said.

U.S. crude oil futures ended more than 1 percent lower on Friday, as downbeat consumer sentiment data sidelined an unexpected rise in retail sales, clouding the economic recovery outlook. U.S. consumer sentiment dipped in early March, with Americans less positive about the job outlook, according to the omson Reuters/University of Michigan's Surveys of Consumers. Sales at U.S. retailers rose unexpectedly in February despite a drop in vehicle purchases and bad weather that was expected to curtail shopping. January sales were, however, revised down to a gain of only 0.1 percent from the previously reported 0.5 percent rise.



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