

# Evening Base Metals Report

16 April 2010

Sudcen Financial Industrial Commodities

Tel: +44 (0) 203 207 5430 Fax: +44 (0)203 207 5459

base-metals@sucfin.com www.sucdenfinancial.com

Available daily on the web.

Sources used in this report found at [www.sucdenfinancial.co.uk/researchresources](http://www.sucdenfinancial.co.uk/researchresources)

<u>LME Metals 3-Months</u>										
	Open	High	Low	Last	PDC	D to D change	% Change	Total Volume	Total O.I	Usc/lb
Aluminum	2,471	2,494	2,425	2,437	2,470	-34	-1.36	9,382	719,564	110.52
Copper	7,925	7,966	7,714	7,740	7,945	-205	-2.58	13,617	289,548	351.08
Lead	2,335	2,400	2,225	2,250	2,344	-94	-4.02	3,997	94,227	102.04
Nickel	27,200	27,544	26,463	26,600	27,250	-650	-2.39	3,202	104,969	1,206.57
Tin	18,990	19,300	18,800	18,820	18,975	-155	-0.82	513	21,650	853.67
Zinc	2,500	2,550	2,402	2,420	2,505	-85	-3.39	8,017	248,338	109.77
Aluminium Alloy	2,320	2,320	2,280	2,280	2,320	-40	-1.72	8	6,161	103.42
NASAAC	2,330	2,330	2,275	2,275	2,320	-45	-1.94	80	12,938	103.19
<b>Total Vol:</b>	<b>38,736</b>							<b>Total O.I</b>	<b>1,497,395</b>	

  

<u>Official Prices</u>						<u>Monthly Average: Apr-10</u>			
	C	16/04/2010			15/04/2010	PD - 3M	C	3M	
		3m	15m	27m	PD - C				
Aluminum	2,447.50	2,482.00	2,583.00	2,665.00	2,424.00	2,452.00	Aluminum	2,368	2,398
Copper	7,905.50	7,941.00	7,935.00	7,805.00	7,875.00	7,900.00	Copper	7,890	7,923
Lead	2,368.00	2,390.00	2,402.00		2,290.00	2,306.50	Lead	2,279	2,305
Nickel	27,600.00	27,595.00	27,100.00	26,450.00	26,690.00	26,670.00	Nickel	2554	2587.5
Tin	19,135.00	19,185.00	19,300.00		18,755.00	18,800.00	Tin	18,664	18,728
Zinc	2,488.50	2,522.50	2,570.00	2,560.00	2,394.00	2,425.50	Zinc	2,384	2,417
Aluminium Alloy	2,280.00	2,320.00	2,380.00	2,450.00	2,265.00	2,295.00	Aluminium Alloy	2,226	2,248
NASAAC	2,281.00	2,325.00	2,415.00	2,495.00	2,270.00	2,320.00	NASAAC	2,249	2,285

  

<u>LME Stocks (tonnes)</u>							<u>COMEX Cu</u>			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	%Change	
Aluminum	4,561,850	8,300	5,150	3,150	4,565,000	273,500	4,291,500	APR-10	349.50	-2.95
Copper	510,425	900	1,925	-1,025	509,400	16,075	493,325	MAY-10	350.60	-2.90
Lead	180,075	500	450	50	180,125	3,225	176,900			
Nickel	151,878	216	852	-636	151,242	5,802	145,440	<u>Shanghai Cu</u>		
Tin	24,135	50	65	-15	24,120	2,880	21,240			
Zinc	546,075	1,000	75	925	547,000	15,000	532,000	MAY-10	61,630.00	-0.60
Aluminium Alloy	75,360	0	640	-640	74,720	2,000	72,720	JUN-10	61,940.00	-0.72
NASAAC	173,420	0	160	-160	173,260	6,140	167,120			

  

<u>Spreads:</u>			<u>Implied Volatility ( Options)</u>			<u>Precious metals/ Oil prices</u>		
	C-3M Opening	C-3M Closing		APR-10	MAY-10		Last	% Change
Aluminum	-32.15	-31.95	Aluminum	23.16	23.33	Gold spot	1,134.80	-2.08
Copper	-31.50	-32.00	Copper	27.68	28.26	Gold comex	1,133.80	-2.23
Lead	-24.25	-24.00	Lead	40.47	40.84	Silver	17.71	-3.85
Nickel	-60.00	-60.00	Nickel	38.50	38.69	Platinum	1,690.50	-1.72
Tin	-75.00	-73.00	Tin	36.38	36.41	Palladium	527.00	-3.21
Zinc	-32.25	-32.75	Zinc	36.88	37.22	Brent	85.54	-2.34
Aluminium Alloy	-26.00	-26.00	Aluminium Alloy	23.16	23.44	WTI Crude	82.99	-2.95
NASAAC	-26.50	-25.50	NASAAC	22.90	23.07			

  

<u>Key UK, US, EZ Data for next UK trading day</u>			<u>Stock Indexes</u>			<u>Currencies</u>		
	Last	% Change		Last	% Change		Last	% Change
0001 UK Apr Rightmove House Prices			FTSE	5,744	-1.39	GBP	1.53865	-0.53
1500 US Mar Lead Indicators			DJI	10,991	-1.38	EUR	1.3494	-0.62
			SSE			JPY	92.055	-1.09
			Nikkei 225	11,102	-1.52	CHF	1.0618	0.54
			Hg Seng	21,865	-1.32	Yuan	6.8255	-0.01
			S&P500	1,190	-1.83			
			NASDAQ	2,010	-1.42			

Prices quoted at 17:50 BST

## Market Commentary

Overnight activity in Shanghai was muted. The dollar had held very steady and the physical market was quiet as a result of the price resistance we have been seeing all week. Obviously the rumour mill had started circulating regarding the SHFE large-ish stock increases. These rumours proved to be correct and London reacted, propelling the copper price down through the \$ 7900 support area and triggering steps on the way. Continued dollar strength was further bolstered by the U.S. figures today and the prices were pretty much on the defensive even prior to the Goldman Sachs news. This announcement immediately impacted Equities, Gold and oil. Base metals followed and the result was large scale liquidation.

Copper has fallen from a high of 7944 to a 5pm close of 7762 – and latterly to 7741 at time of writing. Nickel has fallen almost over \$ 1000 from \$ 27544 to a low of \$ 26463 before recovering marginally to \$ 26600. Aluminium performed marginally better, falling from \$ 2494 to its current 2432, whilst lead and zinc both recorded 5 pct falls.

It is difficult to assess how today's movements and news will impact SHFE on Monday, but at some stage, the prices are likely to attract greater physical involvement and so maybe some of the weakness might be stemmed. Technically, though, the copper market looks to have a further \$ 100 to go, with the next supports at around \$ 7630.

Comments: Steve Hardcastle, Liz Grant &amp; James Roberts, Sudcen Financial Industrial Commodities.

Sudcen Financial Limited is authorised and regulated by the Financial Services Authority.

This report is a marketing communication and has not been prepared in accordance with legal requirements designed to promote the independence of investment research; and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

The information in this report is provided solely for informational purposes and should not be regarded as a recommendation to buy, sell or otherwise deal in any particular investment. Private customers should not invest in these products unless they are satisfied that the products are suitable for them and they have sought professional advice. All information in this report is obtained from sources believed to be reliable and we make no representation as to its completeness or accuracy. The information may have been acted upon by us for our own purposes and has not been procured for the exclusive benefit of customers. Sudcen Financial believes that the information contained within this report is already in the public domain.