

---

## Monday Market Monitor - Metals (WEEK 39) - Chips down

Monday, 28 Sep, 2009

Prices were quite volatile last week as a batch of data kept investors guessing on the demand outlook for the metal. Reports from the US Commerce Department on durable goods and home sales overshadowed a jump in the Reuters University of Michigan Surveys of Consumers sentiment index for September to the highest since January 2008.

New orders for US manufactured goods dropped by the biggest amount in seven months and a rise in new home sales fell short of forecast, raising questions about the strength of the economic recovery.

Mr David Thurtell, and analyst at Citigroup said "Like any turning point in an economic cycle, some data disappoints and some surprises to the upside. It will be months, possibly next year, before we get consistently bullish economic data. With the LME having priced in the recovery already, the economic data is playing catch up."

A weaker US currency also made metals priced in dollars less expensive for holders of other currencies.

### London Metal Exchange Rates

#### Cash Buyer

| ?Product  | 17-Sep | 24-Sep | Change | %   |
|-----------|--------|--------|--------|-----|
| Zinc      | 1927   | 1889   | -38    | -2% |
| Nickel    | 17450  | 17600  | 150    | 1%  |
| Tin       | 14990  | 15145  | 155    | 1%  |
| Aluminium | 1913   | 1835   | -78    | -4% |
| Copper    | 6301   | 6089   | -212   | -3% |

Change is on September 10th as compared to September 3rd 2009

In USD per tonne

#### 1. Zinc

Zinc MZN3 closed at USD 1,880 a tonne on Friday.

N

### London Metal Exchange Rates

#### Cash Buyer

| ?17-Sep | 21-Sep | 22-Sep | 23-Sep | 24-Sep |
|---------|--------|--------|--------|--------|
| 1927    | 1856   | 1925   | 1891   | 1889   |

In USD per tonne

| ?Date     | Rate | Period | Change |
|-----------|------|--------|--------|
| 24-Sep    | 1889 |        |        |
| 17-Sep    | 1927 | WoW    | -1.97% |
| 24-Aug    | 1838 | MoM    | 2.77%  |
| 24-Jun    | 1535 | QoQ    | 23.06% |
| 24-Sep'09 | 1763 | YoY    | 7.15%  |

## 2. Nickel

Nickel MNI3 ended at USD 16,900 on Friday.

### London Metal Exchange Rates

| ?17-Sep | 21-Sep | 22-Sep | 23-Sep | 24-Sep |
|---------|--------|--------|--------|--------|
| 17450   | 16700  | 17625  | 17700  | 17600  |

In USD per tonne

| ?Date     | Rate  | Period | Change  |
|-----------|-------|--------|---------|
| 24-Sep    | 17600 |        |         |
| 17-Sep    | 17450 | WoW    | 0.86%   |
| 24-Aug    | 19690 | MoM    | -10.61% |
| 24-Jun    | 15190 | QoQ    | 15.87%  |
| 24-Sep'09 | 16775 | YoY    | 4.92%   |

## 3. Tin

Tin MSN3 closed at USD 14,400. A dominant position holding more than 90 percent of stock warrants and cash contracts in tin has pushed up the premium for cash material over the three month price to USD 700.

During the week just ended, the market was steadier with strong buying interest from European, Japanese and local buyers. Tin prices on the KLTM surged to a 40 day high on Wednesday, spurred by strong demand on the local market. On a week to week basis, the price of the commodity was unchanged at USD 14,700 a tonne.

Meanwhile, the price differential between the KLTM and that of the LME widened to a premium of USD 560 per tonne from USD 135 per tonne previously.

### London Metal Exchange Rates

| ?17-Sep | 21-Sep | 22-Sep | 23-Sep | 24-Sep |
|---------|--------|--------|--------|--------|
| 14990   | 14775  | 15440  | 15150  | 15145  |

In USD per tonne

| ?Date     | Rate  | Period | Change  |
|-----------|-------|--------|---------|
| 24-Sep    | 15145 |        |         |
| 17-Sep    | 14990 | WoW    | 1.03%   |
| 24-Aug    | 14800 | MoM    | 2.33%   |
| 24-Jun    | 14695 | QoQ    | 3.06%   |
| 24-Sep'09 | 17695 | YoY    | -14.41% |

The Kuala Lumpur Tin Market is expected remain high next week on better demand for the metal from overseas buyers, The tin price is expected to be kept above the MYR 15,000 per tonne level during the week on strong participation from Japanese, European and local traders.

---

#### 4. Aluminium

Aluminum MAL3 ended at USD 1,815 a tonne.

Latest LME data showed stocks fell 4,450 tonnes but remained near a record 4.6 million tonnes.

Mr Jesper Dannesboe senior commodity strategist at Societe Generale said that “All risky assets at the moment are correcting, it's difficult to see why aluminum wouldn't follow given how high stocks are.”

##### London Metal Exchange Rates

| ?17-Sep | 21-Sep | 22-Sep | 23-Sep | 24-Sep |
|---------|--------|--------|--------|--------|
| 1913    | 1835   | 1864   | 1848   | 1835   |

In USD per tonne

| ?Date     | Rate | Period | Change  |
|-----------|------|--------|---------|
| 24-Sep    | 1835 |        |         |
| 17-Sep    | 1913 | WoW    | -4.08%  |
| 24-Aug    | 1880 | MoM    | -2.39%  |
| 24-Jun    | 1594 | QoQ    | 15.16%  |
| 24-Sep'09 | 2461 | YoY    | -25.42% |

#### 5. Copper

Copper settled higher on Friday, as encouraging consumer sentiment and housing data in the United States and a surprise fall in global inventories bolstered sentiment and enabled prices to recover from earlier one month lows.

On the London Metal Exchange, copper for three months delivery MCU3 ended at USD 5,990.

Copper for December delivery HGZ9 on the New York Mercantile Exchange's COMEX division rose 3.10 cents to finish at USD 2.7405 a lb, after sinking to a session trough at USD 2.6730, its lowest level since Aug. 19.

Mr Ralph Preston futures analyst with HeritageWestFutures.com in San Diego cited a technical counter-trend bounce in the metal after nearing key support near USD 2.65 a lb. He said that “We are seeing a recovery today on over sold conditions. It was a pretty impressive break this week, but I am not looking for a big reversal. We might just be opening up to a broader trading range between USD 2.65 and USD 3.00.”

Market sentiment received a boost after the release of the Shanghai copper inventory numbers, which showed a higher than expected decrease in weekly inventories.

##### London Metal Exchange Rates

Cash Buyer

| ?17-Sep | 21-Sep | 22-Sep | 23-Sep | 24-Sep |
|---------|--------|--------|--------|--------|
| 6301    | 6088   | 6295   | 6110   | 6089   |

In USD per tonne

| ?Date  | Rate | Period | Change |
|--------|------|--------|--------|
| 24-Sep | 6089 |        |        |

|           |      |     |         |
|-----------|------|-----|---------|
| 17-Sep    | 6301 | WoW | -3.36%  |
| 24-Aug    | 6360 | MoM | -4.26%  |
| 24-Jun    | 4890 | QoQ | 24.52%  |
| 24-Sep'09 | 6990 | YoY | -12.89% |

To know more details on steel prices subscribe to services of [www.steelprices-india.com](http://www.steelprices-india.com) by registering or sending a mail to [admin@steelprices-india.com](mailto:admin@steelprices-india.com) with contact details. This is a paid service with subscription fee of INR 60,000 plus ST for 12 months. This will keep you in tune with daily happenings in Indian and global steel markets for steel prices. Tailor made package with restricted access to match your needs at lower prices are also available.

(Sourced from [www.steelprices-india.com](http://www.steelprices-india.com))

For more news visit at [www.steelguru.com](http://www.steelguru.com)