
Monday Market Monitor - Metals (WEEK 49) - On the run

Monday, 07 Dec, 2009

Copper ended lower on Friday and extended a reversal from earlier 15 month highs in after-hours business, as a much better than forecast U.S jobs report strengthened the dollar at the expense of metals.

US employers cut a fewer than expected 11,000 jobs in November, the smallest decline since the start of the recession in December 2007, government data showed on Friday, reinforcing optimism for a more rapid economic recovery.

The dollar is influential on metals prices on a short term trading perspective and the dollar is outweighed by investment funding and strategic reserve buying.

The Commerce Department also said that US factory orders rose 0.6% in October.

The dollar is influential on metals prices on a short term trading perspective and the dollar is outweighed by investment funding and strategic reserve buying.

Factors that could help to provide an upside to base metals in the short term

1. Expansion in manufacturing activity in the US in November for a fourth straight month
2. China's manufacturing expanded at the fastest pace since April 2004. The purchasing managers' index rose a seasonally adjusted 55.7 from 55.4.
3. China's GDP is expected to expand 10.5% this quarter.
4. Weakness in the dollar could make base metals look attractive for holders of other currencies.

London Metal Exchange Rates

Cash Buyer

Product	26-Nov	03-Dec	Change	%
Zinc	2242	2376	134	6%
Nickel	16770	16075	-695	-4%
Tin	15020	15125	105	1%
Aluminium	2009	2113	104	5%
Copper	6904	7071	167	2%

Change is on December 3rd as compared to November 26th 2009

In USD per tonne

1. Zinc

Zinc ended at USD 2,368 a tonne on Friday.

London Metal Exchange Rates

Cash Buyer

26-Nov	30-Nov	01-Dec	02-Dec	03-Dec
2242	2226	2303	2374	2376

In USD per tonne

Date	Rate	Period	Change
03-Dec	2376		
26-Nov	2242	WoW	5.98%
03-Nov	2145	MoM	10.75%
03-Sep	1881	QoQ	26.29%
03-Dec'08	1140	YoY	108.38%

In USD per tonne

2. Nickel

Nickel ended at USD 16,000 per tonne on Friday.

London Metal Exchange Rates

Cash Buyer

26-Nov	30-Nov	01-Dec	02-Dec	03-Dec
16770	16025	16260	16375	16075

In USD per tonne

Date	Rate	Period	Change
03-Dec	16075		
26-Nov	16770	WoW	-4.14%
03-Nov	17800	MoM	-9.69%
03-Sep	18275	QoQ	-12.04%
03-Dec'08	9250	YoY	73.78%

In USD per tonne

3. Tin

Tin was last bid at USD 15,270 on Friday.

London Metal Exchange Rates

Cash Buyer

26-Nov	30-Nov	01-Dec	02-Dec	03-Dec
15020	14790	14950	15045	15125

In USD per tonne

Date	Rate	Period	Change
03-Dec	15125		
26-Nov	15020	WoW	0.70%
03-Nov	14695	MoM	2.93%

03-Sep	14605	QoQ	3.56%
03-Dec'08	11895	YoY	27.15%

In USD per tonne

4. Aluminium

Aluminum ended at USD 2,146 a tonne on Friday, within a whisker of the 13 month high.

LME stocks rose by 1,025 tonnes to remain near record highs above 4.5 million tonnes. Most of the stock is tied up in financing deals, however, so it has a limited ability to weigh on prices.

Elsewhere, metals analysts downplayed the immediate impact on aluminum prices of an attack on Guinea's junta leader. The West African country is the world's top exporter of the aluminum ore bauxite.

London Metal Exchange Rates

Cash Buyer

26-Nov	30-Nov	01-Dec	02-Dec	03-Dec
2009	2006	2044	2102	2113

In USD per tonne

Date	Rate	Period	Change
03-Dec	2113		
26-Nov	2009	WoW	5.18%
03-Nov	1869	MoM	13.06%
03-Sep	1825	QoQ	15.78%
03-Dec'08	1586	YoY	33.23%

In USD per tonne

But the point to be noted is that premiums for physical aluminium are rising in Europe as much of the record high inventory in London Metal Exchange warehouses is tied up in financing deals that are not likely to suddenly be unwound.

5. Copper

Copper for March delivery on the New York Mercantile Exchange's COMEX division shed 0.75 cent to settle at \$3.2375 a lb, after dealing between \$3.1985 and \$3.2750, which marked the highest level for the benchmark contract since late August 2008. In after-hours activity, the selling momentum picked up pace and pulled the contract back down below \$3.20 a lb.

On the London Metal Exchange (LME), copper for three months delivery ended down \$40 at \$7,040 a tonne, after hitting a session peak at \$7,170 earlier, a level not seen since Sept. 23, 2008.

Related Stories

London Metal Exchange Rates

Cash Buyer

26-Nov	30-Nov	01-Dec	02-Dec	03-Dec
6904	6814	6985	7055	7071

In USD per tonne

--	--	--	--

Date	Rate	Period	Change
03-Dec	7071		
26-Nov	6904	WoW	2.41%
03-Nov	6395	MoM	10.56%
03-Sep	6279	QoQ	12.61%
03-Dec'08	3422	YoY	106.62%

In USD per tonne

But as a sign that fundamentals remain weak, LME inventories climbed 675 tonnes to 446,075 tonnes, the highest since April.

To know more details on steel and metal prices subscribe to services of www.steelprices-india.com by registering or sending a mail to 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)

For more news visit at www.steelguru.com