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## Monday Market Monitor - Metals (WEEK 07) - Change of fortunes

Monday, 22 Feb, 2010

The prices of base metals on the London Metal Exchange posted major gains last week.

This happened due to positive sentiments on demand front despite dollar strengthening, which, in general, reduces the appeal of commodities as an alternative investment as a weaker dollar makes dollar-priced metals cheaper for non US investors.

The recovery on the was mainly due to relative market stabilization after investors learned more about progress made on creating a strategy to help Greece solve its debt crisis.

US Federal Reserve decision to raise the discount rate to 0.75% from 0.50% left the benchmark federal funds rate, its main policy tool, unchanged near zero.

In addition, Japan's economic growth of 1.1% for the fourth quarter of 2009 compared to Q3 and a 0.9% MoM increase in January industrial production in the US also positively impacted prices during the week. The data included a surge in weekly US jobless claims and a faster than expected rise in US January producer prices as higher producer prices stoke concerns about inflation.

### London Metal Exchange Rates

#### Cash Buyer

Product	11-Feb	18-Feb	Change	%
Zinc	1998	2250	252	13%
Nickel	17030	20230	3200	19%
Tin	14925	16645	1720	12%
Aluminium	1974	2076	103	5%
Copper	6329	7086	757	12%

Change is on February 18h 2010 as compared to February 11h 2010

In USD per tonne

#### 1. Zinc

Friday closing - USD 2,300 a tonne

### London Metal Exchange Rates

#### Cash Buyer

11-Feb	15-Feb	16-Feb	17-Feb	18-Feb
1998	2130	2222	2290	2250

In USD per tonne

Date	Rate	Period	Change
18-Feb	2250		
11-Feb	1998	WoW	12.61%
18-Jan	2466	MoM	-8.76%
18-Nov	2251	QoQ	-0.04%

18-Feb'09	1090	YoY	106.52%
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In USD per tonne

Zinc stocks fell 75 tonnes to 541,300 tonnes but the fall did little to combat the previous day's rise of nearly 40,000 tonnes, which traders believe was sparked in part by tightness around the May prompt date.

## 2. Nickel

Friday closing - USD 20,450 a tonne

### London Metal Exchange Rates

11-Feb	15-Feb	16-Feb	17-Feb	18-Feb
17030	18450	19575	20145	20230

Cash Buyer

In USD per tonne

Date	Rate	Period	Change
18-Feb	20230		
11-Feb	17030	WoW	18.79%
18-Jan	18630	MoM	8.59%
18-Nov	17295	QoQ	16.97%
18-Feb'09	9975	YoY	102.81%

In USD per tonne

## 3. Tin

Friday closing - USD 17,050 a tonne

### London Metal Exchange Rates

Cash Buyer

11-Feb	15-Feb	16-Feb	17-Feb	18-Feb
14925	16075	16600	16695	16645

In USD per tonne

Date	Rate	Period	Change
18-Feb	16645		
11-Feb	14925	WoW	11.52%
18-Jan	17925	MoM	-7.14%
18-Nov	15250	QoQ	9.15%
18-Feb'09	11005	YoY	51.25%

In USD per tonne

#### 4. Aluminium

Friday closing - USD 2,114 a tonne

London Metal Exchange Rates

Cash Buyer

11-Feb	15-Feb	16-Feb	17-Feb	18-Feb
1974	2004	2050	2094	2076

In USD per tonne

Date	Rate	Period	Change
18-Feb	2076		
11-Feb	1974	WoW	5.19%
18-Jan	2292	MoM	-9.42%
18-Nov	2035	QoQ	2.01%
18-Feb'09	1310	YoY	58.47%

In USD per tonne

LME aluminium stocks fell 3,900 tonnes to total 4.6 million tonnes - near record levels, while cancelled warrants fell to 289,425 tonnes from 293,175 tonnes. However, cancelled warrants remain near their highest ever levels, indicating demand is increasing.

#### 5. Copper

Friday closing - USD 7,435 a tonne

London Metal Exchange Rates

Cash Buyer

11-Feb	15-Feb	16-Feb	17-Feb	18-Feb
6329	6766	6939	7119	7086

In USD per tonne

Date	Rate	Period	Change
18-Feb	7086		
11-Feb	6329	WoW	11.96%
18-Jan	7506	MoM	-5.60%
18-Nov	6925	QoQ	2.32%
18-Feb'09	3271	YoY	116.65%

In USD per tonne

Copper inventories monitored by the LME increased 0.9% to 555,075 tonne the highest since October 2003, according to daily figures. Including stockpiles monitored by the Shanghai Futures Exchange and Comex, they total 767,012 tonne

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