CATEGORY 1 RING DEALING MEMBER OF THE LME

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MACRO-ECONOMIC DEVELOPMENTS AND COMMENTS

THE US MARKET

On the news front Reuters reported that: *"US consumer sentiment retreated this month after reaching its highest in nearly six years in May, a survey released on Friday showed, as household optimism about employment and housing faded slightly." "The Thomson Reuters/University of Michigan's preliminary reading on the overall index on consumer sentiment fell to 82.7 in June, below a near six-year high of 84.5 in May. Economists polled by Reuters had expected it to hold at 84.5 this month."*

"June's reading, however, was the second highest in the last eight months, suggesting Americans were far from gloomy about their long-term prospects. While the barometer of current economic conditions fell to 92.1 from 98.0, a gauge of consumer expectations edged up to its highest since November at 76.7 from 75.8." "Confidence eroded most among lower-income households, which were "more likely to report worsening overall financial prospects" than higher-income households, survey director Richard Curtin said in a statement. But he added that "all consumers were less optimistic about job prospects in early June, expected smaller gains in the value of their homes and judged the probability of stock price increases somewhat below last month's level."

"The stock market has struggled in the first few weeks of June amid fear that the Federal Reserve might start scaling back its aggressive stimulus program. But the S&P 500 is still up nearly 15 percent this year, and housing prices in major metropolitan areas have been rising since early 2012. The survey's one-year inflation expectation rose to 3.2 percent from 3.1 percent, and the survey's five-to-10-year inflation outlook move to 3 percent from 2.9 percent." "US producer prices rose more than expected in May as gasoline and food prices rebounded, but underlying inflation pressures remained muted, which could argue against an early scaling back of monetary stimulus by the Federal Reserve. A second report on Friday showed factory output edged up just 0.1 percent last month, a sign of lingering softness after two back-to-back declines that offers another cautionary note for the U.S. central bank."

"The Labor Department said its seasonally adjusted producer price index increased 0.5 percent in May after declining 0.7 percent in April. A Reuter's survey of economists had forecast a rise of just 0.1 percent. "This is not a game changer. I expect that next week the Fed will reaffirm its current policies," said Sam Bullard, a senior economist at Wells Fargo Securities in Charlotte, North Carolina." "Officials at the Fed will debate how soon to ratchet back on their $85 billion a month bond-buying pace at a meeting on Tuesday and Wednesday. While U.S. consumers have shown resilience in the face of higher taxes and the economy continues to create jobs at a steady if unspectacular pace, the factory sector has suffered from a recession in Europe that has weighed on global growth."

"The Fed said manufacturing output rose 0.1 percent last month. Overall industrial production was unchanged, held back by a big drop in utilities output. Despite the pick-up in prices received at the nation's farms, factories and refineries last month, underlying price pressures remain muted and modest domestic demand makes it difficult for producers to pass on their increased costs." "Wholesale prices excluding volatile food and energy costs ticked up 0.1 percent for a second straight month. In the 12 months through May, the so-called core PPI advanced 1.7 percent after rising by the same margin in April and March. The overall PPI was also up 1.7 percent after rising 0.6 percent in the period through April."

"Last month, wholesale gasoline prices increased 1.5 percent after dropping 6.0 percent in April. That increase pushed up wholesale energy prices 1.3 percent. Prices had declined 2.5 percent in April. Energy prices accounted for more than 60 percent of the increase in wholesale prices last month. Food prices rose 0.6 percent after a 0.8 percent drop in April. Food prices were pushed up by a record surge in the wholesale price of eggs, which accounted for 60 percent of the rise in the food index." "Away from food and gasoline, passenger car prices fell 0.5 percent, while light truck prices increased 0.4 percent. The increase in light trucks accounted for almost two-thirds of the rise in core PPI last month."

The Financial Times reported last Friday that; *"The International Monetary Fund denounced the tightening of US fiscal policy as "excessively rapid and ill-designed", saying it will knock as much as 1.75 percentage points off growth this year. In its annual economic check-up on the US, the IMF forecast growth of just 1.9 per cent this year and cut its 2014 outlook to 2.7 per cent from the 3 per cent it expected as recently as April." "It said that rapid tightening of fiscal policy – including tax rises and $85bn in across-the-board sequestration cuts to public spending – will take between 1.25 and 1.75 percentage points off growth this year. "The IMF's advice is to slow the fiscal adjustment this year – which would help sustain growth and job creation – but hurry up with putting in place a medium-term road map to restore long-run fiscal sustainability," said Christine Lagarde, IMF managing director."*

"The IMF's comments suggest that US growth could have exceeded 3 per cent this year had Washington kept tax rates and spending steady. The Fund now expects sequestration to continue, undermining expansion through 2014. "We had assumed that the sequestration would be phased out," said Ms. Lagarde. "In this latest forecast we assume that it will continue." The Fund also urged the US to adopt a more gradual fiscal consolidation "along the lines" of US President Barack Obama's budget proposal. But no change is in prospect. At present the US public is feeling little pain from the cuts, and Mr. Obama is unwilling to cut healthcare and pension programs." "The automatic spending cuts not only exert a heavy toll on growth in the short term, but the indiscriminate reductions in education, science and infrastructure spending could also reduce medium-term potential growth," said the IMF. Given its downbeat forecast, the Fund said it expected the US Federal Reserve to keep buying assets at a pace of $85bn a month for the rest of 2013, and slowly reduce its purchases in 2014."

"That contrasts with Fed chairman Ben Bernanke's remarks that the Fed could start to reduce asset purchases at one of its "next few meetings", sparking global turmoil as markets fret about a likely reduction in the pace of US monetary easing. "Unwinding monetary policy accommodation is likely to present challenges and this must be managed carefully," Ms Lagarde said. "We are seeing clearly that communication will be key". "The Fund added that, given the large amount of slack in the US economy, the Fed was right to continue quantitative easing, but warned of the dangers of a long period of low rates: A long period of exceptionally low interest rates may entail potential unintended consequences for domestic financial stability and has complicated the macro-policy environment in some emerging markets."

CHINA

The Financial Times reported last Friday that: "*The Chinese government failed to sell all its bonds at an auction on Friday, a sign of how cash has become increasingly tight in the slowing economy. The finance ministry sold only Rmb9.5bn ($1.5bn) of the Rmb15bn in government debt on offer, the first time in nearly two years that Beijing has fallen short of its target bond sale. The failure stemmed from a jump in money market rates that has occurred because the central bank has refused to pump liquidity into the economy despite signs of stress in the banking system."*

"Analysts said the sudden tightness in China's financial system was the latest indication of how the government appears willing to tolerate slower growth to control some of the risks that have built up in the economy. "Their choice is not whether to tighten or not, but when to tighten. The earlier they act, the lower the cost. If they waited longer, there would be more bad loans to deal with," said Zhang Zhiwei, an economist with Nomura." "After a surge in credit issuance at the start of the year, officials have taken steps to tamp down on financing flows. Their concerns have focused on the overall accumulation of debt in China as well as the lightly regulated "shadow banking" institutions that have provided many of the loans."

"The central bank fuelled China's recovery at the end of last year with regular injections of cash into the economy via its open market operations, but it has halted such injections in recent months. Meanwhile, the banking regulator has slowed the growth of shadow banking by issuing tough new rules that limit banks' off-balance-sheet lending activities. The results of these efforts have been most immediately clear in the money market, where rates have jumped over the past 10 days. The seven-day bond repurchase rate, a key gauge of short-term liquidity, hit 6.87 per cent on Friday, up from less than 3 per cent a month ago." "The higher money rates have in turn led to a squeeze in interbank funding and the bond market. State media reported last week that a midsize bank was at risk of defaulting on an interbank loan until it obtained cash at a punitively high rate."

"In the bond market, the Agricultural Development Bank, a state-owned lender, last week sold fewer than 60 per cent of its offered bills at an auction. With the finance ministry's incomplete auction on Friday, now the pain has spread to the central government itself." "If liquidity is so tight that it is even difficult for government to raise funds, it'll be even more difficult for local governments and highly leveraged companies," Mr. Zhang said. China's economy slowed to 7.7 per cent growth year-on-year in the first quarter from 7.9 per cent in the final quarter of 2012, and many analysts believe that its slowdown could deepen in the second quarter."

"Nevertheless, the central bank could easily reverse the liquidity squeeze by pumping more short-term cash into the market, a move that some economists and traders forecast will happen shortly. "It might take a few more days but I believe interbank rates will come down. It's very easy. The central bank just has to inject more cash through its open-market operations," said Lu Ting, an economist with Bank of America Merrill Lynch. "They cannot afford to maintain interbank rates at such a high level because it will disrupt the whole lending market."

The China economist with a large Australian bank stated in a note to clients last week that, *"the logical result of soft growth is weak inflation, which is confirmed by the May figures. PPI inflation fell further to -2.9% last month from -2.6% in April, and the fall-off was stronger than we expected. This weak PPI inflation is potentially worrisome, suggesting the conditions for industrial companies are getting even tougher." On housing he noted that "Although housing sales grew decently at YoY 27.3% in May, there has been a clear downward trend in the growth rate since the beginning of this year. With property sales*

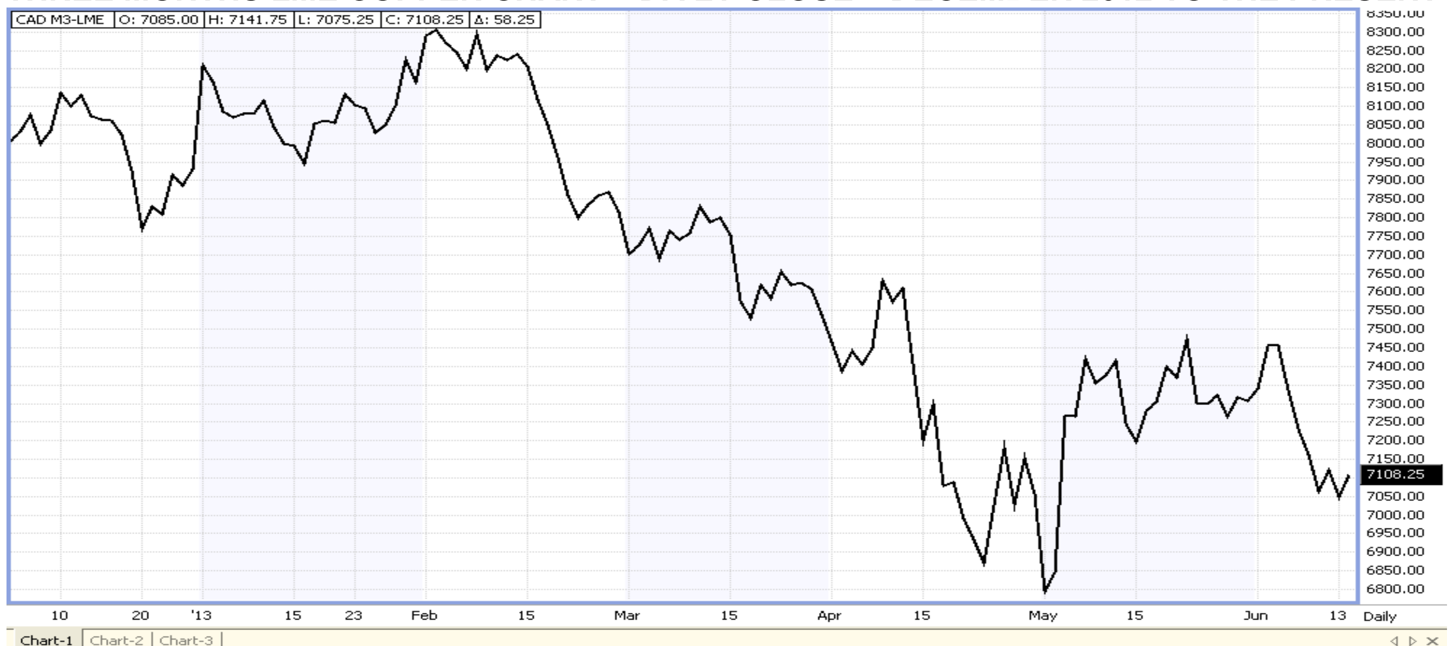
gradually slowing, we believe the upward pressure on housing prices would also weaken. Soft growth and weak inflation thus suggest conditions for policy easing are getting ripe.”

“However, May instead saw tighter liquidity numbers – new loans came in at Rmb667bn, much below the consensus of more than Rmb800bn; Social Finance also shrank sharply to Rmb1.2trn from Rmb1.7trn in April. The financial regulators’ recent effort in controlling banks' off-balance-sheet has paid off, as bank acceptance bills and trust loans (both are components of Social Finance) fell significantly.”

“Even if the sequential growth momentum is maintained through the year at the level seen in January-April, YoY growth would still fall further. Now the risk seems to be that sequential momentum could also weaken, adding more downward pressure on YoY growth figures. Moreover, the ambiguous attitude of the monetary authority makes things worse. Therefore, the longer the government waits before loosening policies, the bigger policy easing may turn out to be.”

COPPER

THREE MONTHS LME COPPER CHART – DAILY CLOSE – DECEMBER 2012 TO THE PRESENT



Source: FutureSource

Three months LME copper closed on Friday at $7,090 per tonne. This morning three months LME copper is trading at $7,150. Dollar/euro is $1.3328 versus a close on Friday of $1.3320.On Friday copper had a contango of $34 per tonne versus a contango of $32 per tonne on the previous Friday. Copper fell 1.9% last week after falling by 1.1% in the previous week. Shanghai copper stocks rose 1,938 tonnes to 183,410 tonnes. The technical picture for copper has now turned quite bearish. Many technical analysts are encouraging their CTA and technical trading fund clients to short the market on corrective bounces. However, the market is already quite short so in many cases the CTAs and others will simply be looking to add to their short positions. There is now strong overhead resistance in and around the $7,210 to $7,230 per tonne area basis three months while good support should be found in and around the $6.900 per tonne area basis three months. Many dealers increasingly think the Chinese will prove very good buyers should prices get down to the $6,900 to $6,800 area basis three months. We suspect that all the supply disruption impact is already in the price as is the bearish outlook for the Chinese economy. *(Please see under China section for economic comment.)* The Metal Bulletin report,

under the other copper news section below, makes it very clear that "…*with or without Grasberg, there is a lot more copper concentrate around, and providing it comes back online within the one-to-three-month timeframe that most observers forecast, the effect on processing terms will be less dramatic."*

So on that basis the downside would seem to be limited at this stage. The upside potential is likely to be a function of the strength of Chinese demand. And that remains a bit of a mystery at present. An analyst with a large American investment bank said this last week in his Chinese trip report to clients: *"Our visits to bonded warehouses leave us agreeing with recent anecdotal reports of sharp drawdowns in China's refined copper stocks. As of late last week, major warehouses continue to report heavy daily drawdowns, with total stocks down by about 25% over the last 3 to 4 weeks alone, according to some accounts. We estimate copper stocks in China's bonded warehouses currently stand at around 450kmt to 500kmt. A key unknown is the extent to which SAFE regulatory changes (which were planned to take effect on June 1st) may be forcing the liquidation of material held under financing agreements. From our discussions, recent sales into the mainland market have as much to do with increased demand from fabricators as they do with distressed selling. Looking forward, bonded premia remain high: in the recent past, this has tended to be a lead indicator of further short-term drawdowns, whatever the immediate driver."*

On the news front Reuters reports that the trade union workers at the Freeport McMoRan Copper and Gold Inc mine in Indonesia have called off a planned strike that was due to start on Friday, company spokeswoman Daisy Primayanti said by text message. "Workers are returning back to work with their usual schedules." Union officials could not immediately be reached for comment. Bloomberg reported last week that an independent team formed by the government will report on the progress of the investigation either during the weekend of 15th/16th June or early in the current week, Ridho Wattimena, head of the team, said in a text message last week. He didn't give further details. The government hasn't set a target for completion, Thamrin Sihite, director general of coal and minerals at the energy ministry, said on June 7.

OTHER COPPER NEWS

Ulan Bator Reuters reports that: *Rio Tinto postponed a June 14th event to mark first exports from the $6.2 billion Oyu Tolgoi mine in Mongolia, as it waits for final clearance from the government.* Reuters also reported on Friday that, "*Workers at Chile's Collahuasi have voted to approve a new, early contract proposal, the union told Reuters on Friday, calming fears of labor unrest at the world's third-largest copper deposit. Nearly 90 percent of the 1,090 workers who voted cast their ballots in favor of the deal to replace a contract due to expire in April 2014. Under the new four-year contract, workers will receive a 3.5 percent salary increase, a roughly $31,900 bonus and a loan worth $6,000. Union leaders are due to sign the contract on Friday. The anticipated contract deal mirrors a recent trend in top copper producer Chile, where miners have increasingly sought to reach early, sweetened deals with their unions to lessen the risk of strikes. Production at Collahuasi, owned by Anglo American Plc., Glencore Xstrata Plc. and a group of Japanese companies led by Mitsui & Co, is expected to recover this year after a tough 2012. Last year, the mine's output nosedived to 282,100 tonnes from 453,300 tonnes in 2011. Two key mines reached early contract deals in recent months, soothing some fears of strikes. World No. 1 copper producer Escondida settled early with its union in January, while state copper firm Codelco reached a fresh deal with workers at its Andina mine in October."*

Commenting on the deal one copper analyst with a large Australian bank said that this "…*early settlement means the potential for this to become a big political issue is removed. Collahuasi has now followed Escondida and Andina in reaching early agreements with workers this year. As such, copper*

disruptions due to strikes, which have typically accounted for disruptions of over 1% of copper mine supply in recent years (reaching 1.9% in 2009), are likely to remain at a very low level."

Metal Bulletin reported last week that, *"Traders are positioning themselves for a tightening in treatment and refining charges (TC/RCs) over the next few months, the latest spot sale of BHP Billiton's Antamina concentrates suggests. External sources said BHP has agreed to sell two 10,000-tonne parcels of the Peruvian material to a trade buyer for $60-64 per dry metric tonne/6-6.4 cents per lb., for delivery through August and September. The tender was concluded early on Wednesday June 13, shortly before Freeport-McMoRan declared force majeure at the Grasberg mine, where production stopped last month after an accident that killed 28 people and injured 10. The spot tender also followed soon after BHP's conclusion of discussions to supply a Japanese smelter with concentrates through the second half of the year."*

"Market sources said the miner agreed treatment and refining charges of $72 per dmt/7.2 cents per lb. with the Japanese smelter, conceding $2/0.2 cents over the terms it agreed at the start of the year. As rumors that the miner had settled started to spread last week, some observers expressed surprise that BHP would conclude deals ahead of an update on Grasberg. "BHP must be kicking themselves," one concentrates trader told Metal Bulletin shortly after the force majeure was announced, adding that the Antamina deal indicates that the market is already betting TC/RCs will tighten while Grasberg is out. "That would suggest the market is already reacting to this, in the sense that someone seems to be willing to take a punt on a tighter market in August and September," he said."

"In recent weeks Chinese smelters have refused to negotiate spot deals below $75/7.5, but they may have to lower their expectations in the weeks to come, he said. But while the force majeure will provide support to TC/RCs, the Grasberg outage alone is unlikely to dismantle the narrative of increased mine supply and paler demand that the market has written for this year, other sources said. Last time Grasberg halted operations in 2011, spot TC/RCs tumbled to about $20/2 per dmt, and in some cases traders even bid flat to the LME price to secure high-quality concentrates. Today, with or without Grasberg, there is a lot more copper concentrate around, and providing it comes back online within the one-to-three-month timeframe that most observers forecast, the effect on processing terms will be less dramatic."

Reuters also reported last Friday that, *"India's biggest copper smelter is likely to re-open on Sunday after a two-month shutdown which was prompted by complaints from nearby residents about its emissions and has caused tightness in supply of the metal. A company source told Reuters on Friday that power for the smelter, which is run by Sterlite Industries, a unit of London-listed Vedanta, had been turned on. This source and one from the local pollution board said a court-appointed panel would visit the smelter on Sunday and the plant would re-open then. The smelter, in the Tuticorin area of the southern Tamil Nadu state, was shut on March 30 after local people complained of breathing problems. The company has denied there were any emissions above prescribed limits. An environmental court said on May 31 it could re-open but opposition to this has continued. The Supreme Court said on June 10 the smelter could resume as scheduled. A court had earlier stipulated that this should happen in the presence of an expert panel, ahead of a hearing for an appeal against its re-start. Sterlite produces 30,000 tonnes of refined copper a month, or more than half of India's total production."*

"London copper climbed as some traders covered short positions, but remained on track to close down for a second straight week on worries over tepid Chinese demand growth and an early end to easy monetary policy by global central banks. While a disruption in supply from the world's No.2 copper mine in Indonesia supported sentiment, it is the bleak global demand outlook that has been dragging on prices of the metal, which dropped to a six-week low on Thursday."

"Recently, China's economic data has not been very good. Also, there may be lower seasonal demand from late June for the copper tube sector when there is less buying from air conditioner manufacturers due to the weather," said Chunlan Li at metals consultancy CRU in Beijing. For now, copper prices may be drawing support from a drop in bonded stocks in China. China's bonded copper inventory has dropped below 500,000 tonnes, driven by still steady seasonal demand and amid thin supply of feedstock scrap, Li said. Bonded stocks were above 1 million tonnes in late January. New foreign exchange regulation has also driven imports to the domestic market, by curtailing the number of companies who can hold copper in bond, Li said. "Bonded stocks are likely to still fall a little further, but not much," she said. Copper held in China's bonded areas is one of the world's biggest stockpiles of the metal, and falling inventories could underpin copper prices. Premiums for bonded metal in Shanghai's Yangshan port rose to $150-$160 on top of LME cash prices on Friday, according to China price provider SMM, up $10 from" the end of May.

Platts reported that, *"High electricity prices, rising wages and the shortage of water could threaten Chile's hopes of realizing a major increase in copper production over the next decade, according to a report by management consultants McKinsey & Company. "If this cost inflation is not arrested, a great deal of the predicted growth in the industry will disappear," Harry Robinson, McKinsey's global leader for basic materials, said during a presentation of the study late Tuesday. The South American country, already the world's largest producer of copper, has plans to lift production of the red metal to more than 8 million mt by 2020, up from 5.45 million mt in 2012. But many projects in the pipeline, worth more than $100 billion according to the government, are facing delay or suspension due to legal challenges, environmental opposition and difficulties sourcing power supplies."*

"According to Chile's national mining association SONAMI, as much as 40% of the forecast investment could be at risk. But the report from McKinsey, which was commissioned by industry association Consejo Minero, suggests that rising production costs, together with a lower long-term copper price, could prove an even greater threat to the industry's expansion plans. Speaking at Chile's CEP think tank in Santiago, Robinson said miners' wages in Chile have almost doubled over the last decade but productivity has not kept pace, falling in recent years, largely due to lower ore grades. Electricity costs in Chile, meanwhile, are among the highest in mining countries, exceeded only by the Democratic Republic of Congo. This also affects water supplies as mining companies look increasingly to desalination plants to meet demand. As a result, Chile's copper mines are losing competitiveness, with an increasing number set to end the decade in the third or fourth quartile of costs."

"Dividing new projects into five groups depending on their scale and ore grade, Robinson said only large-scale, high grade operations will remain competitive below the long-term copper price of $2.75/lb. used in the study. Without these projects, Chilean copper production is set to end the decade unchanged, as mines currently in construction replace declining output from existing operations. Combined with regulatory challenges faced by major projects such as Barrick's Pascua Lama and Goldcorp's El Morro, Robinson said sentiment toward the country in mining board rooms had cooled markedly. "It's seen as a hard place to get projects done, with declining grades and it feels risky," he said."

Platts also reported that, *"Peru's copper production in April rose 5.5% to 100,631 mt from the same month last year on increases at the El Brocal, Tintaya and Volcan mines, despite declines at the three biggest copper producers, according to information the Peruvian Energy and Mines Ministry published last Monday. The largest producers -- Antamina, Southern Copper and Cerro Verde -- posted copper output decreases of 5%, 1% and 7%, respectively, according to the ministry. The cumulative production of copper in January-April 2013 was 393,231 mt, or 0.4% more than in the same period last year."*

ALUMINIUM

THREE MONTHS LME ALUMINIUM – DAILY CLOSE – DECEMBER 2012 TO THE PRESENT DAY

Source: FutureSource

Three months LME Aluminium closed on Friday at $1,851 per tonne. This morning three months Aluminium is trading at $1,865. On Friday Aluminium had a contango of $41 per tonne versus a contango of $37 per tonne on the previous Friday. Aluminium fell 4.6% last week after rising by 1.8% in the previous week. Shanghai Aluminium stocks fell 3,406 tonnes to 422,999 tonnes. Aluminium took a real hammering last week and fell 4.6% on the week. It was only surpassed by nickel which fell 4.8%. Technical analysts see the $1,850 per tonne basis three months as the critical support area. If prices go significantly below this level then the very critical $1,800 per tonne area would be the next logical target on the downside. But most technical analysts are now waiting to see what develops. If Aluminium holds the $1,850 level then we could see a short covering rally back up to the $1,900 per tonne level basis three months. The very bullish traders are hoping that the rally might carry on to the $1,980 to $2,000 per tonne area basis three months. But that said the bulk of the traders are all side lined at present waiting for developments in the market.

Reuters reported last week that: *"China is getting more serious about tackling a glut of Aluminium production capacity and is likely to block plans to build more than 10 million tonnes of new capacity in the far western region of Xinjiang, industry sources said. Curbing expansion in Xinjiang, which had driven growth in China's Aluminium industry, should mean China can absorb some of the millions of tonnes of the metal piling up in warehouses and prevent it becoming a large exporter to the world market. Beijing last month ordered local governments to stop "blind expansion" in bloated industries such as Aluminium, steel, cement, glass and shipbuilding. New guidelines on reining in production capacity are also set to be released this month or in July."*

"Vice-premier Zhang Gaoli said in May that China needed to "strictly prohibit" further expansion of these sectors to clean up its environment and rejuvenate the economy. Officials in Xinjiang have told smelters wanting to expand to drop their plans, two industry sources said. Capacity already being built was excluded. The move could impact millions of tonnes of capacity, said one executive at a large smelter, who declined to be named because he was not authorized to speak to the media."

"Beijing has sought to tackle overcapacity in sectors such as Aluminium and steel for about a decade, but its plans have usually faltered due to resistance from local governments anxious to protect growth and boost revenues. In another sign of Beijing getting more serious, the powerful National Development and Reform Commission and the Ministry of Industry and Information Technology issued a joint notice in early May reinforcing the policy. The notice said tackling overcapacity was one of Beijing's priorities this year and it made tackling the issue a performance target for local officials for the first time. Local governments must stop new projects and report any illegally built existing projects to the central government by the end of June, according to the notice. The planning commission and the industry ministry are also working on another set of guidelines to spell out penalties that could be released within two months, industry sources said."

One American analyst commenting on this news last Friday was skeptical about how meaningful it really was. He stated that, *"Of the 20-30 million tonnes of primary Aluminium capacity that the Xinjiang region has approved, more than 4 million tonnes came on stream in the last two to three years. Another 9 million tonnes is now under construction, which in effect would double the country's capacity in five years. Although the directives from Beijing sound more serious, there is a constant disconnect between what central planners say with what goes on in the far-flung provinces."*

In a trip note to clients the analyst with a large American investment bank said last week that, *"our discussions left us moderately less convinced that the rapid acceleration of smelting production in Xinjiang province will be sustained beyond the next 1 to 2 years. Increasing frustration among Chinese Aluminium producers reportedly revolves around unfulfilled incentives offered by local governments in the far western provinces, mainly access to grid power. At least one major producer has recently pulled a planned project. In addition, recent central government policy pronouncements suggest no new approvals will be granted for smelting projects beyond those already in place, potentially pulling Xinjiang's development into line with the traditional producing provinces. Another factor that could shift risk in China's Aluminium market is at least one major producer is expanding its ability to process lower quality bauxite feedstock with a low aluminum / high silica ratio. High quality domestic bauxite has an Al/Si ratio of 4-to-5 times; in lower quality material, this ratio can move up to 6-to-7 times. Production costs quoted to us were around US$380 per mt which compares to current domestic alumina spot prices of around US$400 per mt inclusive of VAT. This data point suggests this capacity, though expensive, is still more cost effective than the recent expansions in fly-ash based capabilities and could go some way to mitigating China's shortage in high quality feedstock."*

OTHER ALUMINIUM NEWS

In a trip note to clients, the analyst with a large American investment bank said last week that, *"The North American spot aluminum market is tight and will likely continue to be so in the medium term as demand has recovered and regional supply is underperforming. One US-based aluminum consultancy forecasts that only 16 kmt in additional capacity will be added in the US in the 2013-2016 interval, and around 240 kmt in Canada during the same period. The US is increasingly becoming dependent on imports, sourcing material from Russia, Gulf States, and to a lesser extent from Latin America. Canada currently remains by far the main supplier to its neighbor. However, the Middle East will likely continue to gain market share as production ramps up to capacity, likely supporting higher premia given higher transportation costs. US Midwest P1020 ingot premia are currently being quoted at a new high of 11.60-to-12.50 c/lb. (from 11.50-to-12.00 c/lb. at the end of May), as consumers are reportedly entering larger quantity deals as a result of higher storage costs, limited scrap availability, potential supply shortages,*

and healthy demand. The consensus expectations are for Midwest premia to remain at elevated levels due to improving demand and ongoing supply side risks. We agree.”

“Our discussions with US aluminum consumers suggest aluminum demand from the auto sector remains robust. The sector is likely to drive future demand, both on rising volume and increasing intensity of use due to rising fuel-efficiency standards. Relying in part on projections from industry, we expect that average use of aluminum per passenger vehicle will increase from its current 310 lbs. to 550 lbs. by 2025.”

“However, the global market balance today remains in significant surplus, further burdened by a large global inventory overhang (we estimate total implied stocks to reach 14 mmt by the end of 2013, equivalent to 14.7 weeks of consumption), even after several rounds of production cuts in OECD countries. Some estimates we heard this past week place Chinese aluminum smelter new build costs at 50% to 66% cheaper than the global average and new build times at 12 to 18 months, significantly faster than the average 4 years of construction time in the rest of the world. Tempering that potential growth will likely be rising power costs and labor rates, as well as RMB appreciation against the US dollar, which would collectively make production costs higher and aluminum product exports less attractive. Strong rates of production outside of the North American region are leading to instances of deals where the producer pays for transportation costs and storage expenses and the US consumer uses the metal as needed.”

South Africa’s Business Day paper said last week that:, *“Eskom has invoked its right to disrupt the power supply to BHP Billiton’s Aluminium smelters in the case of an emergency as demand by households showed signs it will exceed the state-owned utility’s capacity to generate enough power this winter. The demand forecast for the remainder of this week showed South Africa was on the brink of plunging into blackouts similar to those experienced in 2008. Delays in commissioning the Medupi power plant and maintenance of Eskom’s existing power-generating facilities are largely responsible for reducing the utility’s spare capacity. In the event of an emergency, Eskom intends to exercise its option to redirect over 2,000MW of power from the Hozatel smelter in KwaZulu-Natal and the Mozal smelter in Mozambique to the grid, as part of a supply agreement that allows it to interrupt the power supplied to the smelters for up to two hours a week, at any given time.”*

“BHP Billiton SA had not yet been informed of how much power would be taken away from it, spokeswoman Lulu Letlape told Business Day on Thursday. She said it was not yet clear how many of its potlines would be affected by a possible shutdown. If power to smelters is shut down, it forces the plant to operate at reduced capacity and it is usually costly to restart the smelter once power is fully restored. BHP Billiton is Eskom’s single biggest consumer. In the 1990s, the company signed a controversial power supply agreement at a lower rate than other industrial customers, which Eskom has been trying to have reviewed since 2004 — so far unsuccessfully. Eskom said on Thursday that it expected demand to peak at 35,364MW last night against the available capacity of 34,9740MW to meet that demand, resulting in a power deficit of 394MW. "The risk that we flag is that our margins are very, very tight," said Eskom spokeswoman Hilary Joffe said. "There’s a long weekend coming up and that’s a good time to do maintenance."

In a Dow Jones report last week, *“A force majeure at the world's largest alumina refinery is unlikely to have a significant impact on Aluminium prices, unless production issues persist for an extended period, market participants said Thursday. Norsk Hydro ASA announced force majeure at its majority-owned Alunorte alumina refinery in Brazil on Wednesday following two separate power outages at the facility. The company said that lower production as a result of the power disruptions could affect its deliveries of alumina--one of the raw materials for Aluminium production--to customers. Alunorte, which is 91%*

owned by Norsk Hydro, has an annual production capacity of 6.3 million metric tons of alumina. In the first quarter, it produced 1.36 million tons of alumina, but this is likely to be lower in the second quarter because of the power supply problems and remain at an "unsatisfactory" level for the rest of 2013, a spokesman for Norsk Hydro told Dow Jones Newswires."

"Alunorte exports most of its production to Aluminium smelters worldwide. Aluminum Corp. of China, or Chalco, the largest Chinese producer of the lightweight metal, said last week it will temporarily shut down about 9% of its output due to poor market conditions. Despite output cuts, there is still no shortage of Aluminium available to the market. Global supply of Aluminium outstripped demand by 376,500 metric tons in the first three months of this year, according to the World Bureau of Metal Statistics. So far, production issues at Alunorte have not had an impact of Norsk Hydro's own Aluminium production, the company spokesman said. "So far, we don't see that it would, but this is something we need to look into. Clearly, it all depends on what happens at Alunorte in the future," he said. The refinery supplies Norsk Hydro's primary Aluminium smelting capacity in Brazil, Norway and Qatar."

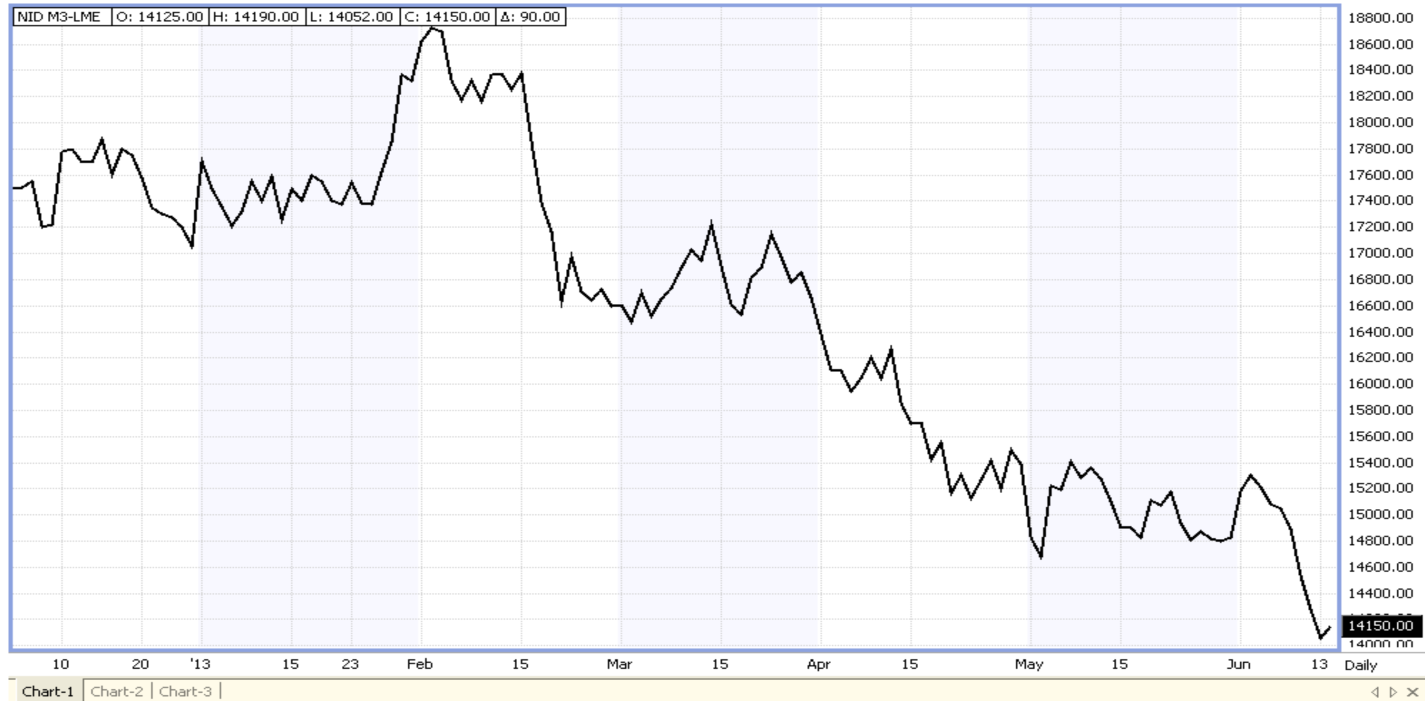
Metal Bulletin reported last week that, *"Alcoa has agreed to maintain the Portovesme Aluminium smelter in Italy until the end of June 2014, rather than just to the end of this year, to allow more time for a possible sale, according to the Italian ministry of economic development. In a meeting that included undersecretary Claudio De Vincenti and Sardinian regional president Ugo Cappellacci, as well as trade union organizations and Alcoa representatives, Alcoa announced that it considered the negotiations over a possible sale to Klesch to have "concluded negatively", the ministry said in a press release. But at the request of the ministry Alcoa has agreed to maintain the plant for a further six months and confirmed its intention to sell the asset. The ministry said it does not take for granted the failure of the deal with Klesch, and reserves the right to contact the group again to further investigate the terms of negotiation. Simultaneously, it said it would continue scouting for other potential buyers at both the national and international level. The Portovesme smelter fully ceased production in November last year, after a possible sale to Glencore fell through. Market participants said that it is unlikely the Portovesme smelter will ever restart."*

In a Bloomberg report last week, *"Commodity hedge funds are finding it harder to make a profit partly because fees and other charges "soured customers," the Food & Agriculture Organization said last week. Customers who besides paying annual fees are now finding themselves "saddled with 100 percent of the losses," the United Nations agency said last week in a report called "Commodity hedge funds in retreat?"*

The FAO cited commodity index fund investment data showing a 20 percent drop since April 2011, mirroring a withdrawal from hedge funds. "As with most mature businesses, commodity hedge funds are finding profitability harder to come by," the FAO said. "The sobering truth about the nature of commodity futures may have re-emerged: they are not investments at all but risk-shifting instruments, always generating a loss for every gain." Commodity hedge funds have existed since 1979, and were slow to take off until 2000, according to the report. The 2007-08 food crisis was a money-maker for hedge funds, the FAO said.

NICKEL

THREE MONTHS LME NICKEL – FROM DECEMBER 2012 TO THE PRESENT – DAILY CLOSE



Source: FutureSource

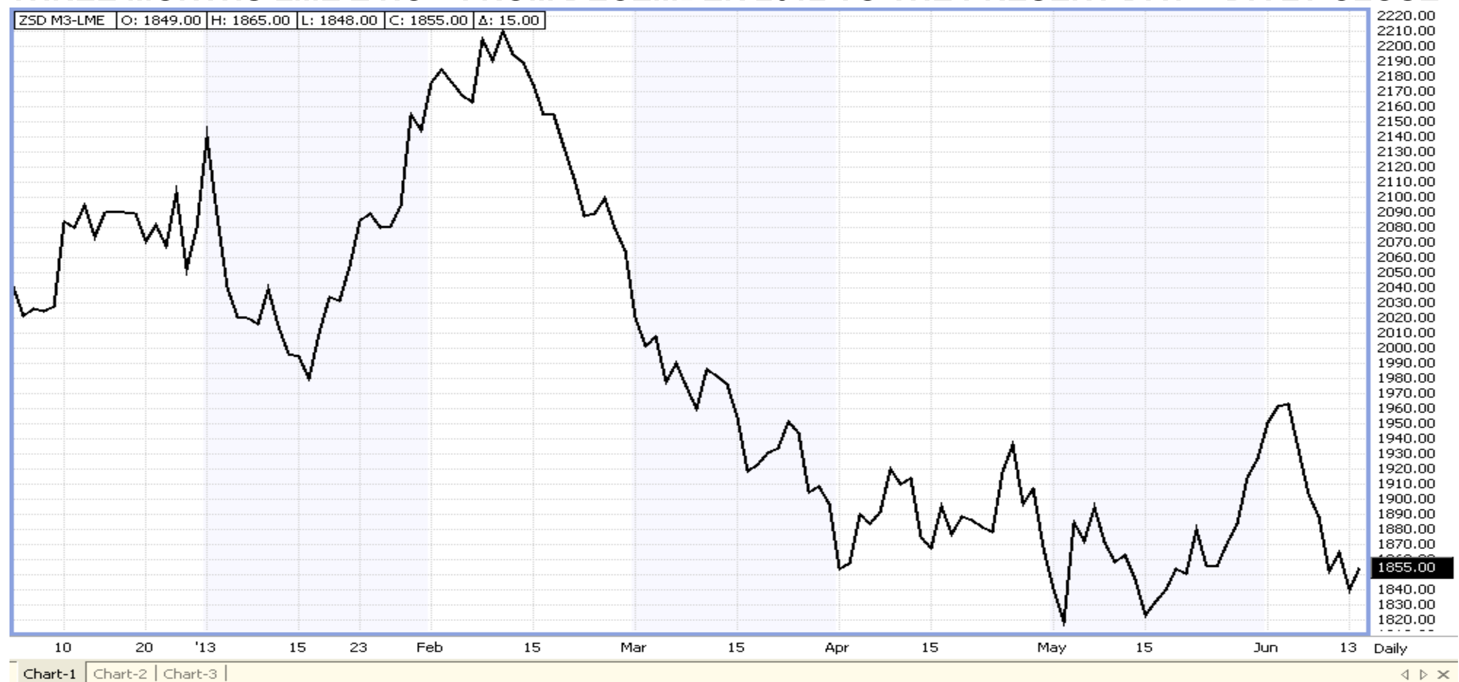
Three months LME nickel closed on Friday at $14,325 per tonne. This morning three months nickel is trading at $14,341. On Friday nickel had a contango of $71 per tonne versus a contango of $72 per tonne on the previous Friday. Nickel fell 4.8% last week after rising by 1.5% in the previous week. Nickel is looking more and more bearish on the charts. As the technical analyst Cliff Green Consultancy said about nickel in its note to clients on Friday: “Medium term downtrends remain firmly intact and with the past couple of months reconsolidation phase now looking to be complete the main downward cycle appears to be resuming. Chart measurements suggest next objectives in and around the 13300/13400 area and while interim support should be anticipated in the 14000/14100 zone any fresh recovery attempts should be restricted by strong overhead resistances waiting at initially 14900/15000 then again towards the more important 15500/15600 region. Only a clear and sustained break above here would relieve current downward pressure.” Mr. Green’s trading advice to his clients was: *“Take profits on shorts for time being looking to re-establish on bounces in the days ahead.”*

The real super bears are understood to be looking for a test of the 2008 low of around $9,000 per tonne. This seems a very unrealistic price objective, in our opinion, because below $13,000 per tonne a great deal of the new, low cost, rotary kiln electric arc furnace producers of nickel pig iron in China would be losing money and closing down their operations rapidly. Lundin Mining Corporation announced last week that it has entered into a definitive agreement with Rio Tinto Nickel Company, a subsidiary of Rio Tintoplc, to purchase its 100% ownership stake in Rio Tinto Eagle Mine, LLC, which owns the high grade Eagle nickel/copper underground mine located in northern Michigan. The agreed purchase price is approximately $325 million, consisting of a $250 million purchase amount plus project expenditures from January 1, 2013 until transaction closing of approximately $75 million, payable in cash, and subject to customary adjustments.

The Eagle Mine is located in Marquette County in the Upper Peninsula of Michigan. Project construction is slightly more than 50% complete with initial production expected to commence in Q4 2014. Annual production over the first three full years (2015 - 2017) is expected to average approximately 23,000 tonnes of nickel and 20,000 tonnes of copper per annum, with additional by-product credits of precious metals and cobalt. Due to the high nickel grades and strong by-product credits, C1 cash costs for the first three years are expected to average approximately $2.00/lb. ($4,409 per tonne) nickel, thereby strongly positioning the asset in the lowest quartile of the nickel producer cost curve. The Eagle Mine is a high grade nickel/copper deposit with Probable Ore Reserves estimated in accordance with JORC of 5.18 million tonnes at 2.93% nickel and 2.49% copper anticipated to produce on average approximately 17,000 tonnes per annum nickel and 17,000 tonnes per annum copper, with gold, cobalt, platinum and palladium by-products over the current life of mine of approximately 8 years. In close proximity to the Eagle Mine deposit, several exploration targets have been identified. Exploration efforts will be advanced in this highly prospective area of interest to identify additional resources.

ZINC

THREE MONTHS LME ZINC – FROM DECEMBER 2012 TO THE PRESENT DAY – DAILY CLOSE



Source: FutureSource

Three months LME zinc closed at $1,860 per tonne on Friday. This morning three months zinc is trading at $1,871. On Friday zinc had a contango of $37 per tonne versus a contango of $35 per tonne on the previous Friday. Zinc fell 2.3% last week after falling by 1.2% in the previous week. Shanghai zinc stocks fell 1,437 tonnes to 286,749 tonnes. Zinc is still locked within a trading range of $1,900 to $1,910 per tonne basis three months at the top end while good support is thought to exist at the $1,810 to $1,820 per tonne level basis three months. In a generally positive note about Chinese zinc production and smelter operations the lead-zinc analyst with a large Australian bank notes that: *"2012 had seen the first fall in China's annual zinc metal production, including refined zinc and zinc alloys, in at least the 20 years for which we have data, in response to pressure on smelters' margins from falling zinc prices and low treatment charges for concentrates, exacerbated by the fact that some Chinese smelters are understood to operate without always hedging the full metal at risk exposure in third party raw materials."*

"CNIA (China Non-Ferrous Industries Association) reports last year's fall in zinc metal production at 7.5% year-on-year. Even during the global financial crisis, when average zinc prices were lower, China's zinc metal output had continued to increase, climbing 6% YoY and 11% YoY in 2009. At first glance these gains in metal output at a time of much lower metal prices might appear odd."

"However, the episode serves well to illustrate the importance of treatment charges and the price of concentrates – which, in fact, are typically the single most important contributor to zinc smelters' gross profits. In 2008-2009, treatment charges were much higher as a proportion of zinc prices, and the price of concentrates much lower, which is reflected in the much lower share of the total zinc price that accrued to zinc miners at that time. This helps to explain how smelters in China increased metal production."

In contrast, zinc miners continued to command a much higher share of the zinc price, albeit on a slightly declining trend, when the zinc price was falling last year. At the same time, zinc smelters in China have been faced with generally rising power prices (zinc metal production is an energy intensive process) and accelerating increases in wages. Environmental pressures and compliance costs have been also been building. This is what brought about the reductions in zinc metal output by some smelters last year."

"According to CNIA data, zinc output fell in all metal producing provinces, except Gansu, in 2012. Gansu's gains came from expansions of smelting capacity. Sichuan province, in contrast, saw the sharpest fall in metal output as medium and small-sized zinc smelters there reduced operating rates. Liaoning province also reported a big drop in production as Huludao Zinc, one of China's larger zinc producers, reduced output in an effort to stem operating losses. Production in Guangxi province, where output also fell by a double-digit percentage, was mainly impacted by the Longjiang River pollution spills and the authorities' subsequent response, which saw pressure on smelters to reduce output, especially in Hechi City, the zinc producing area in the province."

"Crucially for the zinc market balance overall, however, there appears to have been no corresponding cut in zinc mine output (seasonality aside) in China. As a result, the continuing rise in the supply of concentrates, coupled with declining demand as smelters reduced operating rates, and has led to increasing treatment charges in recent months. Higher treatment charges have acted, as expected, to encourage smelters to process more of the surplus concentrates available and raise metal production once more." "Based on spot market data, the average price of high-grade refined zinc over the four months January-April this year was RMB14,984/tonne and average domestic treatment charges were RMB5,065/tonne. These levels compare with an average price of RMB15,291/tonne and average treatment charges of only RMB4,675/tonne in the same period of 2012."

"China's refined zinc production, responding in part at least to these developments, in the first four months of this year rose 8.6% YoY to 1.72m tonnes, according to the latest data from CNIA. Treatment charges had been tracking zinc prices in the past but this year, while the SHFE zinc price is down by about 5%, domestic treatment charges have remained fairly steady at RMB4,800-5,300/tonne. Despite the drop in zinc prices there is still no sign of a fall in mine output."

"We expect China's zinc metal production to rise by about 5%-6% this year to over 5m tonnes, provided by higher utilization of existing smelting capacity. The main contributions are expected to come from Guangxi and Guangdong provinces, where output is already well ahead this year-to-date. Ultimately it is cheaper and easier to store surplus zinc units in the form of metal rather than concentrates and, since there is sufficient smelting capacity available in China, we had always anticipated that prices, crucially including treatment charges for concentrates would adjust to incentivize more metal production." "It

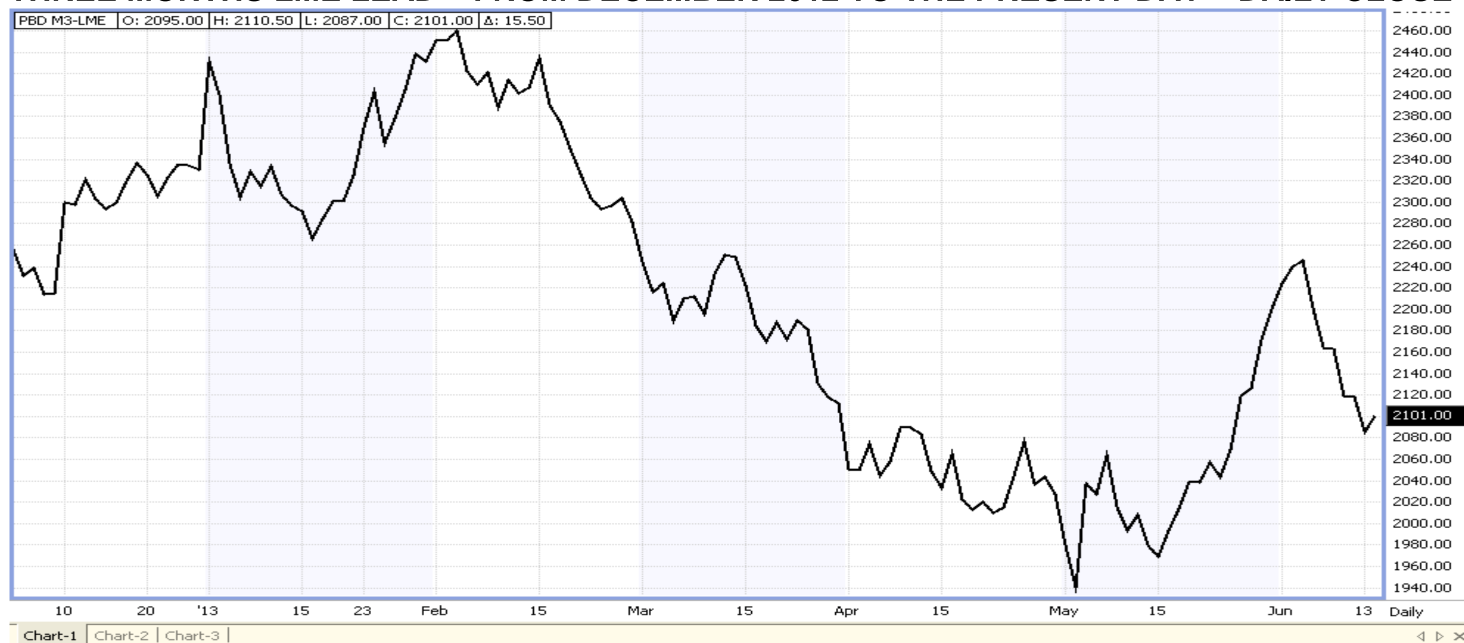
appears there may also be some need for more metal production. SHFE zinc stocks had been drawn down through the second half of last year and dipped again in May. Meanwhile, SMM (Shanghai Metals Market) stock data, which include metal held outside of the SHFE warehouse network, have fallen by 25% this year to date. This suggests China's metal market balance has been tighter in recent months, following last year's reduction in production, which is also reflected in stronger physical zinc metal prices relative to SHFE prices in April and May."

"While China's overall zinc metal stocks have been drawn down it should not be overlooked that there have been important regional differences, especially between eastern and southern China. Eastern China (Shanghai, Jiangsu and Zhejiang) has seen SHFE zinc stocks drawn down. In contrast, SHFE zinc stocks in southern China (Guangdong) have been building, which is also where production has bounced back most strongly." "Reflecting these regional differences in zinc metal production and stock dynamics, physical zinc prices in eastern China have been outperforming prices in southern China in recent weeks. Shanghai physical zinc prices have been trading at a premium of RMB60-130/tonne through May versus a premium of only RMB10-70/tonne in April and a discount of RMB10-80/tonne last May 2012."

In a Platts reports, "*In Peru, zinc production in April was 116,800 mt or 8.7% more than in the same month in 2012 on gains by major producers Antamina, Milpo and Volcan which accounted for more than half the total output, according to information the Peruvian Energy and Mines Ministry published last Monday. The cumulative January-April 2013 output was 447,623 mt, or 5.4% more than in the same period last year. Lead production in April was 21,112 mt, or 3.9% more than in the same month last year. The cumulative production for the first four months was 82,287 mt or 1.7% more than last year."*

LEAD

THREE MONTHS LME LEAD – FROM DECEMBER 2012 TO THE PRESENT DAY – DAILY CLOSE



Source: FutureSource

Three months LME lead closed on Friday at $2,109 per tonne. This morning three months lead is trading at $2,127. On Friday lead had a contango of $7 per tonne versus a contango of $10 per tonne on the previous Friday. Lead fell 2.5% last week after falling by 1.7% in the previous week. Shanghai lead

stocks fell 1,939 tonnes to 118,739 tonnes. Lead seems to be working lower on the back of CTA and technical fund selling. But good support is expected to be seen in and around the $2,030 to $2,040 area basis three months. Overhead resistance lies in and around the $2,170 to $2,180 area basis three months. The spreads remain tight with cash to June at 25 cents per tonne contango, cash to July at $1.75 per tonne contango, and cash to August at $3.25 per tonne contango. A number of traders we talk to are looking to go long once the market has tested and held support.

On the LEAD news front, Bloomberg reports that: *"Exide Technologies, a battery producer with operations in more than 80 countries and about 3,600 employees, sought bankruptcy after losing business to competitors. Exide cited debts of $1.1 billion and assets of $1.9 billion in its Chapter 11 filing in U.S. Bankruptcy Court in Wilmington, Delaware. Outside the U.S., the filing will not affect obligations to employees and suppliers and applies only to the Milton, Georgia-based parent. The battery maker is seeking court-directed reorganization after Wal-Mart Stores Inc.'s decision in 2010 to switch to Johnson Controls Inc. to supply transportation batteries, Phillip Damaska, Exide chief financial officer, said in the filing. The loss of Wal-Mart as a customer reduced annual revenue by about $160 million, he said. Exide also blamed the economic slowdown in Europe, where it gets more than half its annual revenue, for hurting profit. The company has $31 million in interest payments due in August and $51.9 million of convertible notes are due to mature in September, Damaska said."*

Platts reported that, *"Buyers and sellers of used lead-acid automotive batteries this week said they are increasingly hearing of used lead batteries priced at 40 cents/lb., but a far lesser number of buyers say they're actually paying that amount. Market sources largely attributed the gradual uptick in used battery prices to a recent spike in the London Metal Exchange lead price. A lead smelter source put his average purchasing price at 38 cents, adding that he is generally paying in a range of about 37.5 to 38.5 cents. However he, like other buyers, said he has heard of current purchasing prices as high as 40 cents."*

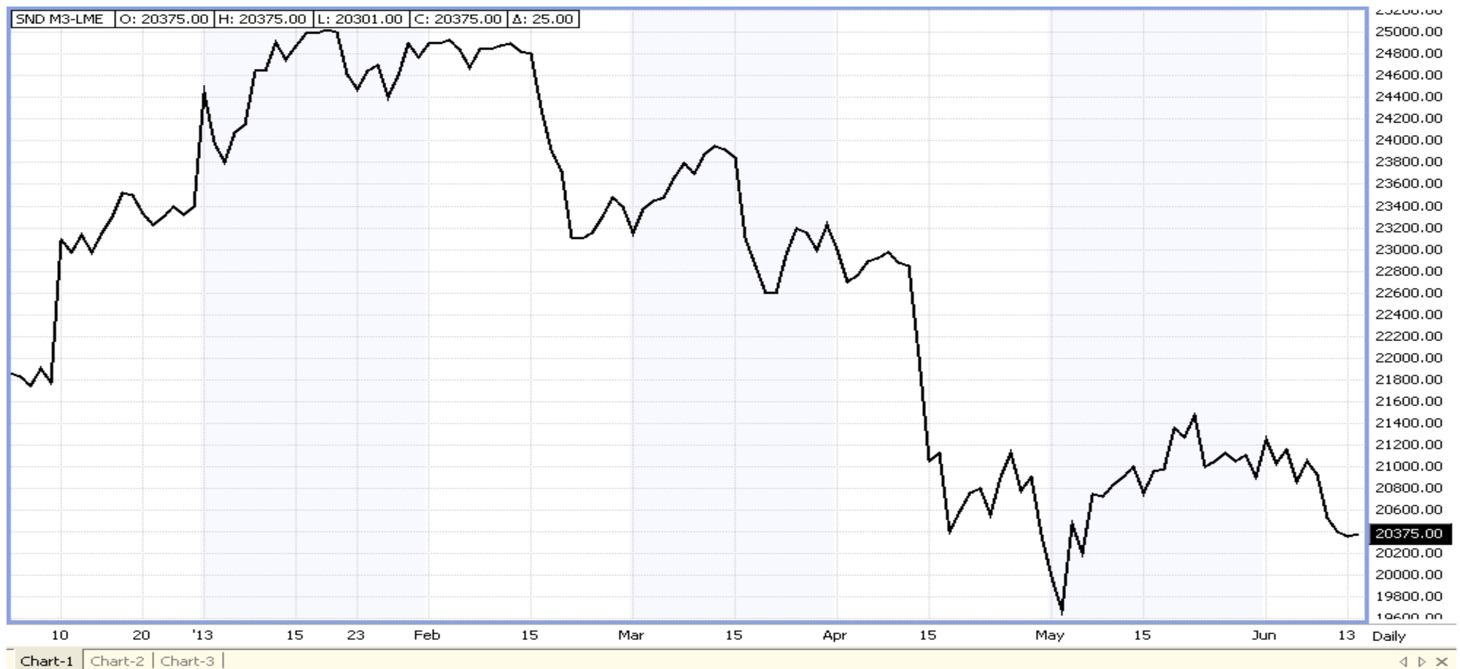
"China plans to idle plants that recycle lead with a capacity of below 30,000 mt/year before the end of this year, in line with the State Council's plans to shut outdated metals production over 2011-2015, the Ministry of Industry and Information Technology said on Saturday the 8th of June. Meanwhile, the pace of restructuring of the recycled lead sector would be accelerated, the ministry added. Recycled lead projects of below 50,000 mt/year will not get government approvals, the ministry said on its website. "Recycled lead projects using crucible melting, direct coal-fired reverberatory furnaces of less than 50,000 mt/year capacity are not permitted," it said. "New recycled lead projects and reports on their impact on the environment have to be approved by the provincial environment protection authorities, and the energy saving assessment reports have to be approved by the relevant departments," the ministry added. The ministry requires provincial officials to complete their assessment of all recycled lead plants and report to the Ministry of Environmental Protection before the end of this year."

"Switzerland-based commodities group Glencore Xstrata confirmed Monday that Italy's tax authority Guardia di Finanza is investigating certain transactions between its Portovesme zinc- and lead-producing subsidiary in Sardinia and the parent company. "Glencore can confirm that the Italian tax authorities are reviewing some inter-company transactions between Portovesme and Glencore," the company said in an emailed statement. The 100%-owned Portovesme facility, previously owned by Glencore -- Glencore and Xstrata completed their merger in May of this year -- is Italy's only primary lead and zinc smelter, with a production capacity of 80,000 mt/year of lead metal and 120,000 mt/year of zinc metal. Lead output at the plant was mothballed in mid-2009 and restarted earlier this year. Without mentioning Glencore by name -- referring to "a company operating in the field of metallurgy, leader in Italy in the production of lead and zinc" and "belonging to an international group whose parent company is based in Switzerland" -- the Guardia di Finanza said Monday it had discovered tax evasion of over Eur120 million ($159 million)."

"The Guardia di Finanza statement alleged that this was achieved through "transfer pricing," which it defined as the practice of "undue profit transfers" between resident and non-resident companies belonging to the same group, which generates a shift of the taxable amount from high-tax states to areas characterized by a lower tax burden. Tax losses declared by the Portovesme unit were considered "abnormal," it said, adding that further analysis indicated that the company acquired raw materials from its parent at prices well above free-market prices. In its statement, Glencore said that "all transactions were conducted in accordance with applicable Italian tax laws and on an arm's length basis between Portovesme and the Glencore Group." Portovesme "continues to engage with the tax authorities to ensure a swift conclusion to the review," the company added."

TIN

LME THREE MONTHS TIN – FROM DECEMBER 2012 TO THE PRESENT – DAILY CLOSE



Source: FutureSource

Three months LME tin closed on Friday at $20,395 per tonne. This morning tin is trading at $20,306. On Friday tin had a contango of $60 per tonne versus a contango of $60 per tonne on the previous Friday. Tin fell 3.1% last week after rising by 0.7% in the previous week. Technically speaking, tin is beginning to look vulnerable again with some technical analysts expecting the first line of support at around $20,300 to $20,200 per tonne to be broken. If that happens then the downside, these analysts maintain, opens up to $19,600 to $19,500 per tonne basis three months. Overhead resistance is firmly in place at around $21,600 to $21,500 per tonne. The June issue of the CRU Tin Monitor which is produced in association with the International Tin Research Institute (ITRI) makes a very interesting point that it now looks likely that the provisions of the new Indonesian regulation on tin export quality will come into effect as scheduled on 1 July and will result in a sharp fall in sales for a month or two. The report thinks that recent typical monthly volumes of some 9,000 tonnes "could be halved. However a combination of weak demand and ample stocks around the world, plus a bearish macro-economic environment will probably more than offset any price impact of this."

"Demand from the tinplate and tin chemicals sectors is steady, but a cyclical recovery in the electronics industry is still elusive," the monitor reports. "High stocks and depressed prices and margins in China have resulted in lower imports, higher exports and production cuts. Producers there have also started discussing buffer stock schemes."

Bloomberg reported last week that, *"Tin shipments from Indonesia, the largest supplier, climbed the most in eight months in May when prices of the metal used in soldering and packaging posted a monthly gain for the first time since January. Exports of ingot and solder advanced 18 percent to 9,242 metric tons from 7,853 tons in April, Trade Ministry data showed today. That's the biggest gain since September when sales surged 75 percent, according to data compiled by Bloomberg. Sales were 7,866 tons in May of last year. Higher shipments may ease concern that supplies from Indonesia will fall as the country imposes tighter purity rules starting next month. Exports may drop 19 percent to 80,000 tons this year because of the purity limits, according to the median of 12 estimates in a Bloomberg survey in April."*

"The new rules increase the tin content of cargoes and reduce lead and cadmium levels. Futures in London gained 2.6 percent in May. "Smelters cashed in their production after the gain in prices," Hidayat Arsani, president of the Indonesian Tin Mining Association, said by phone from Jakarta last Tuesday. "We need more money for Ramadan and Eid al-Fitr festival," he said, referring to the allowance Indonesian companies are obliged to pay to workers for the Eid festival that marks the end of the Muslim fasting month of Ramadan, starting in July this year."

STOCHASTIC & STATISTICS

STOCHASTIC	RSI (14)	%K FAST	% D FAST (3)	%D SLOW (3)
COPPER	37.07	39.50	26.62	19.23
ALUMINIUM	34.52	9.89	7.96	7.23
LEAD	40.12	36.48	23.41	17.74
ZINC	30.59	20.95	8.62	5.17
NICKEL	41.93	29.86	19.21	17.26
TIN	29.22	8.98	14.10	15.85

Source: Royal Bank of Canada

MOVING AVERAGES	10 DAY	30 DAY	100 DAY	200 DAY
COPPER	7231	7278	7579	7775
ALUMINIUM	1914	1882	1955	1995
LEAD	1902	1877	1968	1981
ZINC	14785	14948	16260	16692
NICKEL	2166	2086	2181	2195
TIN	20781	20845	22487	22121

Source: Royal Bank of Canada

SUPPORT & RESISTANCE	3RD SUPPORT	2ND SUPPORT	1ST SUPPORT	LAST PRICE	1ST RESISTANCE	2ND RESISTANCE	3RD RESISTANCE
COPPER	6825	6896	7011	7095	7198	7256	7367
ALUMINIUM	1819	1882	1850	1859	1900	1916	1948
LEAD	1786	1805	1837	1858	1888	1903	1968
ZINC	12846	13307	14052	14255	14948	15258	15631
NICKEL	1938	2086	2096	2107	2258	2233	2380
TIN	17724	18403	19500	20280	21825	22121	22350

Source: Royal Bank of Canada

HIGH/LOW	COPPER	ALUMINIUM	LEAD	ZINC	NICKEL	TIN
2013 HIGH/LOW	8346/6762.5	2184/1809	2499/1938	2230/1811.75	18770/14052 1	25250/19500
2012 HIGH/LOW	8765/7219.5	2361.5/1827.25	2347.75/1742	2220/1745	22150/15236	25880/17125

Source: LME – all prices basis three months and in dollars per tonne

THE SIX LME METALS STOCKS & PRICES	LME CLOSING PRICE ON 14/6/13	LME CLOSING PRICE ON 7/6/13	LME CLOSING PRICE ON 31/05/13	LME CLOSING PRICE ON 24/05/13	LME CLOSING PRICE ON 17/05/13	LME CLOSING PRICE ON 10/5/13	LME CLOSING PRICE ON 3/5/13
CU	7,090	7,230	7,309	7,299	7,305	7,375	7,270
AL	1,851	1,940	1,906	1,840	1,849	1,870	1,882
PB	2,109	2,164	2,201	2,069	2,014	1,994	2,038
ZN	1,860	1,904	1,927	1,856	1,840	1,859	1,885
NI	14,325	15,050	14,825	14,805	14,825	15,360	15,225
SN	20,395	21,050	20,900	21,050	20,975	20,825	20,475

Source of prices: LME. All prices in dollars per metric tonne and basis three months LME.

LME STOCKS	14/6/13	7/6/13	31/5/13	END 2012 STOCK LEVEL	CHANE SINCE END 2012	% CH SINCE END 12
COPPER	618,075	609,875	608,450	320,050	298,025	93.1
ALUMINIUM	5,219,825	5,187,275	5,202,000	5,210,050	9,775	0.19
LEAD	197,350	205,225	219,475	320,325	-122,975	-38.4
ZINC	1,087,500	1,110,150	1,086,825	1,220,750	-133,250	-10.9
NICKEL	183,708	182,274	179,796	139,908	43,800	31.3
TIN	14,390	14,435	13,935	12,825	1,565	12.2

Source: LME N.B. all figures are metric tonnes

IMPORTANT PLEASE READ: Disclosure:

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