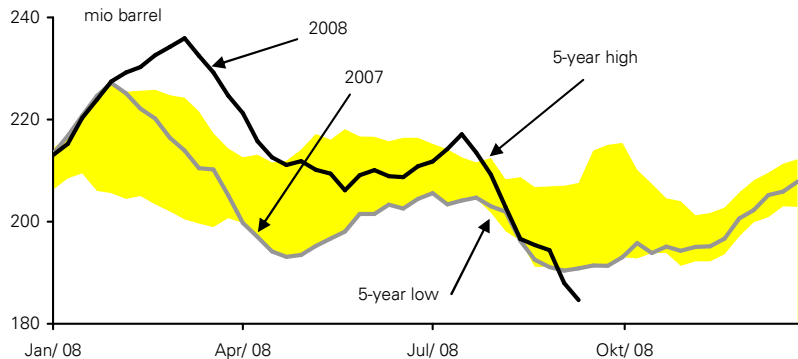



**Economic &  
Commodity Research**

# Commodities Daily

## US rescue package lends support

### Record low US gasoline inventories should support gasoline prices



Sources: Bloomberg, Commerzbank Corporates and Markets

### Prices

| Energy*       | current | 1 day | 1 week | 1 month | 1 year |
|---------------|---------|-------|--------|---------|--------|
| Brent Blend   | 99.6    | 2.4%  | 10.4%  | -10.5%  | 29%    |
| WTI           | 104.6   | 1.9%  | 11.4%  | -7.0%   | 31%    |
| Gasoline RBOB | 811.0   | 5.6%  | -12.4% | -12.7%  | 16%    |
| Gasoil        | 906.5   | 4.7%  | 5.6%   | -7.9%   | 34%    |
| Diesel        | 952.8   | 1.7%  | 7.2%   | -6.5%   | 30%    |
| Jet fuel      | 1038.8  | 1.9%  | 6.4%   | -7.6%   | 38%    |
| Natural gas   | 7.5     | -0.3% | 1.8%   | -4.3%   | 23%    |

### Industrial metals\*\*

|          |       |      |       |        |      |
|----------|-------|------|-------|--------|------|
| Aluminum | 2535  | 0.5% | -0.7% | -8.7%  | 6%   |
| Copper   | 7060  | 1.4% | 3.3%  | -6.5%  | -9%  |
| Lead     | 1900  | 0.3% | 3.0%  | 1.3%   | -43% |
| Nickel   | 16950 | 1.8% | -4.7% | -17.3% | -47% |
| Tin      | 16950 | 2.1% | -8.5% | -17.2% | 13%  |
| Zinc     | 1779  | 1.7% | 2.7%  | -1.1%  | -37% |

### Precious metals\*\*\*

|           |        |      |       |        |      |
|-----------|--------|------|-------|--------|------|
| Gold      | 873.6  | 0.0% | 11.0% | 6.1%   | 19%  |
| Silver    | 12.6   | 2.0% | 15.8% | -3.6%  | -5%  |
| Platinum  | 1136.0 | 5.6% | 1.7%  | -16.4% | -10% |
| Palladium | 236.0  | 4.8% | 4.5%  | -13.9% | -27% |

### Agriculturals\*

|          |        |      |       |        |      |
|----------|--------|------|-------|--------|------|
| Wheat    | 718.0  | 2.2% | 0.9%  | -15.2% | -16% |
| Corn     | 542.3  | 1.8% | -1.8% | -5.9%  | 47%  |
| Soybeans | 1143.5 | 3.1% | 0.0%  | -10.7% | 20%  |
| Sugar    | 11.7   | 2.1% | -2.1% | -15.9% | 21%  |
| Coffee   | 133.1  | 1.7% | -2.7% | -3.5%  | 4.2% |
| Cocoa    | 2690.0 | 1.7% | 4.9%  | -1.9%  | 38%  |

### Currencies\*\*\*

|         |       |       |       |        |       |
|---------|-------|-------|-------|--------|-------|
| EUR/USD | 1.441 | 1.14% | 2.60% | -1.61% | 3.43% |
|---------|-------|-------|-------|--------|-------|

\* 1-month forward, \*\* 3-month forward, \*\*\* spot

### Inventory data

| Energy*     | current | 1 day | 1 week | 1 month | 1 year |
|-------------|---------|-------|--------|---------|--------|
| Crude oil   | 291706  | -     | -2.1%  | -1.6%   | -8%    |
| Gasoline    | 184634  | -     | -1.8%  | -9.0%   | -3%    |
| Distillates | 3800    | -     | -3.1%  | -12.5%  | -7%    |
| Jet fuel    | 129625  | -     | -0.6%  | -1.5%   | -4%    |
| Natural gas | 2972    | -     | 2.3%   | 15.8%   | -5%    |

### Industrial metals\*\*

|                 |         |       |       |        |      |
|-----------------|---------|-------|-------|--------|------|
| Aluminum LME    | 1358900 | 1.2%  | 14.6% | 16.6%  | 47%  |
| Aluminum COMEX  | 10924   | 0.0%  | 0.0%  | 0.0%   | -40% |
| Aluminum Shang. | 194765  | -     | 0.8%  | -0.7%  | 186% |
| Copper LME      | 206700  | -1.5% | 1.2%  | 26.2%  | 56%  |
| Copper COMEX    | 8696    | 0.0%  | 61.3% | 60.8%  | -57% |
| Copper Shanghai | 17072   | -     | 26.0% | -31.2% | -70% |
| Lead LME        | 69700   | 0.8%  | -5.3% | -20.8% | 229% |
| Nickel LME      | 52050   | -0.5% | 1.3%  | 11.1%  | 74%  |
| Tin LME         | 5905    | -0.6% | 6.5%  | 2.1%   | -56% |
| Zinc LME        | 157225  | -0.2% | -1.0% | -3.5%  | 138% |
| Zinc Shanghai   | 71214   | -     | 0.1%  | -0.8%  | -    |

### Precious metals\*\*\*

|           |         |       |       |       |      |
|-----------|---------|-------|-------|-------|------|
| Gold      | 8641934 | 0.0%  | 0.6%  | 4.6%  | 22%  |
| Silver    | 136094  | -0.4% | -1.9% | -1.4% | 2%   |
| Platinum  | 1059    | 0.0%  | 0.0%  | 0.0%  | 34%  |
| Palladium | 4431    | 0.0%  | -0.3% | -0.7% | -31% |

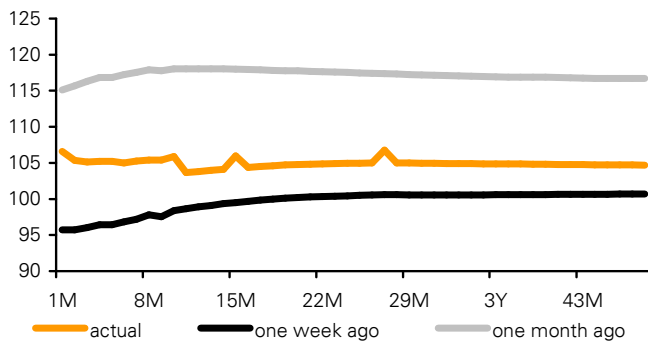
\*'000 barrels (DOE), \*\* metric tons, \*\*\* gold – oz., silver – '000 oz.

**Energy:** WTI crude oil is currently trading at \$106 a barrel, which is 18% up on mid last week. The planned \$700bn rescue package of the US administration to prop up the financial markets, a weaker dollar and exaggerated pessimism on oil prices can be regarded as catalysts for the recent upward move. In the short term, oil prices may continue to climb towards \$110, with other factors also providing support. US crude oil production in the Gulf of Mexico is returning to normal levels only very gradually and stood at 140 thousand barrels a day on Friday, according to the US authorities. This is merely 11% of the normal output of 1.3 million barrels a day. The cumulative production losses totalled 25.36 million barrels of crude on Friday, which is about three times the daily output of US crude oil. This makes a further fall in inventories likely, which are already at a very low level. The situation with oil products is even more dramatic. The US Department of Energy has warned that gasoline stocks are expected to decline substantially this week by between 6.5 and 8.5 million barrels as many refineries are still shut down. The ministry stated that in the past week gasoline stocks already reached their lowest level in over 40 years. This should lead gasoline prices outperforming crude oil prices. The Nigerian rebel organisation MEND called a unilateral ceasefire at the weekend, which could rein in oil prices a little. Numerous attacks on oil production facilities in Nigeria last week led to production losses of nearly 300 thousand barrels a day. Consequently, Shell had to declare force majeure at the weekend for the second time in a few days. The change of sentiment on the oil market is also reflected in speculative market positioning. Net long positions of speculative investors rose by 13 thousand contracts to 19.3 thousand contracts in the week to 16 September, even before oil started out on its latest rally.

**Precious metals:** Gold has made up for its initial losses this morning and is trading water at \$875 a troy ounce. This can be viewed positively considering the substantial gains on equity markets last Friday and the gains of stock markets in Asia. A key factor here could be the significant depreciation of the US dollar since Friday evening due to the huge costs of the planned rescue package for US financial institutions worth up to \$700 bn; it is now trading at a 3-week low against the euro. It also remains to be seen whether the announced rescue package will be approved by US Congress without any major changes. In addition, gold is becoming more attractive again as a hedge against inflation, owing to the sharp rise in oil prices in the last few days. In South Africa, two fatal casualties in gold mines may cause production stoppages. The mining union has already threatened an illegal strike. The recent fall in gold to \$750 has evidently also attracted the interest of short-term oriented investors. In the week ending September 16, speculative net long positions on the COMEX rose by 8.7 thousand to 90.3 thousand contracts, which was the first increase in nine weeks.

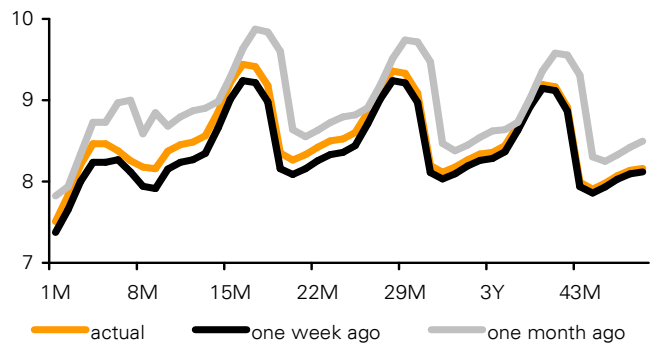
**Base metals:** Base metals traded on the LME are able to gain ground across the board at the beginning of the week. The US administration's planned rescue package is creating some optimism that the financial crisis can be overcome and that demand for industrial metals will pick up as a result. The future direction of equity markets will be crucial here as both are often seen as leading indicators for economic growth. Aluminium is still being kept down by rising LME inventories, which have reached their highest level since March 2004 after climbing by a further 15,650 tons. The Australian research institute ABARE has meanwhile lowered its forecast for Australia's zinc production by 12% and for the Australian nickel output by 8% for the year ending June 2009. ABARE puts this down in part to recent production closures because of low prices. Australia produces 14% of the global zinc mine output and 12% of global nickel mine output. This supports our view that there is scope for both metals to recover.

**GRAPH 1: Forward curve oil market (WTI)**



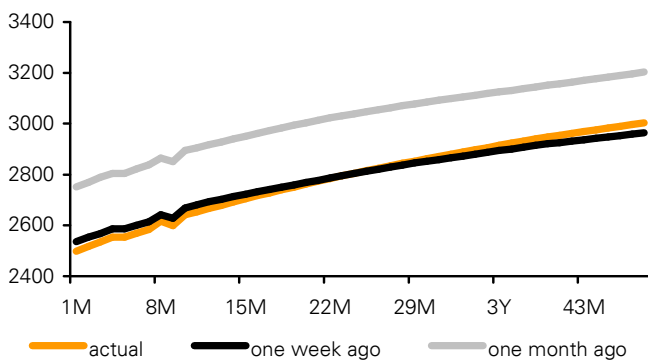
Source: NYMEX; Bloomberg, Commerzbank Corporates & Markets

**GRAPH 2: Forward curve gas market (Henry Hub)**



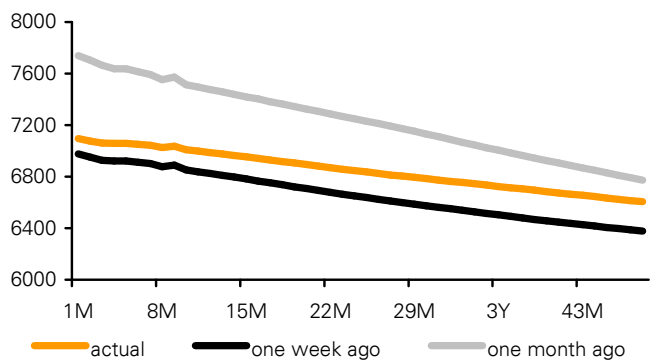
Source: NYMEX, Bloomberg, Commerzbank Corporates & Markets

**GRAPH 3: Forward curve aluminium (LME)**



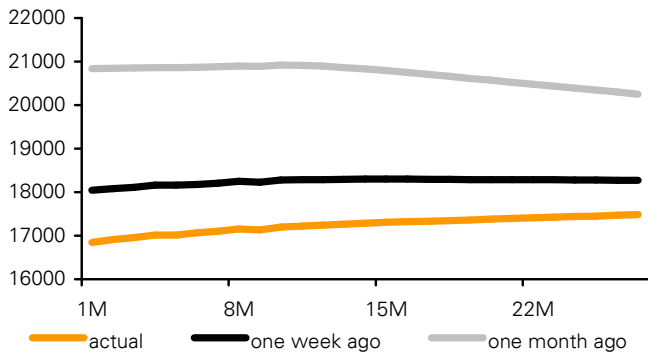
Source: LME; Bloomberg, Commerzbank Corporates & Markets

**GRAPH 4: Forward curve copper (LME)**



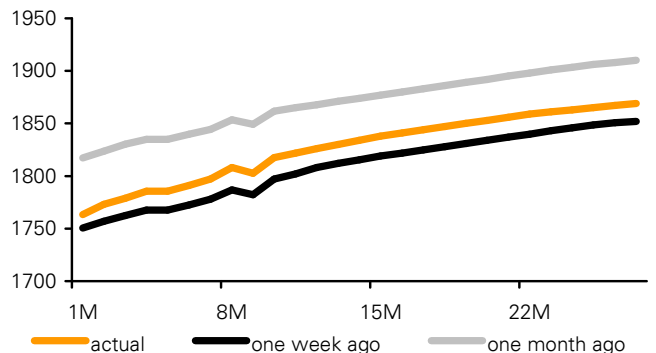
Source: LME; Bloomberg, Commerzbank Corporates & Markets

**GRAPH 5: Forward curve Nickel (LME)**



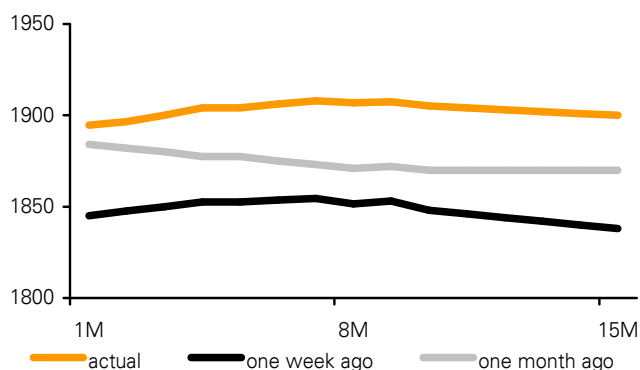
Source: LME; Bloomberg, Commerzbank Corporates & Markets

**GRAPH 6: Forward curve zinc (LME)**



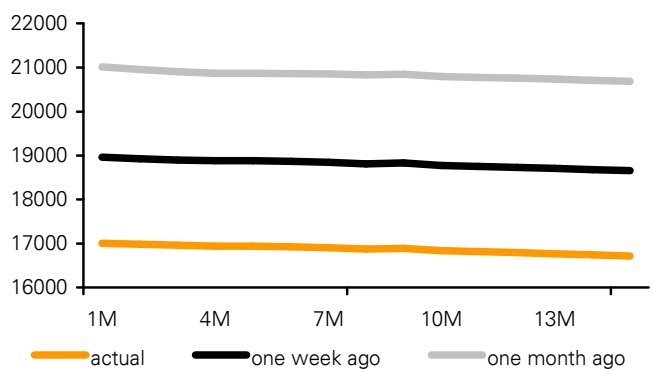
Source: LME; Bloomberg, Commerzbank Corporates & Markets

**GRAPH 7: Forward curve lead (LME)**



Source: LME; Bloomberg, Commerzbank Corporates & Markets

**GRAPH 8: Forward curve tin (LME)**



Source: LME; Bloomberg, Commerzbank Corporates & Markets

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