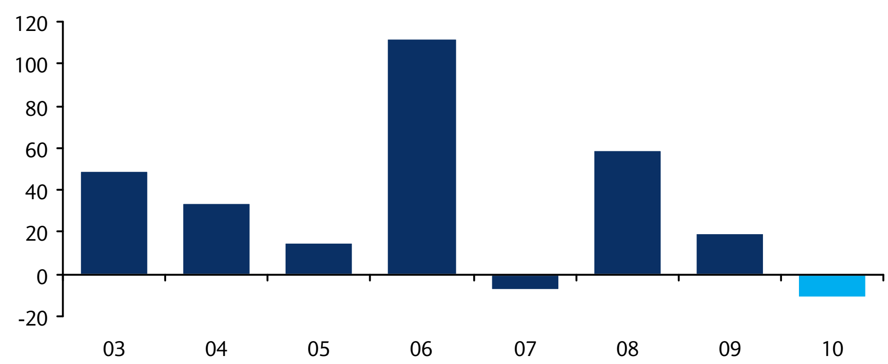
COMMODITY DAILY BRIEFING

Daily Focus

The perception that oil inventories are high and likely to remain above levels associated with a tightening market balance has been a key factor in constraining price ranges and capping price upside so far this year. Yet, inventory dynamics have proved much more constructive than the market at large seems to be thinking, with little fundamental ground now left to underpin that perception. In stark contrast to the larger-than-normal builds seen in H1 10, on land OECD stocks fell counter-seasonally in Q3 10, with the size of the inventory overhang – measured as difference to the 5-year average – falling to 55 mb, half the level where it stood at the end of Q2. On a regional basis, stock levels are roughly normal in Europe (+7 mb), well below normal in Asia Pacific (-34 mb) and well above normal in the US (+82 mb). In our view, this latter number in particular has been critical in keeping the perception of poor inventory dynamics alive, given the market tendency to overweight US inventory trends. Yet, with floating storage now gone and inventories outside the US having rebalanced, the full force of global tightening should finally start filtering into the US data. Inventory statistics over the past few weeks lend support to this view, with the US inventory overhang having dropped by a large 30 mb (or 33%) since the end of September. In our view, these constructive readings are not a temporary phenomenon but mark the final step of that process of inventory normalization that traces back to mid 2009. Since then, some 140 mb of offshore storage has been eliminated while the OECD inventory overhang has fallen by some 130 mb since its March-09 peak. Seen in this context, the current 55 mb above-average position in OECD stocks does not appear particularly daunting and indeed the transition from loose to normal to tight inventories might occur relatively quickly. With demand remaining exceptionally strong, non-OPEC supply growth fading, and no sign of any increase in OPEC output we expect the physical oil market balance to continue to run a deficit in coming months and for inventories to gradually transition from a negative to a positive factor for sentiment and prices.

Q3 total OECD stock change (mb)



Source: IEA, Barclays Capital

Focus

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OECD stocks drew counter-seasonally in Q3 and indications for Q4 so far remain very constructive. The turn in inventory trends should lead to wider price ranges and higher price averages.

Oil – *Amrita Sen*

Oil prices gain momentum as macroeconomic concerns ease, with fundamentals pointing to the continuing of market balance tightening.

Natural Gas – *Biliana Pehlivanova*

Natural gas prices pushed higher throughout the day on the back of forecasts of colder weather.

Base metals – *Gayle Berry & Yingxi Yu*

Chinese October full trade data show a drop in copper, tin and lead imports, while aluminium and nickel imports rise and zinc holds at a robust level.

Precious metals – *Suki Cooper*

Latest CFTC data shows tactical investors have scaled back long positions across the complex taking net fund length in gold to August lows.

Agriculture – *Xin Yi Chen*

China Customs Trade Data indicate lower Chinese agricultural imports in October, likely due to record high international prices and export constraints from key producing countries.

Key commodity price changes

	19 Nov	change
WTI Crude Oil (US$/bbl)	81.5	-0.4%
Copper 3M (US$/t)	8404	-0.2%
Gold (US$/oz)	1353.0	0.0%
Reuters/CRB TR	298.9	-1.2%
S&P GSCI™ TR	4440.7	-0.9%
S&P GSCI™ Energy TR	937.3	-0.6%
S&P GSCI™ Ind. Metals TR	1769.1	-0.9%
S&P GSCI™ Prec. Metals TR	1804.0	0.1%
S&P GSCI™ Agriculture TR	703.7	-3.1%
S&P GSCI™ Livestock TR	2185.3	0.8%

Source: EcoWin, Barclays Capital

MARKET VIEWS AND COMMENTS

Oil

- Chinese oil demand in October comes in at its third highest levels ever, with underlying demand likely to have been higher still due to widespread diesel shortages.
- Shell declares force majeure on its Bonny light crude exports for November and December, as violence and damages to Nigeria's infrastructure continue.
- The latest CFTC data shows a record high level of non-commercial net length in the crude oil market, while swap dealers have a record short position.

Oil prices lost further momentum on Friday, as macroeconomic concerns surrounding European debt and Chinese monetary policy continued to loom large. December WTI expired 34 cents lower at $81.51/bbl, while January Brent shed 71 cents to $84.34/bbl. While the Irish bailout package has supported the energy complex this morning, some familiar impediments, in the form of sovereign debt or deterioration in growth prospects in emerging markets, still remain, and are, in fact, keeping the strong fundamentals largely on the sidelines. However, with the market at its tightest in over two years, with the inventory overhang having eroded swiftly and demand continuing to surprise to the upside, fundamental support should emerge at $80 as the bottom of the trading range. This morning, further evidence of that strength in demand emerged from China, which confirmed the picture traced out by the preliminary figures. Despite a significant fall in crude oil imports, Chinese oil demand remained robust at 8.76 mb/d, buoyed by healthy underlying domestic demand conditions. This constituted a 761 thousand b/d y/y increase, with the year-to-date Chinese oil demand running at 0.83 mb/d higher y/y, still continuing to surprise to the upside. Jet fuel demand soared to a record high of 429 thousand b/d, higher y/y by a solid 17.8%, while residual fuel oil demand was also extremely strong, with a y/y increase of 39%. Gasoline demand came in at their second highest levels ever above 1.7 mb/d, constituting a 7.9% y/y increase. Despite diesel shortages widespread in the country through October, diesel demand reading of 3.215 mb/d constituted the third highest level ever, with the underlying demand likely have been higher still. With shortages in October having being met by a swift increase in diesel production and imports in November, we would expect some further robust readings in the middle of the barrel to emerge over the next few months. Overall, despite worries about the Chinese economy slowing down which have concerned the market right since the start of the year, Chinese oil demand growth has been revised higher to the tune of 0.4 mb/d by the IEA, EIA and Barclays Capital. Consensus expectations are already factoring in a slowdown in y/y growth in Chinese oil demand next year, partly due to a higher base effect filtering through (in contrast to those witnessed in Q1 this year) and partly in line with a policy-driven soft landing expected in the economy to put growth rates on a more sustainable path. Thus, fears of tightening monetary policy resulting in a collapse of oil demand in the country are largely misplaced and if 2010 is anything to go by, the risk to the consensus figures are most definitely to the upside. Meanwhile, geopolitical rumblings continue to gain momentum, with Shell declaring force majeure on exports of Bonny Light crude for November and December last week. Pipeline leaks, due to theft, were highlighted as the main reason. Indeed, over the last few weeks, violence has increased in the country, with targets spreading beyond the usual areas of MEND activity, pointing to a potentially wider base of unrest ahead of the elections. This could further threaten Nigerian oil volumes, adding further support to oil prices. In general, with the market slowly veering towards a more fundamental focus, geopolitical issues are no longer likely to be just on the backburner like they have been for much of 2010 but return to the forefront as 2011 progresses. Elsewhere, the latest CFTC data showed a large increase in net long positions by non-commercials by 27.9 K lots, taking net length to a record high of 172 K lots, while swap dealer positions added further short positions, taking their positioning also to a record high, but on the short side. Non-commercial positioning in the heating oil market fell slightly, but that in the gasoline space increased further by 7.4 K lots.

Natural Gas

- Natural gas prices pushed higher throughout the day on the back of forecasts of colder weather.

Natural gas prices pushed higher throughout the day on the back of forecasts of colder weather. Below-normal temperatures are expected to dominate along the West Coast, as well as the northern parts of the country, this week. Inventories could see the first draw reported for the week ending November 26 as a result, despite the moderating effect of the Thanksgiving holiday on consumption. The prompt month contract rallied 16 cents on the day, settling at $4.16 per MMBtu. The gains extended further out the curve, with calendar 2011 up 10 cents to $4.43 and calendar 2012 breaking the $5 mark to close at $5.03, up 5 cents from yesterday. A drop in the gas-directed rig count added support late in the day, as drilling efforts slowed to 936 rigs in operation, down 19 from the prior week. This is the lowest the gas-directed rig count has been since March this year. While not on a decisive downward trend, drilling is showing signs of moderation. Still, the rig count remains at a level that ensures growth of production, which keeps a lid on the upside potential for prices. Producers would have to cut back drilling sharply from current levels in order for the market to be in balance next year without the help of coal-to-gas displacement in the power generation sector. Cash markets saw widespread losses ahead of the weekend in contrast to the forward curve price action. Henry Hub lost 10 cents to $3.79, Transco Zone-6 NY dropped 23 cents to $4.15, and Socal border lost 6 cents to $3.82.

Base metals

- Codelco China physical premium for 2011 settled 35% higher at $115/t.
- Chinese October full trade data shows a drop in copper, tin and lead imports, while aluminium and nickel imports rise and zinc holds at a robust level.

The metals closed lower on Friday, but following Ireland's agreement to an EU rescue package they are up this morning. On the move up in prices, the nearby copper spread has tightened to a $28/t backwardation (cash to three-month). Collahuasi copper mine in Chile, where workers have been on strike for 18 days, has reportedly shipped 44Kt of copper concentrate, following a smaller shipment sent in mid-November (Reuters). The strike has so far not resulted in force majeure being called, though the worker's union has loudly voiced that production is only 20% of normal levels. The new wage offer made last week was accepted by only 8% of workers and the company has given Tuesday as the deadline for workers to accept the offer. Codelco has settled 2011 term physical copper premiums with Chinese buyers at $115/t, a 35% increase from 2010 levels. The premium will be the highest since 2007 and reflects a copper market that is in deficit and for which the outlook is for further tightening in supply. The higher premium also suggests that the current weakness in Chinese imports will be short-lived with the demand outlook robust.

The full and final data set for Chinese trade for October was a mixed bag for the base metals. Copper imports fell sharply, as did lead and tin, while aluminium imports rose, as did nickel, while zinc imports remained firm. Chinese refined copper imports fell by 30% m/m to 168.3Kt, marking the lowest level this year and the lowest since October 2009. Concentrate imports also fell back to normal levels after September's surge, leaving total copper imports the weakest since October 2009. China's apparent refined copper consumption came in at just 550Kt in October, some 100Kt lower than September levels and the lowest since a year ago. Despite the lower refined imports and production, the domestic market is not showing any signs of tightness as yet. The domestic market continues to trade with a large physical discount, SHFE warehouse inventories have continued to build quickly (increasing by over 11Kt last week) to levels not seen since June, bonded warehouse inventories are reported to have increased, and while the SHFE discount to LME prices has on average narrowed slightly in November, it remains quite wide, suggesting that imports are likely to remain low into year end. Accounting for another robust month of growth in copper semis output (+8% y/y), we estimate that domestic inventories of refined copper again fell in October. This suggests that while warehouse inventories rose, inventories along other parts of the supply chain fell, reflecting the cautiousness among consumers to re-stock. This is unlikely to be sustainable, and we expect refined imports to pick up in early 2011. China remained a net importer of primary aluminium, though volumes fell by over 60% m/m to just 0.5Kt. Imports more than doubled to 15.7Kt, the highest level since May 10; but exports also jumped. With domestic production still in a falling trend, China's apparent consumption of primary aluminium is estimated to have declined by 5% y/y (using NBS for October production), marking the second consecutive month of y/y declines. In our view, the weak apparent consumption number is masking strong real consumption with semis production continuing to rise strongly, up 24% y/y in October, bringing the primary aluminium apparent consumption to semis output ratio down to another record low of 0.57 (from 0.75 in September), also the only time this ratio fell below 0.7 in our data records (dating back to 2000). Other indications are pointing in the same direction - SHFE warehouse inventories have fallen to the lowest since May, and the SHFE contract has been outperforming LME prices since October. Refined nickel imports jumped by 54% m/m and 164% y/y to 14Kt in October. Combined with a 13% y/y rise in domestic production to 17Kt (according to NBS data), apparent consumption was over 60% y/y higher. This jump in October was a sharp reversal to the six consecutive months of y/y declines in China's apparent nickel consumption, partly resulting from a low base in October last year and partly reflecting a normalisation in stainless stocks levels and a subsequent pick up in stainless production. Domestic prices eased on the back of macro uncertainty last week, but have generally outperformed LME over October and into November so far, suggesting that imports could remain robust in the coming months. China surprisingly turned into a net exporter of refined lead in October, for the first time since April 2010. Imports more than halved September levels while exports jumped by 66% m/m, resulting in a net export volume of 1.9Kt. The NBS data showed that refined production eased from September's record high but still marked the second highest on record, coming in at 415Kt, or 20% y/y higher with reports that most lead smelters in Henan have had power supplies restored, refined lead production could rise in coming months. China remained as a net importer of refined zinc, with net imports easing by 24% m/m but remaining at a relatively high 21Kt. Domestic refined production eased from the September record high, but was still the second highest on record and represented an 18% y/y increase. Finally, imports of refined tin shrunk to 778t, the lowest since December 2008, while net imports were the weakest since December 2007. This reflects a domestic Chinese/LME price spread which has collapsed over the past month in part due to increased domestic mine supply and in part due to weaker buying, with the strong run up in prices over the past few months likely putting off buyers.

Precious metals

- Latest CFTC data shows tactical investors have scaled back long positions across the complex, taking net fund length in gold to August lows.
- The latest China trade data showed a more mixed appetite for precious metals.
- ETP holdings hit new highs in platinum and silver.
- Latest Swiss trade data shows a slowdown in PGM imports.

With the exception of gold, prices across the complex continued to extend their gains as the dollar weakened against the euro and equity markets retained their recent gains. After a week where sovereign debt restructuring and concerns over monetary tightening in China have set the tone of trading, gold prices closed mostly flat at $1353/oz while silver was the strongest performer gaining 1.5% over the session to close at $27.32/oz. Short term and longer term investor interest has diverged recently, with the latest CFTC data revealing tactical investors have scaled back long exposure while ETP investors have increased their holdings. Speculative interest fell in Comex gold by 27.7k lots predominantly on the back of long liquidation as profit-taking emerged following a heightening of macro concerns. Net fund length in gold fell to its lowest levels since mid-August, while non-commercial positions in silver fell to their lowest since February. Tactical investors also mostly took profit in silver as well as reducing short positions. PGM exposure was scaled backed from its all-time highs to levels last seen in September on the back of a combination of long liquidation and fresh short positions being established. In contrast, over the same week, ETP holders viewed the drop in prices as a buying opportunity and increased holdings to fresh all-time highs across silver and PGMs. ETP holdings as of Friday, showed investors increased gold holdings by 4 tonnes to 2129 tonnes and increased silver holdings by a healthy 42 tonnes to a fresh record at 15,064 tonnes. This takes inflows for the month to 917 tonnes which is set to be the strongest monthly inflow since the first complete month following the launch of the first silver ETP in April 2006. Platinum holdings also rose by 10koz to a fresh record at 1.12Moz. Meanwhile the latest Swiss trade data shows platinum imports fell by 33% y/y to 94koz while palladium imports fell by 77% y/y to 25koz in October with a continued slowdown in shipments from Russia. Although this supports the notion that Russian palladium supplies have slowed, and could be near depletion, it also supports the view that strategic stocks may be retained and not necessarily made available for sale. The country remains a net exporter of both PGMs for the YTD.

However, the latest China trade data showed a more mixed appetite for precious metals, with palladium imports rising % y/y in October while platinum and silver imports eased y/y. The strength in silver imports has been of note in recent months, as even though China is a significant importer of silver, it is also a large producer of silver and has historically produced more metal that it consumes, thus a more balanced China market has also supported the global picture.

Agriculture

- Latest CFTC data shows tactical investors scaling back positive exposure in most agricultural commodities.
- China Customs trade data indicates lower Chinese agricultural imports in October, likely due to record high international prices and export constraints from key producing countries.

With the broader commodities market continuing to be plagued by euro area debt problems and Chinese measures to rein in inflation, agricultural commodities market came under pressure again last Friday but sustained less severe losses than those witnessed the Friday before. Continuing its recent volatility, ICE sugar was the worst performer, down 7.1%, after regaining some ground last Thursday. CBOT corn, soybeans and wheat also gave back their gains on Thursday, closing 3.9%, 3.3% and 0.1% lower. However, all prices have trended higher this morning, as macroeconomic tensions eased slightly after news on Sunday of EU and IMF agreeing to help bail out Ireland. ICE cotton, however, presents a more worrying picture with prices hitting below 125 US cents/lb this morning, after closing 4.5% lower on Friday. Reflecting a resurgence of macroeconomic tensions, latest CFTC data for the week ending 16 November showed that tactical investors have scaled back their positive exposure to agricultural commodities, along with a wider scaling back in exposure across commodities. Non-commercial net fund length fell across the CBOT grains and oilseeds (primarily attributable to long liquidation). Net fund length fell by 26.6K lots in corn to 409.1Kt lots; by 13.3K lots in CBOT wheat; by 10.3K lots in soybeans and 6K lots in soybean meal. Net fund length in CBOT corn, in particular, was the shortest since end August, which is before the spectacular rise in CBOT corn prices beyond 450 US cents/bushel. ICE soft commodities presented a more mixed picture with net fund length in coffee falling 8.3K lots and in sugar falling 2.9K lots, while the cocoa market rose by 0.4K lots, although still remaining in short territory. ICE cotton was the only bright spot with net fund length rising 1.5K lots but primarily on short covering.

The latest China Customs trade data released today showed that imports of corn, cotton, sugar and soybeans fell m/m in October. However, for most agriculture commodities singled out by the government for price stabilisation measures, imports were extremely strong relative to last year. While 51% m/m lower, China remained a net corn importer for a fifth straight month, with corn imports remaining at elevated level of 252 Kt. Interestingly, corn imports from the US rose from September levels, but forecasts of a reduction in US corn production suggests the potential for such imports to ease, compounded by the fact that the Chinese government has been releasing corn from state reserves in weekly auctions. Despite reports of weaker domestic production, China's net cotton imports eased 52% m/m and 20% y/y in October to 96.1Kt, the first time imports have fallen below 100Kt since March 2009. The lower import level could be attributed to Chinese consumers deterred by record high international cotton prices. Interestingly also, the reduction in imports was largely from countries such as India (26Kt lower compared to overall reduction of 105Kt), which could be reflective of export constraints rather than a lack of import demand. This helps to explain the Chinese government's recent move to boost transportation of cotton from Xinjiang Uygur autonomous region (China's largest cotton producing region). Sugar imports in October at 253Kt have also eased from its record high of 352Kt in September. Although remaining at elevated levels and YTD increase still at 60%, this is the lowest import figure since June 2010. Wheat imports were also significantly lower at 11.3Kt in October, way below the monthly average of 132Kt for the first three quarters of this year, dragging down the YTD increase. Soybean imports recorded its fourth consecutive m/m decline since June record high of 6.2 Mt. At 3.7 Mt, this is the lowest import level since February but YTD imports were still 26% higher y/y. Soyoil imports also eased 29% m/m and 4% y/y but at 198Kt, is still very high compared to the average monthly import of 42.7Kt in 1H 2010. Cocoa was the only commodity with strong imports in October, increasing by a significant 2344% y/y and 83.8% m/m, suggesting that imports would likely be higher in 2010 on a y/y basis but unlikely to be near levels seen in 2008.

WEEKLY CHANGES TO CFTC SPECULATIVE POSITIONS FOR COMMODITY MARKETS

Total Futures (non-commercial)		Net Positions		Long Positions		Short Positions		Total OI	
('000 Lots)	16 Nov 10	09 Nov 10	Change	16 Nov 10	Change	16 Nov 10	Change	16 Nov 10	Change
Energy									
WTI (NYMEX)	172.0	144.1	27.9	330.5	-17.0	158.5	-44.9	1399.8	-86.4
WTI (ICE)	23.1	44.3	-21.2	52.2	-19.5	29.0	1.7	524.9	-6.6
Total WTI	***195.1***	***188.4***	***6.7***	***382.7***	***-36.5***	***187.5***	***-43.2***	***1924.6***	***-93.0***
Heating Oil	43.9	44.7	-0.8	69.5	1.6	25.6	2.4	321.8	-6.4
Gasoline	66.9	59.5	7.4	83.1	6.3	16.2	-1.0	286.0	-6.1
Natural Gas	-167.8	-163.3	-4.5	115.0	4.2	282.7	8.7	781.3	-34.0
Total crude and products	***306.0***	***292.7***	***13.3***	***535.3***	***-28.6***	***229.4***	***-41.9***	***2532.5***	***-105.4***
Base and Precious Metals									
Copper	26.0	30.1	-4.1	50.0	-5.6	24.0	-1.5	152.3	-11.7
Gold	218.5	246.2	-27.7	267.2	-30.8	48.7	-3.1	637.4	-13.3
Silver	28.1	32.6	-4.5	40.2	-5.8	12.1	-1.28	146.7	-9.7
Platinum	22.7	28.1	-5.4	24.7	-4.7	2.1	0.7	35.4	-5.4
Palladium	14.8	16.9	-2.1	17.6	-1.8	2.8	0.3	24.0	-1.8
Grains									
Corn	409.1	435.6	-26.6	559.9	-27.0	150.9	-0.5	1632.2	-42.1
Wheat (CBOT)	-4.8	8.5	-13.3	104.5	-14.4	109.3	-1.1	502.2	-22.5
Wheat (KBOT)	73.6	80.9	-7.2	81.3	-7.4	7.7	-0.2	239.7	-9.4
Wheat (MGEX)	18.5	20.0	-1.4	20.6	-1.8	2.1	-0.4	67.6	-5.7
Total Wheat	***87.4***	***109.3***	***-21.9***	***206.4***	***-23.6***	***119.0***	***-1.6***	***809.5***	***-37.6***
Oilseeds									
Soybeans	194.7	204.9	-10.3	233.6	-12.1	39.0	-1.8	617.5	-11.0
Soybean Meal	38.4	44.4	-6.0	50.4	-8.9	12.1	-2.9	196.9	-1.3
Soybean Oil	62.9	66.6	-3.8	96.3	-5.3	33.5	-1.6	358.5	-16.4
Softs									
Cocoa	-7.9	-8.3	0.4	32.3	1.0	40.2	0.6	134.3	-8.3
Coffee	33.9	42.1	-8.3	40.9	-13.0	7.0	-4.8	133.8	-15.0
Orange Juice	12.2	13.0	-0.8	15.3	-0.6	3.1	0.2	28.7	-0.6
Sugar	147.6	150.5	-2.9	174.5	-1.2	26.9	1.7	581.9	-15.4
Fibres									
Cotton	38.5	37.0	1.5	57.0	-15.7	18.5	-17.3	205.8	-33.2
Livestock									
Feeder Cattle	3.5	1.7	1.8	10.4	1.6	6.9	-0.2	29.2	2.3
Lean Hogs	11.8	11.9	-0.1	44.3	-3.2	32.5	-3.1	193.3	-6.1
Lean Cattle	90.5	85.8	4.7	129.2	-0.8	38.7	-5.5	314.3	7.1

Source CFTC, Barclays Capital

WEEKLY CHANGES TO SWAP DEALERS POSITIONS FOR COMMODITY MARKETS

Total Futures (swap dealers)		Net Positions		Long Positions		Short Positions		Total OI	
('000 Lots)	16 Nov 10	09 Nov 10	Change	16 Nov 10	Change	16 Nov 10	Change	16 Nov 10	Change
Energy									
WTI (Nymex)	-37.7	-1.6	-36.1	219.4	-23.7	257.1	12.4	1399.8	-86.4
WTI (ICE)	9.0	3.0	6.0	71.5	2.1	62.6	-3.9	524.9	-6.6
Total WTI	*-28.7*	*1.5*	*-30.2*	*291.0*	*-21.6*	*319.7*	*8.5*	*1924.6*	*-93.0*
Heating Oil	78.9	78.8	0.0	80.6	0.5	1.7	0.4	321.8	-6.4
Gasoline	29.1	29.7	-0.6	35.1	-0.7	5.9	-0.1	286.0	-6.1
Natural Gas	154.1	152.4	1.7	187.0	0.6	32.9	-1.1	781.3	-34.0
Total crude and products	*79.3*	*110.0*	*-30.7*	*406.6*	*-21.8*	*327.3*	*8.9*	*2532.5*	*-105.4*
Base and Precious Metals									
Copper	37.4	37.0	0.4	50.3	-0.1	12.9	-0.5	152.3	-11.7
Gold	-95.7	-94.7	-1.0	96.0	0.1	191.7	1.0	637.4	-13.3
Silver	3.8	1.9	1.9	22.9	1.1	19.1	-0.7	146.7	-9.7
Palladium	-3.3	-4.8	1.5	1.6	0.2	4.9	-1.3	24.0	-1.8
Platinum	-11.8	-14.6	2.8	5.1	-0.3	16.9	-3.0	35.4	-5.4
Grains									
Corn	279.5	270.3	9.2	330.9	13.1	51.5	3.9	1632.2	-42.1
Wheat (CBOT)	174.3	176.7	-2.4	186.6	-2.5	12.4	-0.1	502.2	-22.5
Wheat (KBOT)	12.0	18.2	-6.2	22.0	-4.7	10.1	1.5	239.7	-9.4
Wheat (MGEX)	2.1	2.3	-0.2	2.1	-0.2	0.0	0.0	67.6	-5.7
Total Wheat	*188.3*	*197.1*	*-8.8*	*210.7*	*-7.5*	*22.4*	*1.4*	*809.5*	*-37.6*
Oilseeds									
Soybeans	149.5	150.3	-0.8	153.5	0.8	4.0	1.6	617.5	-11.0
Soybean Meal	13.0	15.4	-2.4	14.1	-2.8	1.1	-0.4	196.9	-1.3
Soybean Oil	73.9	78.3	-4.4	77.4	-4.3	3.5	0.0	358.5	-16.4
Softs									
Cocoa	12.0	11.7	0.3	16.5	-0.1	4.5	-0.4	134.3	-8.3
Coffee	34.8	35.4	-0.6	41.1	-1.9	6.3	-1.4	133.8	-15.0
Orange Juice	2.2	3.1	-0.9	4.2	0.0	2.0	0.9	28.7	-0.6
Sugar	15.6	21.3	-5.8	103.2	-5.0	87.6	0.8	581.9	-15.4
Fibres									
Cotton	38.8	33.2	5.6	54.1	1.6	15.3	-4.0	205.8	-33.2
Livestock									
Feeder Cattle	5.5	5.1	0.5	5.5	0.3	0.0	-0.2	29.2	2.3
Lean Hogs	73.0	73.9	-0.9	73.6	-0.9	0.6	0.0	193.3	-6.1
Live Cattle	97.6	97.3	0.3	100.9	0.1	3.4	-0.2	314.3	7.1

Source CFTC, Barclays Capital

COMMODITY PRICES

Asia prices: Today's close

Commodity	22 November 10		15 November 10		25 October 10	
	Close	Daily change	Close	Weekly change	Close	Monthly change
Energy (DME/TOCOM)						
DME Oman Crude oil (US$/bbl)	82.91	3.4%	78.65	5.4%	79.12	4.8%
TOCOM Crude oil (yen/kiloliter)	43,510	4.8%	40,660	7.0%	42,360	2.7%
TOCOM Gasoline (yen/kiloliter)	55,690	5.2%	52,580	5.9%	54,920	1.4%
Base metals (SHFE/TOCOM)						
SHFE Aluminium (RMB/t)	16,415	-0.1%	16,585	-1.0%	16,755	-2.0%
SHFE/LME Aluminium spread (US$/t)*	215	37.1%	99	117.5%	143	50.3%
SHFE Copper (RMB/t)	63,560	0.4%	65,130	-2.4%	64,200	-1.0%
SHFE/LME Coppper spread*	1,129	16.1%	1,148	-1.6%	1,121	0.7%
SHFE Zinc (RMB/t)	17,915	0.1%	18,850	-5.0%	20,685	-13.4%
SHFE/LME Zinc spread*	534	11.8%	506	5.6%	542	-1.3%
Precious metals (SHFE/TOCOM)						
TOCOM Gold (yen/g)	3,653	0.1%	3,645	0.2%	3,497	4.5%
TOCOM Silver (yen/10g)	68.8	-5.2%	69.0	-0.3%	61.7	11.5%
TOCOM Platinum (yen/g)	4,503	0.6%	4,496	0.2%	4,412	2.1%
TOCOM Palladium (yen/g)	1,795	-3.7%	1,793	0.1%	1,566	14.6%
SHFE Gold (RMB/g)	292	-0.2%	292	0.0%	289	1.2%
Agriculturals (TGE)						
Corn (yen/1,000kg or 1 metric ton)	22,830	-0.6%	23,320	-2.1%	23,890	-4.4%
Soybeans (yen/1,000kg or 1 metric ton)	45,990	-0.3%	46,800	-1.7%	46,420	-0.9%
Arabica coffee (yen/69kg bag)	28,540	1.2%	27,610	3.4%	26,670	7.0%
Robusta coffee (yen/100kg)	16,000	0.0%	16,000	0.0%	16,010	-0.1%
Raw sugar (yen/1,000kg)	47,510	-1.6%	49,410	-3.8%	47,940	-0.9%

Note: Prices reflect the most liquid contracts, ie, SHFE metals are based on the 3-month contract; all TOCOM and TGE commodities are based on the day session official close of the furthest forward contracts, except oil, which is the 2nd month contract; *SHFE/LME spread is based on yesterday's closing 3-month prices on SHFE and LME. Source: Reuters, EcoWin, Barclays Capital

US and London prices: Last trading session's close

Commodity	19 November 10		12 November 10		22 October 10	
	Close	Daily Change	Close	Weekly Change	Close	Monthly Change
Energy: Nymex/ICE Front Month Prices						
NYMEX WTI	81.5	-0.4%	84.9	-4.0%	81.7	-0.2%
NYMEX Gasoline RBOB (US¢/gln)	219.6	-1.4%	221.0	-0.6%	206.4	6.4%
NYMEX Heating Oil (US¢/gln)	227.4	-0.9%	236.3	-3.8%	225.2	1.0%
NYMEX Natural Gas (US$/mmbtu)	4.2	3.9%	3.8	9.6%	3.3	25.0%
ICE Brent	84.3	-0.8%	86.3	-2.3%	83.0	1.7%
ICE Gasoil (US$/t)	705.5	-1.4%	742.3	-5.0%	700.0	0.8%
ICE Natural Gas (pence/therm)	49.4	0.9%	47.2	4.8%	47.2	4.7%
ICE Carbon Emissions EUA Dec 2010 (€/tn)	15.0	0.1%	14.9	0.4%	15.1	-0.7%
Base Metals: LME 3M Prices (US$/t)						
Aluminium	2260	-2.1%	2404	-6.0%	2365	-4.4%
Copper	8404	-0.2%	8615	-2.4%	8334	0.8%
Lead	2277	-1.6%	2520	-9.6%	2530	-10.0%
Nickel	21850	0.0%	22680	-3.7%	23225	-5.9%
Tin	25000	-0.4%	26150	-4.4%	26400	-5.3%
Zinc	2160	-1.2%	2394	-9.8%	2512	-14.0%
Precious Metals: Spot Prices (US$/oz)						
Gold	1353.0	0.0%	1368.4	-1.1%	1327.2	1.9%
Silver	27.3	1.5%	26.0	5.0%	23.2	17.6%
Platinum	1664.5	0.1%	1679.0	-0.9%	1673.0	-0.5%
Palladium	699.7	0.8%	673.0	4.0%	588.0	19.0%
Agriculturals:CBOT/ICE Front Month Prices						
CBOT Corn (US¢/bushel)	520.8	-3.9%	534.0	-2.5%	560.0	-7.0%
CBOT Soybeans (US¢/bushel)	1201.5	-3.3%	1263.0	-4.9%	1199.5	0.2%
CBOT Wheat (US¢/bushel)	644.5	-0.1%	669.3	-3.7%	670.8	-3.9%
ICE Cocoa (US$/t)	2826.0	-2.4%	2735.0	3.3%	2846.0	-0.7%
ICE Coffee (US¢/lb)	209.9	0.6%	200.5	4.7%	198.9	5.5%
ICE Cotton (US¢/lb)	127.9	-4.5%	140.2	-8.8%	119.7	6.8%
ICE Sugar (US¢/lb)	26.2	-7.1%	26.2	-0.2%	28.2	-7.3%

Source: Ecowin, Barclays Capital

COMMODITY FORWARD CURVES

Figure 1: Oil

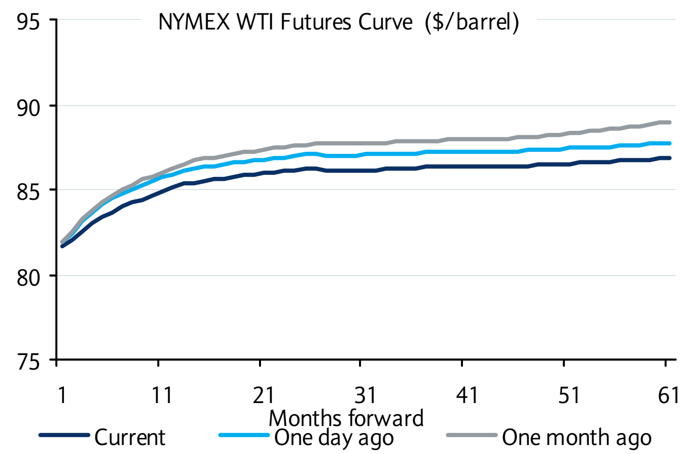


Figure 2: US natural gas

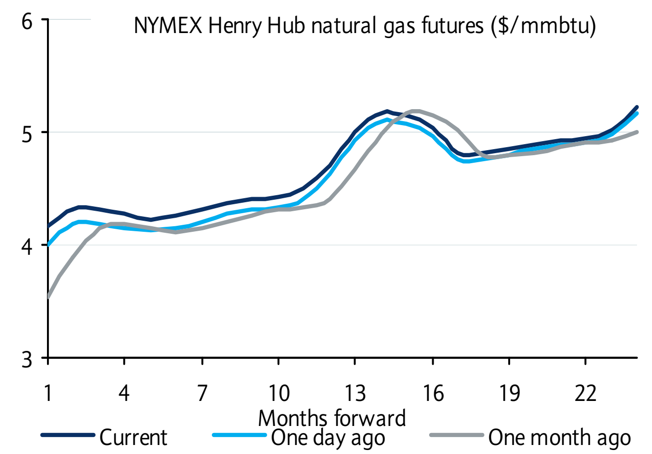


Figure 3: Aluminium

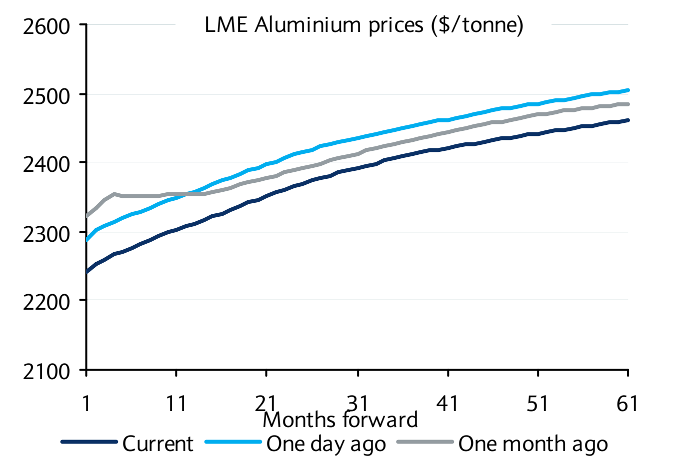


Figure 4: Copper

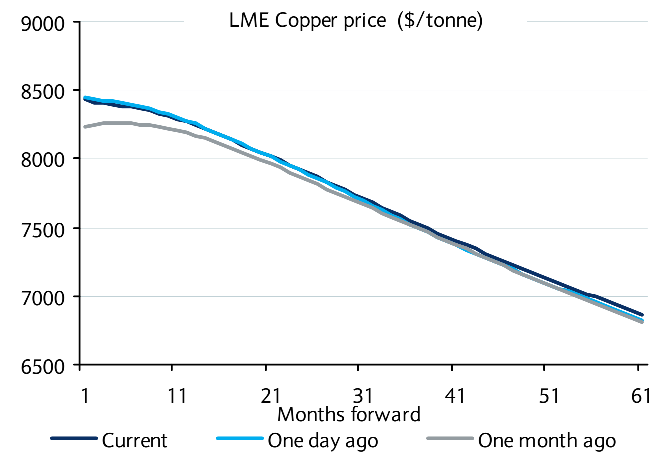


Figure 5: Nickel

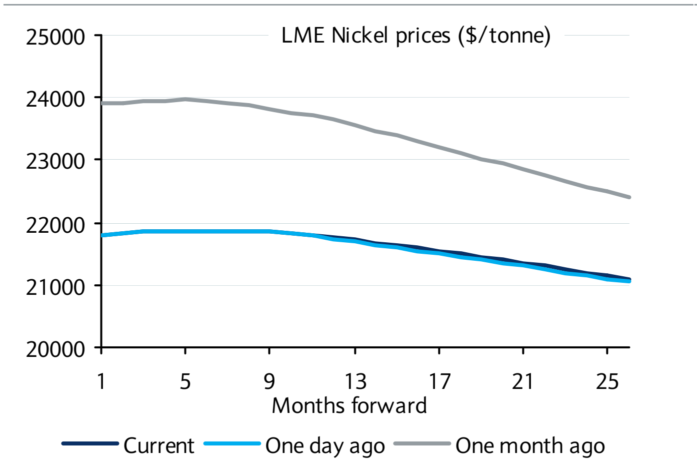
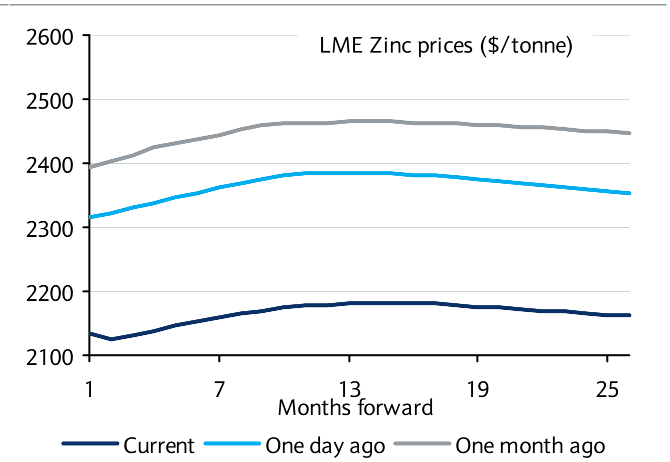


Figure 6: Zinc



Source: Barclays Capital

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