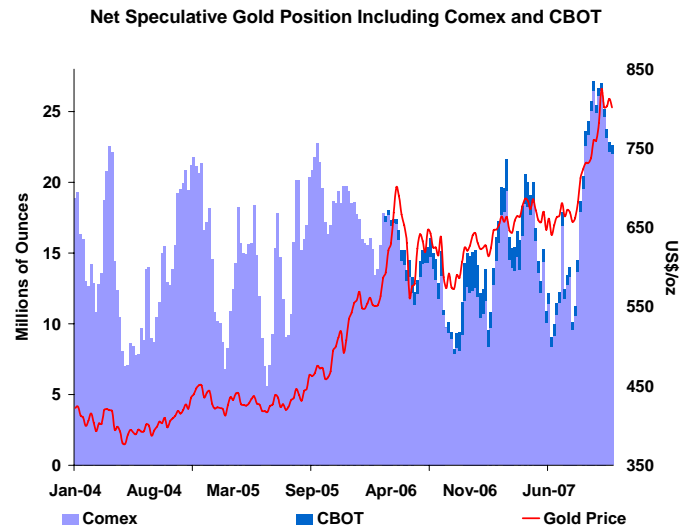


## Too Soon To Buy Gold

The marginal decline in net speculative long positions in gold was frankly disappointing, at least for those looking for an opportunity get long gold again. Net long positions were virtually unchanged at 26.78moz, only two lakhs lower than the previous weeks. Long liquidation did occur, with gross longs falling 2.4moz but this was almost equally offset by 2.2moz of short covering, but whether gross or net longs are considered, US futures market positions in gold are too long to call an end to the recent liquidation. This fall in speculative open interest (ie the sum of long and short positions) was seen across four of the five metals – ie the precious metals and copper – which are reported by the CFTC with only platinum reporting an increase in positions. Net longs fell in all the precious metals with the most meaningful decline seen in silver where net longs fell by 13.5moz. The 13.6koz decline in net longs in platinum was small and disguised the initiation of both new longs and new shorts. Net longs fell a small 32koz in palladium although 132koz of longs were liquidated against 100koz of short covering. This detail is shown in the table below.



- **Gold still stuck at \$800/oz**

Gold slipped lower in US trading but the fall was limited and interest muted following a very-much in line non-farm payroll's release just after the Comex open which saw gold open at \$800/oz and then fall a quick \$3/oz into and after the data release. That was it for the downside, though and a rally soon unfolded towards \$805, seemingly squeezing some intraday shorts in very thin conditions. Resting offers prevented a look higher, and gold quickly fell back towards \$800 and then drifted lower, again on very little volume, posting the lows around the fixing time, as has been the case lately, before moving back in to the mid \$790s and lingering there into the close. Gold remained around the US closing levels in Monday's Asian trade and is still around these levels in early European hours. Gold is currently \$800/oz; silver \$14.40/oz; while platinum is \$1462; and palladium \$346/oz.

It is hard to see markets moving much ahead of the FOMC decision on Tuesday evening but beyond that gold remains well within its recent \$772-836/oz range that gold has occupied over the past few weeks although the metal remains above our short-term forecast of \$750/oz. Jewellery demand remains scarce and speculative longs remain large, although off their recent highs. Some liquidation of positions may result into the end of the calendar year and this may weigh further on gold. We continue to look for an opportunity to get tactically long gold again but need to see spec positioning reduced and jewellery demand return.

- **Base metals look to FOMC and data for direction**

The base complex closed broadly higher on short-covering ahead of the weekend after US non-farm payrolls came out in line with expectations and in spite of a rally in the dollar. Led by bellwether copper, which rallied \$150/t (2.5%), and nickel, which charged ahead by 5%, the complex closed the week in somewhat better trim than feared only a couple of sessions ago. Some follow-through upside this week will certainly help to break the recent bearish bias. Short term, we look for a \$6,700-7,000/t range in copper. Aluminium rallied nicely on Friday but has yet to retake the \$2,490/t recent lows; we're wary of being long until that's confirmed. Nickel, which has had a terrible fall, finished the week firmer, perhaps indicating a medium-term bottom; its immediate goal is to clear \$27,500/t and \$28,600/t. Zinc was up on the day and above the short-term pivot of \$2,400/t, but overall seems to have settled into a range of \$2,200-2,700/t. Tin edged up in its \$16,000-17,000/t range. Lead, had a terrible week, but it's still well below the \$2,775/t medium-term bottom breached on Thursday. A modest bounce may be indicated, but it's not yet time to build longs. As expected, Western Australia's Environmental Protection Agency has given its approval for Ivernia to export lead although a final decision will be made by the state environment minister in around two weeks.

The complex remains rangebound but we expect prices to drift lower given softer global growth prospects into 2008; choppy and erratic price moves are likely though as illiquidity and the ongoing credit crunch go head-to-head with year-end window dressing by the funds. In addition, another reserve ratio hike in China over the weekend is reason to be cautious as the government tightens credit in the face of rising inflationary pressures.

Payrolls rose 94k in November, in line with post-ADP consensus estimates of 100k, but the prior two months were revised down by a cumulative 48k, while the unemployment rate held steady at 4.7%. The highlight of the week ahead in the US will be the Tuesday FOMC rate decision and our economists and the consensus forecast a 25bp rate cut to 4.25%. The markets had been pricing in a good chance of a 50bp cut earlier last week, but those expectations have been completely scaled back in the aftermath of the benign jobs data last week. Note however that there is some speculation that the Fed may have been behind Bush's plan announced last week for an interest rate freeze on those borrowers whose mortgages could fail, in which case odds for a 50bp rate cut should be higher. The rest of the week sees Nov retail sales, CPI, PPI and industrial production data.

Ahead today, the pending home sales index for October is due at 1500 GMT. Consensus is for a 1% fall in October versus a 0.2% rise in September. Other data have also raised the possibility of some stability, albeit not very decisively. The housing market index has been close to flat since September. The homebuying conditions index rose in October, fell in November, and then rose again in December.

### ▪ **Real palladium imbalance is within the market -- traders**

The real supply-demand balance of palladium is being obscured by the apparent total palladium surplus, according to traders contacted by Platts Friday. Johnson Matthey recently calculated a surplus of 1.72 million oz of palladium in 2007 -- defined as more sales of primary metal from mines than can be matched by identifiable demand. This amount is normally taken up by investment, JM said at the time of its report, in mid-November. However, commenting on the commonly held view that the total palladium market is in a state of significant oversupply, a trader stressed to Platts that not all of the supply was "readily available to the market" in the form required for current demand. This is demonstrated by a continuing premium, previously reported by Platts, of some \$2/oz for palladium sponge over the price of palladium ingot, he said. Sponge is used by industrial consumers. By contrast, lease rates reported daily by Platts still show very loose lease rates for palladium: 0.00% to lend for one, three and six months, while borrowing is 1.00% for one, three and six months, indicating lack of market for either lending or buying the material.

The lease rates are for ingot material, explained a second trader, who confirmed this persisting premium for sponge material, commenting, "I would say \$2, maybe a bit more; it depends who you talk to." However, said the first trader, it would require a premium of \$4-5/oz to prompt conversion of ingots to sponge -- an indication that investment demand is still a strong factor in the market. Confirming the weight of investment demand in the market, the second trader told Platts mines generally supplied palladium in sponge form, but "the majority of banks want ingot to trade. Sponge is not a tradable commodity." Accordingly, banks will convert the sponge to plate form, a tendency which the second trader said "goes in cycles." He attributed the current tightness in palladium sponge to a hangover from an earlier cycle which had gone on for longer than normal. By contrast, he noted, platinum sponge was currently trading at a discount of about \$2/oz to ingot (Platts).

We have noticed with interest the apparent mis-match between ingot and sponge in palladium and wondered what was behind it. According to our specialist PGM salesperson this is likely due to ongoing South African platinum mine disappointments as almost all the production by these companies is in the form of sponge -- rather than any shortage of palladium. Russian stock sales are all in the form of ingot and this remains the over-balancing factor in the palladium market. Industrial demand for palladium remains strong, as Johnson Matthey report with each review, but Russian (ingot) de-stocking is the factor that is overhanging the market, now and for at least the next few years according to JM.

### ▪ **France Unveils Strategy To Slash Global Warming Emissions**

France's environment ministry Wednesday unveiled a system of green taxes on gas-guzzling cars and bonuses for cleaner vehicles, as part of a nationwide strategy to slash global warming emissions. From Jan. 1, any driver who buys a new car emitting more than 160 grams of carbon dioxide per kilometre will be charged a penalty of up to 2,600 euros. Penalties will start at EUR200, rising to EUR750 for emissions above 166 grams, and EUR1,600 above 200 grams. The top tax bracket is set to concern 1% of all cars, those spewing out more than 250 grams of carbon dioxide, the ministry said. Buyers of more environmentally-friendly cars will receive a bonus of up to EUR1,000, based on the car's greenhouse gas emissions, with an extra cash award for scrapping a polluting old vehicle at the same time. Bonuses will apply to all cars emitting less than 130 grams of CO<sub>2</sub>/km, starting at EUR200, rising to EUR700 for emissions below 120 grams and to EUR1,000 for the cleanest vehicles, those producing less than 100 grams. For the cleanest of all - those emitting less than 60 grams of carbon dioxide, currently mainly electric cars - the state will pay out a special super-bonus of EUR5,000. Penalties are expected to apply to around a quarter of all new car sales, while around 30% of buyers would qualify for a bonus based on current new car sales. Designed to steer drivers towards cleaner transport, the scheme will pay for itself, the ministry said, with the levy on polluters used to pay out bonuses for the rest. Emissions limits will be toughened every two years, by five grams each time, to encourage manufacturers to keep developing cleaner cars. Plans for taxes on polluting vehicles were approved by President Nicolas Sarkozy following a four-month forum on the environment that brought together the government, industry and the green lobby. Sarkozy came out in favour of a national "carbon tax" on global-warming pollutants and a European levy on imports from countries outside the Kyoto Protocol. He also endorsed a raft of measures to slash greenhouse-gas emissions, cut pollution and foster biodiversity, ranging from a freeze on the building of new highways and airports, to a commitment to try to slash pesticide use by half (Dow Jones / AFP).

These efforts will help boost French car sales next year according to our equity colleagues, although it will tend to reduce the average size of vehicles sold. It will encourage diesel sales too -- but the French need little encouragement in this regard as they have one of the highest proportions of diesel-powered vehicle sales. But on balance this will probably be slightly positive for next year's platinum demand.

### ▪ **China's wealthiest investors set for gold spree**

China's wealthiest investors are on the brink of ploughing as much as \$68 billion into gold markets as they take profits from roaring share prices and steer clear of property, a top fund manager and bullion bull says. Wang Weilie, a pale, bespectacled 40-something who manages over 1 billion yuan (\$135 million) on the Shanghai Gold Exchange on behalf of himself and clients, says the so-called "Zhejiang clique" are ready to pounce after Beijing opens up spot market bullion trading and a futures contract launches early next year. After amassing an estimated 3 trillion yuan (\$400 billion) from investing in red-hot real estate and stock markets which have risen five-fold in the past two years, the wealthy group from eastern China is looking for the next sure bet. Wang says that's gold, and expects the amount of Chinese capital invested in the bullion market to soar 100-fold to some 500 billion yuan (\$67.5 billion) in the next two years -- a sum that could catapult China ahead of India as the world's top buyer. "We all agreed that upside room on stocks was limited, as was upside on property prices. But the gold price has only increased minimally, even after 20 years of China's reform and market opening," Wang told Reuters during a lunch with three business partners in Lujiazui, Shanghai's financial hub. Coupled with inflation and global economic uncertainty, the redirection of Chinese capital towards domestic gold contracts will help spot prices

more than double, says Wang, who says he once cornered two-thirds of the Chinese gold forward contract. "Spot gold prices will hit \$2,000 in coming years," he said. Spot gold touched a 28-year high of \$845.40 per ounce in early November, nearly doubling over three years amid a flood of investment in the commodities complex -- much of it driven by China's growing demand for raw materials to fuel its economy. Wang expects more than 15 percent of the capital currently invested in China's stock market to move to gold trading. China's total market capitalization peaked at about 35 trillion yuan in October, exceeding the country's gross domestic product. The main stock index tumbled nearly 20 percent last month while Beijing has continued tightening controls over the property sector to limit price gains (Reuters).

We have not come across Mr Wang before and have no idea whether there is any factual basis for his claims. But it does highlight one possible outcomes for gold: once the Chinese gold investment market is fully liberalised we would not be surprised if at some point Chinese investment demand becomes the most important factor in the gold market - not necessarily permanently, but perhaps sporadically in a similar way to the Tocom gold frenzy seen on a number of occasions over the past decade. When (and indeed whether) this will materialise is impossible to predict, but the China stock market boom of the past couple of years shows the possible impact of the Chinese turning to gold investment.

#### ▪ **Russia's Polymetal says wins promising gold field**

Russian miner Polymetal has won the right for geological exploration of a deposit in the Ural Mountains, which may potentially hold 60 tonnes (1.93 million ounces) of gold, Polymetal said on Monday. The quantifiable potential of the Volchansky prospect is 20 tonnes of gold, half of which falls under the Russian C2 (probable reserves) category and the other half under Russian P1 category (measured resources), Polymetal said in a statement. Russian P3 category (inferred resources) amounted to 60 tonnes of gold, Polymetal said. The high potential of the prospect was also characterised by the existence of large placers, from which 18 tonnes of alluvial gold were produced historically, it said. The licence will expire on Dec. 31, 2012. It may be converted into an exploration and mining licence if Polymetal finds it feasible to mine the deposit. Polymetal paid a fee of \$485 for the licence and will pay an additional \$340 a year until it expires. Polymetal, Russia's third-largest gold miner, produced 256,000 ounces of gold in 2006 (Reuters).

#### ▪ **Oxus Gold doubles production forecast**

Britain's Oxus Gold Plc's Uzbek venture has doubled its forecast for gold output to 300,000 ounces by 2010 after the Uzbek government approved its plan to upgrade mining facilities, the company said. The venture, Amantaytau Gold Fields (AGF), has been run as an equal venture by Oxus and the Uzbek government since 2003. Oxus has so far invested more than \$36 million in the factory in the Kyzylkum desert. The company, as it moves to Phase 2 of the project, said it had decided to modify the existing factory instead of building a new plant to process sulphide ore from an underground mine. AGF currently extracts gold from an open pit mine, under Phase 1. The revised project foresees increasing capital spending to \$139 million from an originally planned \$88 million. Starting from mid-2009, gold production is expected to rise to 246,000 ounces a year from the initially planned 151,000 ounces. "From mid 2010, combined gold production from the Phase 2 underground mine and the ongoing Phase 1 heap leach open pit mines is expected to exceed 300,000 ounces a year," the statement said. AGF's production fell sharply in the year between June 2006 and June 2007 to 59,373 ounces from 146,937 ounces in the previous period, after a local court hit the venture with back-tax claims for around \$224 million in October. In February, Uzbek authorities dropped the charges after Oxus agreed to sell a 16 percent stake to Zeromax, a privately held Swiss-registered company actively operating in Uzbekistan.

#### ▪ **Copper net speculative short declines in week to 4 Nov – CFTC**

In the week to 4 Nov gross longs were liquidated by 32.4kt and gross shorts were cut by 54.6kt to leave the net speculative short standing at a reduced 150.16kt – a fall of 22.2kt on the week. A slowing in the rate of increase in LME stocks coupled with large falls in SHFE stocks together with expectations of a Fed rate cut account for a short covering rally in copper prices. However, the upside looks limited above \$7,000/t with rallies attracting eager sellers; the downside remains favoured with another examination of the recent lows likely. A falling trend to LME stocks will be the minimum requirement in order to avert another probe lower but the credit crunch has limited the availability of funding for "cash and carry trades" and owners of metal are lending to raise cash. Finally, as we mentioned on Friday, options vols are declining as investors cut long positions ahead of the end of the year – booking profits and reducing risk.

#### ▪ **Australian state sees safe export of Magellan lead**

An Australian state environmental body said on Monday that Ivernia Inc's plan to export lead through Fremantle port was unlikely to cause any safety issues, though a final decision is at least two weeks away. In advice to the Western Australia state government, the state's Environmental Protection Agency (EPA) said it was unlikely the EPA's objectives would be compromised under plans to ship the hazardous material in sealed containers from the mine site. Ivernia has been seeking an alternative port to export lead from the Magellan mine in the Australian outback after another port in the state, Esperance, blocked further shipments due to health concerns, forcing the mine to close. The closure has pinched world supplies and underpinned big gains in prices for lead, needed in battery manufacturing. EPA Chairman Paul Vogel said the management of lead emissions at the mine site, along the transport route through the outback and at the Port of Fremantle, were the main issues looked at by the EPA. "An accredited independent inspector will ensure that there is no fugitive lead dust on the outside surfaces of both the bulk bags and the shipping containers prior to leaving the mine site," Vogel said in an EPA statement. A final decision on whether Fremantle port will allow the lead shipments will be made by the state environment minister, David Templeman. A decision could not be made until a two-week appeal period is concluded, and even then the minister is under no time constraints to decide, a spokeswoman for the minister told Reuters. Three-month London Metal Exchange-traded lead sells for nearly \$2,700 a tonne. At the start of the year it cost less than \$1,700 a tonne. Ivernia said recently it would take up to four months to clear 19,000 tonnes of lead piled up at Magellan, if it wins government approval to resume regular shipments. Some 9,000 tonnes of lead marooned at Esperance port over contamination fears could be cleared for removal as early as March or April, the state's Department of Environment and Conservation (DEC) said last week. That lead, also coming from the Magellan mine, has been stored in a shed at the port while the DEC conducted an investigation sparked by a rash of bird deaths

in the area. Under a proposal that could unlock the lead, the DEC could revoke a ban on shipments in March or April, according to a Legislative Assembly Education and Health Standing Committee report reviewing the findings (Reuters).

#### ▪ **VTB invests \$260mn in Armenia copper-moly venture**

Russian state-controlled bank VTB will invest \$260 million in the exploration of Armenia's second-largest copper molybdenum deposit, Tekhut, which is expected to start mining ore in 2011. VTB's Chief Executive Officer Andrei Kostin told reporters in Armenia the bank will receive a 50 percent stake in the project, which it later plans to sell. "In the future we will sell the stake to a strategic investor. For us this is not a core business and our investment is temporary," Kostin said. The deposit is estimated to contain 1.6 million tonnes of copper and nearly 100,000 tonnes of molybdenum, which may last for 40 years. Armenian Copper Programme company, controlled by Lichtenstein-registered Vallex F.M. Establishment, will hold another 50 percent in the venture. The deposit development programme envisages building an open-pit mine to produce 7 million tonnes of ore a year, and an ore-dressing plant to produce 30,000 tonnes of contained copper and 800 tonnes of molybdenum in concentrate (Reuters).

#### ▪ **Shipping capacity to remain full for next two years**

Dry-freight capacity should remain full for at least the next two years, until new ships scheduled to hit the seas exceed demand for cargo freight, said Paragon Shipping Inc's chief executive. And, continued strong demand for commodities will keep shipping rates high for some time to come, Michael Bodourogrou, Paragon chairman and CEO, told Reuters in an interview. "For the next two years the supply of ships on order is more than covered by demand. We are in a situation where there is almost 100 percent utilization of the fleet and this is why rates are so strong," the CEO said, adding that Paragon's ship bookings secured its revenues for the next 22 months. But risks jeopardize timely delivery of ordered ships. "By 2010, we may have supply of new ships that will outstrip demand. We may. But there are many undetermined factors that can influence this outcome," the executive said. For example, many ships have been ordered from shipyards not yet built that may never get built, or built with a delay. Or, shipbuilding can take longer than expected; builders may miss the delivery schedule or fall short on quality specifications. "Another factor that may influence ship deliveries is the credit crunch we have seen showing its teeth. About 70 percent of the existing order book for new ships has not secured financing. If credit becomes tighter, at least a portion of these new ships may not be delivered," the CEO said. Whether ships get delivered or not, Bodourogrou said he thinks demand for commodities will stay tight for a long time. Curtailed ship deliveries may slow the rate of infrastructure building, but will not hamper raw materials use. "The effort to connect freight rates with commodity prices has been attempted for many years. In my professional career I have seen that it doesn't work this way. Freight rates are driven purely by supply and demand of the commodities."

He sees the huge appetite for commodities continuing for years to come because of booming economic growth in India, China, Asia and elsewhere. "We are in a very tight supply/demand situation that creates a lot of volatility. In my business I have learned not to look at the spikes and troughs, but to look at the mean. And the mean is going to be at a high rate for at least the next two years," Bodourogrou said. Athens-based Paragon's customers ship mostly iron ore, grains, coal, and fertilizers, with 65 percent going to Asia and much of the raw material coming from Brazil and Australia. In August, Paragon launched its stock on the NASDAQ to expand its 10 ship fleet to an eleventh, arriving this week. The CEO said some of Paragon's customers want to renew their charters long before the contracts expire. "This is quite unusual. I think it reflects their expectation that the market is going to be strong," he said. Tight supply/demand has also created backlogs mostly in Brazil and China's ports, which the executive said exists to some extent in most areas of the world. Some of the congestion occurs from further backlogs moving commodities inland. "It's not uncommon in China, but it's prevalent everywhere to various degrees. We are seeing unprecedented volumes. And the infrastructure in most countries are not enough to cope with them in an efficient way," the CEO said. The trillion-dollar a year shipping industry, which carries 90 percent of the world's traded goods by volume, was recently targeted for emitting close to two percent of the world's climate warming carbon dioxide. While Paragon has a strict environmental policy, including never discharging into seas, Bodourogrou said he thinks governments need to monitor emissions, and industry efforts to improve its record include talk of changes in fuel composition, and more efficient engines, equipment, and hull designs (Reuters).

#### ▪ **Blackstone plans bid for Rio with Chinese**

Investment group Blackstone is planning a counterbid for Rio Tinto Ltd/Plc with a consortium believed to include a Chinese sovereign wealth fund, Britain's Daily Telegraph newspaper reported on Monday. Blackstone, which as owner would seek to break up Rio Tinto's assets, is believed to have appointed lawyers for the approach, and is in talks with bankers, the paper said in an unsourced article on its Website. The report is the latest in a series to name parties interested in gazumping BHP Billiton Ltd/Plc's \$140 billion three-for-one share offer for Rio Tinto. Rio has rejected the bid. Last week Baosteel, China's biggest steel group, doused speculation it was planning to spoil BHP takeover proposal for Rio Tinto with an offer of its own, saying it lacks the financial muscle. The Telegraph said Blackstone believes Rio Tinto's key iron ore operations alone are worth at least \$110 billion. Blackstone was ready to break Rio Tinto up completely, which would include undoing the company's merger with aluminium producer Alcan as well as selling off its iron ore business, according to the report. Blackstone already has strong links with the Chinese after China Investment Corp, the \$200 billion sovereign wealth fund, paid \$3 billion for a 10 percent stake ahead of Blackstone's flotation. Rio Tinto shares were up 1 percent at A\$146.99, while BHP was up 0.4 percent at A\$43.69. Rio accounts for 3.2 percent of the Australia's benchmark S&P/ASX 200 share index, and Chinese ownership of such a company could ignite a political firestorm for Australia's new prime minister, Kevin Rudd. Australia has been happy to allow smaller mining companies to fall into foreign hands, but has also been protective, blocking a takeover of oil company Woodside Petroleum Ltd by Anglo-Dutch energy group Shell in 2000, citing national interest (Reuters).

#### ▪ **Emal studies 700,000t Al smelter in Algeria**

Emirates Aluminum (Emal) plans to develop a primary aluminium smelter with capacity of 700,000 tpy in Algeria in partnership with Algerian state energy group Sonatrach. Capacity could later be expanded to 1.4 million tonnes, Emal said. The proposed smelter would be located in north-western Algeria on a 988 sq acre site in the new industrial and port zone of Beni-Saf. Emal is a 50-50 joint

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venture between Dubai Aluminum Co Ltd (Dubal) and Mubadala Development Co, the wholly-owned investment vehicle of the government of Abu Dhabi. The proposed smelter will have two potlines and employ Dubal's internally developed DX reduction technology, being only the third smelter to do so. The smelter will have a dedicated 2,000MW gas-fired power plant linked to a water desalination plant.

Yet another proposed aluminium smelter. There are numerous projects on the drawing board but not all will get financing and be developed; first-mover advantage will clearly benefit those projects that have the funding in-place and a firm go-ahead as robust market prospects call for 2-3 greenfield smelters to be built each year to meet incremental demand growth.

## Base Metals Data

Prices (\$/t)	07-Dec-07					Changes (\$/t)			Changes (%)			2007	
	Close	Open	High	Low	C-3's	1d	3m	1y	1d	3m	1y	High	Low
<b>Copper</b>	6,910	6,770	6,954	6,715	54c	180	-264	-80	2.7	-4	-1	8,335	5,250
<b>Aluminium</b>	2,482	2,456	2,494	2,450	53.5c	33	35	-335	1.3	1	-12	2,932	2,375
<b>Nickel</b>	27,400	26,000	27,450	25,950	365c	1,395	400	-6,300	5.4	1	-19	51,800	25,050
<b>Zinc</b>	2,435	2,420	2,435	2,355	13c	40	-340	-1,855	1.7	-12	-43	4,250	2,135
<b>Lead</b>	2,671	2,670	2,710	2,605	3c	-24	-204	963	-0.9	-7	56	3,890	1,505
<b>Tin</b>	16,750	16,600	16,800	16,400	205c	145	2,150	12,460	0.9	15	290	17,550	9,850

LME Stocks (t)	10-Dec-07					On Warrant	Cancelled Warrant			Move in	2006/07		
	Open	In	Out	Ending	tonnes		1d chg	1y chg	tonnes		tonnes	1d chg	% of total
<b>Copper</b>	188,750	475	750	188,475	-275	19,875	184,775	3,700	-450	2.0	175	216,050	89,600
<b>Aluminium</b>	934,050	1,400	3,075	932,375	-1,675	257,675	896,550	35,825	-1,850	3.8	175	941,825	643,700
<b>Nickel</b>	44,778	696	462	45,012	234	39,018	43,878	1,134	-30	2.5	264	45,012	2,982
<b>Zinc</b>	77,725	0	275	77,450	-275	-9,200	71,925	5,525	425	7.1	-700	393,550	58,100
<b>Lead</b>	44,150	0	950	43,200	-950	3,975	38,650	4,550	-950	10.5	0	117,900	20,850
<b>Tin</b>	13,390	0	0	13,390	0	-430	11,950	1,440	35	10.8	-35	17,100	7,995
<b>Aluminium Alloy</b>	49,900	0	60	49,840	-60	-46,640	44,300	5,540	-60	11.1	0	99,760	32,640
<b>NASAAC</b>	110,860	80	560	110,380	-480	-22,640	105,480	4,900	-460	4.4	-20	150,200	110,380

Implied Volatility	1m	3m	6m	1y	3y	5y
<b>Copper</b>	34.50	34.50	34.50	33.00	30.75	28.50
<b>Aluminium</b>	20.00	20.00	20.00	19.50	17.75	16.75
<b>Nickel</b>	44.25	43.75	44.00	43.00	n/a	n/a
<b>Zinc</b>	34.00	33.75	33.75	32.75	n/a	n/a

Note: Clients can now access real time implied volatilities using VolCast on FXWeb

## Precious Metals Data

				Gold			Silver			Platinum			Palladium		
Comex	High (bid)	Low (off)	Close (m)	805.00	794.25	791.50	14.40	14.31	14.335	1459	1457	1459	344	345	345.5
Asia	High (bid)	Low (off)	Close (m)	799.10	794.70		14.36	14.36		1463	1459		344	347	
Europe Opening				798.50 / 799			14.40 / 43			1460 / 64			345 / 348		
Overnight EFPs: ( Feb, Mar, Jan, Mar)				5.35 / 55			15.25 / 16.25			-1 / +2			2 / 5		
Spec Short / Long (Futures & Options)				4.15m / 26.78m			114.1m / 371.4m			213.8k / 618.3k			228.6k / 1066.6k		
COTR 4 <sup>th</sup> December 2007				Ratio 1: 6.5			Ratio 1: 3.3			Ratio 1: 2.9			Ratio 1: 4.7		
Net Spec & Net Non Rep (all metals)				<b>Net Long 22.6m</b>			<b>Net Long 257.3m</b>			<b>Net Long 404.6k</b>			<b>Net Long 838k</b>		
Change on Previous week (+ = longer)				-0.21m			-13.5m			-13.6k			-32.2k		
Comex / Nymex OI / Change in OI				48.1m			702.5m			702.8k			1469k		
Comex / Nymex Stocks / Change				7366k			133.9m			48.35k			622k		
Support and Resistance				777 / 807			14.20 / 14.55			1455 / 1488			348 / 365		

Implied Volatility	1m	3m	6m	1y	2yr	3yr
<b>Gold</b>	21	21	21	21	21	21
<b>Silver</b>	30.5	32.15	31.5	32.2	32.35	32.5
<b>Platinum</b>	22.35	23.1	23.25	23.7		
<b>Palladium</b>	24	26.9	27.75	29.45		

Forwards	1m	3m	6m	1y
<b>Gold</b>	4.74	4.75	4.50	4.10
<b>Silver</b>	5.06	5.03	4.69	4.27
<b>Platinum</b>	1.65	1.10	0.65	0.06
<b>Palladium</b>	4.89	4.93	4.81	4.43

US Equity Markets	Dow Jones	13625.58 / +0.04%	S&P 500	1504.66 / -0.18%	NASDAQ	2706.16 / -0.11%
Gold Equities / US Treasuries	XAU	174.39 / -0.11%	JGLDX	2371.33 / -2.45%	10 yr	4.08
Commodities	CRB	342.92	MCU3	6845	CLc1	88.18

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