

Metals Report

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As of Jul 2	High	Low	Close	Csh/3	3s/15	LME Stocks (ch)	Sup	Resis	RSI	Vol (000)	O/I (000)	10 MAV	40 MAV	100 MAV	
CU	5140	4974	5035	-16	+21	268,275 (+4050)	4750	5388	NA	112	243	NA	NA	NA	
AL	1670	1620	1640	-30	+115	4400725 (+3400)	1575	1680	NA	214	770	NA	NA	NA	
PB	1745	1699	1700	-22	+8	92,500 (+250)	1600	1720	NA	23	80	NA	NA	NA	
ZN	1585	1555	1572	-27	+75	352,600 (-525)	1500	1640	NA	66	224	NA	NA	NA	
NI	16495	16080	16450	-76	+84	109,584 (UNCH)	15900	17700	NA	28	88	NA	NA	NA	
SN	14400	14350	14300	+70	-1070	17,235(+5)	13500	16200	NA	20	34	NA	NA	NA	
NAA	1435	1420	1440	-33	+126	204,140 (-220)	NA	NA	NA	1.3	19	NA	NA	NA	
Shanghai Nearby Last (Yuan)				CU : 39,860 (-330)			AL: 13,490 (+25)			ZN: 13,380 (-20)			LME/Shan Cu		
Shanghai Stocks as of July 2				CU: 59,980 (+3,892)			AL: 169,627 (+1,973)			ZN: 108,068 (+19582)			Arb: -226*		
	CU		AL		PB		ZN		NI		SN				
2009 Hi/Low	5388/3025		1701/1279		1833/957		1720/1070		16100/9250		15925/9700				
2008 Hi/Low	8940/2825		3380/1430		3480/851		2900/1051		35150/8850		25500/9700				

Explanations for our table: High/low/close are official LME prices for the day prior; cash/3's and the 3's/15 spreads is the spread between the respective periods, with a positive number reflecting a backwardation and a negative numbers reflecting a contango. Stocks (in MT) show inventories on hand for the current day, along with changes from the day prior. Volume and open interest data are for the day prior, while the MAV refers to the 10, 40, and 100-day moving averages. Shanghai prices are as of close of trading from the day prior; Shanghai stocks are in MT for the week indicated; please contact this writer for any further questions. *Arb differential number is derived as follows: LME 3-m copper in Yuan, including 17% VAT, minus SHFE third month; (+ would mean LME is over).

This market comment was written at 7:40 a.m. on July 3rd US east coast time...

Metals finished lower yesterday on the back of grim US nonfarm payroll numbers after it was reported that economy shed 467,000 jobs in June, 100,000 more than expected. This reversed the modest declines we were seeing of late, as layoff notices flooded across the manufacturing, construction, and service-sector industries; education and health care were the only sectors to add jobs. In the meantime, the unemployment rate pushed higher to 9.5%.

The surprising increase in the jobs figure hit the US equity and energy markets particularly hard. Metals, although finishing lower, escaped relatively lightly, with losses being rather limited. However, we suspect that the tone will likely remain weak in today's session and into early next week, as the payroll setback should ripple through the markets for at least a few more days. In the least, the employment data should resurrect fears of a "W"-shaped recession, where a deceptive period of a recovery is snuffed out by yet another downturn.

We are seeing modest declines in energy and a mixed tone in metals as of this writing, with the dollar steady and trading just below 1.39 on the Euro. Equities fell in Europe and Asia, extending the MSCI World Index's longest weekly losing streak since March. US are markets are closed today.

In other macro news, Europe's service industry dipped in the most recent month, with a gauge of activity in the 16-nation Euro region falling to 44.7 from a seven-month high of 44.8 in May. Unemployment in the Euro region increased to 9.5% in May from a revised 9.3% in April, the European Union statistics office said yesterday.

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