



Jackson House, 18 Savile Row, London W1S 3PW

Tel: (020) 7758 4777 Fax: (020) 7287 5292

e-mail: trade@bfl.co.uk web: www.bfl.co.uk

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DOLLAR STEADY AFTER G20

World shares firmed slightly after a four-day retreat on Monday with investors still cautious about global economic recovery and shrugging off the rather neutral conclusion to a weekend G20 leaders' summit.

The Group of 20 leaders meeting in Toronto agreed on Sunday to take different paths for cutting budget deficits and making their banking systems safer.

Most countries had contrasting priorities, reflecting the uneven economic recovery across the globe.

Worries have risen in recent weeks that the recovery is slowing, underlined on Friday by U.S. growth data that was less robust than expected.

This has led to fears that countries such as Germany and Britain are trying to cut their deficits too soon.

"There are some legitimate doubts. Government finances in most of the mature economies are really in trouble, so we have to do something about that. But it will probably pressure growth," said Luc Van Hecke, chief economist at KBC Securities.

The main index had four days of losses last week following a 10-session rally. It is down 7 percent for the year-to-date, reflecting the first half's volatility over economic recovery and the euro zone's sovereign debt crisis.

DOLLAR CALM

The dollar edged up after faltering in Asia on concerns about the U.S. economic recovery and the euro remained under pressure by euro zone debt concerns.

The market showed little reaction to the Group of 20 summit.

"It's mostly a compromise and nothing hugely material," said Lee Hardman, currency economist at Bank of Tokyo-Mitsubishi UFJ.

"The focus this week is on the recovery weakening, which is taking some upward momentum out of the dollar, most evident against the yen, as the euro remains hampered by its own issues."

Euro zone government debt yields were slightly higher.

CRUDE PRICE REMAINS FIRM, EYEING STORM

Oil eased below \$79 a barrel on Monday, turning lower after prices touched their highest in almost eight weeks as tropical storm Alex disrupted Mexican exports and prompted some U.S. producers to evacuate platforms.

U.S. crude for August was down 40 cents at \$78.46. It earlier rose as high as \$79.38, the highest intra-day price since May 6. August Brent crude was down 42 cents at \$77.70.

"It's profit-taking after the near two-month high and the failure to reach the \$80 level," said Carsten Fritsch, an analyst at Commerzbank.

"The market is oversupplied. Other factors are supporting prices at the moment, in particular the tropical storm. But given the high level of stockpiles, any supply disruptions could be met easily as long as they are short-lived," he added.

Over the weekend Alex became the first named storm of the 2010 Atlantic hurricane season, which runs from June through November and which forecasters expect to be active and possibly match the record-breaking 2005 season.

European equities edged higher and the U.S. dollar was little changed against a basket of other currencies as investors assessed the implications of a G20 meeting. Gold rose to near its record high.

World leaders agreed on Sunday to take different paths for cutting budget deficits and making their banking systems safer, a reflection of the uneven and fragile economic recovery in many countries.

SOME U.S. GULF OUTPUT SHUT

Mexico closed two of its main Gulf of Mexico oil exporting terminals on Sunday as Alex moved over the Yucatan peninsula, the government said.

The U.S. National Oceanic and Atmospheric Administration forecasts 14 to 23 named storms for this year's season, with eight to 14 developing into hurricanes. Three to seven of those could be major Category 3 or above hurricanes.

Traders and investors also are seeking evidence that the world's largest economy continues to recover. U.S. May personal spending data is due at 1230 GMT on Monday and June unemployment statistics are to be published on Friday.

GOLD FIRM AS U.S. GROWTH PROSPECTS DIMINISH

Spot gold rose \$3.35 to \$1,256.75 an ounce by 0115 GMT after a steady performance last week during which bullion struck a record high above \$1,264.

U.S. gold futures for August delivery rose \$1.78 to \$1,258.00 an ounce.

Gold saw support from fears about the durability and pace of the global economic recovery, unallayed after the weekend's G20 summit in Canada, a modestly weaker dollar and comments from the head of the CIA that Iran may have enough fissile material to make two atomic weapons, and could build the first in two years.

Platinum rose 1.3 percent to \$1,587.25.

U.S. lawmakers hammered out a historic overhaul of financial regulations, handing President Barack Obama a major domestic policy victory.

Dozens of House Democrats had threatened to vote against a ban on swaps trading on grounds the trade would move overseas.

Instead a compromise solution allows banks to stay involved in foreign-exchange and interest-rate swaps dealing, which form the bulk of the \$615 trillion over-the-counter derivatives market. They also could participate in gold and silver swaps and derivatives designed to hedge banks' own risk.

But they would need to spin off dealing operations that handle agricultural, energy and metal swaps, equity swaps and uncleared credit default swaps.

MARKETS NEWS

The Nasdaq and S&P 500 rose modestly on Friday on relief that the financial regulation bill wouldn't crimp Wall Street profits as badly as feared and as tech company Oracle's strong results revived hopes about business spending.

First-quarter economic growth in the U.S. was slower than previously estimated in the first quarter, as estimate of business and consumer spending were cut, government data showed

But U.S. consumer sentiment rose in June to its highest since January 2008 while reports of job losses were down sharply from a year earlier, a survey showed on Friday.

The dollar was subdued on Monday, with investors seeking to cut long positions built in favour of the greenback, while the euro held gains as the focus shifted to the sustainability of an U.S. recovery from the euro zone's woes.

SOY FIRMS BEFORE USDA REPORT

U.S. soybean futures rose on Monday ahead of a government report due at 2000 GMT expected to show plantings in the United States slowed by wet weather.

The weekly United States Department of Agriculture (USDA) report is likely to show soybean plantings slipped last week although acreage is still expected to be a record.

Recent rain in the U.S. Midwest, while slowing the end to soybean seeding, is viewed as being largely beneficial to crops already in the ground.

U.S. corn plantings are also at a record, with recent rains seen boosting yields adding to downward pressure from the supply-side, although prices remain supported after China's top corn consumer predicted more imports from the United States this year.

"There's a lot of focus on the weather in the U.S. growing regions, with corn and soybean crops developing well and there's still a fairly favourable outlook," said Toby Hassall, an analyst at CWA Global Markets.

"There was some heavier than optimal rain in the central U.S. although, overall, the weather has been quite good and we're still looking at record large crops," said Hassall.

Soybeans for July delivery rose 0.16 percent to \$9.58-½ per bushel at 0445 GMT, holding above the key \$9.55 resistance level although remaining in a downward trend due to an abundant supply outlook.

Charts indicate that soybean futures may have ended a consolidation phase at \$9.55 and could be heading for a rally. A break above \$9.61 will confirm that consolidation is over and soybean could then quickly rally towards \$9.72, a high touched on last Monday.

Corn for July delivery eased 0.44 percent to \$3.39, looking to retrace to a low of \$3.35 hit on June 8 while wheat for July delivery eased 0.49 percent to \$4.54 per bushel, a key chart support level.

Incessant rain in the Midwest grain belt last week delayed some seeding of the soybean crop, while some corn fields suffered from too much water.

But overall, crops are still judged to be in good condition.

The USDA will release a more detailed seedings survey on Wednesday at 1230 GMT.

An average of analyst estimates have pegged this year's corn plantings at 89.229 million acres, up nearly a half million acres from the March 31 USDA planting intentions report, and nearly 3 million acres more than the 2009 plantings.

Average analyst estimate for soybean plantings this year was a record 78.183 million, above last year's record 77.5 million and up nearly 100,000 acres from the March forecast.

Hassall said supply side fundamentals were.22tn wt(,)-5.808(p)-0.957618(i)-9.70221(t)0.87434913 0 Td16(i)0.874347(n)