



**HD** (CM) Resources, Commodities and Currencies; gold slips again

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Sydney - Thursday - November 20: (RWE Aust **Business** News)

COMEX METALS... spot gold is presently \$1,185.60 oz.

**TD**

The Dec futures contract fell \$3.20 to \$1,193.90 oz

Feb contract lost \$3.20 to \$1,194.60 oz, Dec silver rose 12c to \$16.294 oz.

Jan platinum fell \$5.30 to \$1199.30 oz but Dec copper regained \$4.30 to 304.50c lb in NY.

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Gold open interest rises to 22-Month high as short bets climb; holdings in gold contracts reached the highest in almost 22 months as investors added to bets that prices will drop.

Futures fell before the Federal Reserve releases minutes of its last meeting.

The aggregate number of futures contracts yet to be closed, liquidated or delivered rose to 459,657 yesterday, the highest since Jan.

22, 2013.

Money managers have boosted their short wagers to the highest in four weeks.

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ANZ COMMODITIES...

(Nov19): Bulks remain weak with iron ore finishing at \$71.80, down 4.4%.

The decline in new home prices further supports concerns of a cooling property sector in **China**.

In an oversupplied market, signs of slowing construction activity reflect weaker demand for iron ore, a key raw material in steel making.

**China** rebar near month (Dec 14) fell 0.5% but falls for 2015 contracts were much larger.

Base metals were lower, with copper suffering the largest losses at 1.1%.

The fall in **Chinese** house prices in October support an overall economic slowdown in key emerging markets.

Japan slipping into recession is also weighing on base metal prices and sentiment with little upside potential in the short-term.

Aluminium fell 0.7% and nickel 0.9%.

Precious metals were marginally higher, with gold gaining 0.8%.

The bullion recovered on news that Russia had further boosted its gold reserves following a plunge in oil prices and sanctions pushing the ruble to record lows.

Silver gained 0.1%, palladium 0.8% and platinum rose 0.3%.

Crude oil prices declined, with Brent trading at \$78.64 and WTI at \$74.64 as investors remain sceptical of OPEC to collectively agree on output cuts in next week's meeting.

Large cuts are unlikely as it is seen to bolster the growth of US shale oil.

US shale continues to reach record production on the back of improved productivity of existing rigs.

Agriculture markets finished lower, with soybeans falling 1.2% amid signs of ample supply as a record harvest advances to near completion in the US.

Wheat fell 0.9%.

In **dairy** overnight, Fonterra's GlobalDairyTrade auction results saw **milk** powder prices fall 5-6%, with weakness evident across all contract periods.

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OIL... Dec contract fell \$0.03 to \$74.58 barrel, with a high of \$75.40 and a low of \$73.88 bsrrel. The Jan contract lost \$0.14 to \$74.50 barrel with a high of \$75.42 and low of \$73.93 barrel.

Brent Dec ICE **sold** \$0.20 lower at \$78.27 barrel with a high of \$79.45 and low of \$78.05 barrel.

Tapis price fell \$0.96 to \$80.35 barrel in Singapore/Malaysia.

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Russian grip on gas supply looms over Europe's winter: Europeans who want to get tough with Russia over the standoff in Ukraine must face a chilling fact: They need Russian natural gas to stay warm in the winter.

About a third of Europe's gas comes from Russia and memories of shutoffs in 2006 and 2009 are a haunting reminder of the grip it holds on the region's energy supply.

Ukraine is central to the problem, as the country's Soviet-era pipeline network carries about half of Russia's gas exports to Europe.

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Soybean futures fell to a two-week low as farmers increased sales from a bumper crop in the U.S., the world's top producer.

Wheat slumped the most in five weeks, and corn dropped.

The soybean harvest was 94 percent complete as of Nov.

16, compared with an average of 96 percent in the previous five years, U.S.

Department of Agriculture data showed this week.

Output will rise 18 percent to a record 3.958 **billion** bushels, the agency estimated last week.

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The AUSTRALIAN DOLLAR is changing hands at US86.12 compared with US87.20 previously.

Offshore the Aussie posted a high of US87.22 and a low of US86.113.

Against the yen it is at 101.56 (pre 101.90) and euro 68.67 (pre 69.57) and British pence 54.95(pre 55.70)

US DOLLAR...is changing hands at 117.96 (pre 116.85).

On the euro it is \$US1.2540(pre 1.2535) Against sterling it is \$US1.5674 (pre 1.5634 and against the Swiss franc 1.0438 (pre 1.0435)..

**IN** i22472 : Precious Metals | i22 : Primary Metals | i224 : Non-ferrous Metals | ibasicm : Basic Materials/Resources

**NS** c21 : Output/Production | mnonfr : Non-ferrous Metals | m1421 : Gold Markets | ccat : Corporate/Industrial News | m14 : Commodity Markets | m142 : Metals Markets | mcat : Commodity/Financial Market News | mpcsm : Precious Metals Markets | ncat : Content Types | nfact : Factiva Filters | nfce : C&E Exclusion Filter

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