From: Daniel Sabba [redacted]
Sent: Wednesday, March 4, 2015 10:16 PM
To: jeffrey E.
Cc: Richard Kahn; Vahe Stepanian; Ariane Dwyer
Subject: FW: EOD Commodities Note - 4 Mar

Jeffrey – see be=ow for trading commentary. Another day of lower vol.

Prateek Jain
Sent: Wednesday, March 04, 2015 5:12 PM
Subject: EOD Commodities Note - 4 Mar

Oil

Wild ride in WTI today around the inventory data. To=al crude inventories built a whopping 10.3m, with 5.4m build in P3 of whic= 3.5m can be attributed to increase in imports. P2 builts (+3.3) were =ore surprising given the net reduction in imports. However, Cushing built only 500k! Given how closely everyone i= watching Cushing inventories in expectation of reaching tank tops there, =rb and wti prompt spreads rallied quickly after the initial selloff in fla=price, eventually causing a flatprice reversal and a $2 rally from the lows. WTI spreads roofed today, and even =hough Apr15 closed about 1usd higher, Dec15 ended 37c weaker for the day. =n product world, Gasoline inventories showed a small build against expecte= draw, and distillates drew 1.7m.

Oil Vols

&=bsp; &nb=p; =nbsp; WTI (/change) &=bsp; &nb=p; BRE (/change)

J15 &nbs=; =nbsp; 45.30% -5.10% =nbsp; 47=45% -1.90%

M15 &nbs=; =nbsp; 44.40% -1.80% =nbsp; &nb=p; 43.10% -0.20%

Z15 &=bsp; &nbs=; 32.75% -0.15% = 31.75%&=bsp; +0.35%

Z16 &nbs=; &=bsp; 24.75% -0.10% =nbsp; 24=65% +0.40%

Base Metals

3m lvls &nb=p; =nbsp; dod change&nbs=; support = resistance

Al $1800 &n=sp; = +$12 = &n=sp; $1750 = $1800

Cu $5837 &n=sp; = +$15 = $=800 = $6000

Zn $2032 &n=sp; = +$1 =nbsp; &nb=p; $2030 =nbsp; $2150

Ni $13,930 =nbsp; &nb=p; +$2 &nbs=; $13,500 = $=4,000

Pb $1774 &n=sp; = +$26 = $=750 = $1855

The base complex started the day weak on a downturn =n EUR/USD but picked up around 12:30. Jobs data in the US and the gr=wth targets coming out of China's National People's Congress t=morrow will be key to that direction of prices in coming days. The Chinese growth target is expected to be around 7% f=r 2015. Marex spectron's copper sentiment index recovered to -=4.7 from -95.7 in late Jan, but remains bearish. Chinese copper demand is =aning causing stocks to rise significantly in recent days. Nickel rose ~$200 at 11:15 with options expiry. Chinese =emand is set to rise as a government order closes some nickel pig iron fac=ories on environmental concerns. The bearish view on nickel revolves=around weakening steel prices and if they translate through to stainless steel, which uses nickel as a key ingredient. A=uminum prices rose above $1800 intraday but came back down for the close.&=bsp; Norsk Hydro sees the Aluminum market in deficit for the next 4 years =s demand from the auto industry continues to rise, but believes that high stocks are currently limiting prices and a= these run down prices will rise.

Shanghai Aluminum on warrant stocks are up 2.79% to =5 kMT. LME Aluminum on warrant stocks are flat at 1747 kMT Shanghai =opper on warrant stocks are up 2.82% to 61.8 kMT. LME Copper stocks are do=n 0.33% to 267 kMT. LME Nickel stocks are down 2.71% to 314 kMT.

Copper Vols are down 0.5% in the front , Ali Vols ar= unch, Nickel Vols are up 1% in the back, Lead Vols are unch Zinc Vo=s unch

Upcoming Data

3/3- Wards US Total Vehicle Sales- Surv 16.7m, Ac=ual 16.16m, Prior 16.56m

3/3- Wards US Domestic Vehicle Sales- Surv 13.4m,=Actual 12.87m, Prior 13.31m

4/3- HSBC China Composite PMI-Actual 50, Prior 51=7

4/3-RBI Reverse Repo Rate Actual 6.5%, Prior 6.75=

4/3-Markit Eurozone Composite PMI- Surv 57.5, Act=al 56.7, Prior 57.2

4/3- EC retail sales MoM- Surb 0.2%, Actual 1.1%,=Prior 0.3%, Revised 0.4%

4/3-Markit US Composite PMI- Actual 57.2, Prior 5=.8

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Regards,

Prateek

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