CWA Global Markets
Commodities › Equities › FX

Broker Report
Thursday, 11 March 2010

Summary of overnight US trading session

Symbol	Market	Settlement	24hr change	24hr change %	Open*	Low*	High*
INDU Index	DOW JONES INDUS. AVG	10567.33	2.95	0.03%	10560.13	10526.52	10601.79
SPX Index	S&P 500 INDEX	1145.61	5.16	0.45%	1140.22	1140.09	1148.26
NDX Index	NASDAQ 100 STOCK INDX	1917.35	15.97	0.84%	1901.24	1901.11	1920.66
VIX Index	CBOE SPX VOLATILITY INDX	18.52	0.6	3.35%	18	17.43	18.6
GCJ0 Comdty	GOLD 100 OZ FUTR Apr10	1108.1	-14.2	-1.27%	1121.5	1103.1	1128.3
SIK0 Comdty	SILVER FUTURE May10	17.018	-0.32	-1.85%	17.28	16.94	17.665
CLJ0 Comdty	WTI CRUDE FUTURE Apr10	82.09	0.6	0.74%	81.38	80.81	83.03
NGJ0 Comdty	NATURAL GAS FUTR Apr10	4.559	0.043	0.95%	4.51	4.45	4.595
HOJ0 Comdty	HEATING OIL FUTR Apr10	211.62	2.64	1.26%	209.1	207.86	213.47
W K0 Comdty	WHEAT FUTURE(CBT) May10	481.5	-8	-1.63%	483.5	479.25	491
C K0 Comdty	CORN FUTURE May10	365.5	-3.5	-0.95%	365	362.5	370.5
S K0 Comdty	SOYBEAN FUTURE May10	958	10.5	1.11%	945	942	964
KCK0 Comdty	COFFEE 'C' FUTURE May10	132.75	0	0.00%	132.5	131.4	133.75
JOK0 Comdty	FCOJ-A FUTURE May10	146.95	-0.2	-0.14%	147	145.35	147.15
CCK0 Comdty	COCOA FUTURE May10	2844	42	1.50%	2797	2754	2860
SBK0 Comdty	SUGAR #11 (WORLD) May10	19.69	-0.63	-3.10%	20.2	18.82	20.38
CTK0 Comdty	COTTON NO.2 FUTR May10	80.21	-0.12	-0.15%	80.5	79.42	81.27
LCJ0 Comdty	LIVE CATTLE FUTR Apr10	93.875	-0.525	-0.56%	94.4	93.8	94.6
DXY Index	DOLLAR INDEX SPOT	80.425	-0.167	-0.21%	80.601	80.313	80.859

* For the gold, silver, crude oil, natural gas and heating oil markets, the open/high/low price reflects those values scored over the 24 hours prior to the settlement of the New York day session. The open/high/low prices for the equity indices and the agricultural commodity markets reflect the values scored during the day sessions at the respective exchanges.

US Stock Markets continued their march higher which saw the NASDAQ 100 hit a fresh 19-month high. Tech stocks again outperformed the broader market as did the financials which (as a group) rose for a ninth consecutive session. Both Citigroup and AIG again led the gains in financial stocks on the back of successful capital raisings. On the macro data calendar, US wholesale inventories registered a further decline in January which, along with stronger than expected Chinese export figures, raised hopes of an accelerating economic recovery.

The VIX rose 0.65 to settle at 18.57.

Gold prices fell on improving risk appetite after European Commission President Romano Prodi said that the worst of Greece's financial crisis is over. Evidence of the reversal of the risk trade was the magnitude of decline in the euro-denominated price of gold, which registered a fall of close to 2 percent. The April contract lost $14.20 to settle at $1108.10 an ounce.

Silver prices followed the gold market lower however weakness in industrial metals also weighed on silver. The May contract added 32 cents to settle at $17.018 an ounce.

Crude Oil prices ended higher, supported by gains in equities and slight weakness in the USD. Early in the session the crude price jumped in response to the DOE's weekly status report which showed a large and unexpected drop in product stockpiles. Shortly after rallying to fresh 8-week highs the market fell back, perhaps a nod to some less supportive details within the DOE report including a sharp drop in refinery runs. The April contract closed the session $0.60 lower at $82.09 a barrel.

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Natural Gas prices finally caught a bid, bouncing from oversold levels after declines of around 8 percent over the past two weeks. An upbeat macro tone and a weaker USD seemed to overshadow soft underlying S&D fundamentals. The April contract closed the session 4.3 cents up at $4.559.

Heating Oil prices ended firmer alongside crude. The April contract added 2.64 cents to settle at $2.1162 a gallon.

Wheat prices slumped to a 5-month low as the USDA's monthly WASDE provided a reminder of the global abundance of wheat. The USDA raised its estimate of the 2009-10 US carryout by 20 million bushels. In other news Egypt again snubbed overpriced US wheat, instead filling a 120k MT tender for late May shipment with French and Russian supplies. The May contract settled 8 cents lower at $4.815 per bushel.

Corn prices were pressured by a bearish monthly WASDE. The USDA cut its forecast of US export demand and reduced its estimate of the 2009 US crop less than many had expected. The bottom line was an upward revision to the 2009-10 US carryout. World corn production for 2009-10 was raised. Sharp declines in the neighboring wheat market added to the pressure on corn. The May contract closed the session 3.5 cents down at $3.655 a bushel.

Soybean prices were higher with the front end of the forward curve seeing the strongest gains after the USDA trimmed its estimate of 2009-10 US ending stocks. Brazilian soybean production was raised to a record large 67 million tonnes on an upward revision to yield and harvested acres. Global oilseed carryout for 2009-10 were revised upward. The May contract closed the session 10.5 cents up at $9.58 per bushel.

Coffee prices ended little-changed as the trade continues to weigh up tight cash market supply with the prospect of a bumper Brazilian crop in the offing. The May contract closed the session unchanged at 132.75 cents per lb.

Orange juice prices ended mixed with nearby March firmer and the May contract fractionally weaker. The keenly-anticipated USDA crop report held some surprises, most notably an upward revision to the size of the Florida all-orange crop - "in response to freezing temperatures in January, growers began harvesting their remaining fruit at an accelerated rate, moving fruit from the grove to the processing plants". Although the box count was raised, this was offset by a downward revision to yields per box. The May contract closed the session 0.2 cents lower at 146.95 cents per lb.

Cocoa prices staged a solid bounced after an early decline saw the market fall to a fresh 6 ½ month low. Although bearish supply side views remain a dominant factor in the trade psychology, the positive macro mood of late implies improving demand-side expectations for the cocoa market. The May contract settled $42 higher at $2844 per metric ton.

Sugar prices extended the recent slump as the market remained in long liquidation mode. After a negative lead from London whites which lost over 3 percent for the session, #11 was subject to more punishment on ideas that the worst of the supply shortages are over. The May contract settled 0.63 cents lower at 19.69 cents per lb.

Cotton prices fell slightly despite a tighter view of underlying fundamentals in the March WASDE. The USDA raised US domestic usage, lowered Chinese production, upped Chinese imports and trimmed global carryout but the market's reaction was a typical example of 'buy the rumour, sell the fact'. The May contract settled 0.12 cents down at 80.21 cents per lb.

Live Cattle prices staged a reversal on the back of with less positive tone in cash markets as well as ideas that recent gains have left the market overbought. The April contract closed the session 0.525 cents lower at 93.875 cents per lb.

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