

Table 5: Commodity Price Movements

Commodity		7 May 2011	14 May 2011	% Change
Aluminium	\$/tonne	2,609	2,648	1.49%
Copper	\$/tonne	8,789	8,856	0.76%
Lead	\$/tonne	2,294	2,364	3.05%
Nickel	\$/tonne	24,425	24,725	1.23%
Tin	\$/tonne	28,750	29,490	2.57%
Zinc	\$/tonne	2,102	2,179	3.66%
Gold	\$/ounce	1,471	1,486	1.02%
Silver	\$/ounce	35.04	34.6	-1.26%
Platinum	\$/ounce	1,778	1,766	-0.67%
Brent Crude Oil	\$/bbl	109.65	114.6	4.51%
Platinum/Gold	Ratio	1.21	1.19	-1.65%

Source: *The Times of London*

Precious Metals

Gold. An as-ever-but-far-sighted view on gold in particular, but commodities generally, came from the sage of Annapolis, USA, Adrian Day. He remembers when it was \$34/oz. Interviewed by Mineweb about his Q1 2011 Portfolio Review, he opined:

- President Obama's budget shows he does not understand the problem (the budget deficit), or is not serious about it.
- Neither low nor high taxes will solve the problem. Only lower spending will – social security, medicare, defence.
- China and Japan will reverse their buying of US Government debt.
- The Fed is buying over 80% of the new Treasuries issued.
- The Fed will keep printing money and let the dollar go.
- There are four long term trends: the shift in economic power from the USA; the hopeless US financial situation; the ongoing decline of the dollar and the growing shortage of resources.

Silver has never witnessed such a sudden decline as in the past week. Not even the Bunker Hunts achieved this. We have warned of this prospect over several weeks. The fall was from a high of \$48.71 the end of April, to our current \$35.04, a fall of 28% in two weeks. Reason? It vies with gold, which is quantifiable. Silver is not. Surface accumulations are immeasurable and as we saw recently, at the right price will be lifted from under the bed. Silver is for jobbing; gold is a bit more precious. If you are inclined to invest in silver be content with a profit, then sleep easy. ETFs have much for which to answer. \$1bn flowed out from top company iShares Silver last week.

Platinum is currently in oversupply; short term, that is. The scrambling for positions on the South African Bushveld complex, home to most of the metal, is like a wrestling tag match. Dangerous, because it is all in one location. The Pt/Au ratio narrowed last week as auto sales figures relaxed. Of the majors, both **Lonmin** and **Anglo Platinum** are ramping up.