

# FRIEDBERG & CO. LTD.

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## COMMODITY COMMENTS

March 14, 1972

### N. Y. SILVER

Spot	154.30
July '72	157.00
Comex Warehouse Stocks	115,203,000 oz. - 83,000

London Bullion Broker Mocatta & Goldsmid reports the following on Silver:  
"Silver continued to recover from the depressed levels of last November, gaining additional strength from the improvements in the stock markets and the higher gold price, although gold stability and profit-making produced some reaction in the latter half of February.

January opened at 53.80 pence spot and the price rose to 53.70 pence on the 28th with occasional setbacks, to end the month at 57.80 pence. The rise was, to some extent, understated in sterling due to the strength of that currency, and in dollar terms the price rose 12-1/2 cents over the month. The rise continued early in February reaching a high of 59.40 pence on the 2nd as a result of the record gold prices on that day. However, the sharpness of the rise and calmer conditions in gold and foreign exchange caused a reaction, and the market drifted off to 56.30 pence by the 28th.

There have been no new developments in the basic position of the metal since late last year and the rise represents a reaction to the over-sold position at that time. Although the metal had received a setback towards the end of the month, at the end of February prices still showed an improvement of 5.40 pence or 19.80 cents from the November lows.

We believe there is room for further improvement in the price during the next few months, ignoring the effects of monetary crises and high gold prices which have proved, as always, irrelevant to silver. There are still sufficient speculative holdings to produce profit-taking on rising prices, but provided that the industrial

and stock market picture remains encouraging, particularly in the United States, we would expect silver to reach at least the levels it held before last year's major fall, i.e., around 63 pence/165 cents for spot during the next few months.

### COPPER

Spot	52.50
July '72	53.35
London 3 months	£ 445.50

Consumer demand continues to improve and rumours persist of another hike in the U.S. copper producer price.

It is understood that producer metal is in heavy demand as it remains the cheapest source of supply anywhere. U.S. producers quote copper at 52½ to 52¾ cents per pound, 3/8 to 5/8 of a cent under the cheapest dealer offer who has to refine scrap or imported ore.

On the supply side of the picture, anti-air and water pollution laws have forced a cutback in smelter operations, said to be as high as 30% in some areas.

The massive head and shoulder bottom formed in late 1971 plus the severe downside shakeout occurred in late January, are the best guarantees that copper prices will continue to firm up in the weeks ahead.

Continue to add to previously established long positions.

### PLATINUM

April '72	101.00
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The long drawn out base building action of the past 18 months is slowly coming to an end.

We recommend purchases of deferred contracts at these levels for a first long term upside target of \$160.00/oz (see our special report: Platinum: a bullish reappraisal).

### COCOA

May '72	25.05
July '72	25.53

Activity in physical cocoa remains at a low level with the trade a ready buyer on dips and origins looking to sell on rises.

Terminal values recovered to test previous recovery highs as our Commodity Comments has been anticipating, but lack of follow through brought prices down 70-80 points. Once again prices are resting close to their December-February uptrend but, of course, at slightly higher levels than just 10 days ago.

We expect prices to hold their uptrend and challenge once again their early February highs. This time we believe that an upside breakout of considerable significance will occur.

Continue to add to previously established long positions risking 24.35 basis July '72.

COTTON

May '72 33.42  
July '72 37.43

The minor setback that we had anticipated for the past 2 weeks came last Tuesday and Wednesday. May '72 hit a low of 36.55 while July '72 dropped to 35.90. Subsequently, prices sprung back rather spectacularly; today May '72 saw a new contract high at 38.49. This action clearly testifies the strength of the ongoing bull market.

Hold to previously established long positions.

CATTLE

June '72 33.87

Cash prices for Steers (Omaha choice average cwt) remain firm at 35.35.

Deferred contracts were unable to break through a well defined downtrend connecting the mid-January and mid-April tops; we therefore expect prices to consolidate further in the 33.00-34.00 area basis June '72.

Advise lightening long positions with a view to reestablish them at around the 33.00 area basis June '72.

WORLD SUGAR # 11

May '72 9.59

This market should 'top' at far higher levels.

Use dips to the 9.00 - 9.30 area basis May or July '72 to establish long positions.

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Friedberg & Co., Ltd. conducts a brokerage business in commodities futures specializing metals. Our U.S. Correspondent, Mocatta Metals Corporation is a clearing member of leading U.S. commodity exchanges and specialists in silver, copper, platinum, gold, and other non-ferrous metals. Through their facilities and other trade and banking sources, we maintain up to the minute information on world's latest developments that may affect the price structure of metals.

We will be glad to answer questions that you may have concerning futures trading and how to profit through intelligent speculation.

Albert D. Friedberg, M. B. A.

All statements made herein, while not guaranteed, are based on information considered reliable and are believed by us to be accurate.

