

# FRIEDBERG & CO. LTD.

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## COMMODITY COMMENTS

April 10, 1972

### N. Y. SILVER

Spot	157.10
July '72	160.40
Comex Warehouse Stocks	108,675,000 - 60,000 ozs

Silver prices continued to make headway, albeit at a diminished rate. Momentum gives the appearance of stalling as market participants make up their minds as to whether it is or it is not permissible to trade Spot at above \$ 161.00, a price ceiling remnant of Phase I.

There have been indications of better industrial consumption creating the felicitous possibility that consumption will after all exceed primary and secondary production. A note of caution is in place: a recent study by Batelle Memorial Institute for the Environmental Protection Agency reported that recycling of industrial silver scrap yields as much as 92 million ounces while about 1.5 million ounces are lost yearly.

We doubt the enforcement of the price ceiling - it can only foster black markets and illegal smuggling operations. Nevertheless, should such an event take place, we recommend switching long New York positions to London silver. The London contract consists of 10,000 ounces (same as New York) and initial margin is \$ 750.00.

Maintain long positions with protective stops at 157.70 basis July '72.

### COPPER

Spot	52.55
July '72	53.10
December '72	54.20

LME Warehouse Stocks showed a drop of 750 tons this week to 148,675 tons, the first drop in one month.

A strike at the Chilean El Teniente mine by 10,600 workers was averted as a majority of the workers agreed to a government pay rise.

On April 5th, the Chilean State-owned Copper Corporation, Codelco, took control of all small and medium copper enterprises in an effort to make operations cheaper and more efficient and strengthen Chile's position in the world market. Chile has already sold its 1972 output of about 630,000 metric tons, mainly to West Germany, the U. K., France, and China.

Remain long and raise protective stops to 52.80 basis July '72 and 53.95 December '72.

#### PLATINUM

July '72	101.20
January '72	104.70

Deferred contracts continued to gain on nearbys, indicating an inflow of speculative funds to this thoroughly sold out market.

Remain long with protective stops at 101.50 basis January '73.

#### TECHNICAL TRENDS

#### COCOA

May '72	25.25
July '72	27.75

The important uptrend line connecting the December lows with intermediate reactions occurring in mid-February and, again, throughout March, was decisively broken today as July '72 broke through 26.10 on rather heavy volume. The mini-bull market may be over and, consequently, all long positions should be closed out immediately.

#### CATTLE

April '72	34.87
July '72	34.00

Cattle prices continue to mark time.

We would prefer to see a quieter consolidation. All the same, stay out of this market until a decisive upside breakout takes place --- June '72 above 34.50.

COTTON

May '72 42.30  
December '72 33.15

Remain long as this market gives no signs of exhaustion. Conservative traders should continue to nail down nearby profits and move into December '72 and March '73 contracts. Protective stops should be raised to 40.20 basis May '72, 32.40 basis December '72.

SOYBEAN OIL

July '72 12.39

A very bullish breakout has taken place as July '72 moved over 12.25. Buy at the market for a potentially explosive upside move.

WORLD SUGAR # II

July '72 7.15

The third liquidation wave should end at 6.40 - 6.65 basis July '72 and provide a good buying opportunity.

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

Albert D. Friedberg, M. B. A.

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