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COMMODITY COMMENTS

April 17, 1972

N. Y. SILVER

Spot	155.80
July '72	157.30
Comex Warehouse Stocks	108,101,000 - 10,000 ozs

London Bullion Dealer Mocatta & Goldsmid reports the following:

"Silver rose strongly during March with occasional bouts of profit-taking well absorbed. The price opened at 56.60 p, rose to 58.65 p on the 7th, and reached to 57.85 p by the 10th, rose again to 59.10 p by the 22nd and then, after a further reaction to 58.30 p, reached the highest price for the month at 59.70 p on the last two days.

There were again no immediate developments to produce this rise, which reflected renewed speculative confidence in the Metal and in the economies and the Stock Market here and in the U.S. The market equally appears convinced that the sell-off in the last half of last year was unjustified and the prices reached at that time are unlikely to be repeated.

The market gained some encouragement from the rundown of about 6 million ounces in Comex stocks although past experience has shown that little can be read into day-to-day movements in this figure. However, it is undoubtedly true that total above-ground stocks are being run down, and at some stage this will be reflected in the Comex warehouse.

Spot Silver rose 3.10 p over the month and added a further 1.40 p on the first trading day of April as a result of the rise in New York over the Easter weekend while the London Market was closed. At that stage, Silver had recovered 10.10 p or 32.60 cents from the November lows and, in cents at least, was approaching the 170 - 180 range that the market held for most of 1969 and 1970. While we think it likely that this range will again be reached during the current year, scope for profit taking must increase as prices approach this level. We said last month that we looked for prices around 165 cents shortly, and although it seems that this may happen rather sooner than we expected, the rise may well slow down somewhat above 160 cents. We would be surprised if Spot silver does not exceed 170 cents during the course of the summer, though profit taking and therefore trading volume should increase at higher levels."

Silver value fell substantially this past week. Early London weakness caused Comex to open 100 points lower on Thursday, in turn triggering chart-oriented stop-selling. The slide accelerated when the news ticker reported that the Cost of Living Council had refused to exempt silver from price as requested by American Smelting & Refining. The Council stated that removal of controls could result in too large an inflationary impact on the economy and the Price Commission's volatile pricing rule, already granted to one silver company, may provide the necessary relief to sharply fluctuating silver prices.

Last week's recommended protective stop at 157.70 had to be moved up to at least 159.00 basis July in unison with the significant intermediate uptrend. Such a procedure-if-applied - saved the trader 400 points & room for greater maneuver-ability.

The entire bull move now hinges on Silver holding the 154.00 area basis July '72. Lets wait and see.

COPPER

Spot	50.90
July '72	51.35
December '72	52.50

Last week's advice proved the value of well placed protective stop. We urged the maintenance of long positions with protective stops at 52.80 basis July '72 and 53.95 basis December '72, these points were selected for they represented the lower end of the uptrending channel established by copper prices since their November lows. Once these lows were penetrated, the upside momentum had been lost.

What's behind this drop? While producer Copper has been sold out through May, the secondary market has shown signs of weakening. Little physical interest has been reported in the past 3 - 4 weeks and prices have been reduced a number of times. Number 2 scrap is now selling at 40 - 40½ cents per lb.

LME warehouse stocks, on the rise for a number of weeks, declined 500 tons today to 148,150, still very close to a post-war record high.

In our view, the most important bearish influence on the market has been the premature bullish positions taken aby a large number of the trading public. Open interest still remains well over 60% above the 5-year average making the market highly vulnerable to bear raids.

Keep in close touch with us for trading suggestions.

PLATINUM

July '72	100.40
January '73	104.40

Volvo officials told the environmental protection agency on April 10th that the Engelhard auto emission control device has met federal standards for only 23,000 test miles, while Matthey Bishop said that its unit gas met the standards for 20,000 miles. The minimum mileage for which the device must be effective is 50,000 miles. The EPA believes that some units can meet 1975 guidelines if they undergo maintenance every 25,000 miles, but the auto manufacturers would like to delay the effective date of the standards to 1976.

On April 12th Engelhard Industries told a meeting of the Environmental Protection Agency that the new auto emission standards now scheduled to go into effect in 1975 could be met by that date. Engelhard urged the EPA not to delay the effective date of the standards as major auto manufacturers have requested. And so the controversy continues.

In the meantime futures are marking time with deferred gaining on nearby positions. The latter were under some pressure as April continued to be liquidated but the pressure has now been lifted and an improved tone is expected in the weeks ahead.

Continue to maintain longterm bull commitments with protective stops at 101.50 basis January '73.

TECHNICAL TRENDS

COCOA

May '72	24.45
July '72	25.03

Long positions were closed when July '72 broke 26.10 on the downside. Remain on the sidelines.

CATTLE

(Going off)	April '72	35.35
	June '72	34.32

June touched 34.50 today but did not manage to close above it. At any rate, a major bull market signal is indicated with June crossing 34.50 and aggressive long positions are warranted.

COTTON

May '72	40.65
July '72	40.32
December '72	32.22

A violent 200 plus-point shakeout seems to have run its course indicating just how volatile this high flying market can become.

May '72 did not move below 40.20 and therefore, long positions remain intact. December '72 did trade below 32.40 our suggested stop loss point and moved to a low of 31.80 before recovering to close at 31.93.

Continue to hold deferred options.

SOYBEAN OIL

July '72 12.27

Maintain long positions with protective stops at 12.07. The market has turned rather sloppy.

WORLD SUGAR # 11

July '72 7.27

The third liquidation wave ended at 6.65 basis July '72 and provided an excellent buying opportunity just as we foresaw last week.

Where do we go from here? A move above 7.75 on fairly good volume would signal the end of the decline. A failure to move significantly higher in the next week coupled with relatively low volume would mean that another downside leg is in the making.

Keep in close contact.

Friedberg & Co. Ltd conducts a brokerage business in commodities futures specializing in metals. Our U.S. Correspondent, Mocatta Metals Corporation is a clearing member of leading U.S. commodity exchanges and specialist 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 you can 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.