

# FRIEDBERG & CO. LTD.

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## COMMODITY COMMENTS

May 23, 1972

### N. Y. SILVER

Spot	155.80
July '72	156.40
Comex Warehouse Stocks	108,253,000 - 220,000

The continued lethargy shown by Silver in the face of strongly rising gold bullion prices proved too heavy a burden. Tired long liquidation plunged prices 310 points today, easily breaking through our suggested critical levels. While nearby contracts barely held their major uptrends, September and December '72 closed a full 150 points below indicating that the mini-bull market begun last October was in serious jeopardy if not altogether over.

What refrains us from taking an overtly bearish posture at this moment is the fact that:

- (a) volume and open interest have contracted sharply in the last four weeks:
- (b) spreads have narrowed substantially of late, perhaps indicating that downward side pressure is coming from the speculative end of the market as opposed to the physical and
- (c) high bullish sentiment prevalent for the past 8 weeks is slowly turning neutral. As a contrarian, one must be mindful of this.

For the past few weeks we have noted the on going tired liquidation but have urged to view this market constructively until proven otherwise.

Long positions were stopped out at 162.00 basis December '72 (as per our previous suggestion) and the burden of proof has now shifted to the bulls.

Remain on the sidelines.

### COPPER

July '72	49.90
December '72	51.05

A further rise in LME Warehouse Stocks- this time 2875 tons to a record total of 157,225- and a renewed wave of bull liquidation have taken this market to the lowest levels

since late January.

Although we have the impression that the final lows are yet to come, we have turned neutral from our previous bearish stance if only in view of the already sizeable 400 point decline experienced since mid-March.

Investors with large resources available should begin a program of buying on a scale down. Traders should remain on the sidelines.

### PLATINUM

July '72	108.20
January '73	111.30

Platinum has all the earmarks of having completed a major bottom and, in our opinion, has emerged to begin the new 1972-1973 bull market that will carry it eventually to its former highs.

Prices are being marked up daily in good, though not excessive, volume and all option are participating, particularly July and October '72 and January '73.

In short, Platinum still remains the most undervalued of all precious metals and one of the greatest bargains of the year.

Continue to buy on setbacks.

### TECHNICAL TRENDS

#### COCOA

July '72	27.43
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Remain long raising protective stops to 27.05 basis July '72.

#### CATTLE

June	36.67
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Prices marked time this past week although some deferred options broke steep uptrends.

Remain long with protective stops at 36.50 basis June '72. Add to long positions on June moving over 36.92.

#### COTTON

July '72	42.11
December '72	31.75

We pointed out last week that the climatic 175 points decline would probably signal the end of the correction and prices would subsequently move higher. It first dropped an additional 85 points and then came back with a vengeance.

Very courageous traders may join the bull parade and buy July '72 if it manages to move over 42.60.

The average trader should remain on the sidelines.

LIVE HOGS

July '72 28.62

In view of the sharp break in pork bellies and due to a material shift in sentiment, we feel hogs may be vulnerable to a sharp shakeout. This is especially so considering the enormous (and unseasonal) open interest.

Advise liquidating long positions established initially at 28.35 basis July '72

WORLD SUGAR # II

July '72 7.36  
March '73 7.17

Long positions established last week at 6.75 basis July '72 are beginning to pay off.

Market may dip once again below 7.00 cents but do not disturb long positions unless recent lows (6.37) are broken.

Additions can be made on decisive move over 7.50 basis July '72.

Albert D. Friedberg  
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