

# FRIEDBERG & CO. LTD.

FOREIGN EXCHANGE DEALERS  
COMMODITIES FUTURES BROKERS  
FINANCIAL SERVICES

34 ADELAIDE ST. W.  
TORONTO 1, ONTARIO, CANADA  
TEL. (416) 864-1195  
CABLE ADDRESS FRIEDCO TORONTO

## COMMODITY COMMENTS

June 20, 1972

### PLATINUM

July '72	126.90
January '73	130.00

A firm tone in platinum prices was seen this past week along a much reduced level of activity.

An announcement that Rustenburg Platinum Mines was increasing production on a modest scale to be effective immediately created the most pervasive selling pressure of the week as all options dropped to test recently established support levels. Good trade buying appeared at the lower levels and prices managed to close only fractionally lower.

Rustenburg said that demand has improved in recent weeks and the level of stocks has been somewhat reduced. The mine has an estimated annual capacity of 1.1 - 1.3 million ounces, but it is believed that recent production has been running at a rate of only 400-500 thousand ounces annually.

Maintain initially established long positions and allow this market to complete its present consolidation phase.

### N.Y. SILVER

Spot (July '72)	155.10
December '72	158.80
Comex Warehouse Stocks	100.204.000 unch.

As various attempts to rally were aborted this past week, long holders of silver became increasingly vulnerable to bear raids. The last 2 days demonstrated the inherent weakness of a market that was losing speculative following.

Little fundamental news of any consequence was reported this past week. A Wall Street Journal article pointed out that the high price of gold and unpredictability of the market may lead many jewelry firms, which presently account for about 75% of the world's gold consumption, to turn to silver. One large producer of school rings is now offering a ring with a gold top and a silver shank at little more than half the cost of a

totally gold ring, while other firms are considering vermeil, which is sterling silver electroplated with gold.

Comex warehouses continue to show declines in silver bullion as holders further seek out cheaper storage facilities.

The market must still prove that it can reward the buyers of the contango. Remain short, as previously suggested and lower protective stops to 160.40 basis July '72.

#### COPPER

July '72	48.65
December '72	50.15

A rising open interest in the face of eroding prices gives the market an ominous look.

We continue to advise that traders remain on the sidelines and we now suggest that long term scaled down purchase programs should be terminated at once. The latter was begun 3 weeks ago at roughly prevailing levels but now feel that a better opportunity will arise in the near future.

#### CANADIAN DOLLARS

July '72	101.900
December '72	101.725

Last week we foresaw some easing in the Canadian spot rate and a firming in the forward. Spreads done at 330 points July '72 over December '72 can now be undone at 175 points, for a gross profit of \$310.

December '72 contracts, bought at 101.790, traded over 102.050 this past week giving traders a good scalping opportunity.

Long December '72 positions should now be hedged by selling nearby contracts. Alternatively, traders should continue to buy December '72 against the sale of nearbys on a spread basis.

#### BRITISH POUNDS

July '72	25730
December '72	25580

Devaluation speeches coming from Laborite quarters helped buffet an already overvalued rate.

Our suggestion last week to sell December '72 at 25950 shows at the close of today a handsome \$1,850 profit on an investment of \$2000. December '72 was settled today at 25580 after being offered "limit down" all day. Interbank dealings for that particular maturity were quoted at 25365 - 25430, which indicates that the IMM rates

will continue to drop to adjust to the interbank quote.

Maintain short positions established in the July '72 and December '72 contracts; add to them by selling nearbys.

### TECHNICAL TRENDS

#### COCOA

July '72	25.55
December '72	26.10

The back of this mini-bull market seems to have been broken. Short term traders were stopped out at 26.75 basis July '72 and position traders at 26.00 as per our previous suggestions.

Stand on the sidelines.

#### CATTLE

(off the board) June '72	37.55 - .70
August '72	36.67

The bull movement came to a grinding halt this past week after June reached an historic high of 38.55. This position was first recommended in mid April at 34.50.

August longs were stopped out at 36.70 and we now advise moving to the sidelines.

#### LIVE HOGS

July '72	29.20
December '72	27.17

The huge open interest (standing now more than 12,000 contracts over its previous 5-year average) coupled with the formation of a potentially very bearish 'wedge' formation, suggests to us an imminent break.

Suggest establishing initial short positions in December '72 at present levels, with protective stops at 27.75.

#### LUMBER

July '72	126.20
September '72	119.00

An emerging bull market. Buy nearby positions at the market.

PLYWOOD

July '72 119.20  
September '72 112.50

An explosive upside market. Be prepared to sell previously established long positions on any fast \$5 rise accompanied by volume in excess of 1500 contracts.

WORLD SUGAR #11

July '72 6.58  
September '72 6.67

Our nervousness paid off as long positions were closed out on previously raised stops to 6.95 basis July '72.

Albert D. Friedberg  
Vice-President  
Commodity Futures.

\*\*\*\*\*

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