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COMMODITY COMMENTS

Friedberg Commodity Index

Dec. 76: 202.90
Jan. 77: 226.80
Net Change: +11.78%

The seeds for another extraordinary boom in U.S. economic activity are being planted at this moment. Bank investments are growing at an above average pace, while loans, when acceptances are factored out, are still growing at a modest 4% p.a. continuing the 'reliquification' of the banking system that has been taking place since late 1974. Certificates of deposit at large commercial banks are hovering at a 'low' \$65 billion, down more than \$20 billion from a year earlier. These CD's, given their low reserve requirements, could accomodate an enormous increase in loans (aside from that resulting from liquidation of securities) and thus M1 and M2. The Federal Reserve, still reacting to interest rate levels and their effect on economic activity, will surely be too slow in braking a potentially huge expansion of money supply. Let us explain. The Fed will either lose control over monetary aggregates sometime during late 1977 or it will be forced to escalate interest rates at a very rapid clip. Should the Fed opt for the latter, a confrontation of enormous significance will occur against Congress and it is not unlikely that the Fed will be forced to relinquish its much cherished independence.

- 6 (*****) Very Bullish
- 5 (****) Bullish
- 4 (****) Neutral-Bullish
- 3 (***) Neutral-Bearish
- 2 (**) Bearish
- 1 (*) Very Bearish

COCOA

***** March '77: 175.65
***** September '77: 160.25
***** Ldn July '77: L2281.50

It behoves us to write tonight's comments with nearby cocoa trading at the 1.75/lb level. For that has been our long term target for well over five months.

And now? On the demand side, the recent grinding figures were encouraging. The U.S. figures, down 8.2% from the year-ago quarter, must be viewed in perspective. For one thing, last year's grindings had jumped 22% - the second largest gain in 10 years. For another, some African nations, particularly Ivory Coast, continue to industrialize its chocolate product facilities at the expense of manufacturers in the U.S. and U.K.

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In fact, imports of unsweetened cocoa were up a staggering 26,000,000 lbs imported in 1976 over 1975 while unsweetened chocolate had doubled the 22,000,000 lb imported in 1975. Similarly, imports of cocoa butter were up more than 6,000,000 lb from the year before.

Dutch cocoa grindings were up 19.9% from December 1975, Japanese third quarter figures were up 7% from the corresponding figure in 1975 and French fourth quarter grindings were up 4.8% on a year over year basis. At the moment, the only decreases of any magnitude are expected in Eastern Europe, where grindings are forecast to reach 254,000 tons against 268,000 from last year.

Given total 1976/77 Bahia crop sales of 3,500,000 bags and a maximum outturn of 300,000 tons for Ghana, our conclusion is that 1976/77 will witness a minimum draw down of inventories of roughly 100,000 tons more than anticipated by Gill and Duffus just one month ago, thus cutting world carryover to less than two month's usage.

Has the market 'discounted' this shortage? We think not. In our opinion, commodity prices possess a three-dimensional quality that set it aside from other financial vehicles. Whereas one can speak of discounting 'good earnings' in a stock or the further drop in the Bank Rate in a 'bond', commodity prices, spot prices, do not need to discount an event 'they are from being'. A spot commodity is either in short supply, in equilibrium, or in abundance - it 'cannot' discount because it lives in the present. Future prices, however, particularly three month and forward, have the ability to divorce themselves from reality and discount. When 'discounting' takes place in the face of a tight market, the backwardation (premium of nearby over deferred position) will widen and continue to widen until spot purchasers begin to defer purchases in the hope of cheaper prices and spot owners will 'lend' supplies to the market temporarily, re-purchasing stock via the deferred. At that point, nearby tightness disappears and spot prices tumble.

Not only has the March/September backwardation not increased in the past three months, but it has contracted slightly and now stands at approximately 1480 points. The 15¢/lb differential has not been able to 'loosen up' supplies despite stratospheric prices. The steadiness of the spread assures us that spot supplies will remain very tight. Consumers will have to be guaranteed a bountiful supply of new beans in the 1977/78 period before the forward spreads widen in a significant manner; when they do, the top will have arrived.

Remain long - set new upside target at \$2.00/lb basis old crop September; set stops at \$1.55/lb basis March '77, on close only.

OPTIONS

Given the present £370 backwardation in London December '77 cocoa, we favour purchases of call options at premium £380. It will serve the buyer of the options two purposes: a) ride the further prospective advance and b) position for a riskless short sale when the time arrives.

COFFEE

**** March '77: 222.93

**** London Robustas March '77: £2743.00

In our comments last month we began by saying that "... this great bull market is in its final weeks ... we prefer cashing in our chips

by liquidating all long positions ..." While we now feel that the bull market is not yet over, our warning was worth 25¢/lb. - as subsequently prices tumbled to \$1.90/lb.

Coffee is a strange market as it appears to belie some of our earlier cocoa comments: despite available supplies, prices are rising, anticipating tight supplies. But we finished saying that spot prices cannot discount (?). The answer is that producing nations, principally Brazil, have assumed the role of the market-place and are attempting to ration out demand by boosting export taxes and, consequently, prices. In short, in a free market environment we doubt that prices would have reached these levels.

Our analysis of consumption figures for the U.S. and other consuming centres indicate a fall-off in consumption of approximately 20-30% (depending on the level of per-capita income) at the \$2.20/lb. level. Given this elasticity, we estimate carry-out for the 1976/77 season at 32,000,000 bags, up from 30.7 million in 1875/76 despite the precipitous fall in Brazilian production of over 13-15 million bags.

Producing nations are still in control of the market but the build-up of consumer resistance should give them cause for concern. Market participants should beware of large exposure as arbitrary producer decisions can cut 10-20% off the market without warning.

Our scenario calls for short term strength to be followed by a realization that carryover stocks will increase, not decrease, and a devastating decline in price no later than August '77 (barring another unforeseen frost in Parana). We therefore prefer purchasing November '77 call options in London for £490-520/ton hoping to catch a £450-700 upswing before establishing a riskless short sale.

COPPER

**** March '77: 64.70
**** July '77: 66.60

Rising optimism based on present recovery trends has been negated by a premature (once again!) rise in producer metal to 67-68¢/lb and still mounting world wide stocks.

The present shakeout is a direct result of the bullish consensus that had developed in the past few weeks.

Recent long positions, initiated at 63.00 basis March '77, should be liquidated.

COTTON

***** March 73.65
***** July 73.45
***** October 69.40

Beginning the week after we sent out December's letter, rumours began circulating that the USDA's final production estimate would be some 1/4 mil. bales greater than their December 10 estimate. Prices began to slide. They slid further when the USDA more than confirmed the hopes of the bears by announcing an estimate of 10,560,000 bales 280,000 bales higher. (We still feel the USDA's traditional bias in favour of estimating too high is still in effect.) Prices bottomed at 67 basis March and then vindicated us by rebounding sharply. Why?

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If the supply data was disappointing - harvesting has been completed - information on demand, as was predicted in December's letter, has been and will continue to be encouraging.

The USDA's official consumption figure is 6.55 mb, 10% below last year. Total consumption, August 1-January 1, totalled 2,767,775 bales. This is only 4% below last year's figure. A continually improving economy can only strengthen the picture ever more.

This fact has not been lost on the mills. Their inventory position as of January 1 were 932,057 bales; 50,811 bales more than the previous month. Yet while they are cognizant of increased domestic demand, they still have not responded to the degree they will have to. The ratio of their inventory positions to the amount left to be consumed - our estimate of 6.9 mb seems even more realistic - is .225 (.186 end of November). This compares with .306 last year, .316 in '74, .244 in '73, and .236 in '72. Our conclusion remains the same as last month's. The mills will provide further fuel for this already ignited market by being big buyers in the months ahead.

Export commitments are running so far ahead of USDA scheduling that to suggest that their 4.45 mb projection will be revised upward is virtually a foregone conclusion. With 6½ months left in the current crop year, exports already total 4.14 mb. Trade experts opined over a month ago that there were few buyers still unrequited, yet the most significant fact has been that the commitments have averaged 65,000 bales per week since they made their views known. At the present rate cotton exports would total 5.76 mb. The reason for this seemingly extraordinary pace is simple. As stated last month: foreign supplies are extremely tight and, other than the Soviet Union which has been experiencing its own difficulties making deliveries lately, only the U.S. has enough cotton available for export.

The USDA's 1977/78 production projections call for an increase in acreage of 10% in the U.S. and 4% world wide. The market greeted the former news with limit advances. Given the aforementioned tight supplies - the level of stocks in importing countries should be drawn down to the equivalent of three month's supply by August - this increase is not significant enough to do other than push prices higher.

Remain firmly long.

DBR

GRAINS

*** March Wheat 274½

** July Corn 264½

Ending stocks of wheat are expected to total 1.1 billion bushels or 65% more than beginning stocks last June 1. However, the prospective plantings report called for 7% less acreage to be put to the plow next year. On the demand side, the recent cold spell has frozen delivery routes overseas, thus providing us with an unexpectedly clear barometer of European demand. It seems strong. Still, exports are running 45% lower than last year's levels. In addition, corn can no longer be considered a bolstering influence. Not only are stocks 9% above last year (January 1), the prospective plantings report surprised everyone by actually calling for a .5% increase in acreage. Usage is only 3% above last year. Like wheat, most disappointing have been export figures; the USDA's 1.635 billion bushel estimate is now definitely out of range.

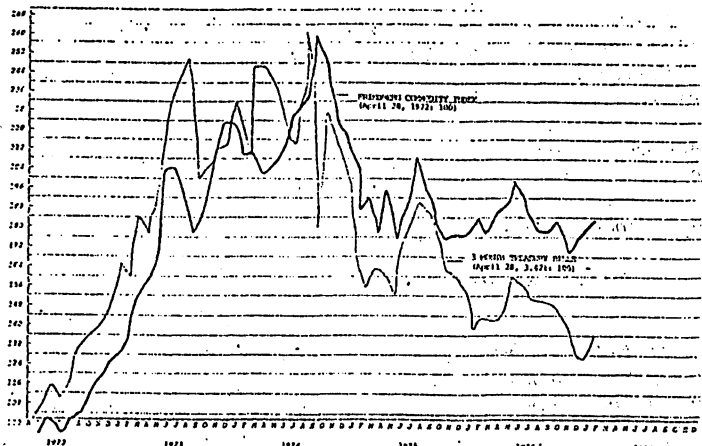
The fundamentals are short term bearish but not relatively significant enough to warrant our changing position. Stay sidelined. DBR

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INTEREST RATES

***** June '77 GNMA: 97.05

***** June '77 TB: 94.30



The above chart, depicting the relationship between the movement of commodity prices and the 3 month Treasury Bill rate, possesses a high degree of correlation. It means that the 'pure' rate of interest, (excluding solvency factors), being the price for money, tends to fluctuate very closely with the rate of inflation.

On closer inspection, one will note that TB rates leap-frogged commodity prices on the upswing, as they continuously anticipated higher rates of inflation to come. On the downswing, TB rates have been anticipating ever decreasing rates of inflation. The correlation is not 100% because the FCI is, as any index, a level, not a rate of movement whereas the TB rate is a changing 'price' embodying change. As an example, from early 1975 the FCI has been relatively static, implying a zero growth in prices, whereas TB rates are still demanding an inflation premium of 1.65% per annum (present rate of 4.65% minus real rate of return of 3%).

The lead characteristic of the FCI at turning points provided an excellent signal for the present rise in interest rates. Provided that the FCI does not branch out above its summer high of 1975 and 1976 (which it is unlikely to do) anytime soon, its rate of change would imply a return to lower interest rate levels.

Buttressing our theory is the recent disclosure of Federal Reserve minutes indicating that policy makers would like to see long term interest rates drop further yet. It was proposed that the drop in long term rates would be transmitted via the short end of the market. This is a first for modern Fed thinking.

June '77 posts in TB and GNMA imply even higher rates of interest: 5.70% (vs. spot of 4.70%), and 8.37% (vs. spot of 8.26%) respectively.

We foresee an upside movement equivalent to a minimum of \$1500 for TB's and \$2000 for GNMA's. Margin required is \$2500 per either contract.

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PRECIOUS METALS

***** June Comex Gold: 135.10
**** March '77 Silver: 449.50
***** October '77 Platinum: 165.50
***** September '77 59.90

A sharp breakdown from what appeared to be a promising ascending triangle stopped short at the magic 128-129 level, long ago established as the 1975/76 equilibrium level (see our earlier Comments).

The sixth IMF section came and went - successfully, as prices awarded were above the PM London Fix by \$1.11/oz. This continued to vindicate our earlier position that the average sale of all 25,000,000 ounces will easily exceed \$126-128/oz.

A new attack is now being mounted on the formidable overhead supply between 134 and 140 basis Spot. Should the PM fix overcome 134, it is almost certain that \$140/oz. will be cleared too, paving the way for an extended run to \$150/oz.

Remain long and raise stops to 128.50 basis for June Comex gold.

In spite of talks of sluggish commercial and industrial demand, notices on the expired January '77 position for over 600 contracts were well absorbed and a good rally has developed.

Lead by Palladium (further advanced in its recovery) the Platinum group should emerge as one of the big winners of 1977/78.

Remain patiently long.

SUGAR

* March 1977: 8.89
* September 1977: 9.16

Large Chinese and Russian purchases of raw sugar in the past few weeks and the announcement that Cuba would withdraw as a seller from the world market until the third quarter stirred enormous interest in the terminal markets. Nearby March moved from the 7.50¢/lb area to almost 9.5¢/lb before retreating slightly to just under 9¢/lb. The rumours, guesstimates and subsequent partial confirmations of Philippine and Dominican Republic sales to the above mentioned nations, either directly or via operators, had analysts scratching their heads trying to figure out whether: a) Cuba defaulted on sugar shipments to Russia and China; b) China was increasing per capita consumption of sugar in one fell swoop; c) Russia was trying to position itself as an eventual exporter prior to an ISA meeting.

In our opinion, a) Russia purchased sugar in the world market, despite an excellent crop to re-export Whites to its Eastern European satellites, particularly Poland, in the latter part of the year (a similar operation, with much less fanfare was undertaken last year); b) China was playing a 'refining' game while planning to consume 'somewhat' more than prior years; and c) Cuba was not delivering sugar because its facilities were being overloaded (as subsequently explained) and not because of serious crop damage.

If the above is basically correct, a game of musical chairs was being played in mid-January 1977 and, as the music comes to an end, the losers will appear to be once again U.S. Commission Houses.

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Whereas at one point nearby positions had gained considerably above September and October, the contango structure has begun to reassert itself in recent days, both in N.Y. and in London. It should be noted that the huge trading activity that developed after most of the rise had taken place (including a record-shattering day of 15,000 contracts) is indicative of smart money distribution in the technical parlance and not, as some sophisticated observers would like us to believe, accumulation, i.e. moving from weak to strong hands.

We remain of the opinion that the 1976/77 production surplus will near 5,000,000 tons. In the U.S., the USDA has estimated that corn sweetener shipments for food use this year may reach 3.6 million short tons compared with about 3.3 million last year. Further moves to protect the U.S. sugar industry will accelerate substitution and put further pressure on the world market.

Short positions in the March, May, and September months should be increased at market with an ultimate objective of 5¢/lb. In the extremely unlikely event that further substantial purchases are made by either Russian and/or China with the objective of cornering supplies, cover should be sought at 10¢/lb. basis nearby. Neither of these two countries is in the financial position to mount such an operation.

WOOD COMPLEX

***** March '77 Plywood: 184.50
**** March '77 Lumber: 173.30

In our Comments last month we indicated that "the behaviour of the wood markets for the past few weeks continues to puzzle us as they indicate a substantial amount of distribution at these levels... liquidate previously established long position... re-enter the long side on a \$15 drop from these levels."

Subsequently, the March '77 plywood had a last upside thrust to near \$200/1000 board feet, before collapsing to just under \$180. The shakedown in lumber went even further, responding to other exogenous factors associated with the current climactic upheavals.

December housing starts, at a new recovery high of 1,940,000 units, showed gains in all sectors. Single family starts advanced 6% from March and the crucial multi-family sector advanced a resounding 31%.

Large availability of mortgage funds and strong demographic factors pointing to further gains in household formation assure us of excellent construction activity over the next few years.

Re-establish long positions in May '77 plywood placing stops at 179, on close only.

Canadian Dollar Mar.'77: 97.42 June '77: 96.84 Dec.'77: 95.85

After flirting briefly with par, bearish forces began to reassert themselves and the CD has dropped to the present 97.90 range. Aiding the erosion has been renewed uncertainty over the Quebec issue and a slight firming in the U.S. short term rates. Despite the latter, interest rates differentials remain rather wide and preclude a full-flledged decline of the CD unit.

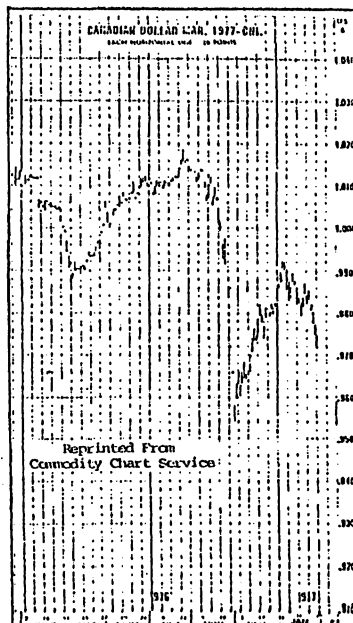
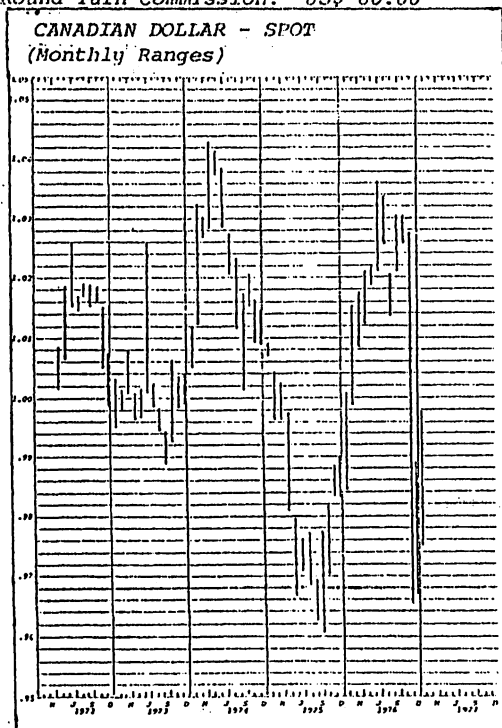
Monetary aggregates are, once again, growing at an alarming pace, particularly loan demand and M2, forcing the Bank of Canada to pursue a slightly less accomodative posture than heretofore expected. We are having second thoughts about a renewed cut in the bank rate in the near future, and therefore advise closing out short March - long September straddles at present levels.

We remain short term neutral on the prospects of the C.D.

	Aug.'76	Sept.'76	Oct.'76	Nov.'76	Dec.'76	** 1975	** 1976
*Money Supply %							
Narrowly Defined	7.64	7.90	5.00	-1.36	1.78		
More Broadly (M2)	16.98	16.76	15.03	16.40	17.71		
M3	16.95	16.80	15.84	15.18	16.05		
Balance of Trade							
(mln \$)	+342	+440	+200	-118	+130	-639	+113
*Gen. Bank Loan %							
(Percentage Growth)	21.16	21.23	20.95	20.23	21.49		
*C.P.I. %	6.23	6.50	6.23	5.60	5.80		
*Food Price Index %	-0.53	-0.48	-0.90	-1.70	-0.70		
***Exchange Rate-							
Trade Weighted %	Dec. 31	Jan. 7	Jan. 14	Jan 21			
	-0.63	+0.09	-0.22	-0.56			
Euro Deposit - %							
1 Month	8 3/16	8 7/8	8 1/4	8 3/16			
3 Month	8 1/4	8 1/16	8 1/4	8 1/4			
6 Month	8 1/4	8 1/16	8 1/4	8 1/4			
T-B Rate (90 Days)	8.14	8.11	8.10	8.05			

Open Interest (Jan. 27): 3637
 Contract Size: CD\$ 100,000.00
 Round Turn Commission: US\$ 60.00

Average Volume (March): 291 (Dec.30-Jan.)
 Margin Req'd: US\$ 2,000.00



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 Commodity Chart Service

January 31st, 1977

British Pound Spot: (Jan. 28): 171.28 Mar. '77: 169.25 June '77: 166.85
 Sept. '77: 165 Dec. '77: 163.55

Agreement on the 'safety net' to be granted to the UK's perennial problem of official sterling balances coupled with a slight improvement in December trade figures have given British monetary authorities an opportunity to replenish badly needed reserves. It is thought that the Bank of England has braked the recent advance of the pound to the \$1.72 area by buying as much as \$1.5 billion. No doubt, these funds are quite volatile and will be flowing back out as soon as returns become skimpy. Unfortunately, the Bank of England has not learned its lesson well and has proceeded in recent weeks to lower interest rates in a rather dramatic way. The MLR now stands at 12.25%, a long cry from the all-time high of 15% just over two months ago.

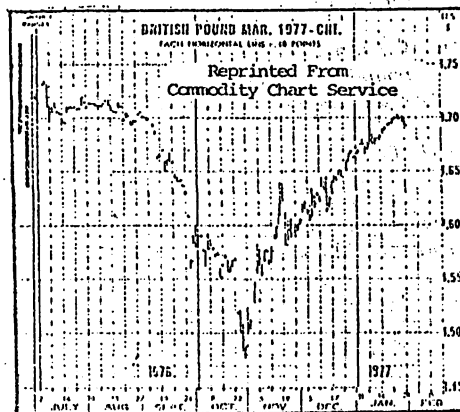
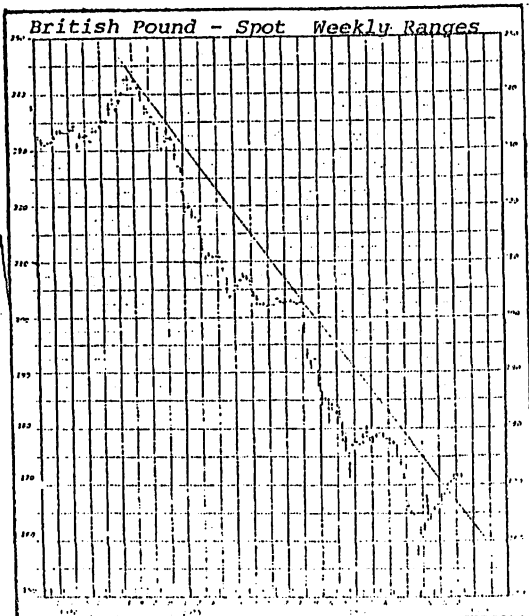
With inflation running well over 16% and rising, there's no way that the UK will be able to retain badly needed inflows of capital, and we expect a renewed outflow to begin almost immediately.

If stopped out in short December positions, re-established them at market. No stops are needed now.

	Spot/ Mar. '77	Spot/ June '77	Spot/ Sept. '77	Spot/ Dec. '77		
% Discount from Spot (Annualized)	9.48	6.95	6.00	5.28		
	Aug.	Sept.	Oct.	Nov.	Dec.	** 1975
Balance of Trade (mln SGT)	-293	-376	-354	-510	-179	-2724
*W.P.I. %	15.30	16.00	16.26	17.72	17.80	** 1976
*Retail Price Index %	13.70	14.31	14.74	14.97	15.06	
Reserves (mlnUS\$)	5.030	5.158	4.703	5.156	4.129	
	Dec. 31	Jan. 7	Jan. 14	Jan. 21		
***Exchange Rate - Trade Weighted %	-41.69	-41.56	-40.87	-40.57		
Euro Deposit % -						
1 Month	16 1/8	16 3/8	16 1/2	14 7/8		
3 Month	15 1/2	15 3/8	15 1/4	14 1/4		
6 Month	14 1/2	14 7/8	14 3/4	13 1/2		

Open Interest (Jan. 27): 937
 Contract Size: BP 25,000.00
 Round Turn Commission: US\$ 60.00

Average Volume (March): 95.23
 Margin Req'd: US\$ 2,500.00



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French Franc Mar.'77: 199.20 June '77: 196 Dec.'77: 189

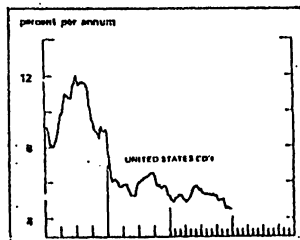
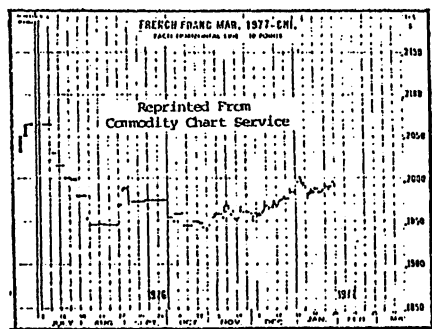
A disastrous trade and price performance coupled with a deteriorating political situation should, very shortly, begin to affect the Franc.

Remain short.

	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>**</u> <u>1975</u>	<u>**</u> <u>1976</u>
Balance of Trade (bln. FFR)	-2.460	-3.350	-4.710	-3.800	-1.32 (bil)	+5.87 (bil)	-20.59 (bil)
*Net Change of Foreign Exchange Assets %	11.01	12.00	15.24	17.64	10.32		
*Retail Price Index %	9.49	9.73	9.8	10.11	9.9		
Weekly Reserves (mln. FFR)	<u>Dec. 30</u>	<u>Jan. 7</u>	<u>Jan. 14</u>	<u>Jan. 21</u>			
	79.230	83.641	83.930	n/a			
Euro Deposit % -							
1 Month	12 15/16	12	11 1/4	11 3/16			
3 Month	12 9/16	12 1/4	12 3/16	12 3/16			
6 Month	12 3/16	12 8/16	12 11/16	12 5/8			
*** Exchange Rate % Trade Weighted	-5.16	-4.66	-4.62	-4.15			

Open Interest (Jan. 27): 3
Contract Size: FFR 250,000.00
Round Turn Commission: US\$ 60.00

Average Volume (March): 14.65 (Dec.30-Jan.24)
Margin Req'd: US\$ 2,500.00



U.S. Dollar

	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>**</u> <u>1975</u>	<u>**</u> <u>1976</u>
Balance of Trade (mln US\$)	-757.7	-778.7	-695.5	-906.2	-551.4	+11.01 (bil)	-5.87 (bil)
*Money Stock %	4.5	4.3	5.6	4.8	5.8		
*Bank Loan & Inv't (compounded annual rates of change)	5.4	5.6	5.9	6.1	6.3		
*C.P.I. %	5.58	5.50	5.29	4.95	4.81		
***Exchange Rate - Trade Weighted %	<u>Dec. 31</u>	<u>Jan. 7</u>	<u>Jan. 14</u>	<u>Jan. 21</u>	<u>Jan. 28</u>		
	-1.53	-1.93	-1.35	-1.17			
Euro Deposit % -							
1 Month	5 3/16	5 1/16	5 5/16	5 1/8			
3 Month	5 1/16	4 5/16	5 1/4	5 3/16			
6 Month	5 3/4	5 1/4	5 5/8	5 5/8			

* Over year ago same month

** Cumulative figures for the period Jan. 1 - Dec. 31

*** Appreciation or depreciation (-) from 18-12-71

Deutsche Mark Mar.'77: 41.25 June '77: 41.35 Dec.'77: 41.60

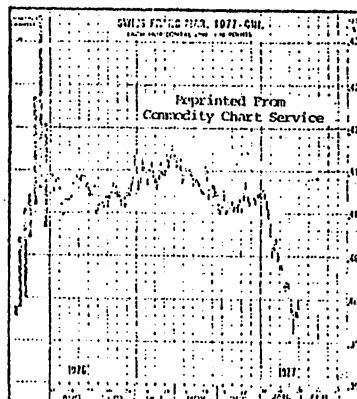
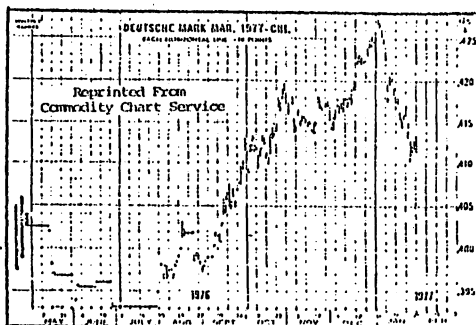
The firming of U.S. short term rates (as much as 5/8 percentage points) had a negative effect on the DM exchange. The Federal Reserve is, however, committed to maintaining the low interest rates for another few months in an effort to nudge upward the recent sluggish pace of economic activity and we fully expect rates to dip once more. In the interim, the DM still provides a positive real rate of return (considering their extremely low level of inflation) while trade surpluses continue to accumulate.

If stopped out on long DM position at 41.50, re-enter at these slightly lower levels. The DM bull market is far from over.

	Aug.	Sept.	Oct.	Nov.	Dec.	** 1975	** 1976
Balance of Trade (mln Marks)	+1.210	+4.600	+3.590	+3000	+3.28 (bil)	+37.2 (bil)	+34.54 (bil)
*Cost of Living %	4.59	4.04	3.81	3.73	3.90		
	Dec. 30	Jan. 7	Jan. 14	Jan. 21			
Net Monetary Reserves (bln Marks)	85.8	86.2	86.2	85.8			
***Exchange Rate - Trade Weighted %	+28.86	+28.94	+28.45	+28.04			
Euro Deposit - %							
1 Month	4 11/16	4 9/16	4 1/2	4 9/16			
3 Month	4 3/4	4 9/16	4 5/9	4 5/8			
6 Month	4 13/16	4 11/16	4 13/16	4 7/8			

Open Interest (Jan. 27): 1547
Contract Size: DM 125,000.00
Round Turn Commission: US\$ 60.00

Average Volume (March): 422.18 (Dec.30-Jan.24)
Margin Req'd: US\$ 2,500.00



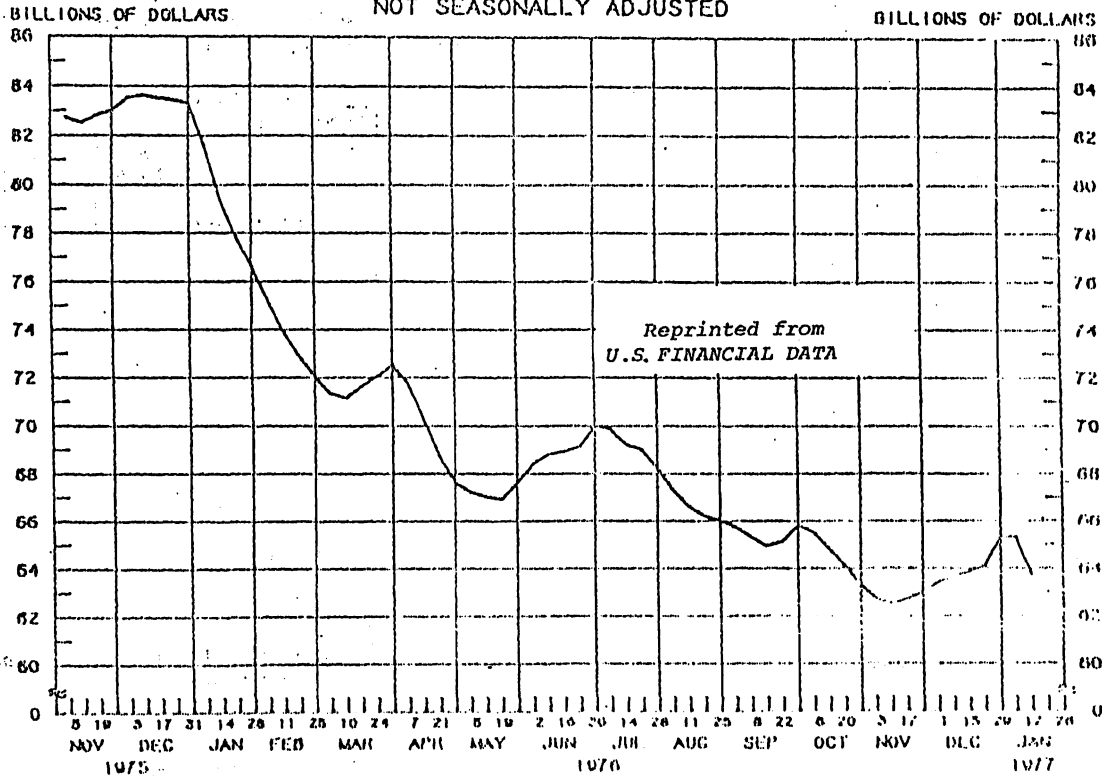
Swiss Franc Mar.'77: 39.89 June '77: 40.25 Dec.'77: 40.86

	Aug.	Sept.	Oct.	Nov.	Dec.	** 1975	** 1976
Balance of Trade (mln SFR)	-325	-160	+294	+239.7	-133.9	-838.1	+173.6
*C.P.I. %	1.59	0.91	1.03	0.90	1.3		
	Dec. 30	Jan. 7	Jan. 14	Jan. 21			
Weekly Reserves (bln SFR)	20.40	16.96	15.8	14.64			
***Exchange Rate Trade Weighted %	+46.86	+46.26	+45.77	+45.18			
Euro Deposit - %							
1 Month	29/32	7/8	1 1/2	15/16			
3 Month	1 15/32	1 5/16	1 5/16	1 1/4			
6 Month	2 1/4	1 13/16	1 11/16	1 13/16			

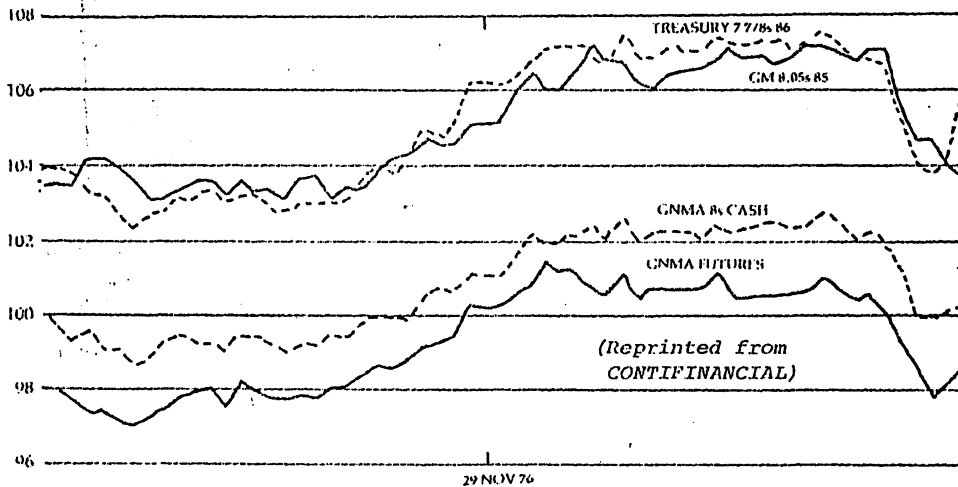
Open Interest (Jan. 27): 817
Contract Size: SFR 125,000.00
Round Turn Commission: US\$ 60.00

Average Volume (March): 135.41 (Dec.30-Jan.24)
Margin Req'd: US\$ 2,500.00

**CERTIFICATES OF DEPOSIT
LARGE COMMERCIAL BANKS**
WEDNESDAY FIGURES
NOT SEASONALLY ADJUSTED



GNMA FUTURES AND CASH, GM BOND AND TREASURY NOTE (Prices in Points and 32nds)
60 TRADING DAYS FROM 19 OCT 76



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

Albert D. Friedberg
Vice-President
Commodities Futures