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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

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.