

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 27, 1972

PLATINUM

July '72 134.00
January '73 138.50

Platinum prices broke on the upside from their three-week consolidation phase, to register new highs on all contract months. Spot July traded as high as 137.00 before backing down to 134.00 at the close today, still \$12.17 per ounce above the prevailing produce price.

Spread activity has been reduced considerably in the past few weeks & a good two-way market has developed. Open interest continues to rise & now stands at over 7,000 contracts - another plus for liquidity.

To contrarian thinkers such as ourselves, professional skepticism to the surge in prices remains a highly favorable omen. It is argued that: (a) use of platinum for catalytic converters in auto emission control is by no means certain; (b) even if it were, present supplies coupled with accelerated production on the part of South African Mines enjoying large unused capacity can meet the expected leap in demand for 1974-75 & (c) by the late seventies, the return flow of platinum from worn out devices (recoveries) could provide a rising portion of auto industry requirements.

We continue to believe that present uncertainties, although real, are offset by the low level of prices. Furthermore, from a technical point of view, the 18-months quiet base preceding the breakout should sustain more than just a brief flurry. Finally, present platinum consumption in the U.S. aside from any potential future developments, is on the rise. The U.S. Bureau of Mines, reports that during the first quarter platinum sales for consuming industries rose by 34% from the 4th quarter of 1971 & by 31% from the first quarter of 1971.

Add to present long positions by buying on setbacks. Raise protective stops to 127.00 basis October '72, 130.00 basis April '73.

N.Y. SILVER

Spot (July '72) 156.60
December '72 160.50
Comex Warehouse Stocks 98,840,000 - 419,000 ozs.

The drop in Warehouse Stocks to below the magical 100,000,00 ozs. caused a brief flurry in prices towards the end of last week just as prices were beginning to test the early June lows.

For the last few days, prices have been locked in a narrow 150-170 points range. Sellers of the contango have benefited greatly from the price stability of the past 3 months. Until proven otherwise, this benefit should continue to accrue to them.

Remain short lowering protective stops to 160.00 basis July '72.

COPPER

Spot (July '72) 46.70
December '72 48.25

in mind (a) the possibility of a frightening bear squeeze exists, reminiscent of the corners of the 20's and (b) the risk in holding long positions is quite high. To guard against the second possibility, place firm mental stops at 41.70 today and moving up to 42.80 by May 19th.

Hold July '72 with above mentioned stop. December '72 positions are looking quite weak now and stops should be kept at 32.00.

CATTLE

June '72 35.87

Exactly as forecasted beef futures rolled on to new contract highs, resuming the year-long bull market.

Our special report appeared April 26th, "CATTLE FUTURES: an investor's dream" concludes that a move to 37-38 ¢ is a likely target over the next 4-8 weeks. The report is available free of charge upon request.

LIVE HOGS.

July '72 28.35

Buy at the market risking today 27.80 and 28.00 by May 12th. Upside target is estimated at 31.00.

WORLD SUGAR # II

July '72 7.18

A decisive move above 7.70 basis July '72 will signal the resumption of the Sugar Bull Market.

The profit potential is well worth the wait.

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 specialists 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.