

FRIEDBERG & CO. LTD.

FOREIGN EXCHANGE DEALERS
COMMODITIES FUTURES BROKERS
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COMMODITY COMMENTS

October 3, 1972

Copper December '72 47.90

Values have fluctuated between a high point of 49.00 & a low point of 47.50 in relatively subdued turnover. Among market depressants, one can cite the continued & larger-than-expected increases in LME Warehouse Stocks, which now stand at over 173,000 tons, along with rising Comex & dealer stocks. Figures released by the Copper Institute reveal that refined copper stocks in the Free World rose during August by 38,337 tons to a new record high of 563,121 tons. This increase compares to July's increase of 17,349 tons. Emphasizing the continued sluggish consumption pattern, deliveries to fabricators declined to 360,121 tons from 368,688 tons.

From a technical point of view, one must view the recent consolidation as merely a pause in the bear market. Consequently, traders should add to already short positions on December '72 breaking 47.50. Lower protective stops to 48.75.

Silver December '72 179.10
Comex Warehouse Stocks 91,459,000-809,000 ozs.

In previous issues we commented rather extensively upon the perverse effect that the price ceiling had upon U.S. Domestic Supplies. Figures published last weeks by the U.S. Bureau of Miners show that silver exports rose to 9.442 million ounces in July, more than eleven times the June exports & equal to the exports in the first six months. December silver production fell 6.5% in July to 2.797 million ounces. There is little doubt now as to the effect the \$1.62/oz. Ceiling had on prices.

Comex Warehouse Stocks have declined over 3,000,000 ozs. during the past two weeks; some of it has moved to Chicago Warehouses while some has gone into consuming channels.

Although Silver's long term picture retains its Bull Market outlook, near term fluctuations may be rather wide & a test of the recent lows has become a real possibility. The market is considerably overbought after a near 13-cent vertical climb & is beginning to struggle under the heavy resistance area represented by 180.00-184.00 basis December.

Short term traders may establish short positions at these levels placing stops overhead (184.00) & covering on low volume dips.

NOTE: Friedberg & Co. Ltd. is now in the position to offer Put & Call options on Silver on a regular & fully quoted basis. Literature on these sophisticated trading vehicles will be available on request.

Platinum

July 142.10

According to the U.S. Bureau of Mines, imports of platinum - group metals rose 57.7% to 432,069 ounces in the second quarter of 1972. Platinum imports rose 76.8% to 180,402 ounces with 60.2% of the imports coming in from The United Kingdom, followed by the Republic of South Africa 18.7%, the USSR 16.8% and Japan 1.8%. Platinum imports rose 20.1% to 207,111 ounces with 65.9% of the imports coming in from the USSR, followed by The United Kingdom 25.1%, The Republic of South Africa 5.8% and Norway 2.0%. Iridium imports rose 100.1% to 9295 ounces with 73.7% coming from The United Kingdom and 17.2% from the Republic of South Africa.

Platinum exports fell 24.7% to 52,746 ounces in the second quarter with 41.8% going to The United Kingdom, followed by Japan 23.9%, West Germany 17.7% and Benelux 10.9%. Exports of other platinum group metals rose 6.9% to 25,304 ounces.

In the second quarter U.S. industrial consumption of Platinum rose 36.1% to 148,823 ounces, of palladium rose 6.9% to 201,489 Ounces and of Iridium rose 5.9% to 13,154 ounces.

Impala Platinum will supply General Motors with 300,000 troy ounces of platinum and 120,000 troy ounces of palladium per year if agreement on contract terms can be reached. But Impala indicated that the contract might only be of short duration.

Rustenburg said that GM had decided not to place its initial order with Rustenburg but had indicated it would approach them if additional material were needed.

Long positions in January '72 contracts were stopped out at 138.00. Stand aside.

TECHNICAL TRENDS

<u>Cocoa</u>	December '72	33.40
	December '73	34.05

Cocoa futures reaffirmed their strong upward trend scoring new contract highs on Friday & again today. Long positions have been reestablished at 32.40 & protective stops should be placed below recent lows.

Spread Suggestion: Buy December '72 - Sell December '73 at current spread; nearby should move to a premium from present discount; margin required: \$300 per spread.

July 1973

Platinum

According to the U.S. Bureau of Mines, imports of platinum - group metals rose 27.7% to 433,066 ounces in the second quarter of 1973. Platinum imports rose 76.8% to 180,402 ounces with 60.2% of the imports coming in from the United Kingdom, followed by the Republic of South Africa 18.7%, the USSR 16.8% and Japan 1.8%. Platinum imports rose 20.1% to 207,111 ounces with 67.9% of the imports coming in from the USSR, followed by the United Kingdom 22.1%, the Republic of South Africa 2.9% and Norway 2.0%. Iridium imports rose 100.1% to 2295 ounces with 73.7% coming from the United Kingdom and 17.3% from the Republic of South Africa.

Platinum exports fell 24.7% to 52,746 ounces in the second quarter with 41.8% going to the United Kingdom, followed by Japan 23.9%, West Germany 11.7% and Geneva 10.9%. Exports of other platinum group metals rose 6.9% to 25,704 ounces.

In the second quarter U.S. industrial consumption of platinum rose 36.1% to 148,923 ounces, of palladium rose 6.2% to 201,489 ounces and of iridium rose 5.9% to 13,124 ounces.

Impala Platinum will supply General Motors with 300,000 Troy ounces of platinum and 100,000 Troy ounces of palladium per year if agreement on contract terms can be reached. But Impala indicated that the contract might only be of short duration.

Platinum said that GM had decided not to place its initial order with Impala but had indicated it would approach them if additional material were needed.

Long positions in January '73 contracts were stopped out at 136.00. Stand aside.

TECHNICAL TRADING

December '72	33.40	Cocoa
December '73	34.00	

Cocoa futures reaffirmed their strong upward trend scoring new contract highs on Friday & again today. Long positions have been reestablished at 32.40 & protective stops should be placed below recent lows.

Spread Suggestion: Buy December '72 - Sell December '73 at current spread; nearby should move to a premium from present discount; margin required: \$300 per spread.

Cotton

March 27.64

Remain long & remain protective stop at 27.15. Add to long positions on move above 28.25.

Zinc

London 3 months 124 3/4

Still awaiting breakout above 126 before going long.

INTERNATIONAL MONETARY MARKET

Deutsche Marks

December '72	31.420
March '73	31.650
June '73	31.760

The U.S. trade deficit narrowed to \$463.6 million in August from \$482.1 million in July, for the second smallest monthly deficit of the year - sign that the Smithsonian agreement had begun to work. The same goes for the fact that West Germany's trade surplus narrowed to 1.34 billion DM in August from 1.62 billion DM in July.

In the past 2 weeks, we have added to our short DM positions by selling June '73 above 32.000. Remain firmly short.

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.