



## **AIS MARKET WATCH** for Week Ending **January 20, 2012**

- IMF officials from twenty nations met in Mexico this week. There are hopes that new flows of funding from the International Monetary Fund will help contain the euro zone debt crisis. Another multibillion or even trillion dollar monetary injection into the global financial system may further boost demand for bullion
- Copper traders are the least bearish in a month as the metal has its best start to a year since 2009 and stockpiles tracked by the world's biggest metals exchange were poised to slump to the lowest in 2 1/2 years, according to a Bloomberg survey. Prices reached a four-month high of \$8,428.50 a metric ton Friday, taking this year's advance to 11%. Inventories (LSCA) tracked by the London Metal Exchange are already the smallest since December 2010 and existing orders to withdraw metal may reduce that to the lowest since July 2009. China, which consumes 40% of the world's copper, expanded 8.9% in the fourth quarter, the slowest pace in 10 quarters. That increased speculation the government will stimulate lending to shore up the economy. While global growth is slowing, demand is still exceeding supply from mines. The shortages will reach 363,000 tons this year, enough to meet more than a month of European demand, Barclays Capital estimates.
- Treasuries are off to their worst start since 2003 on signs the U.S. economy is strengthening and Europe is moving closer to resolving its debt crisis. Treasury 10-year notes fell for a third day as a U.S. report showed home sales rose for a third month in December, adding to signs that the world's largest economy is gaining momentum. Initial jobless claims plunged to 352,000 in the week ended Jan. 14, the lowest level since April 2008, according to a Labor Department report. A Federal Reserve report on Jan. 18 showed factory output increased.



	<b>Week ending 1/20/12</b>	<b>Week ending 1/13/12</b>	<b>Change from prior week</b>
<b>Futures Contract</b>			
Crude Oil/Feb 12	98.33	99.16	-0.83
Heating Oil/Feb 12	2.9884	3.0441	-0.0557
Gasoline/Feb 12	2.7844	2.7509	0.0335
Natural Gas/(neutral position)			
Gold/Feb 12	1664	1638.9	25.1
Silver/Mar 12	31.675	29.705	1.97
Copper/Mar 12	3.745	3.6405	0.1045
Wheat/(neutral position)			
Soybeans/Mar 12	1187	1158.25	28.75
Corn/Mar 12	611.5	555.25	56.25
Soybean Meal/Mar 12	311.9	301.5	10.4
Soybean Oil/Mar 12	50.43	50.29	0.14
Australian dollar/Mar 12	1.0409	1.0243	0.0166
Canadian dollar/Mar 12	0.985	0.9766	0.0084
S&P 500/(neutral position)			
US Treasury Bond/(neutral position)			

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