TD Securities

Commodities Weekly

Rates, FX and Commodities Research

08 July 2013 | TD Securities | Toronto & Calgary

TRYING TO FIND DIRECTION

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Another strong week for petroleum commodities thanks to geopolitical, technical and short-term fundamental factors, but downside looms

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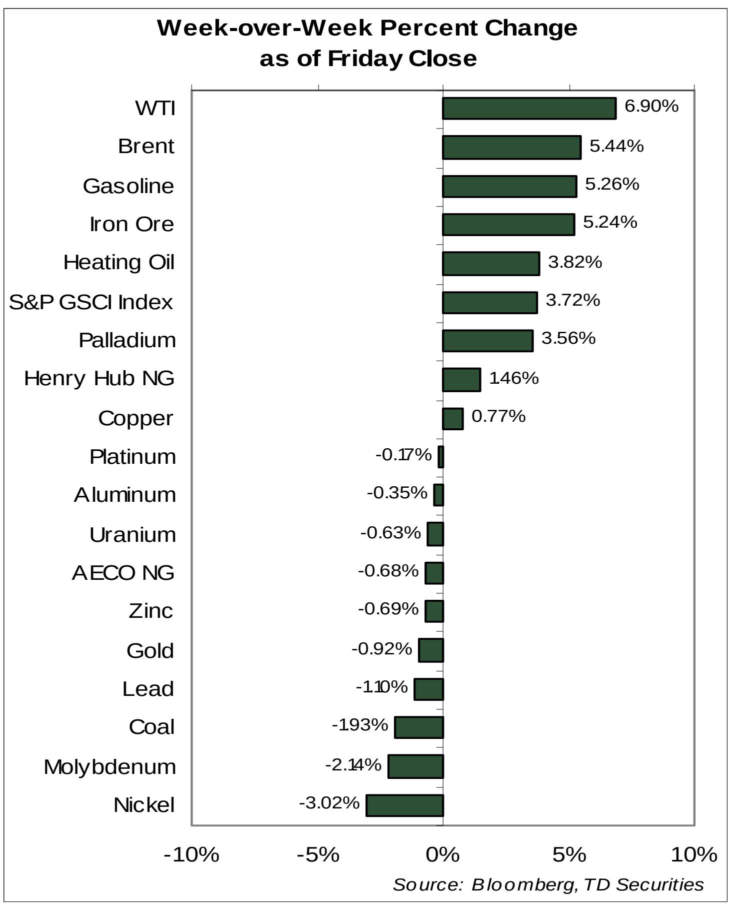


Weekly Commodity Movers & Shakers

- Continued technical buying, a strong draw from oil stockpiles and the Egyptian crisis causes WTI and Brent to move materially higher.
- Gasoline and distillate market rise in sympathy with oil and also on unexpected stockpile draws.
- Iron ore moves higher as market speculate it fell too far relative to the fundamentals
- Palladium outperforms its peers amid tighter supply/ demand fundamentals
- Natgas posts a modest weekly gain, but the bias remains in favour of further downside with above-normal weekly injections narrowing the storage deficit.
- Base metals (ex-copper) drop to mid-2010 lows on China demand worries and QE tapering chatter.
- Strong US payrolls and continued expectations that the Fed will remove some monetary accommodations weighs on gold.

Metals Update & Drivers

Gold Sells-Off on NFPs Supporting the Fed's QE Tapering Speculation and a Dovish ECB; Industrials React to Individual Drivers

A soaring greenback, higher yields and equity market optimism in the aftermath of a better-than-expected non-farm payroll print has again driven investors away from gold last week. Both gold and silver also suffered as a result of the dovish stances taken by the ECB and BoE earlier in the week. The solid US employment report prompted investors to bet that the Fed's tapering of its aggressive $85bln/month asset purchasing program is likely to happen sooner rather than later. With that, yields on US treasuries jumped higher, which increased the opportunity cost of holding gold.

Similarly, ECB and BoE first ever forward guidance, which strongly suggested very easy monetary conditions for the foreseeable future, helped to lift the US dollar as US/euro spreads widened at the expense of gold. ECB left the refi at 0.5% and maintained other unconventional monetary easing measures in tact. Also, the "Governing Council expects the key ECB rates to remain at present or lower levels for an extended period of time", with further easing not ruled out.

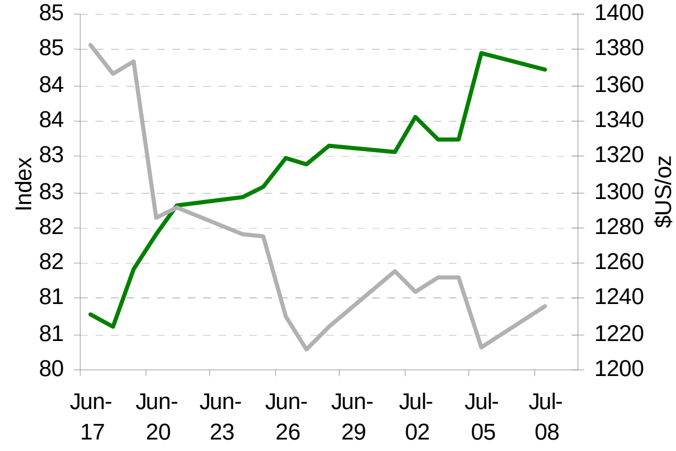
The strength of greenback was accompanied by stronger equity market performance and a treasury sell-off. US 10-year yields resumed the medium term up trend to close at 2.715%, with 30-year yields also resuming their up trend to close at 3.677%. Meanwhile, the DOW closed back above 15,000. Monday saw Treasury yields drop and equities rally further. In sharp contrast to their $1,208/oz and $18.71/oz lows of last week, gold rebounded past $1,236/oz and silver to over $19.12/oz.

The highly anticipated US non-farm payroll report from Friday showed 195k growth in June comparing to expectation of 162k, with the previous month's figure revised higher from 175k to 195k. The combined job growth in Q2, at 589k, was considered to be very solid by most observers. But despite the fairly decent US employment data, the yellow metal traded within its recent trading range that lies between $1,200/oz and $1,300/oz.

As outlined in our piece prior to the Friday NFP report titled "PAYROLLS OFFER ONLY FAINT HOPE FOR A POWERFUL GOLD RALLY—BIG SURPRISE NEEDED TO EXIT CURRENT RANGE", we don't expect a material move outside the range in the near term. The market would need to get new information in order to go to new levels. Given the massive short positioning and the likelihood that an early QE tapering is already priced in, we would expect gold to move up towards an upper end of its trading range. So, keep an eye out for any negative economic news.

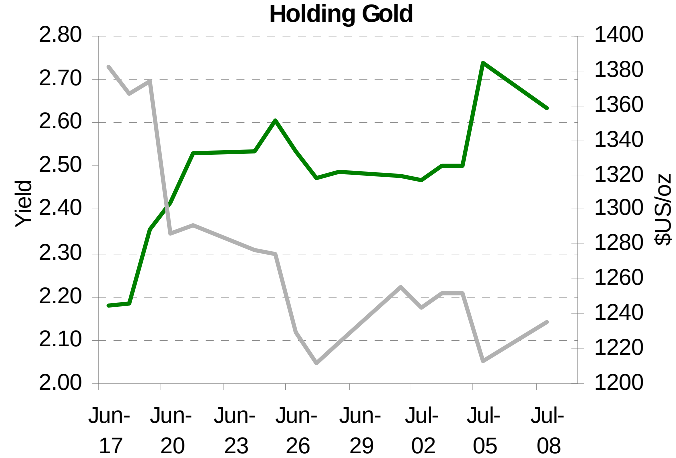
In addition to the data, we could well see more gold upside coming from stronger global physical demand. The drop down to $1,200/oz territory has brought in physical demand, which is a trend we think will continue to move price toward the upper limit of the current trading range, as will a drop of the dollar from recent highs. Continued strong central bank interest, which will likely result in some 550 tonnes of new physical demand this year, should also help to firm gold absent a macro catalyst capable of moving yields sharply higher.

Stronger Dollar Taking Its Toll on Gold



Source: Bloomberg, TD Securities

Higher Yields Increase Opportunity Cost of Holding Gold



Source: Bloomberg, TD Securities

On Going China Concerns, Higher Dollar and Weak Europe Keep Base Metals Down

The combination of poor Chinese June services PMI, another lacklustre June HSBC manufacturing PMI and a strengthening US dollar prompted traders to continue unload base metals in the second half of the week. Markets are likely concerned that slower-than-expected long term Chinese economic growth at a time the Chinese authorities are unwilling to add stimulus to the economy will keep inventories at elevated levels for longer.

At the same time, a weak RMB and a liquidity crunch in the Chinese banking system are convincing speculative investors to take a hard second look before becoming active in the space. As such, the LME base metals index has dropped down to key support levels near where we last saw them back in mid-2010. While copper rebounded slightly, it too remains close to its 2010 lows. Given that we expect the Chinese, US and the European economies to perform better in the second half of the year, it is unlikely that base metals will drop materially below their current support levels for very long. Any US dollar weakness could help support base metals as well.

Platinum and Palladium take Separate Paths Last Week, But SA Labour Problems Moves Both Higher Monday

Platinum had a very small decline on the week amid European growth concerns and its link to gold. Meanwhile, palladium which is associated with gasoline engines dominating the US and Chinese markets rallied a relatively robust 3.6% amid expectations of a tighter market.

TDS continues to see increased industrial demand for both platinum and palladium sponge as users and investors capitalize on current low price levels. In addition, the supply side is looking increasingly precarious for PGMs as the South African "master agreement for mines" is still not signed when the Association of Mineworkers and Construction Union (AMCU) vetoed and did not sign the contract. This implies labour strife going forward. Plus, the looming wage negotiations in South Africa which are likely to result in significantly higher wages are also serving as support. Anglo American Platinum, the world's largest producer, will negotiate the salaries this summer.

Indeed, labour issues sent platinum up some $20/oz from the day's lows to as high as $1,360/oz and palladium up $28/oz to nearly $702/oz after the news that 5,600 employees refused to go underground at the Thembelani and Khuseleka mines in Rustenburg. TDS expects platinum to trade north of $1,700/oz and palladium above $825/oz by the end of 2014, high grading and cost cutting should cut production costs as well. This also represents a risk that prices could go significantly below our Q2-2014 projected low of $1,150/oz.

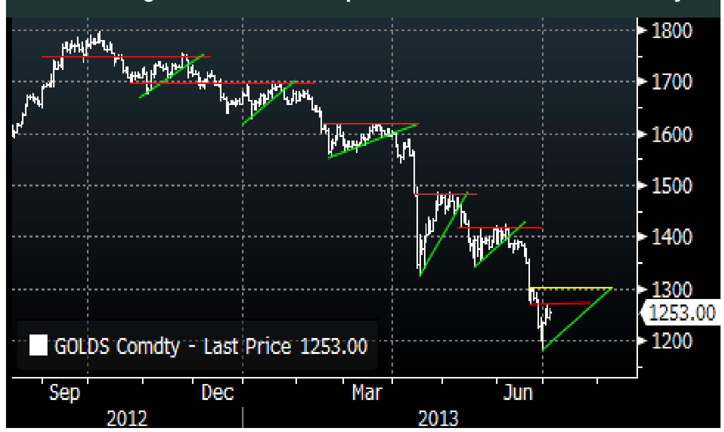
Bart Melek, Toronto

Payrolls Offer Only Faint Hope for a Powerful Gold Rally—Big Surprise Needed to Exit Current Range

The last several months have not been very kind to gold and silver as investors lightened their physical and long spec exposure. The market's increasing conviction, particularly following the latest FOMC decision, that the US central bank is set to start reducing the amount of monetary stimulus that it injects into the economy sooner rather than later has been the key catalyst driving capital away. Indeed, these metals have been on a steep downward trajectory since late last year.

The expected Fed "tightening", which the central bank said will start with tapering the QE program, has sharply lifted bond yields, reduced inflation risks and kept the US dollar moving higher. There was also a presumption that an improving US economy will help lift business earnings and equity valuations over the longer term as well, which is lending support to oil. The higher interest rates, a strong greenback and firm equity markets through the month lifted the opportunity cost of holding gold in terms of these assets, reducing spec investment demand and triggering physical sales from ETFs.

Gold Once Again to Encounter Upside Resistance Absent a Catalyst



Source: Bloomberg, TD Securities

It could be said that gold prices have been inversely related to the prospects of the US economy—with strong data implying a move down and weak data implying a rally. The upcoming US June payrolls data is seen by many as a proxy for the strength of the economy, as well as being one of the data benchmarks that the US central bank said it will use to guide its monetary policy. The gold market has and will likely continue to respond to the US employment data release on Friday.

But we would argue that from both a fundamental and technical level this response will likely be limited as TDS and the consensus expect the pace of employment growth to be just north of 160K. While below last month's 175K print, it will be interpreted as showing a continued improvement in economic growth momentum. As such, it is not a game changer as it is unlikely to change the markets current expectations surrounding the timing and magnitude of future QE tapering.

We would need to see a substantial miss for gold traders to take prices out of the current trading range, which lies between $1,200/oz and $1,300/oz. If prices move above heavy resistance of $1,325/oz, this could be a signal for a more sustainable move higher. Still, a modest miss or even an on target print could disappoint and take prices toward the upper limit near $1,300/oz as the market appears to be positioned for a relatively decent upward skew between 160K and 185K in June. We would define a big miss as a print materially below 140k or above 200k as a big beat. These could get us out of the current trading range in either direction. Given our call and the upcoming FOMC minutes, we continue to say that this is a "sell the rallies" market.

Bart Melek, Toronto

Mike Dragosits, Toronto

** Originally Published as a Chart Logic on July 3, 2013*

Energy Update & Drivers

Another strong week for the petroleum complex, with WTI leading the commodity complex higher by recording a 6.9% weekly gain. Despite the small decline on Monday, the WTI spot price remains above the psychologically key $100/bbl level, and is trading there for the first time since April 2012 in a more convincing fashion. Brent crude hasn't been able to keep up the same positive pace as WTI, but still managed to participate in the move higher with a 5.44% weekly gain. However, the relative underperformance by Brent did cause the Brent/WTI spread to narrow yet again, trading at -$4.50/bbl at time of writing.

Petroleum product market also gained last week, partially on the back of oil's gains, but also on the back of unexpected draws from US domestic stockpiles. By Friday of last week gasoline had gained 5.26%, which is the fuel's first weekly gain in three weeks, and diesel posted a 3.82% gain.

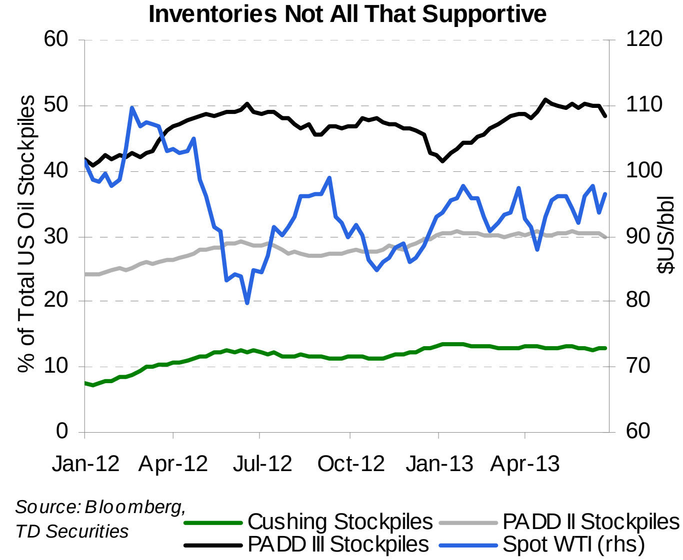
Increasing Doubts On Oil's Rally Higher

It should come as no surprise that we are at odds with oil's recent rally higher. Forecasting a Q3'13 price of $93/bbl and $103/bbl for WTI and Brent respectively, the current $103/bbl and $107.50/bbl prices puts our forecast at odds. However, we continue to hold on our now much more bearish outlook for oil; promoting the recent strength as more a technical move than a fundamentally driven buying spree.

Clearly there are supportive factors that go beyond technicals that have helped give WTI legs above $100/bbl, but our concern is the relative strength of these factors and their staying power. For example, market players have been banking on the combination of returning refining demand and better takeaway capacity between PADD II (US Midwest) and PADD III (US Gulf Coast), to draw-down the glut of supply located in PADD II, which is where the physical delivery point is for WTI futures (Cushing, Oklahoma). Speculation of this happen was one of the drivers behind WTI's changing term structure from a near-term contango to being fully backwardated. Unfortunately, the expected drawdown at Cushing and PADD II hasn't really materialized and the declines in PADD III have been more on the back of lower imports than demand driven draws.

That said, the return of BP's Whiting refinery and the sudden demand for light oil as a result of the unexpected upgrader maintenance in Canada are two very near-term supportive factors, but they are just that—near term factors. Synthetic crude from that unexpected early upgrader maintenance will return soon, and BP's Whiting refinery will start to switch to the heavy oil as a feedstock in the coming months, if not weeks, which essentially eliminates those two supportive factors.

Inventories Not All That Supportive



Source: Bloomberg, TD Securities

Furthermore, the sharp narrowing of the Brent/WTI spread has caused the economics of moving oil from PADD II to PADD III or any other PADD for that matter, less economic. With refiners on the West, Gulf and East coasts all more exposed to Brent-linked crude prices, WTI-linked crude has been very attractive in recent years.

However, with the WTI advantage essentially eliminated with the narrowing spread, WTI-linked crudes may have an even greater challenge leaving their production areas without further discounting. At some point something has to give, and in our view, it will likely be WTI falling back below $100/bbl while Brent remains in the low-to-mid-$100s.

The situation in Egypt has also surprised us, in the sense that Brent has not capitalized more from it. In addition, North Sea oil loadings are expected to decline in August by around 100,000bbls/day thanks to maintenance, which is another supportive factor for Brent that seems to be getting ignored by the market. In our view, the Brent/WTI spread is done with its recent narrowing party and due for a correction back to wider levels.

Train Accident Calls Into Question Crude-by-Rail Expansion

This past weekend's catastrophic train accident in Quebec, Canada is nothing short of tragic. The loss of life and destruction caused by the accident is a sobering reminder of how quickly things can change. We first want to express our concern for the situation and hope for those still missing.

This past weekend's train accident has also offered a sobering reminder of the risks associated with transporting crude-by-rail. The recent expansion in the volume of oil being transported by rail is staggering. With oil production growth coming from areas not well serviced by pipelines, and current output exceeding pipeline capacities, rail has been a saving grace for many producers in Canada and the Bakken play.

With an expected 1MMbbls/day of oil to potentially be transported by rail come early 2014, there was little talk of how that increase in volume would also translate into an increase risk to people and the environment. So much of the oil transportation rhetoric has been on pipelines, particularly the Keystone XL pipeline project, but the aftermath of this weekend's catastrophe will likely see a good chunk of that attention diverted to rail risks.

We often hear about pipeline spills as minor as 10 barrels, but do not often hear about train derailments/accidents involving similar volumes. Train derailments happen more often than one thinks, but have to see the puncturing of the tank car in order for it to be called an actual spill. That said, with the volume of crude being transported by rail set to increase even more in the coming years, the risk of spills also increases.

What this could potentially mean for the rail industry is tighter regulations. The pipeline industry is used to dealing with tight regulations, but the rail industry hasn't had to deal with the same scrutiny, as far as transporting oil is concerned. That may change, and could also change the economics of moving crude-by-rail too. Furthermore, this latest incident will also see pipelines like the KXL project as a potentially better solution.

Generally speaking, we believe that there is a need for both pipeline and rail capacity growth, but see the regulatory environment tightening across the board which will see costs of transportation rise.

David Bouckhout, Calgary

ECONOMIC INDICATORS & EVENTS TO WATCH

FOMC Minutes, Ben Bernanke and China Data Key Commodity Drivers this week

After the Mr. Bernanke's less than impressive attempt to communicate the eventuality of QE Tapering some three weeks ago, the Fed Chairman will get another kick at the can on Wednesday. Wisely, this time around his Boston speech is scheduled to occur after the minutes from the last FOMC hit the wirers. He will no doubt keep stressing that any reduction in monetary accommodation will only take place once the macro fundamentals are in place —including higher employment and inflation expectations—and that there are downside risks. This could well moderate yields and give gold a lift into the upper end of the current trading range, with short covering a strong possibility.

Meanwhile, the FOMC minutes should essentially restate what we have seen previously. Given that much of this has been priced in, anything on the dovish side in the documents could also move gold higher.

There will also be an assortment of the latest US economic data, including the latest unemployment claims, MBA mortgage applications, May wholesale inventories, June producer prices, and June advanced retail sales. The high frequency economic data will give markets an indication of how the real economy is responding to the recent jump in yields. A continued negative mortgage market reaction could well prompt traders to be a bit more ambiguous on the QE tapering, which could well help gold and silver move up. Conversely, base metals would likely react negatively.

Out of the monthly data, markets would most likely react to the retail numbers. A poor print will likely reduce bets that QE tapering is imminent, which could help commodities. Conversely, strong data will likely be a negative influence on prices. The expected higher inflation numbers should help gold a bit.

We will also see a myriad of the latest economic data from China, including June trade numbers, M1/M2 statistics, fixed asset investment, industrial production and retail sales. The market will also get a look at China's Q2 GDP figures. For the most part, the Chinese data is expected to trend lower somewhat. As such, at least for the short term, this implies a negative base metals, PGMs and energy markets reaction. A series of beats has the potential to generate a strong base metals and PGMs rally.

Bart Melek, Toronto

DATA CALENDAR

Release	Consensus	Prior
TUESDAY (July 9th)		
05:30 USD NFIB Small Business Optimism (Jun)	94.7	94.4
08:00 USD JOLTs Job Openings (May)	3800	3757
10:00 USD DOE Short-Term Crude Outlook (Jul)	--	91.96
10:00 USD DOE Short-Term Mogas Outlook (Jul)	--	3.37
10:00 USD DOE Short-Term Diesel Outlook (Jul)	--	3.77
10:00 USD DOE Short-Term Ht Oil Outlook (Jul)	--	3.62
10:00 USD DOE Short-Term NatGas Outlook (Jul)	--	12.21
20:00 CNY Trade Balance (USD) (Jun)	$27.80bn	$20.43bn
20:00 CNY Exports yoy (Jun)	3.70%	1.00%
20:00 CNY Imports yoy (Jun)	6.00%	-0.30%
WEDNESDAY		
05:00 USD MBA Mortgage Applications (Jul)	--	-11.70%
08:00 USD Wholesale Inventories (May)	0.30%	0.20%
08:00 USD Wholesale Sales mom (May)	0.30%	0.50%
08:30 USD DOE U.S. Crude Oil Inventories (Jul)	-3100k	-10347k
08:30 USD DOE Cushing OK Crude Inventory (Jul)	--	392k
08:30 USD DOE U.S. Gasoline Inventories (Jul)	1000k	-1719k
08:30 USD DOE U.S. Distillate Inventory (Jul)	1000k	-2418k
08:30 USD DOE U.S. Refinery Utilization (Jul)	0.25%	2.00%
08:30 USD DOE Crude Oil Implied Demand (Jul)	--	16152
08:30 USD DOE Gasoline Implied Demand (Jul)	--	9613.3
08:30 USD DOE Distillate Implied Demand (Jul)	--	5290.4
12:00 USD Fed Releases Minutes from Jun 18-19 FOMC Me		
THURSDAY		
00:30 EUR Bloomberg July Eurozone Economic Survey (Jan)		
02:00 EUR ECB Publishes Monthly Report (Jan)		
05:00 GBP ICE Gasoil Futures Expiry (Jan)		
06:30 USD Import Price Index mom (Jun)	0.00%	-0.60%
06:30 USD Import Price Index yoy (Jun)	0.40%	-1.90%
06:30 USD Initial Jobless Claims (Jul)	340k	343k
06:30 USD Continuing Claims (Jun)	2955k	2933k
06:45 USD Bloomberg July United States Economic Survey (		
07:45 USD Bloomberg Consumer Comfort (Jul)	--	-27.5
08:30 USD EIA Natural Gas Storage Change (Jul)	--	72
12:00 USD Monthly Budget Statement (Jun)	$40.0bn	-$59.7bn
FRIDAY		
03:00 EUR Euro-Zone Ind. Prod. sa mom (May)	-0.30%	0.40%
03:00 EUR Euro-Zone Ind. Prod. wda yoy (May)	-1.40%	-0.60%
06:30 USD Producer Price Index mom (Jun)	0.50%	0.50%
06:30 USD PPI Ex Food & Energy mom (Jun)	0.10%	0.10%
06:30 USD Producer Price Index yoy (Jun)	2.10%	1.70%
06:30 USD PPI Ex Food & Energy yoy (Jun)	1.60%	1.70%
07:55 USD U. of Michigan Confidence (Jul P)	84.8	84.1
11:00 USD Baker Hughes U.S. Rig Count (Jul)	--	1757
SUNDAY		
20:00 CNY Real GDP YTD yoy (2Q)	7.70%	7.70%
20:00 CNY GDP yoy (2Q)	7.50%	7.70%
20:00 CNY Real GDP qoq (2Q)	1.70%	1.60%
20:00 CNY Industrial Production YTD yoy (Jun)	9.30%	9.40%
20:00 CNY Industrial Production yoy (Jun)	9.10%	9.20%
20:00 CNY Fixed Assets Inv Excl. Rural YTD yoy (Jun)	20.20%	20.40%
20:00 CNY Retail Sales YTD yoy (Jun)	12.70%	12.60%
20:00 CNY Retail Sales yoy (Jun)	12.90%	12.90%
MONDAY (July 15th)		
06:30 USD Empire Manufacturing (Jul)	4.5	7.84
06:30 USD Advance Retail Sales (Jun)	0.80%	0.60%
06:30 USD Retail Sales Less Autos (Jun)	0.40%	0.30%
06:30 USD Retail Sales Ex Auto & Gas (Jun)	--	0.30%
06:30 USD Retail Sales "Control Group" (Jun)	0.30%	0.30%
08:00 USD Business Inventories (May)	0.30%	0.30%
Time = Mountain Time		*Source: Bloomberg*

Commodities Weekly

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COMMODITY PRICE FORECASTS

Commodity	Spot Price	2013 Q1A	2013 Q2E	2013 Q3F	2013 Q4F	2014 Q1F	2014 Q2F	2014 Q3F	2014 Q4F	Annual Averages 2013	Annual Averages 2014
Gold *	1,243	1,632	1,417	1,275	1,200	1,175	1,150	1,175	1,250	1,380	1,188
Silver *	19.44	30.10	23.22	19.60	17.90	17.75	17.00	18.00	19.25	22.69	17.98
Platinum *	1,357	1,632	1,467	1,500	1,700	1,750	1,650	1,625	1,700	1,578	1,681
Palladium *	678	742	714	685	825	900	875	850	875	744	874
Copper ** - lbs	3.17	3.60	3.25	3.18	3.35	3.30	3.25	3.20	3.10	3.36	3.21
- tonnes	6,981	7,937	7,165	7,011	7,385	7,275	7,165	7,055	6,834	7,397	7,082
Zinc ** - lbs	0.84	0.92	0.84	0.94	1.02	1.08	1.10	1.10	1.14	0.93	1.11
- tonnes	1,858	2,028	1,852	2,072	2,249	2,381	2,425	2,425	2,513	2,050	2,436
Lead ** - lbs	0.94	1.04	0.93	0.98	1.05	1.12	1.15	1.18	1.20	1.00	1.16
- tonnes	2,077	2,293	2,050	2,161	2,315	2,469	2,540	2,601	2,646	2,205	2,564
Nickel ** - lbs	6.30	7.85	6.79	7.50	8.00	8.00	8.60	8.50	8.20	7.54	8.33
- tonnes	13,896	17,306	14,969	16,535	17,637	17,637	18,960	18,739	18,078	16,612	18,353
Aluminum ** - lbs	0.81	0.91	0.83	0.90	0.96	0.96	0.96	1.00	1.00	0.90	0.98
- tonnes	1,784	2,006	1,830	1,984	2,116	2,116	2,116	2,205	2,205	1,984	2,161
Molybdenum +	10.27	11.39	10.90	12.50	13.25	13.50	15.00	15.00	14.50	12.01	14.50
Iron Ore *+	117	149	126	135	130	135	135	130	130	135	133
Nymex Crude Oil +-	98	94	94	93	95	95	92	95	95	94	95
Brent Crude Oil +-	103	113	103	103	105	107	103	105	105	106	105
Heating Oil -+	2.87	3.04	2.89	2.80	2.85	3.00	2.75	2.80	2.90	2.89	2.85
Gasoline -+	2.74	2.99	2.83	2.75	2.70	2.85	2.70	2.65	2.75	2.83	2.75
Natural Gas --	3.57	3.48	4.02	3.85	4.05	3.90	4.00	3.90	4.25	3.84	4.00
AECO Natural Gas --	2.93	3.13	3.43	3.40	3.65	3.55	3.60	3.40	3.85	3.40	3.60
Uranium ++	40	43	41	45	45	45	45	50	50	43	48
Hard Coking Coal Spot +*	n/a	166	145	155	165	170	175	175	175	158	174
Newcastle Thermal Coal-	78	92	85	100	95	95	95	85	85	93	90

Note: *London PM Fix $/oz., **LME $/lb., +Molybdenum equivalent to moly oxide, FOB USA,
*+CFR China, 62% Fe, dry $/tonnes, +- $/bbl, -+ $/gal., -- $/mmbtu, ++pre-2011 Uranium price is Ux Consulting spot price
indicator post 2011 is NYMEX, +* Japan-Australia Spot, $/tonne FOB, -Japan CIF steam coal marker -New castle, $/tonne

F = Forecast, E = Estimate, A = Actual
All forecasts are period averages
Source: Bloomberg, TD Securities

TRADE RECOMMENDATIONS

ONGOING TRADES

Trade	Entry Date	Entry	Stop	Current	Target	P/L
Long Platinum	01-Jul-13	1340.00	1285.00	1359.00	1750.00	1.4%
Long Copper	01-Jul-13	6,790.00	6,370.00	6,806.00	7,500.00	0.2%
Long Zinc	01-Jul-13	1,870.00	1,720.00	1,870.75	2,400.00	0.0%
Long Lead	01-Jul-13	2,060.00	1,740.00	2,067.00	2,600.00	0.3%
Long Palladium	10-Dec-12	701.50	631.00	696.55	930.00	-0.7%
Long Nymex NG Jan'14/Short Nymex NG Oct'13	10-Dec-12	0.40	0.20	0.31	0.65	-23.2%
Short WTI	08-Jul-13	102.90	106.00	102.90	94.00	0.0%
Short WTI/Brent Spread	08-Jul-13	-4.40	0.00	-4.40	-10.00	0.0%

CLOSED TRADES

Trade	Entry Date	Entry	Exit	Exit Date	Target	P/L
Long Spot Gold	04-Mar-13	1645.80	1520.00	12-Apr-13	1700.00	-7.6%
Short Gold/Silver Ratio	10-Dec-12	51.5	56.0	27-Mar-13	44.3	-8.0%
Long Zinc	10-Dec-12	2057.50	1935.00	15-Mar-13	2535.00	-6.0%
Rolling Long Prompt Brent Crude Oil	10-Dec-12	0.0%	10.0%	13-Feb-13	10.0%	10.0%
Long Platinum/Gold Ratio	27-Aug-12	0.93	1.03	11-Feb-13	1.10	11.2%
Sell February 2013 NYMEX 3:2:1 Crack Spread	19-Dec-12	29.01	25.95	22-Jan-13	17.00	11.8%
Sell January 2013 NYMEX 3:2:1 Crack Spread	19-Nov-12	30.50	29.80	19-Dec-12	17.00	2.4%
Long Palladium ~~with June 2012 Protective Put @ $550~~ (entry and current prices include option value adj.)	14-Dec-11	652.25	701.50	10-Dec-12	825.00	7.6%
Sell December 2012 NYMEX 3:2:1 Crack Spread	15-Oct-12	31.00	30.10	16-Nov-12	17.00	3.0%
Long Spot Gold	14-Dec-11	1574.00	1777.50	01-Oct-12	2150.00	12.9%

WEEKLY PRICE TABLE

Commodity	08-Jul	a week ago	a month ago	a year ago	year to date
Precious Metals					
Gold Spot (US$/oz.)	1234.17	1252.55	1383.05	1583.75	1521.52
Silver Spot (US$/oz.)	19.11	19.64	21.66	27.11	26.58
Platinum Spot (US$/oz.)	1354.75	1373.65	1502.00	1444.50	1547.51
Palladium Spot (US$/oz.)	697.60	685.90	757.75	577.00	727.46
Base Metals & Minerals					
Aluminum (US$/lb.)	0.79	0.81	0.86	0.85	0.87
Copper (US$/lb.)	3.07	3.17	3.26	3.42	3.42
Zinc (US$/lb.)	0.83	0.84	0.85	0.84	0.88
Nickel (US$/lb.)	6.04	6.30	6.79	7.31	7.31
Lead (US$/lb.)	0.92	0.94	0.98	0.84	0.98
Molybdenum (US$/lb.)	10.05	10.28	10.85	12.80	11.14
Cobalt (US$/lb)	14.75	14.75	13.73	13.55	12.92
Tin (US$/lb)	903.77	924.45	984.14	890.82	1052.09
Uranium Ore, Europe Nuexco (US$/lb)	39.55	39.75	40.40	50.75	41.71
Bulks					
Iron Ore	125.00	117.00	112.50	137.50	137.79
Thermal Coal	76.25	77.75	86.80	88.05	88.36
Baltic Dry Index	1099.00	1171.00	801.00	1138.00	844.77
Energy					
WTI Crude Oil (US$/bbl.)	102.46	96.56	96.03	84.45	94.29
Brent Crude Oil (US$/bbl.)	106.96	103.00	104.37	96.53	106.14
Heating Oil (US$/gal.)	2.97	2.88	2.89	2.71	2.96
Gasoline, RBOB (US$/gal.)	2.90	2.75	2.87	2.72	2.91
NYMEX Natural Gas (US$/mmbtu)	3.73	3.57	3.83	2.78	3.76
AECO Natural Gas (US$/mmbtu)	2.91	2.93	3.38	2.36	3.28
Denatured Ethanol (US$/gal.)	2.40	2.45	2.51	2.40	2.47
Softs					
USDA No. 1 Hard Red Winter Wheat (US$/bus	6.71	6.64	7.17	7.93	7.25
USDA No. 2 Yellow Corn (US$/bush)	6.06	6.77	6.88	7.19	6.98
USDA No. 1 Yellow Soybeans (US$/bush)	16.00	15.94	15.74	16.19	15.01
Coffee (US$/lb)	1.23	1.20	1.27	1.76	1.38
Cotton (US$/lb)	0.87	0.86	0.85	0.71	0.84
Lean Hogs (US$/lb)	102.10	101.28	98.13	96.23	88.15
Cattle, Feeder (US$/lb)	151.70	149.45	143.63	146.53	141.89
Cattle, Live (US$/lb)	122.35	118.15	120.13	119.20	125.18
Equities					
S&P 500	1642.03	1606.28	1643.38	1354.68	1563.69
S&P TSX Composite	12208.09	12129.11	12373.30	11659.96	12545.17
S&P TSX Global Gold	161.81	170.40	197.55	304.02	233.83
S&P TSX Global Mining	61.80	63.45	69.60	83.90	77.74
S&P TSX Energy Index	2683.92	2631.34	2686.52	2503.32	2705.52
XAU Philly Gold & Silver Index	86.04	90.15	105.62	157.41	125.33
FTSE 100	6465.64	6307.78	6411.99	5662.63	6368.57
Nikkei 225	14109.34	13852.50	12877.53	9020.75	12590.16
Currencies					
CAD/USD	0.948	0.953	0.981	0.981	1.016
Euro/USD	1.29	1.31	1.33	1.23	1.31
Japanese Yen	101.12	99.66	98.76	79.56	95.56
British Pound	1.49	1.52	1.56	1.55	1.54
Yuan	6.13	6.13	6.13	6.37	6.19
US Trade Weighted Dollar (1973=100)	77.55	76.89	77.93	75.43	75.63

Source: Bloomberg, TD Securities

ETF Monitor Table

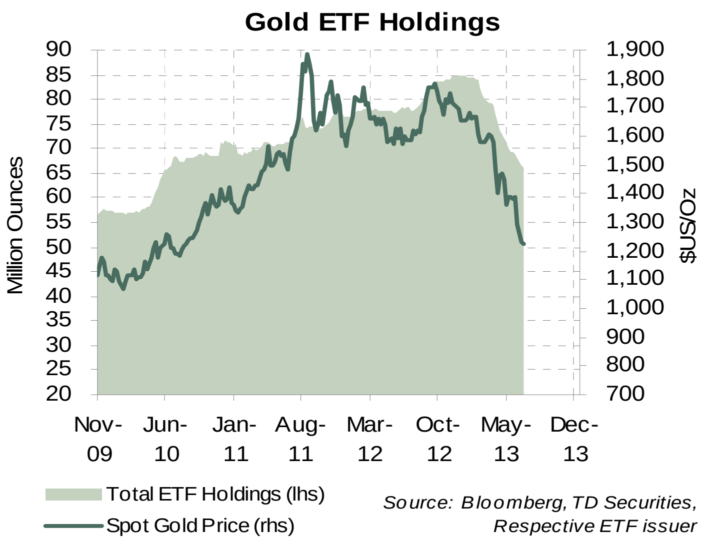
TD Securities: Commodities Trade Strategy - Precious Metals ETF Monitor

	Latest Holdings			5-Day Change		30-Day Change		Yearly Change	
	Last Updated Date	Ounces	Value ($US Millions)	Ounces	Value ($US Millions)	Ounces	Value ($US Millions)	Ounces	Value ($US Millions)
Total GOLD ETFs		**65,376,241**	**80,787**	**(872,588)**	**(2,191)**	**(3,850,778)**	**(15,197)**	**(13,006,093)**	**(43,657)**
SPDR Gold Trust	July 5, 2013	30,928,841	38,219	(241,579)	(822)	(1,558,079)	(6,824)	(10,208,569)	(27,092)
ETF Securities	July 5, 2013	9,311,038	11,506	(227,351)	(441)	(627,741)	(2,274)	(1,041,012)	(4,930)
ZKB	June 28, 2013	6,035,348	7,458	(382,233)	(580)	(743,710)	(1,941)	(1,157,438)	(3,962)
iShares	July 5, 2013	5,788,879	7,153	32,675	(56)	(219,414)	(1,177)	(29,200)	(2,084)
Julius Baer	June 27, 2013	2,692,910	3,328	(61,200)	(122)	(155,790)	(622)	(708,778)	(2,073)
Central Fund of CA	July 5, 2013	1,694,644	2,094	0	(28)	0	(256)	0	(596)
Source	July 5, 2013	1,440,884	1,781	7,604	(15)	(410,292)	(786)	(72,399)	(622)
Credit Suisse	July 5, 2013	1,553,200	1,919	0	(26)	0	(234)	(36,000)	(604)
Sprott Physical	July 5, 2013	1,616,434	1,997	(400)	(28)	(398)	(244)	212,446	(232)
Xetra Gold	July 5, 2013	1,575,065	1,946	0	(26)	0	(237)	0	(554)
NewGold	July 5, 2013	1,364,075	1,686	(105)	(23)	(116,385)	(367)	68,218	(372)
Central Gold Trust	July 5, 2013	704,652	871	0	(12)	0	(106)	0	(248)
Royal Canadian Mint	July 5, 2013	342,652	423	0	(6)	0	(52)	15,642	(96)
Claymore	July 5, 2013	270,695	335	0	(5)	(18,969)	(67)	(49,004)	(173)
Goldist	July 5, 2013	51,923	64	0	(1)	0	(8)	0	(18)
Total SILVER ETFs		**616,807,345**	**11,724**	**1,255,262**	**(303)**	**(3,495,822)**	**(1,807)**	**39,517,274**	**(4,067)**
iShares	July 5, 2013	323,161,900	6,174	4,680,600	(81)	2,026,600	(867)	11,890,300	(2,341)
ZKB	June 28, 2013	87,358,559	1,669	(2,104,781)	(88)	(3,367,011)	(320)	4,621,959	(594)
Central Fund of CA	July 5, 2013	76,964,103	1,470	(2)	(41)	(2)	(217)	(2)	(635)
ETF Securities	July 5, 2013	54,929,285	1,049	(381,555)	(37)	(669,410)	(170)	4,507,683	(330)
Sprott Physical	July 5, 2013	49,287,870	942	0	(26)	0	(139)	16,409,574	42
Julius Baer	June 27, 2013	15,496,990	296	(939,000)	(27)	(1,486,000)	(76)	(698,990)	(147)
Claymore	July 5, 2013	3,373,057	64	0	(2)	0	(10)	(305,000)	(36)
Silver Bullion Trust	July 5, 2013	3,143,830	60	0	(2)	0	(9)	0	(26)
Royal Canadian Mint	July 5, 2013	3,091,750	59	0	(2)	0	(9)	3,091,750	59
Total PLATINUM ETFs		**2,172,882**	**2,956**	**60,056**	**52**	**172,765**	**(57)**	**812,759**	**992**
ETF Securities	July 5, 2013	1,037,089	1,411	(14,929)	(35)	32,868	(102)	146,603	125
NewPlat	July 5, 2013	507,604	691	75,922	97	143,744	142	507,604	691
ZKB	June 28, 2013	345,714	470	(2,183)	(8)	(6,559)	(60)	(7,160)	(39)
Swiss & Global	July 5, 2013	92,615	126	1,250	0	2,730	(9)	(9,525)	(22)
Sprott Physical	July 5, 2013	82,287	112	0	(1)	0	(12)	82,287	112
Deutsche Bank	June 27, 2013	42,936	58	0	(1)	2	(6)	42,936	58
Source	July 5, 2013	64,637	88	(4)	(1)	(21)	(9)	50,014	67
Total PALLADIUM ETFs		**2,331,315**	**1,625**	**5,764**	**30**	**(13,085)**	**(180)**	**374,798**	**484**
ETF Securities	July 5, 2013	1,368,971	954	11,033	23	12,333	(90)	3,576	158
ZKB	June 28, 2013	331,607	231	(3,119)	2	(24,486)	(43)	(37,581)	16
Swiss & Global	June 27, 2013	188,813	132	(3,850)	(1)	(2,590)	(16)	64,090	59
Sprott Physical	July 5, 2013	187,944	131	0	2	0	(14)	187,944	131
Source	July 5, 2013	154,782	108	1,693	3	1,654	(10)	57,571	51
Deutsche Bank	June 27, 2013	99,198	69	7	1	4	(7)	99,198	69

Note: Totals include more than the listed ETFs, hence do not always add up, and the data updates at different times

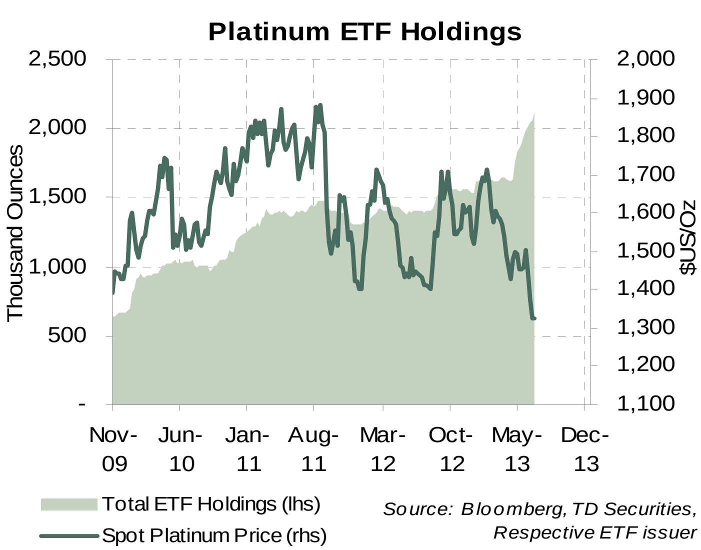
Source: Bloomberg, TD Securities, respective ETF issuer

ETF CHARTS

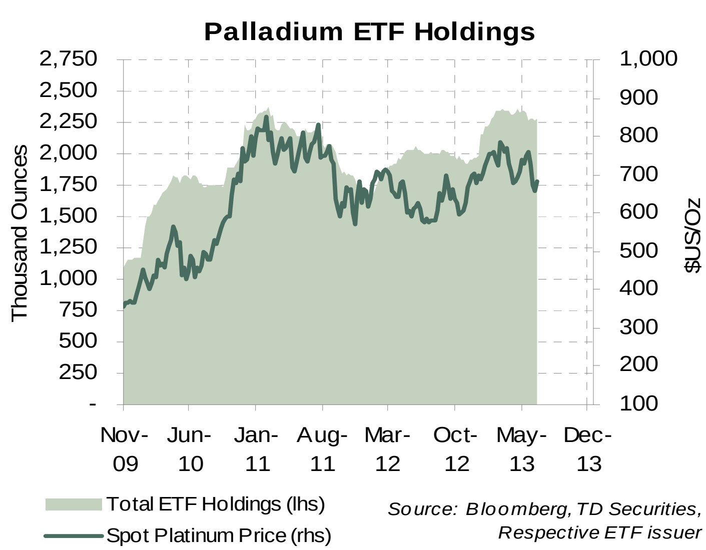


Gold ETF Holdings
Million Ounces
$US/Oz
Nov-09 Jun-10 Jan-11 Aug-11 Mar-12 Oct-12 May-13 Dec-13
Total ETF Holdings (lhs)
Spot Gold Price (rhs)
Source: Bloomberg, TD Securities, Respective ETF issuer

Silver ETF Holdings
Million Ounces
$US/Oz
Nov-09 Jun-10 Jan-11 Aug-11 Mar-12 Oct-12 May-13 Dec-13
Total ETF Holdings (lhs)
Spot Silver Price (rhs)
Source: Bloomberg, TD Securities, Respective ETF issuer



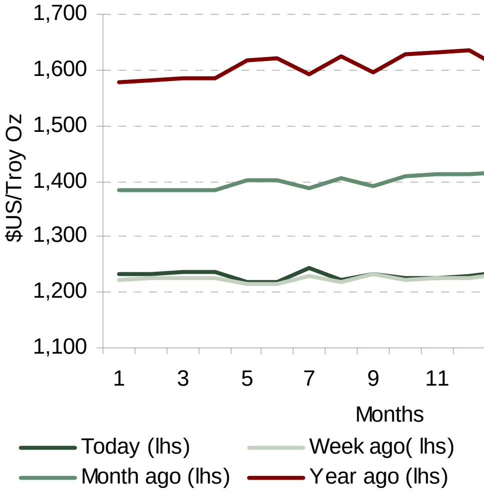
Platinum ETF Holdings
Thousand Ounces
$US/Oz
Nov-09 Jun-10 Jan-11 Aug-11 Mar-12 Oct-12 May-13 Dec-13
Total ETF Holdings (lhs)
Spot Platinum Price (rhs)
Source: Bloomberg, TD Securities, Respective ETF issuer



Palladium ETF Holdings
Thousand Ounces
$US/Oz
Nov-09 Jun-10 Jan-11 Aug-11 Mar-12 Oct-12 May-13 Dec-13
Total ETF Holdings (lhs)
Spot Platinum Price (rhs)
Source: Bloomberg, TD Securities, Respective ETF issuer

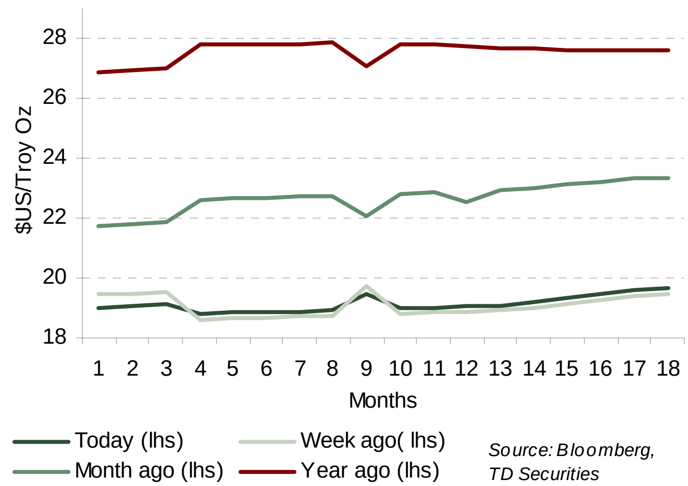
CHART PACKAGE—FORWARD CURVES

COMEX Gold



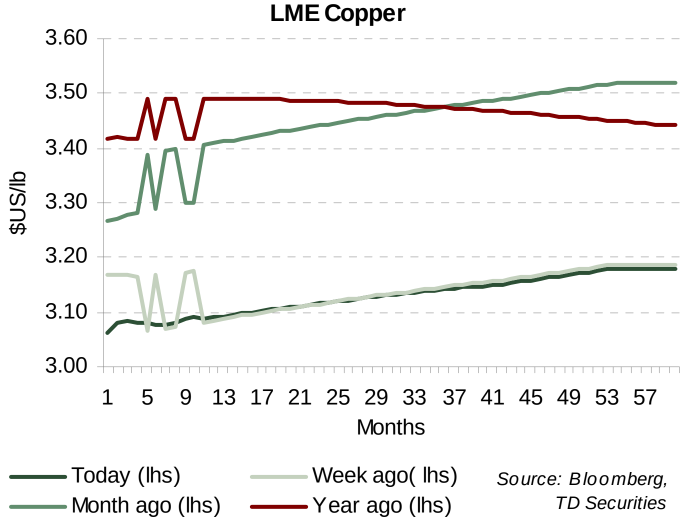
Source: Bloomberg, TD Securities

COMEX Silver



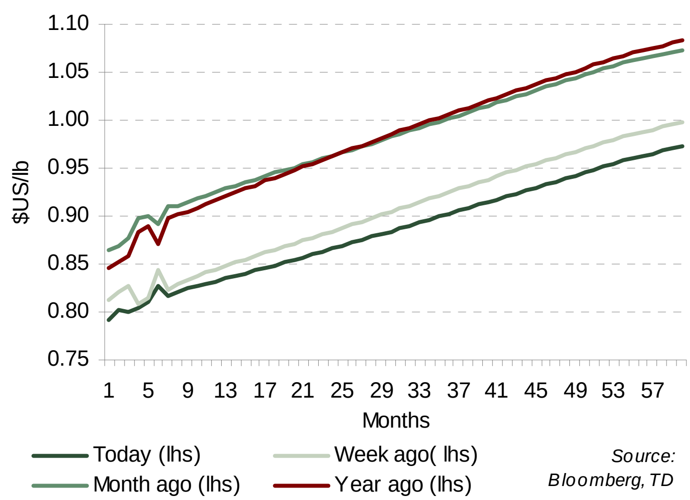
Source: Bloomberg, TD Securities

LME Copper



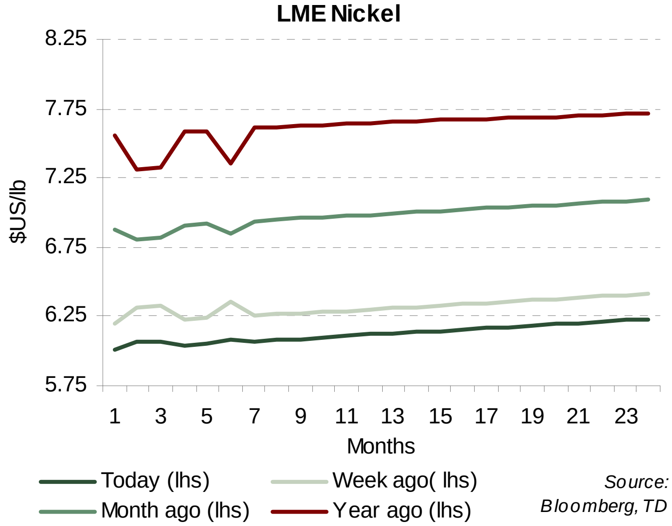
Source: Bloomberg, TD Securities

LME Aluminum



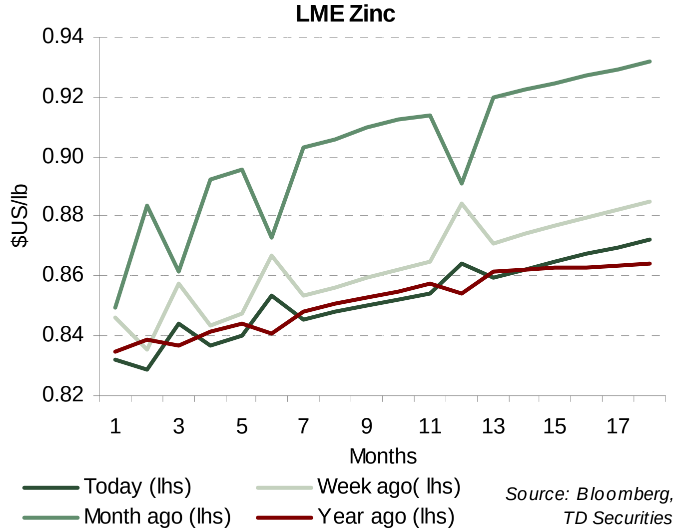
Source: Bloomberg, TD

LME Nickel



Source: Bloomberg, TD

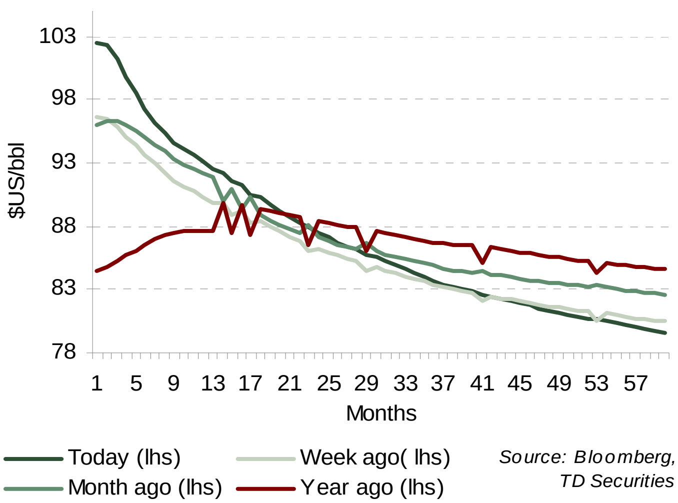
LME Zinc



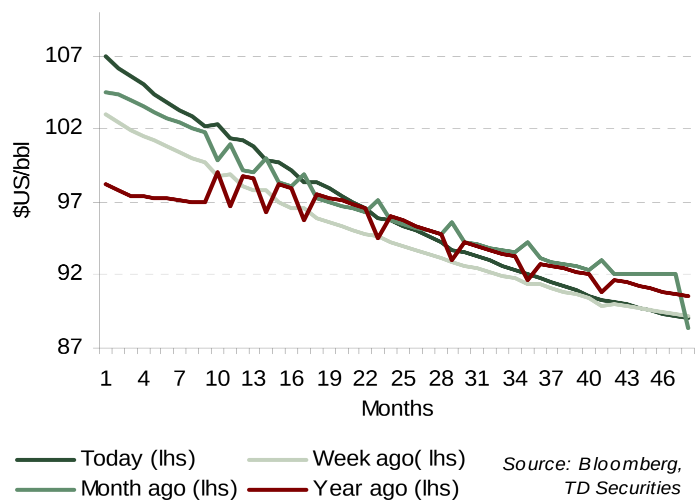
Source: Bloomberg, TD Securities

CHART PACKAGE—FORWARD CURVES CONTINUED

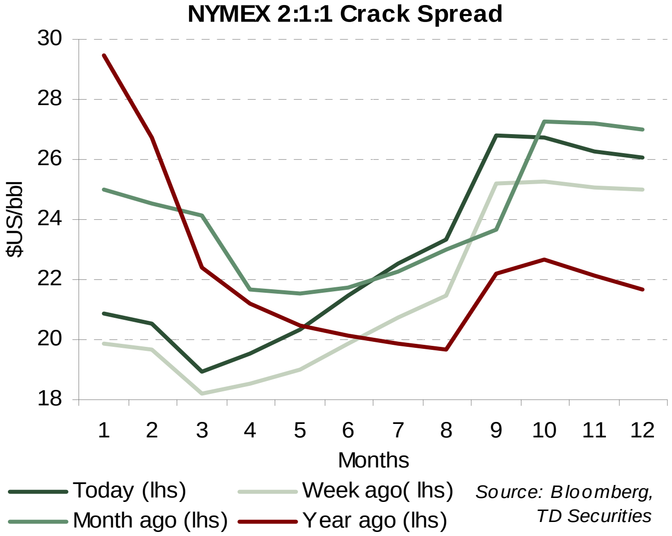
NYMEX WTI Crude Oil



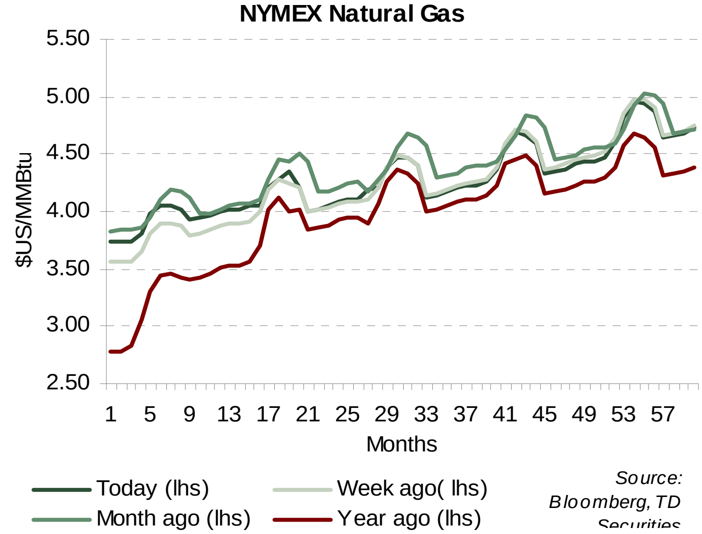
ICE Brent Crude Oil



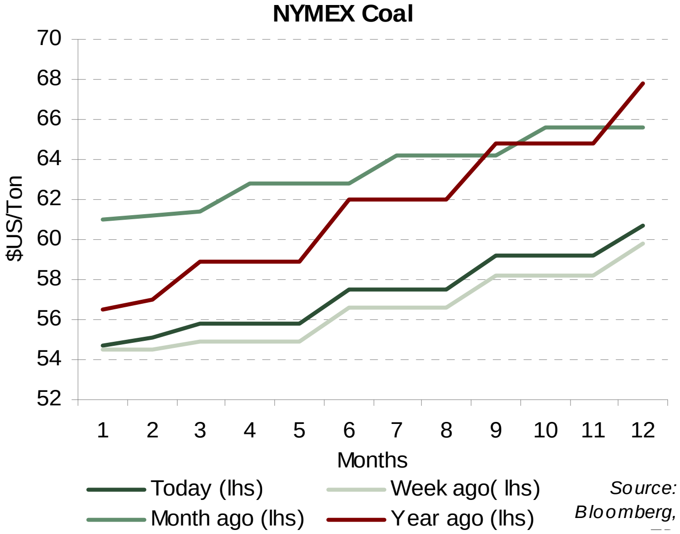
NYMEX 2:1:1 Crack Spread



NYMEX Natural Gas



NYMEX Coal



NYMEX Uranium

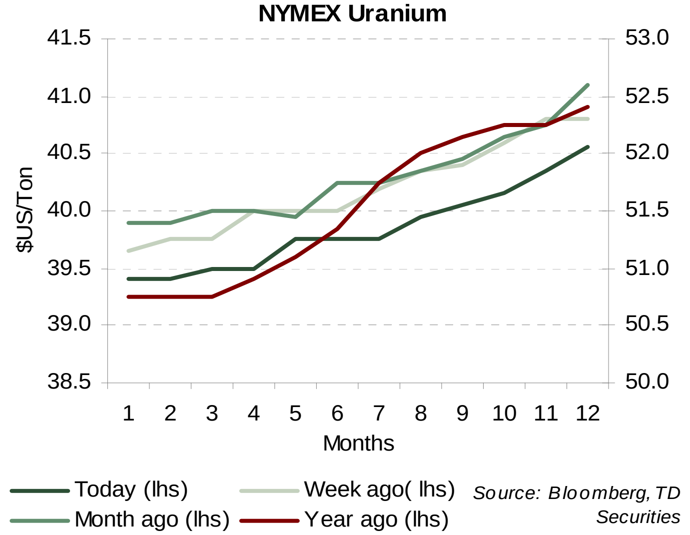
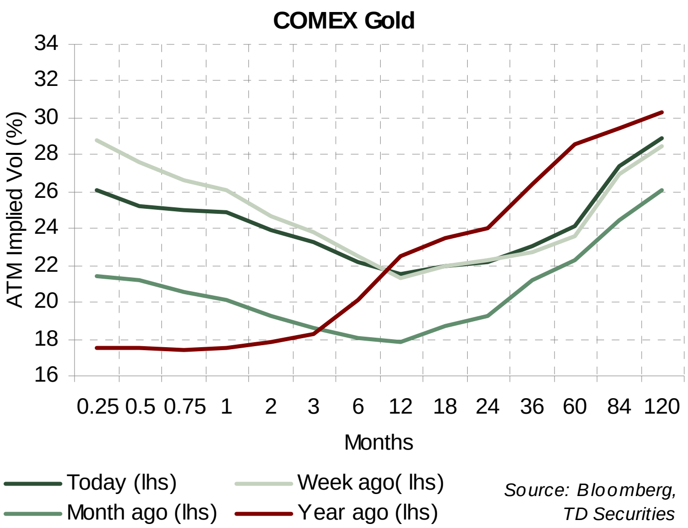


CHART PACKAGE—VOLATILITY CURVES



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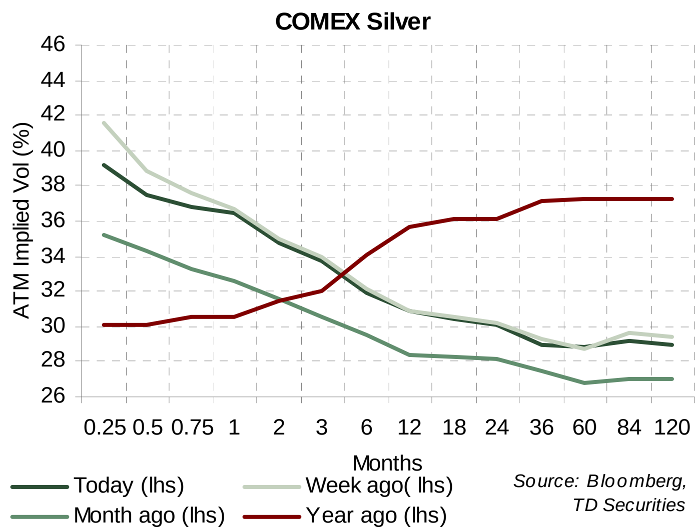

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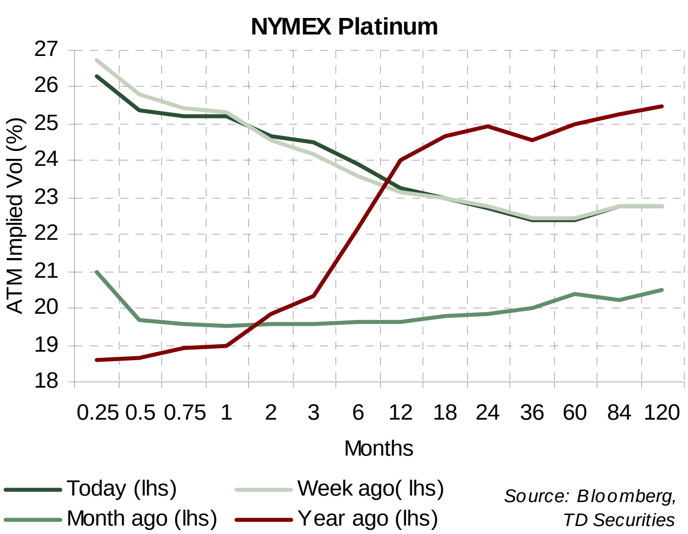
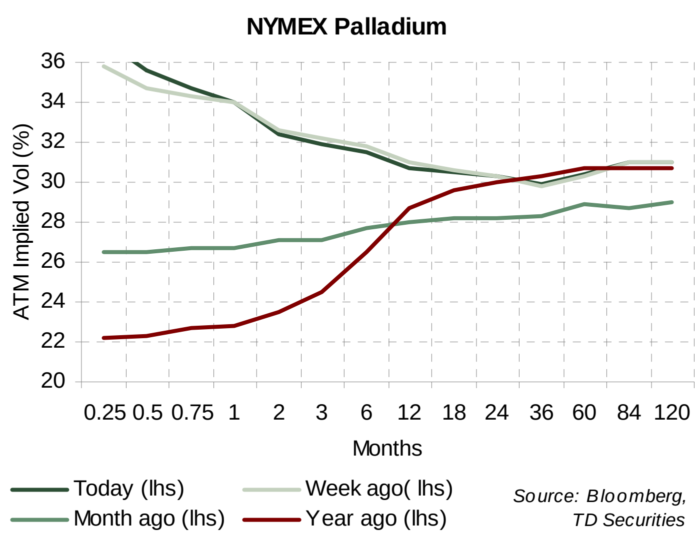
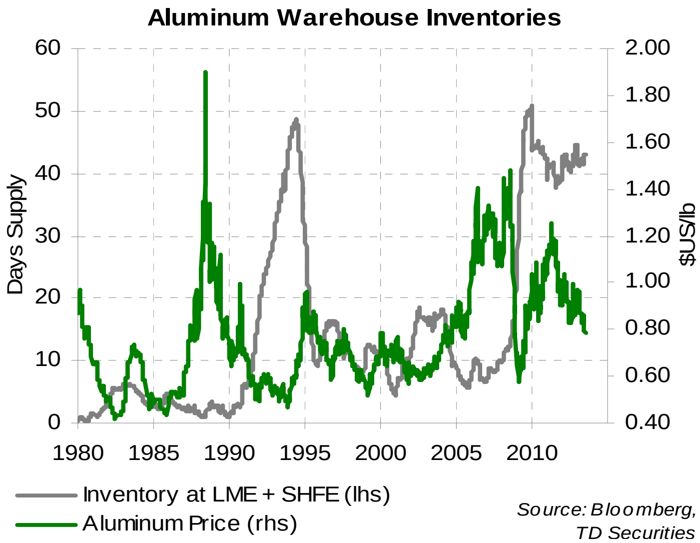


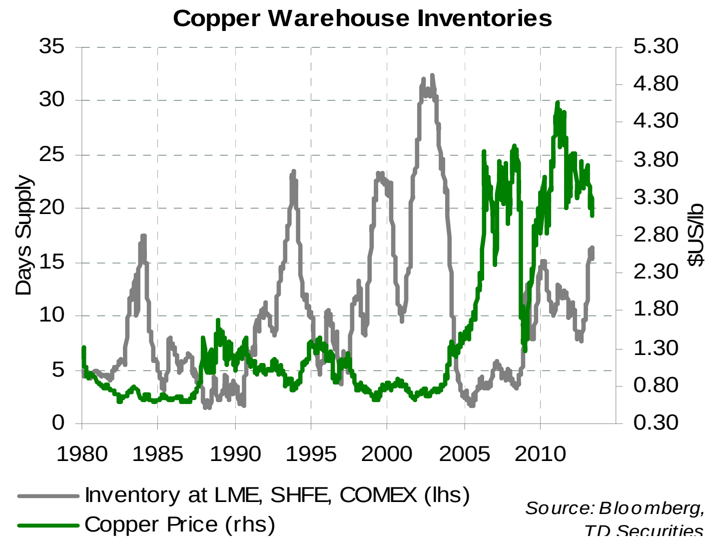
Source: Bloomberg, TD Securities

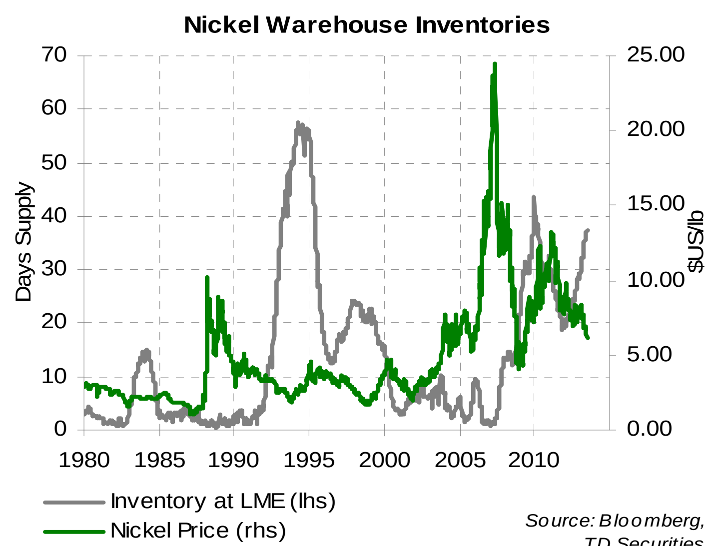


Source: Bloomberg, TD Securities

CHART PACKAGE—INDUSTRIAL METAL INVENTORIES







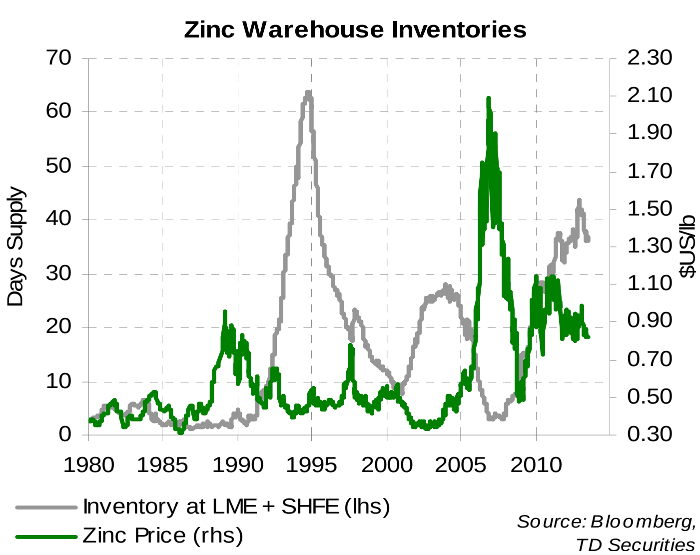
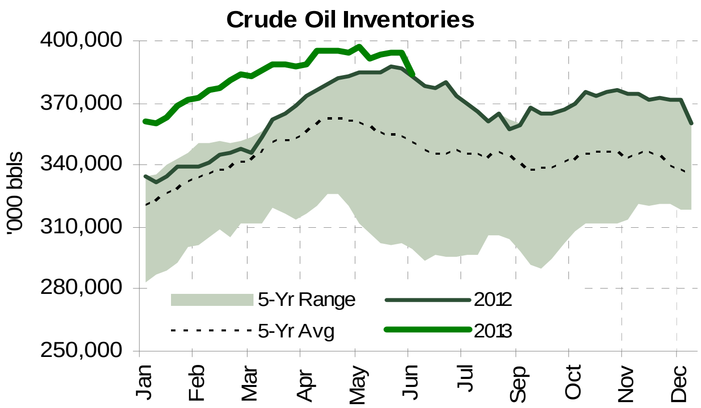
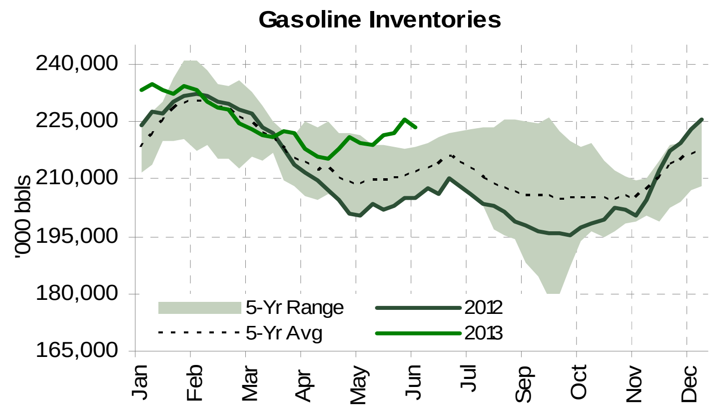


Chart Package—Petroleum & Natural Gas Inventories



Source: DOE, TD Securities



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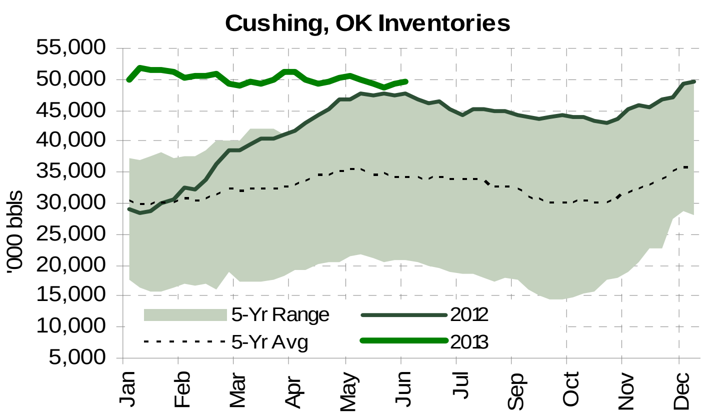

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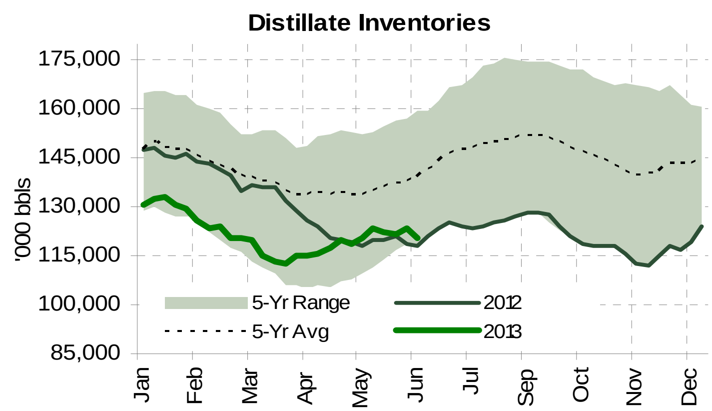

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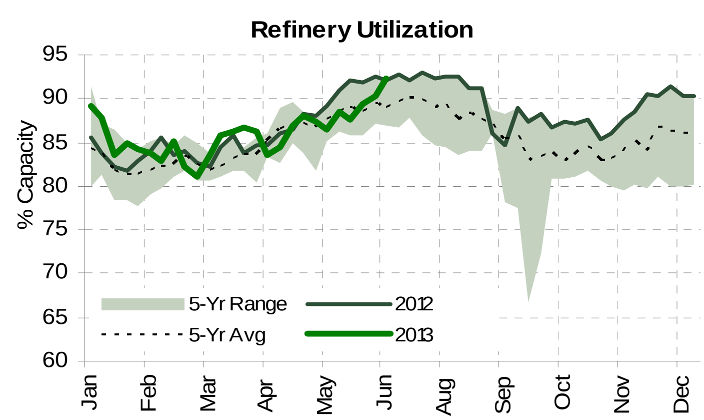

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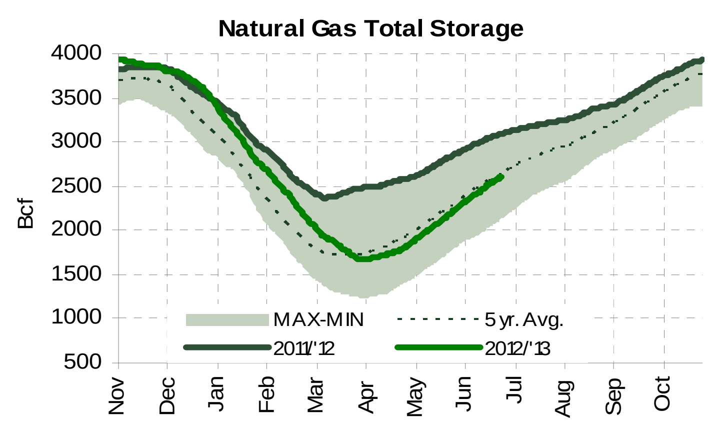
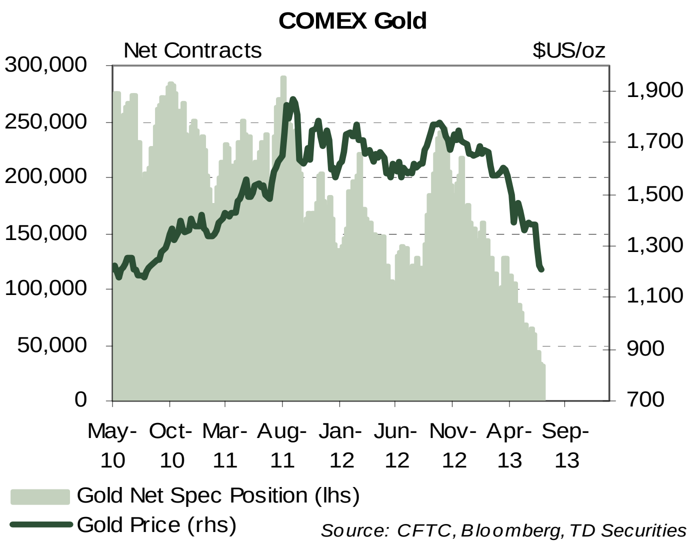
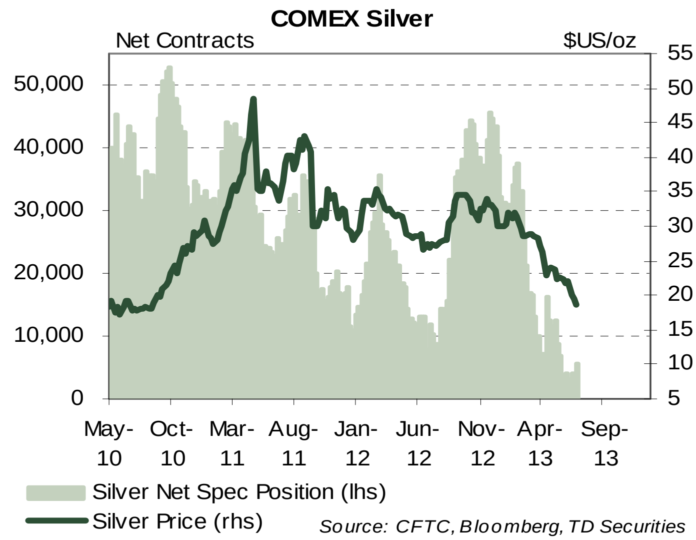
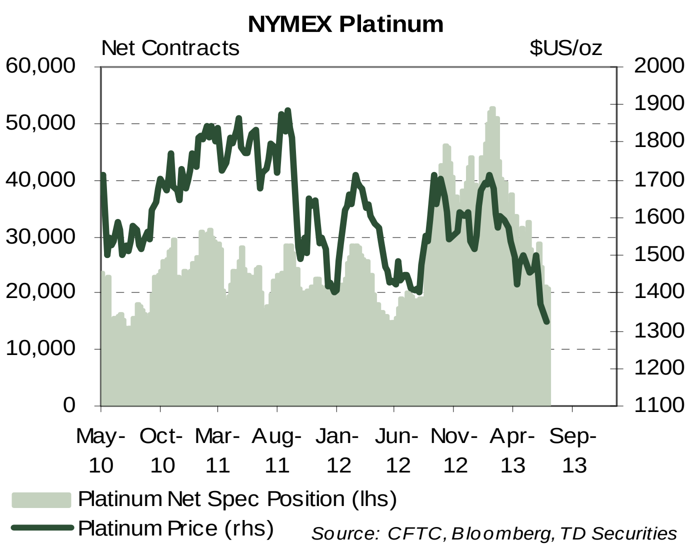


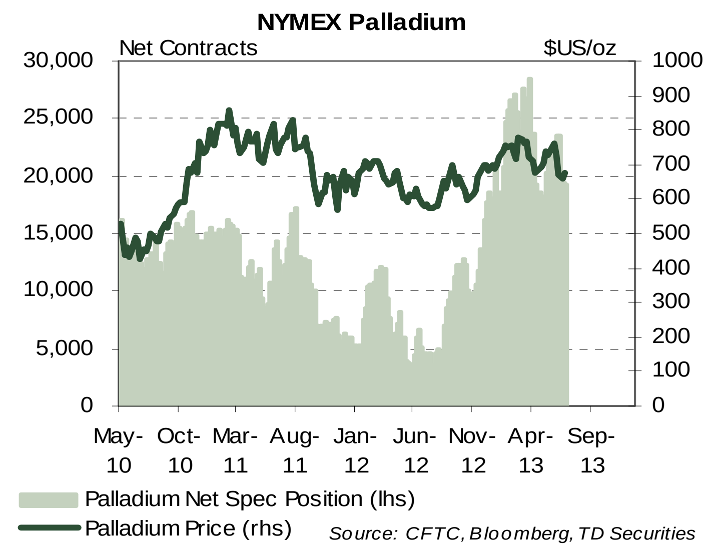
Source: EIA, TD Securities

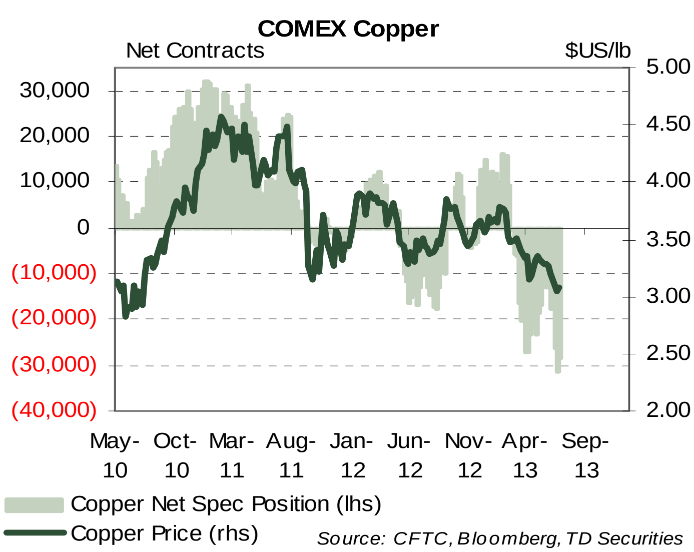
CHART PACKAGE—CFTC COMMITMENTS OF TRADERS











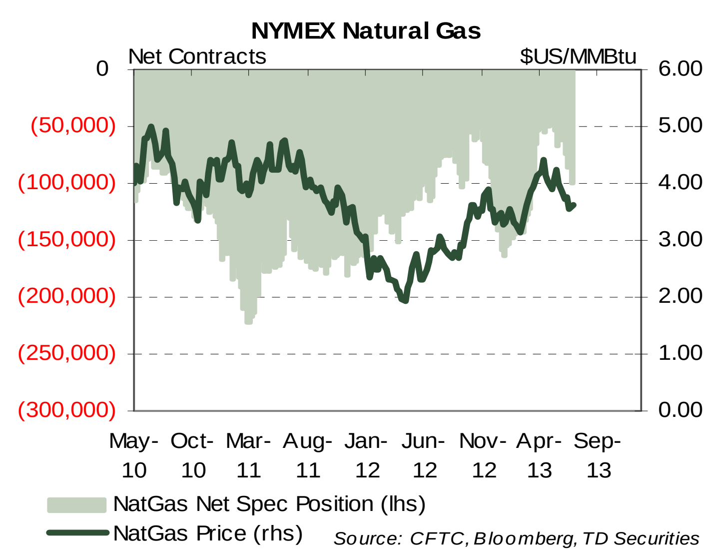
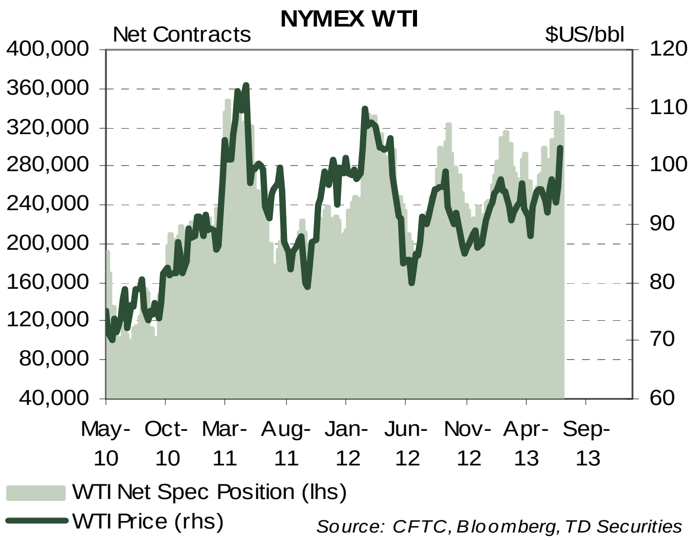
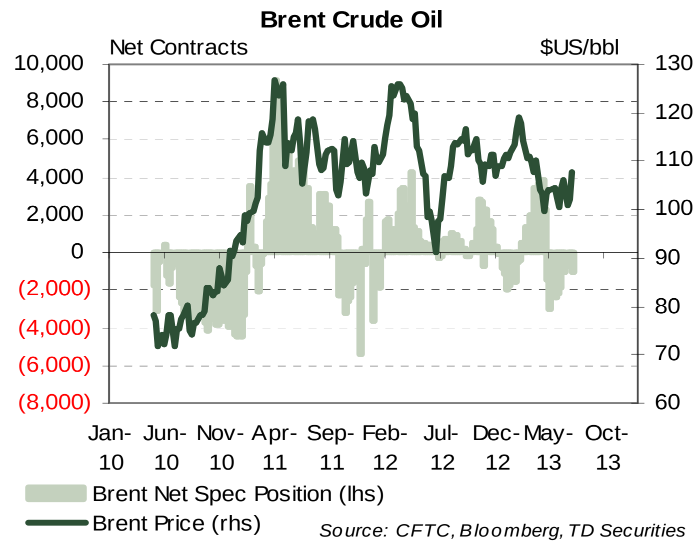
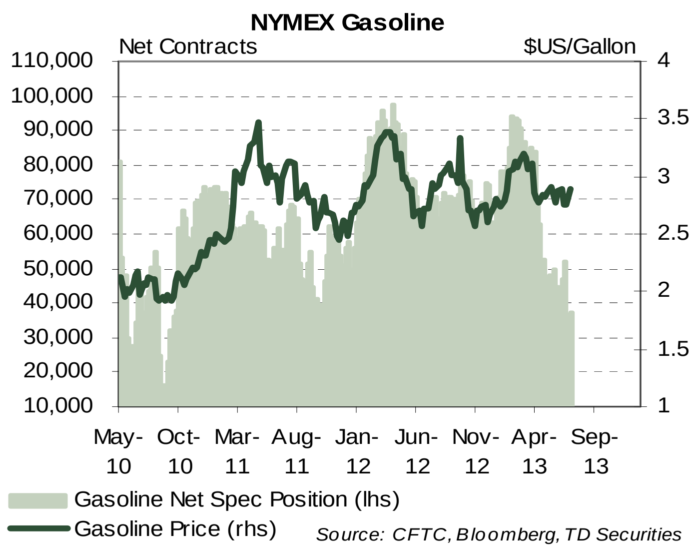
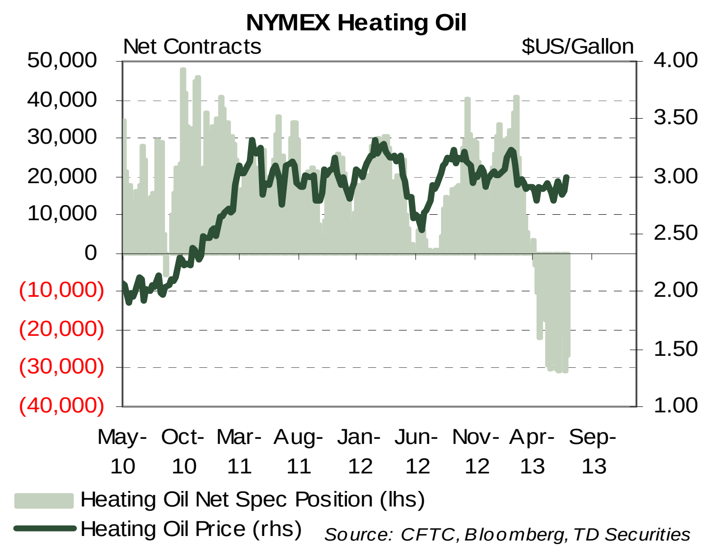


CHART PACKAGE—CFTC COMMITMENTS OF TRADERS









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