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**From:** Daniel Sabba <[REDACTED]>  
**Sent:** Tuesday, March 31, 2015 8:07 PM  
**To:** jeffrey E.  
**Cc:** Vahe Stepanian; Ariane Dwyer  
**Subject:** FW: EOD Commodities Note - 31 Mar

Prateek Jain  
Sent: Tuesday, March 31, 2015 4:06 PM  
Subject: EOD Commodities Note - 31 Mar

## OIL

All eyes on Iran talks today which were extended by = day into Wednesday. Earlier in the day, a US official suggested that nego=iation may continue another day past deadline if 'it's useful =o do so'. Another Russian official commented that a deal was 'closer and closer'. This optimism about an ag=eement, at least on some points, weighed heavily on oil today with Brent d=opping 2.5%. In my opinion, even if the talks end positively with agreemen= on key points, the deal has been softened enough compared to what was originally sought by President Obama, and is g=ing to face a tough challenge being approved by a skeptical Congress, whic= is in fact proposing to impose new sanctions on Iran.

Nigeria's elections ended today easing the pol=tical tension, with the ex-military ruler Buhari's winning against t=e incumbent President. In short term, this eased any immediate violence co=cerns in the country, but this shift in power can lead to the movement of the Boko Haram violence to southern oil produc=ng region of Nigeria and any developments there need to be carefully watch=d. In other news, Yemen rebels seized military base at Bab el-Mandeb, over=ooking the key shipping route while Saudi-led coalition kept bombing Houthi occupied sites..

Vols were stronger with wings being bought aggressiv=ly today as oil can move quickly away from current levels depending on Ira= deal outcome.. overall vols gained about 1% across the curve</=>

&=bsp;	&nb=p;	=nbsp;	WTI (/change)	&=bsp;	&nb=p;	BRE (/change)
K15 &nbs=;	=nbsp;	52.50%	+1.45%	&nbs=;	&=bsp;	51.10% +1.05%
M15 &nbs=;	=nbsp;	51.20%	+2.10%	&nbs=;	&=bsp;	47.90% +0.90%
Z15	&=bsp;	&nbs=;	37.10%	+1.00%	&nbs=;	+0.70%

216 &nbs=; &nbsp; 26.20% +0.10%&n=sp; = 26.40% +0.55%

## Metals

3m lvs	&nb=p;	=nbsp;	dod change&nbs=;	support &nbs=;	&nbsp; resistance
Al \$1785	=nbsp;	&n=sp;	-\$12.5	&n=sp;	\$1=50 =nbsp; \$1800
Cu \$6041	=nbsp;	&nb=p;	-\$41	=nbsp;	=nbsp; \$6000 &nb=p; \$6300
Zn \$2081	&bsp;	&nb=p;	-\$28	&nbs=;	&bsp; \$2000 &nbs=; \$2100<=o:p>
Ni \$12,395	=nbsp;	&nb=p;	-\$485	&nbs=;	\$12,=00 =nbsp; \$13,000
Pb \$1820	=nbsp;	&n=sp;	-\$5	&bsp;	&nbs=; \$1800 &bsp; &nbs=; \$1900

The base complex traded down in the morning then pic=ed up on improving customer confidence only to crash off again at close.&n=sp; China has reduced the deposits required from home buyers for the secon= time in 6 months in an attempt to boost sliding house prices, which should have knock on effects in the copper and=nickel markets. Nickel continues its slide as CTA funds have s=ld off heavily on the supply crunch failing to materialize and demand from=the stainless steel market evaporating. Nickel ore supplies are also returning from the Philippines as the rainy s=ason ends, adding further supply pressure. Chinese NPI producers are=cutting production, selling stocks or attempting to secure loans on the ba=k of stocks in warehouses. Rio Tinto have resolved the their tax dispute with the Mongolian government over the=Oyu Tolgoi copper mine but financing still needs to be negotiated over pha=e II of the development there. Zambia's Mining and finance min=sters have indicated that they may consider temporarily reverting to the old tax regime or making deals on a mine by m=ne basis as the IMF applaud their efforts to compromise and encouraged the= to implement a transparent system that applies to all mines. Vietna= is expected to increase its aluminia output by 20% to 650kMT/year as its first plant reaches full capacity this=month.

Shanghai Aluminum on warrant stocks are flat at 108.= kMT. LME Aluminum on warrant stocks are flat at 1888 kMT Shang=ai Copper on warrant stocks are flat at 86.7 kMT. LME Copper stocks =re up 0.11% to 252 kMT. LME Nickel stocks are up 0.41% to 332 kMT.

Copper Vols are down 0.5%, Ali Vols are down 0.25%, =ickel Vols are up 1%, Lead Vols are unch Zinc Vols are unch

## Upcoming Data

30/3-Chicago PMI-Surv 51.7%, Actual 46.3%, Prior =5.8%

30/3-US Consumer Confidence Index -Surv 96.=, Actual 101.3, Prior 96.4

Regards,

Prateek

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