
From: Daniel Sabba <[REDACTED]>
Sent: Wednesday, April 1, 2015 10:35 PM
To: Jeffrey Epstein
Cc: Vahe Stepanian; Ariane Dwyer
Subject: FW: EOD Commodities Note - 1 Apr

From: Prateek Jain
Sent: Wednesday, April 01, 2015 4:03 PM
Subject: EOD Commodities Note - 1 Apr

OIL

Another day of #IranTalks dragging on without a conclusion in Lausanne. There was very little news or comments about the status of the deal, other than white house saying that US is prepared to walk away if the talks stall. The talks are likely to drag on another day as there is no hard deadline on the framework agreement. Either way, it appears that few of the key points are still remaining, and in my opinion the talks will end with those issues still unresolved and postponed for June final agreement talks..

However, the rally in oil today was driven more from the DOE stats than the fading optimism of an Iran deal. WTI built 4.8m with Cushing adding 2.6m, in line with data from API and lower than last week overall. However, production declined 36kbd (a first decline in 2 months) after being flat the week before, which was taken as a signal that finally the production is catching up with the rig count decline. Gasoline drew 4.3m and implied demand went up by 800kbd (even as production increased 5m and imports added another 1.5m) which caught the market off guard which was expecting a draw of 1m. This fuelled a sharp WTI lead rally with prompt WTI spread ending 15c stronger and prompt arb up about 50c..

Vols came off sharply today with the rally and a view that Iran talks will be a non-event..

			WTI (/change)		BRE (/change)
K15			49.30% -3.25%		46.50% -4.65%
M15			48.30% -3.00%		45.00% -2.90%
Z15			35.40% -1.70%		34.10% -1.75%

Z16 =; =bsp; 25.50% -0.70% =bsp; 25=30% -1.10%

Metals

3m lvls	 =p;	=nbsp;	dod change =;	support =;	 =bsp; resistance
Al \$1777	&n=sp;	=	-\$8 =;	 =bsp;	\$1750 &nb=p; =nbsp; \$1800
Cu \$6035	&n=sp;	=	-\$6 =;	=nbsp;	\$6000 &nb=p; =nbsp; \$6300
Zn \$2098.5	=nbsp;	&nb=p;	+\$17.5 =bsp;	\$2=00	=nbsp; \$2100
Ni \$12,680	=nbsp;	&nb=p;	+\$285 &n=sp;	&nbs=; \$12,000	= \$13,000
Pb \$1852.5	=nbsp;	&nb=p;	+\$33 &nb=p;	= \$1800 &n=sp;	\$1900

The base complex steadied on better than expected Chinese and Eurozone PMIs but traded down post option expiry before recovering in the afternoon prior to the supportive US PMI. Japan's Sumitomo Metal has reduced copper output by 16.5kMT due to planned maintenance on one of its smelters. It's Nickel output has risen by 10.6% to 63.8 kMT in 2015 due to higher supply from its Philippines' subsidiary but expect to produce 20kMT less ferro-nickel due to higher ore prices. Nickel imports to China are rising on low prices and the shutdown of domestic NPI plants suggesting that a price floor is approaching. The COTR this week has shown that money managers are generally going long with the biggest switch in lead. Long open interest in nickel has however dropped this week on a sustained bearish market.

Shanghai Aluminum on warrant stocks are flat at 108.5 kMT. LME Aluminum on warrant stocks are flat at 1888 kMT. Shanghai Copper on warrant stocks are up 1.6% to 88.3 kMT. LME Copper stocks are down 0.53% to 251 kMT. LME Nickel stocks are up 0.67% to 330 kMT.

Copper Vols are down 0.5%, Al Vols are down 0.5%, Nickel Vols are up 1%, Lead Vols are unchanged Zinc Vols are unchanged

Upcoming Data

01/4-China Manufacturing PMI-Surv 49.7, Actual 50.1, Prior 49.9

01/4-HSBC China Manufacturing PMI-Surv 49.3= Actual 49.6, Prior 49.2

01/4-Markit Eurozone Manufacturing PMI-Surv=51.9, Actual 52.2, Prior 51.9

01/4-Markit US Manufacturing PMI-Surv 55.3,=Actual 55.7, Prior 55.3

Regards,

Prateek

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