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**From:** jeffrey E. <jeevacation@gmail.com>  
**Sent:** Friday, March 20, 2015 7:56 PM  
**To:** Daniel Sabba  
**Subject:** Re: FW: EOD Commodities Note - 20 Mar

Net p\$ l on vol trade ??

On Friday, March 20, 2015= Daniel Sabba <[REDACTED]> > wrote:

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From: Prateek Jain  
Sent: Friday, March 20, 2015 3:35 PM  
Subject: EOD Commodities Note - 20 Mar

OIL

Both crudes rallied strongly today with multiple bul=ish news along with dollar weakness. Iran delegation left nuclear ta=ks after meeting with John Kerry and said the talks will resume on 25=h. Kerry stated that talks need high-level consultations. These headlines reduced the optimism about talks=ending positively and crude rallied quickly from there. April WTI expired =oday, very strong compared to May contract. Guess what.. Cushing isn =99t full yet! Cost of storage at Cushing is much below the current spread level and all the CSO open in interest in=apr/may expired yesterday leaving the spread back to fundamentals. April/M=y spread moved from -1.57 yesterday to -0.75 intraday ending at -0.85. Ver= short market positioning also escalated the rally in the spread with stops triggering on way higher. =/b>US oil rig count fell by 41 to 825..we are now close to 50% below the p=ak rig count (production though is still above the peak rig count level), =nd should see production finally flattening out soon.

Obama admin also issued federal regulations for frac=ing mandating drillers on federal lands to reveal the chemicals used, safe=y dispose contaminated water and meet well construction standards. Althoug= only about 5% of US oil production is done on federal lands, the intention is for states to follow suit. Thes= regulations are expected to increase cost of fracking, further reducing m=rgins for oil producers. In other news, Russia's small refineries =ay start scaling back as their discount for exporting fuel decreases with lower oil prices. This is expected to fr=e up 250kbd for export this year from Russia. Libyan exports are coming ba=k at a fast pace with average exports of 500kbd now, up from 208kbd in Feb=as the violence and militia tensions ease. Higher expected supply in front months is still weighing down on spr=ads with may/jun spread trading at -1.13 now.

Vols were weaker in both crudes in line with the ral=y..

=C2	=C2	=A0 WTI (/change)	=A0	=A0 BRE (/change)
K15 =A0	=A0	48.30% -2.80%	=A0	45.50% =A0 -2.00%
M15 =A0	=A0	48.60% -2.10%	=C2	45=30% -1.60%
Z15	=C2	=A0 36.55% -1.00%	=A0	35.60= -0.60%
Z16 =A0	=C2	27.40% -0.90%	=C2	2=.90% -0.40%

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(I am off Monday and Tuesday, will resume EOD Not= on Wednesday..)

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#### Metals

3m lvls	=A0	=C2	dod change	=A0	support	=A0	resistance<=>
Al \$1794	=C2	=A0	+\$14	=C2	=A0 \$1750	=C2	\$1800
Cu \$6050	=C2	=A0	+\$197	=C2	\$6=00	=A0	\$6100
Zn \$2054	=C2	=A0	+\$33.5	=A0	\$2000=C2	=A0	\$2100
Ni \$14,145	=C2	=A0	+\$375	=C2	\$14,000 =C2		\$14,500=u>
Pb \$1773.5	=C2	=A0	+\$62.5	=A0	\$1700 =C2	=A0	\$1800

Copper prices have brought the base complex up on sp=ulation that Chinese demand is returning due to stocks coming off at Shan=hai and continued issues at the Grasberg mine. In the afternoon a bi= drop off in the dollar fuelled a rise across the board but there are rumours circulating that China will lower i=s rates over the weekend and that China will widen the trading band of CNY= The blockade at Grasberg continues into the 5th day but as there ar= still stocks waiting to be loaded at the port it is unlikely to result in and short term supply issues. M=laysian Finance Ministry officials are meeting to discuss the 6% tax on me=als placed in warehouses from April that is expected to cause copper and n=ckel stocks to leave the region. Rusal has seen gains on an improving outlook on Aluminum as demand rises and sto=ks fall in its key European markets

Shanghai Aluminum on warrant stocks are flat at 112.= kMT. LME Aluminum on warrant stocks are up 1.57% to 1927 kMT Shanghai Copper on warrant stocks are down 0.93% to 83.3 kMT. LME Copper stocks a=e up 0.41% to 247 kMT. LME Nickel stocks are flat at 314 kMT.

Copper Vols are unch, Ali Vols are unch, Nickel Vols=are unch, Lead Vols are unch Zinc Vols are unch

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Regards,</=pan>

Prateek

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