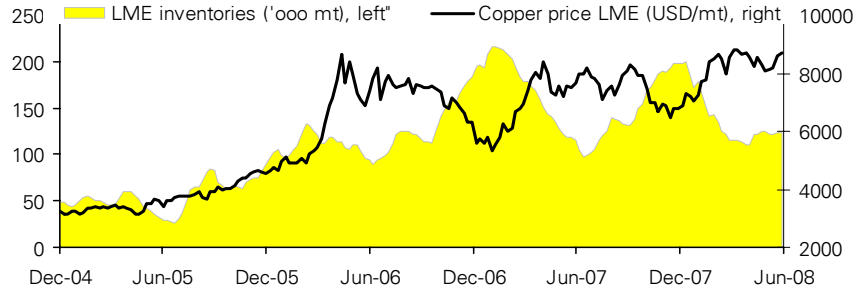



**Economic &
Commodity Research**

Commodities Daily

Oil price: Oops, I did it again!

Copper: the potential is virtually exhausted



Sources: LME, Bloomberg, Commerzbank Corporates and Markets

Prices

Energy*	current	1 day	1 week	1 month	1 yr
Brent Blend	144.3	0.8%	4.0%	16.7%	99%
WTI	143.6	0.6%	3.5%	16.2%	102%
Gasoline RBOB	1168.0	0.0%	1.2%	2.7%	56%
Gasoil	1288.5	1.5%	4.3%	10.6%	106%
Diesel	1313.5	1.5%	3.3%	8.3%	101%
Jet fuel	1413.5	1.4%	6.6%	11.2%	104%
Natural gas	13.4	1.1%	3.2%	10.7%	100%

Industrial metals**

Aluminium	3155	1.4%	4.6%	9.2%	16%
Copper	8612.5	1.2%	4.9%	10.0%	13%
Lead	1765	-3.4%	-4.3%	-15.3%	-38%
Nickel	21550	-1.9%	-2.5%	-4.7%	-41%
Tin	23600	-2.1%	1.7%	10.3%	66%
Zinc	1928	-3.3%	-0.4%	-5.3%	-46%

Precious metals***

Gold	945.2	0.0%	3.0%	7.3%	45%
Silver	18.4	0.1%	7.1%	9.7%	46%
Platinum	2075.5	-0.2%	0.3%	3.4%	61%
Palladium	466.5	0.4%	-0.1%	8.1%	28%

Agriculturals*

Wheat	865.3	-1.2%	-7.4%	14.0%	50%
Corn	748.8	-0.8%	-1.5%	22.1%	132%
Soybeans	1645.8	-1.3%	3.2%	19.5%	91%
Sugar	14.0	1.0%	20.9%	45.4%	49%
Coffee	152.7	0.5%	4.0%	11.7%	
Cocoa	3360.0	-0.8%	4.2%	19.5%	63%

* 1-month forward, ** 3-month forward, *** spot

Inventory data

Energy*	current	1 day	1 week	1 month	1 year
Crude oil	299776	-	-0.7%	-3.8%	-15%
Gasoline	210857	-	1.0%	2.3%	3%
Destillates	4571	-	-0.4%	5.9%	14%
Jet fuel	120685	-	1.1%	10.3%	-1%
Natural gas	2033	-	4.6%	26.0%	-17%

Industrial metals**

Aluminum LME	1091925	-0.1%	-0.1%	1.5%	33%
Aluminum COMEX	10924	0.0%	0.0%	0.0%	-43%
Aluminum Shang.	182986	-	1.7%	-1.6%	664%
Copper LME	122475	0.1%	-0.1%	-1.2%	9%
Copper COMEX	10299	-5.7%	-6.7%	-6.8%	-53%
Copper Shanghai	32401	-	-3.0%	-28.9%	-64%
Lead LME	100475	0.1%	1.8%	49.3%	123%
Nickel LME	46860	0.4%	1.4%	-2.4%	429%
Tin LME	6815	-2.6%	0.3%	-8.5%	-46%
Zinc LME	152975	-0.1%	2.2%	5.6%	111%
Zinc Shanghai	67728	-	-0.3%	-2.0%	-

Precious metals***

Gold	7613190	0.0%	0.0%	0.3%	5%
Silver	136383	0.3%	-0.1%	1.1%	3%
Platinum	1068	0.0%	0.0%	0.0%	63%
Palladium	4560	-0.1%	0.5%	-0.8%	-24%

*'000 barrels (DOE), ** metric tons, *** gold – oz., silver – '000 oz.

Energy: The rally on the oil market has continued undeterred. On Wednesday, the price of WTI rose to a record level of \$144.53 a barrel. The market is still focused on positive news. US crude inventories fell by around 2 million barrels last week, while consensus had expected a rise of 500,000 barrels. Gasoline stocks at the same time posted an expectedly sharp rise of 2.1 million barrels, which depressed the price of oil only briefly, even though the demand for gasoline is significantly under last year's level. The build-up of distillate stocks by 1.26 million barrels was slightly short of expectations. The renewed price breakout and the closeness of the magical \$150 mark should continue to attract speculative interest, even if oil producers stress that the problem of insufficient supply does not exist long term. One day after Russia announced a further decline of oil production, the Russian parliament approved a bill at its second session, stipulating tax relief respectively lower use charges for oil producers. The aim is to create incentives to develop new oil fields and stop the fall in oil production. A significant expansion of output is also planned in future by the OPEC countries. Saudi Arabia plans to put on stream the huge Khursaniyah oil field in August, with a daily production of 500 thousand barrels. Nigeria has announced that output has returned to 1.9 million barrels a day, now that repair work after the terrorist attacks is finished. Angola, Africa's largest oil producer at present, also intends to expand output this year by a further 100,000 barrels a day. The latest news from Iraq that the government will soon issue licences for several large oil fields was particularly pleasing, and prospective investors from abroad are also welcome for the first time since the 1960s, when Iraq nationalised its oil industry. It is aimed to increase production from currently 2.5 million barrels to 4.5 million barrels a day in the next five years, with the help of foreign firms.

Even so, we expect prices to continue rallying in the next few days, especially as the expected rate hike by the ECB is likely to put more pressure on the dollar.

Precious metals: Gold was still trading close to a ten-week high at just below \$950 a troy ounce. A retreating dollar, which fell to a two-month low against the euro on the back of poorer data on the US economy, proved price supportive. Should the ECB come up with hawkish comments today, and therefore send the US-Dollar further into descent, the \$950 mark could well be exceeded. The price of oil is fuelling inflation fears and pushing up gold. Platinum and palladium have recently suffered from weak car sales from the USA, because both precious metals are mainly used for the manufacture of catalysts. Even so, we remain optimistic about platinum on a medium to long-term perspective, because the stoppages of mining production on account of insufficient energy supply in South Africa should result in a significant market deficit. We have therefore raised our forecast for platinum prices this year to an average \$2,000 and next year to \$2,125 Dollar a troy ounce.

Base metals: Copper has decoupled itself recently from a rather weak environment for base metals and hit a new record yesterday of \$8,940 a ton. This rise was mainly due, in our opinion, to the positive charttechnical performance and the production stoppages in South America. The strike in Peru, the third-largest copper producer in the world, could last for up to 15 days according to Peruvian union representatives. The report that Peru's copper production rose by 9.3% to around 108,000 tons in May was therefore not able to ease the copper market. The rally of copper prices is certain to manifest itself in a huge build-up and expansion of capacities in the longer term. Codelco plans to invest \$5 bn in expanding its Andina mine in Chile, in order to more than triple mining capacity to 800,000 tons by 2014. We believe the supply situation will normalise at the end of the latest strikes by the latest, and copper will retreat again on the back of weak demand worldwide. Weaker labour market data from the USA could limit the rise of copper prices this afternoon.

Additional information available on request

This document has been created and published by the Corporates & Markets division of Commerzbank AG, Frankfurt/Main or the group companies mentioned in the document ("Commerzbank"). The document is intended for distribution to the bank's professional and institutional clients and not to its private clients.

Commerzbank Corporates & Markets (CBCM) is the investment banking division of Commerzbank AG, integrating debt, equities, interest rates and foreign exchange, with specific expertise in corporate risk and capital structuring.

Any information in this report is based on data obtained from sources considered to be reliable, but no representations or guarantees are made by Commerzbank Group with regard to the accuracy or completeness of the data. The opinions and estimates contained herein constitute our best judgement at this date and time, and are subject to change without notice. This report is for information purposes, it is not intended to be and should not be construed as a recommendation, offer or solicitation to acquire, or dispose of, any of the securities mentioned in this report.

Commerzbank Group may provide banking or other advisory services to interested parties.

This report is intended solely for distribution to professional and business customers of Commerzbank Group. It is not intended to be distributed to private investors or private customers. Not for distribution to third parties. Commerzbank Group accepts no responsibility or liability whatsoever for any expense, loss or damages arising out of or in any way connected with the use of all or any part of this report.

In compliance with statutory and regulatory provisions, Commerzbank has made internal organisational arrangements so as to prevent as far as possible any conflicts of interest in preparing and transmitting analyses. These include, in particular, in-house information barriers (Chinese walls). These barriers prevent giving analysts access to information that may cause conflicts of interest for Commerzbank AG with regard to the analysed issuer or its financial instruments. These information barriers also apply to any information not in the public domain to which Commerzbank AG may have access from a business relationship with the issuer. For statutory or contractual reasons, this information cannot be used in an analysis of the securities and are therefore not included in this report.

Commerzbank AG, its affiliates and/or clients may conduct or may have conducted transactions for their own account or for account of another with respect to the financial instruments mentioned in this report or related investments before the recipient has received this report. Commerzbank AG, its executives, managers and employees may hold shares or positions, possibly even short sale positions, in securities included in this report or related investments

Additional note to readers in the following countries:

Germany: Commerzbank AG is registered in the Commercial Register at the local court (Amtsgericht) Frankfurt under the number HRB 32000 and supervised by the German regulator Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin). This report is intended to help customers make their own independent investment decisions, and is no substitute for investor and investment-based consulting. The information contained in this report was compiled with care.

United Kingdom: This report has been issued or approved for issue in the UK to professionals and business customers only, by Commerzbank AG, London Branch, which is authorised by the German regulator Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and by the Financial Services Authority, regulated by the Financial Services Authority for the conduct of business in the UK, and is a member firm of the London Stock Exchange and incorporated in Germany with limited liability. It is not for distribution to or the use of private customers

United States: Commerzbank Capital Markets Corp. (a wholly owned subsidiary of Commerzbank AG) is a U.S. registered broker-dealer and has accepted responsibility for the distribution of this report in the United States under applicable requirements. Any transaction by US persons must be effected with Commerzbank Capital Markets Corp. Under applicable US law; information regarding clients of CCMC may be distributed to other companies within the Commerzbank Group.

Italy: You should contact Commerzbank AG London Branch if you wish to use our services to effect a transaction in any of the securities mentioned in this publication. This report has been issued for distribution in Italy only to professional customers as defined in article 31 of Consob regulation 11522/98 and later modifications.

© 2007 No part of this report may be reproduced or distributed in any manner without permission of Commerzbank Group. In particular Commerzbank Group does not allow the redistribution of this report to non-professional investors and cannot be held responsible in any way for any third parties who effect such redistribution.

Commerzbank Corporates & Markets
Frankfurt

Commerzbank AG

 DLZ - Gebäude 2, Händlerhaus
 Mainzer Landstraße 153
 60327 Frankfurt

Tel: + 49 69 136 44440

Fax: + 49 69 136 40357

London

Commerzbank AG

London Branch

 60 Gracechurch Street,
 London
 EC3V 0HR

Tel: + 44 20 7653 7000

Fax: + 44 20 7653 7400

New York

Commerzbank Capital

Markets Corp.

 2 World Financial Center, 31st floor
 New York,
 NY 10281-1050

Tel: +1 212 703 4000

Fax: +1 212 703 4201