# LingTong Update Information Of Metal Actual Market

*A door to the real China metal market, we provide accurate information of metal actuals' price*


LINGTONG

**Foshan Lingtong Metal Information Co., Ltd**

Service line: +86-0757-85567148 Fax: +86-0757-85512443 85573188

Website: www.lingtonginfo.com E-mail:tungshuzhi@hotmail.com


| **South China(Nanhai)** | | | **September 3, 2010** RMB/T,1ton≈2204.62lbs | | |
|---|---|---|---|---|---|
| 1#bare bright | 54100-54300 | **-200** | copper cathode(domestic standard) | 55900-56100 | **-200** |
| clean cable nodules | 54200-54400 | **-200** | oxygen free rod 8mm | 57000-57200 | **-200** |
| candy | 53500-53700 | **-200** | low-oxygen copper rod 8mm | 55700-55900 | **-200** |
| tube of copper radiators(clean) | 52800-53000 | **-200** | copper wire (1.13-2.52mm) | 56700-56900 | **-200** |
| USA 2#copper (94-95%) | 51400-51700 | **-200** | copper wire2.6mm | 56500-56700 | **-200** |
| 2#copper(92-93%) | 50200-50500 | **-200** | H65copper strap(0.3-0.8mm,y2) | 50500-50800 | **-200** |
| motor copper(91-92%) | 49400-49700 | **-200** | H62copper strap(0.18-0.25mm.y.y2) | 44200-44500 | **-200** |
| shredded copper (91-92%) | 48800-49100 | **-200** | rod brass(14mm-120mm) | 38400-38600 | **-200** |
| shredded copper (89-90%) | 47800-48100 | **-200** | clean copper clippings | 53600-53800 | **-200** |
| chopped copper nodules（90-92%） | 48000-48200 | **-200** | high grade phosphor copper clippings | 55400-55600 | **-300** |
| mixed copper scrap（79-81%） | 42200-42400 | **-200** | tinned phosphor-copper clippings | 52300-52500 | **-300** |
| USA honey (Fe < 2%) | 37100-37300 | **-200** | tinned brass clippings | 37600-37800 | **-200** |
| shredded brass (Fe≤3%) | 35400-35600 | **-200** | 65 brass clippings（clean） | 40400-40600 | **-200** |
| H59 honey (impurity rate ≈7%) | 34500-34700 | **-200** | 62 brass clippings（clean） | 39300-39500 | **-200** |
| USA brass radiator | 35900-36100 | **-200** | Al/Cu radiator (Cu≈45% Al≈53%) | 28600-28800 | **-100** |
| shredded brass radiator | 30900-31100 | **-200** | irony al/cu radiator | 26700-26900 | **-100** |
| **Aluminum** | | | | | |
| Domestic Al ingot (delivered to local places) * | | | | 15420-15520 | |
| Alumina * | 2500-2600 | | Al ingot from Chalco(south China market) | 15500 | |
| import 6063 extrusion | 13100-13300 | | electric alum rod coil9.5mm * | 15900-16000 | |
| domestic clean 6063 extrusion | 13250-13450 | | electrophoresis alum profiles | 20750-20950 | |
| domestic 6063 extrusion scrap | 12500-12700 | | spray-painting alum profiles | 20250-20450 | |
| import 6061 aluminum extrusion | 11850-12050 | | frosted alum profiles | 19350-19550 | |
| clean tablet( litho sheet) | 13200-13300 | | Al ingot(made by Al radiator) | 13850-14050 | |
| aluminum from radiator(85-87%) | 11050-11250 | | EC wire | 13800-14000 | |
| bulk UBC | 10600-10800 | | clean Al from ACSR | 13750-13950 | |
| **Zinc,Lead, Tin** | | | | | |
| nanhua brand 0#zinc * | 17600-17800 | **-100** | 1#tin ingot(yunnan) * | 147000-149000 | |
| electrolytical 0#zn (Guangxi, Yunnan) | 16550-16750 | **-150** | 1#electrolysis lead ingot * | 16300-16500 | |
| electrolytic1#Zn(yunnan, guangxi,hun | 16450-16650 | **-150** | clean lead sheath from cable | 14200-14400 | |
| flame melting1#Zn(Guizhou) | 16400-16600 | **-150** | shredded lead (large size) | 13500-13700 | |
| **Alloy** | | | | | |
| high grade alum alloy ADC12 * | 16700-16900 | | 3# zinc alloy * | 18450-18650 | **-150** |
| standard alum alloy ADC12 | 15600-15800 | | 5# zinc alloy | 17100-17300 | **-100** |
| alum alloy 7# | 14600-14800 | | shredded zinc（84-86%） | 14200-14400 | **-100** |
| shredded tense（91-93%） | 12950-13150 | | shredded taint（90-92%） | 12350-12550 | |

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|---|---|---|---|---|---|
| **Stainless steel** | | | | | |
| 1# Jin Chuan nickel plates * | 169500-170500 | +1000 | 304/2B Rolling sheet0.4mm(Zhangpu) | 22800-22900 | |
| 316 stainless steel scrap | 20200-20400 | | 304/2B Rolling sheet0.5mm(Zhangpu) | 21900-22000 | |
| imported 304sabot18/8 | 14150-14350 | + 50 | 304No.1 Hot Rolled sheet3mm | 20200-20300 | |
| domestic 304sabot Ni≈7.6-7.8% | 13550-13750 | + 50 | 201No.1 Rolling sheet3mm(Taiwan) | 9500-9600 | |
| shredded stainless steel Ni≈7.7-7.9% | 13500-13700 | + 50 | 430/2B Rolling sheet 0.4mm(Baoxin) | 12600-12700 | |
| shredded stainless steel Ni≈7.4-7.6% | 13300-13500 | + 50 | 430/2B Rolling sheet 0.5mm(Baoxin) | 11600-11700 | |
| remelt stainless steel scrap Ni≈7.0-7.2 | 12200-12400 | + 50 | 202 stainless steel scrap (Ni≈3.5-3.8% | 8950-9250 | |
| 301scrap (Ni≈5.9-6.1%) | 10750-10950 | + 50 | 201SS | 5700-5900 | |
| 430solids | 4400-4600 | | 201SS (old pipe scrap) | 5050-5250 | |
| **Nanhai Ferrous** | | | | | |
| Scrap Iron(leftover material) | 2720-2770 | | HRB335(shaoguan)12mm | 4400-4450 | |
| cast iron | 2530-2580 | | HRB335(shaoguan)18-25mm | 4200-4250 | |
| stainless clippings (thickness≥4mm | 2620-2670 | | Q235Φ6.5mm | 4240-4290 | |
| mix steel scrap | 2180-2230 | | cold rolled sheet(anshan) 0.7mm | 5700-5750 | |
| electric motor(Cu≈13%Fe≈78%Al≈5%) | 8460-8560 | - 20 | cold rolled sheet(anshan) 1.0mm | 5450-5500 | |
| electric motor(Cu≈11%,Fe≈84%) | 7080-7180 | - 20 | | | |
| **South China (Qingyuan)** | | | | | |
| 1#bare bright | 53900-54100 | -200 | clean tinned copper wire | 52500-52700 | -200 |
| tube of copper radiators (no rope) | 52600-52800 | -200 | clean tinned copper net | 50500-50700 | -200 |
| copper transformer（94-95%） | 50400-50600 | -200 | tinned copper scrap (90-91%) | 47900-48100 | -200 |
| clean copper nodules (95-96%) | 51400-51700 | -200 | lead-coated copper wire | 52000-52200 | -200 |
| motor copper(90-91%) | 48300-48600 | -200 | copper clad laminate Cu≈45% | 21400-21600 | -200 |
| copper brick(93%) | 49600-49800 | -200 | motor iron | 2560-2610 | |
| clean industrial castings | 12850-13050 | | aluminum transformer （94-95%） | 12400-12550 | |
| industrial castings (Fe 6%-8%) | 11950-12150 | | UBC Baled Densified (impurity≤4%) | 10050-10150 | |
| **Plastics** | | | | | |
| clean black PVC plastic husk(small) | 2200-2300 | | flame retardant materials | 58500-59500 | |
| clean white PVC plastic husk | 4050-4150 | | flame retarded PVC sheath | 2850-2950 | |
| clean greyish-white PVC plastic husk | 4000-4100 | | high-pressure PE(clean plastic husk) | 6500-6600 | |
| clean PVC plastic husk (pigment) | 3350-3450 | | high-pressure & high-temperature PE husk(mid | 2500-2600 | |
| clean black PVC plastic husk (large) | 3650-3750 | | high-pressure fragmentized PE(humid | 2100-2200 | |
| **East China (ShangHai)** | | | | | |
| copper cathode * | 59300-59500 | -200 | low-oxygen copper rod 8mm * | 59200-59400 | -200 |
| domestic Al A00 * | 15190-15290 | | 1#bare bright | 54200-54400 | -200 |
| electrolytical 0#Zn Ingot * | 17150-17350 | -100 | 2#copper (94-95%) | 51500-51800 | -200 |
| 1# nickel plates * | 169500-170500 | +1000 | American honey (Fe < 3%) | 37400-37600 | -200 |
| 1# tin * | 147000-149000 | | 304/2B Rolling sheet 0.4mm(Baoxin) | 23900-24000 | |
| 1# lead * | 16200-16400 | | 304/2B Rolling sheet0.5mm(Baoxin) * | 23200-23300 | |
| oxygen free rod 8mm * | 60400-60600 | -200 | 304No.1 Hot Rolled sheet 3mm * | 21200-21300 | |
| | | | | | |

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| | | | | | |
|---|---|---|---|---|---|
| **TaiZhou,YongKang (Zhejiang Province)** | | | | | |
| low-oxygen copper rod 8mm | 55700-55900 | **-200** | 316 stainless clips（Ni10Mo2） | 20250-20450 | |
| 1#bare bright | 54200-54400 | **-200** | imported 304 sabot (Ni≈8.2-8.3%) | 14150-14350 | **+ 50** |
| candy | 53400-53600 | **-200** | domestic 304sabot (Ni≈7.6-7.8%) | 13600-13800 | **+ 50** |
| tube of copper radiators (clean) | 52800-53000 | **-200** | 430 solids | 4400-4600 | |
| 2#copper (94-95%) | 51500-51800 | **-200** | 202 stainless steel scrap (Ni≈3.5-3.8% | 9000-9200 | |
| copper transformer（Cu≈95%) | 51800-52000 | **-200** | 201SS | 5650-5850 | |
| motor copper(92-93%) | 50400-50700 | **-200** | 201SS (old pipe scrap) | 4950-5150 | |
| burnt wire(97-98%) | 52600-52900 | **-200** | scrap iron (leftover material) | 2720-2770 | |
| American honey (Fe < 3%) | 37400-37600 | **-200** | motor iron | 2590-2640 | |
| pure aluminum wire | 13700-13900 | | mix steel scrap | 2280-2330 | |
| clean 6063 extrusion scrap | 12900-13100 | | Al/Cu radiator (Cu≈48% Al≈50%) | 29000-29200 | **-100** |
| aluminum from radiator(89%) | 11500-11700 | | irony al/cu radiator (Cu≈48% Al≈44 | 27450-27650 | **-100** |
| tense (Fe < 3%) | 12800-13000 | | electric motor(Cu≈9-10%) | 6810-6830 | **- 20** |
| Al ingot(made by Al radiator) | 13800-13900 | | lead sheet | 14050-14250 | |
| **North China (TianJin, BaoDing)** | | | | | |
| low-oxygen copper rod 8mm | 55300-55500 | **-200** | 2#copper(94-96%) | 51100-51400 | **-200** |
| 1#bare bright | 53900-54100 | **-200** | motor copper(92-93%) | 49900-50200 | **-200** |
| 1#copper 97% | 52800-53000 | **-200** | Al/ Cu radiator(Cu≈45% Al≈53%) | 28500-28700 | **-100** |
| burnt wire(95-94%) | 51500-51800 | **-200** | tense (Fe < 3%) | 12800-13000 | |
| **Rare Metals** | | | | | |
| Fe mo60 * | 136000-137000 | | 1#chromium * | 71000-72000 | |
| Jinchuan 1#cobalt * | 342000-345000 | | electrolytic manganese * | 16200-16400 | **-100** |
| **CIF China** | | | | | |
| USA 1#Bare bright | 7310-7330$/T | | USA 6063 Alum Extrusion | 1860-1880$/T | |
| USA cliff/birch (94-96%) | 7010-7040$/T | | USA clean taint | 1550-1570$/T | |
| USA honey (Fe < 3%) | 4920-4940$/T | | zorba | 1670-1690$/T | |
| USA clean ocean | 4730-4750$/T | | USA ACSR (Al68%) | 1530-1550$/T | |
| USA304ss18-8 | 1980-2000$/T | | USA clean Al Radiator | 1570-1590$/T | |

| currency rate | USD | Inverse | GBP | Inverse | EUR | Inverse | AUD | Inverse |
|---|---|---|---|---|---|---|---|---|
| CNY | 0.14712 | 6.7973 | 0.09553 | 10.4675 | 0.11482 | 8.7094 | 0.161380 | 6.19675 |



# Metal scrap performances in Nanhai market on September 3

**Copper:**

LME copper continued to extend the advance on Thursday (September 2), with the price hitting a four-month high, as encouraging economic data in U.S. boosted demand outlook going ahead. But it shook off early peak by the close since investors and traders remained sidelined ahead of U.S. jobs data due to later in the day.

Shanghai copper futures are seen lower in the morning session today (September 3). Most investors and traders at home act with caution in the market now. “Copper is now more likely to rise than fall. Recent a string of stronger-than-expected data signals economy is improving. The market is all focused on jobs number tonight.”, a Nanhai copper trader said.

According to market research, copper scrap materials in Nanhai market drop about 100—200 yuan/ton today. Trading in the market is not very high. Most copper users and traders are very cautious in making purchases at present. Some recyclers even reduce some purchases to lower risk. “Copper futures rise sharply recently, but spot (copper scrap materials) prices are seen little changed. Most we are still reluctant to chase the price now. Present prices (copper futures) runs too far ahead of the fundamentals.”, a Nanhai recycler said. Also, many local (Nanhai, Guangdong Province) copper manufacturers and fabricators prefer a watch-and-see attitude in the market now. “It’s very hard to operate in the market at present. Futures are still on the upward journey, but spot prices are seen little changed. We get no idea how to fix a price now.”, a Nanhai copper products manufacturer said.

Some holders (copper scrap materials) are seen to sell some to lock in the gains. These holders worry the uptrend may not last very long. “We sell some to take profits, and leave some in warehouse to take bet. That will be better.”, a Nanhai copper scrap materials holder said. But some holders and importers (copper scrap materials) are still unwilling to make any concession in the price now. Market tightness, improving demand prospects and stabilizing financial market are all supportive to the price gains. “Moreover, it is also learnt that processing charges on copper scrap materials (shredded copper, particularly) in some local small-and-medium sized recycling companies have risen several hundred yuan to 1,800 yuan/ton, some even to 2,000—2,200 yuan/ton.”, a Nanhai recycler said. Or say, the cost of copper scrap materials is rising.

Many insiders believe copper would see some corrections in the short term, but the downside will be quite limited. On the one hand, the price runs too fast and rapid previously. It needs some healthy setbacks in the short run for further advancement. On the other, many investors would also start to sell some to lock in profits. “If the jobs number is better, copper will get ready to run up rapidly. From medium or longer term, copper will continue to trend up. It may test $ US 8,000 this month (September).”, a Nanhai market analyst said.

**Aluminum:**

Shanghai aluminum futures trade little changed in the morning session today (September 3).

From market research, spot aluminum, or say aluminum ingot, in Nanhai market is seen little changed today. Trading in the market is so-so. Supply addition in local market (Nanhai, Guangdong province) is seen decline recent days.

**Zinc:**

Shanghai zinc futures are seen lower in the morning session today (September 3).

According to market research, spot zinc in Nanhai market fall about 100--150 yuan/ton today. Trading in the market is not high. Most the users turn very prudent in the market at present. The situation is actually very obvious after the price (zinc) climbs above the level 17,000 yuan/ton. “We are still watching for a better level to buy in. The market is not very clear now.”, a Nanhai zinc consumer told.

**Stainless steel:**

From market research, stainless steel scrap materials in Nanhai market rise about 50 yuan/ton today (September 3). But buying sentiment in the market is still not so good. First, many steel mills in Jiangsu and Zhejiang already cut purchases for the scrap materials due to the government’s move to limit electricity use. Next, some countries start to conduct anti-dumping probes in China’s stainless steel products. Exports start falling, so will the demand for the raw materials. “Also they (the users) just give a price that we buy the scrap materials. Really hard to make deals.”, a Nanhai stainless steel scrap holder said.

## Copper bullish on robust economic data

Recently, the economic data was released better-than-expected, paring concerns about a possible double-dip recession. Equities markets also rebounded sharply, pointing to some short-term strength in metals market.

Data released on Wednesday showed that the U.S. manufacturing sector grew more quickly than expected in August, chalking up a 13th straight month of expansion. On the same day, a note issued by China Industrial Securities said that HSBC's China Purchasing Managers' Index jumped to 51.9 in August from a 16-month low of 49.4 in July. More over, the US Consumer Confidence Index (CCI) and Purchasing Manager Index (PPI) are both unexpectedly positive.

Also supporting the market, the revised GDP in euro zone had the fastest growth in 3 years, rising by 1.9%, and the loose monetary policy in both US and Japan also helps spur economic growth.

All of these, to a great extent, refilled the market with a sense of optimism. Thus, base metals these days stay in an upbeat trend, with confidence getting back on track in the market gradually. Copper, especially, rebounded steeply from the low of 7,028 dollar/ton and successfully broke the previous frustrated of 7,500 dollar/ton level. Still, it holds the upward momentum for further high levels.

As time steps into the global peak season of September, a continuous drop in copper inventories and estimates of a small deficit in the copper market by the end of the year will keep supporting copper price. The stock of Shanghai now is about 110,000 tons, down by 30,000 tons or 21% from the level of 140,000 tons in early June. Insiders said that after the financial sector shows the pickup, copper market fundamentals will dominate in the coming market.

# Copper steady, US data supports, jobs report seen key

Copper steady, near four-month peaks ahead of jobs data
Copper up 9 pct in 9 days, 14 pct off record high
Coming Up: U.S. Non-farm payrolls; 1230 GMT

Copper prices were steady on Friday, with a slight downside bias, as Shanghai and London futures traded just shy of four-month highs, but the recent run of data-led gains was checked by worries about U.S. jobs data.

A series of positive manufacturing and housing data has helped copper prices rally 9 percent in nine days to $7,689 on Thursday, about 14 percent from its record high in July 2008. Zinc CMZN3 rose 12.5 percent in the same period, lead CMPB3 saw similar gains, while aluminium CMAL3 lagged with an 8 percent rise.

Three-month LME copper CMCU3 ticked down $5 to $7,630 by 0231 GMT, trading in a narrow $37.50 band, while benchmark third-month Shanghai copper SCFc3 dipped 10 yuan or 0.02 percent to 59,930 yuan Copper for December delivery HGZ0 retreated to 347.95 cents/lb from $3.4955 on Thursday on the COMEX metals division of the New York Mercantile Exchange.

"Investors are a little nervous ahead of the job report. There is a lot of discussion about the shape of U.S. recovery and investors are waiting for signs whether to buy or sell," said Judy Zhu, commodity analyst at Standard Chartered Bank in Shanghai. "Overall, we think copper will see more interest from the buying side than from sellers as the global recovery is still in progress. We don't see a double dip."

The market is looking for a small rise in private sector U.S. non-farm payrolls and a big cut in temporary jobs associated with the decennial census, with a net 100,000 decline predicted. "The market is braced for a quite big decline in payrolls and investors fear the worst. If they land in line or better, be ready for a big rally," a dealer in Singapore said.

Elsewhere on the data front, Japanese companies' spending on plant and equipment fell at a slower annual rate in April-June than the previous quarter and analysts said the decline may have hit bottom.

Sentiment was given a lift Thursday with pending sales of previously-owned U.S. homes rose unexpectedly in July, an industry group said, suggesting a tax credit-related housing market decline was close to bottoming. New orders received by U.S. factories edged up in July after two straight months of decline on robust demand for new transportation equipment, data from the Commerce Department showed.

The recent strength was not just limited to metals, with the Reuters/Jefferies CRB .CRB commodity index up 1 percent in the previous session, when it hit its highest in three weeks.

"Interest in commodities is rising, including agricultural products and precious metals," StanChart's Zhu said. "According to exchange-traded fund inflow data, for the week ending July 27 was the largest in 25 weeks. That means investors are still interesting entering commodities as an asset class."

## MF Global cautious on Base Metals outlook

MF Global remains “cautious” about the short-term outlook in base metals despite Wednesday’s gains that came after a strong ISM manufacturing survey.

“Technically, many metals have pushed near the top or outside of their trading ranges, arguing for caution going forward,” says analyst Edward Meir.

“Moreover, the positive ISM number that sparked yesterday’s move reminds us of the better-than-expected industrial production figure released a few weeks ago that similarly triggered a sizable rally in a number of markets, only for the gains to fizzle out in the weeks ahead on a lack of follow-through.”

Thus, much hinges on U.S. macro-economic data during the remainder of the week, with Friday’s non-farm payrolls report “especially critical,” Meir says.

Early indications suggest potential for this data to disappoint, since the ADP report on Wednesday showed private-sector job losses last month, Meir points out.

## Tariff wars: US penalizes aluminum imports from China news

Washington: The US Commerce Department has imposed preliminary duties of as much as 137.65 per cent on the import of aluminum products from China. These duties will impact imports worth $514 million.

Aluminum products are used for door and window frames, gutters, car parts and furniture.

China, the largest exporter to the United States, has already run up a $119 billion trade deficit with this country in its favour in the first half of 2010. It is well on its way to meet, or exceed, last year's total of $227 billion.

Meanwhile, the Commerce Department rejected a petition from US manufacturers seeking an increase of duties on imports from China to offset advantages they said was derived from currency manipulation by Beijing.

Aluminum and glossy paper manufacturers had claimed that an undervalued currency acted as a subsidy for Chinese producers allowing them to undercut American competitors.

## US moves won't cease trade rows, say experts

China may have to deal with fresh wave of protectionist measures

Though the United States has refrained from conducting fresh currency probes and imposing new anti-dumping duties, this does not signal an end to its trade protectionist measures against China experts said on Wednesday.

China may, in fact, have to contend with a fresh wave of measures in the coming months, due to the slow pace of the US recovery and key elections to the US Congress.

The US Commerce Department on Wednesday rejected an industry proposal to levy duties on imports of aluminum and glossy paper from China.

Trade bodies had sought the duties to compensate them for losses allegedly incurred due to the value of the yuan.

Earlier this year, US manufacturers, in an appeal, said that China's currency moves would help Chinese aluminum and glossy paper makers and exporters.

Ronald Lorentzen, deputy assistant secretary for import administration at the US Commerce Department, said in a statement that the complaints had been rejected because China's currency policy isn't specific to the enterprise or industries being investigated.

Experts on World Trade Organization (WTO) issues, however, said that they are not optimistic about the prospects regarding trade conflicts between China and the US.

"This (the US decision) is not an end to the American complaints on China's currency valuation and subsidies for Chinese products or the investigations into imports from China. The threat is still high," said He Weiwen, standing council member of the China Society for WTO Studies.

He said US manufacturers would launch more trade remedy cases against Chinese products during the rest of the year, despite the slim possibility of trade conflicts between the two sides.

**Preliminary duties**

The US Commerce Department had earlier on Wednesday announced the ruling on imposing preliminary duties of up to 137.65 percent on imports of aluminum products from China.

The aluminum goods involved in the ruling are those used for doors and window frames and gutters. Under the proposal, most of the Chinese aluminum producers barring two companies will end up paying stiff duties.

The US imported aluminum products worth $514 million from China last year. The Commerce Department is expected to pass its final ruling on the matter in November.

Recent data has revealed that economic growth is slowing in the US, while the jobless rate is galloping. There have also been predictions of the US moving into a double-dip recession. Added to this is the pressure on the incumbent US government to gain confidence from voters ahead of the Congressional elections.

"The US decision (on rejection) is right, but I am afraid they (US) will become more aggressive and hostile to China in the coming months.

Such moves will help US pin the blame for its problems on China and its exports, especially after the Congress recess period ends in mid-September," said Zhou Shijian, a senior economist at the Center for China-US Relations.

But "the US government should be careful about any move against China, considering the recent strides in China-US economic relations. Inappropriate actions would hurt their (US) interests, as well as China's," Zhou said.

During the first seven months of this year, China-US trade surged by 31 percent year-on-year to

$207.23 billion, while the nation's imports from and exports to the US grew by 34 and 29 percent respectively.

Last week, the US Commerce Department said it intends to step up enforcement of trade laws against nations like China and Vietnam as they are allegedly subsidizing exports to the US.

Analysts said the move is also part of the US efforts to achieve its goal of doubling exports over the next five years.

## Nonferrous metals becomes Anhui province’s key pillar industry

Through years’ development, especially "the Tenth Five-Year Plan" a number of major projects were put into operation, nonferrous metals industry has become the key backbone industry of Anhui province---China’s important production base. In the H1 of this year, the whole industry achieved industrial added value of 12.985 billion yuan and total industrial value of 53.602 billion yuan, rising respectively 24.23% and 97.96% compared with the same period of lat year.

## US June Aluminum Output 141,000 Tons, -4.7% On Month - USGS

U.S. domestic primary aluminum production in June was 141,000 metric tons, down 4.7% from 148,000 tons the previous month and slightly lower than 142,000 tons in June 2009, the U.S. Geological Survey said Wednesday.

Total aluminum recovered from scrap in June was 200,000 tons, slightly lower than the previous month and 25% lower than the year-ago period.

Of this, 114,000 tons of aluminum was recovered from new scrap, slightly higher than the previous month and 26% lower than in June 2009. Aluminum recovered from old scrap totaled 86,000 tons in June, 4% lower than May and 22% lower year-on-year.

# Power-Usage Restrictions in China Will Trim Steel Capacity, Boost Prices

Power restrictions by local governments in China, the biggest steelmaking nation, may lead to the suspension of 25 million metric tons of annual steel capacity, helping boost prices, Credit Suisse Group AG said.

Disruption to steel production has started as local governments rush to meet year-end power efficiency targets, Trina Chen, a Credit Suisse analyst, said today in a note. The suspended capacity includes a Baosteel Group Corp. blast furnace in Ningbo, she said.

Slowing demand has led about 40 percent of steelmakers in the country to idle plants or put them on maintenance, the China Iron and Steel Association said Aug. 3. China's steel output dropped by 3.9 percent to 51.7 million tons in July from a month ago, posting a five-month low.

The production cuts "should have positive impact on the fourth-quarter steel prices, as it combines with the industry production cut in July-August," Chen said in the report.

Steel prices in China gained 1 percent this week to 4,217 yuan ($619) a ton yesterday. Prices fell 1.9 percent last week, the first drop in six, amid concerns slowing economic growth may curb demand, according to the researcher Beijing Antaike Information Development Co.

Production cuts at steelmakers may hurt demand for iron ore, curbing prices. The 62 percent-iron ore arriving at China's Tianjing Port has dropped 0.8 percent this week to $141.8 a ton yesterday, according to the Steel Index.

Baosteel's Ningbo unit will shut a 2 million ton-a-year furnace for more than three months from Sept. 1 as the city government aims to achieve its energy-saving target, Ningbo Radio reported on its website, citing Huang Ming, deputy head of operation planning at the unit. The plant would lose 180,000 tons of output a month, Huang was cited as saying.

Zhang Wei, a public-relations official at Baosteel, confirmed the report.

## Rio Tinto's Walsh Sees 13% Drop in Iron Ore Prices as Chinese Demand Falls

Rio Tinto Group, the world's second- biggest iron ore supplier, said contract prices for the steelmaking commodity will probably fall 13 percent, the first decline in three quarters as Chinese demand weakens.

Prices will fall to around $127 a metric ton for the three months starting Oct. 1, from the previous quarter, Sam Walsh, the head of the London-based company's iron ore business, said today. Rates almost doubled in the April quarter, and gained more than 20 percent in the June-to-September period.

"We are going to see ups and downs along the way and some of that clearly relates to economic circumstances and some relates to supply coming on," Walsh told reporters at Rio's Brockman mine in the Pilbara region of Western Australia.

Rio, BHP Billiton Ltd. and Brazil's Vale SA, accounting for three-quarters of iron ore trade, ended a 40-year tradition of annual benchmark prices in favor of quarterly agreements pegged to spot sales. Steel prices in China are under pressure to fall because of weaker demand, Baoshan Iron & Steel Co., the nation's biggest publicly traded steelmaker, said this week.

Rio rose 1.5 percent to A$73.29 on the Australian stock exchange at 3:18 p.m. Sydney time.

The company today opened its $1.5 billion Brockman 4 mine. The mine will reach an annual production rate of 22 million metric tons in the second half of 2011, Michael Gollschewski, Brockman's general manager, said today.

**Expansion Plans**

An expansion to 40 million tons will be considered by the board for investment approval in November and could start production by 2013, Gollschewski said. The company is boosting overall iron ore output to 330 million tons from 220 million tons from its 12 mines in the Pilbara.

Rio is still seeking approval from countries including China for its plan to combine its Australian iron ore operations with BHP, the world’s third-biggest exporter, Walsh said.

“We have been responding to a large array of questions” from regulators around the world, Walsh said. “This is not something we will give up on at the first challenge.”

## Hebei to Make It a Steel Giant Province

Hebei Province unveiled a list of the province's top 100 enterprises in 2010 including 33 steel mills.

Hebei Iron and Steel came to the No.1 with revenues of 177.09 billion yuan.

The local government hopes to set up three to four large steel groups through mergers and acquisitions.

By 2015, the top five steelmakers will produce 75 percent of steel across the province, up from 48 percent now.

## China plans to complete stimulus package spending in H2

On September 1, China's National Development and Reform Commission (NDRC) said that China's investment plan of RMB 4 trillion ($588 million at current exchange rate) should be fully completed in the second half of this year.

Since the RMB 4 trillion economic stimulus plan introduced at the end of 2008, following the global financial crisis, the investment growth maintained at a high level. However, with the gradual withdrawal of investments made by the central government, the growth in China's fixed asset investments started to represent a falling trend.

According to the data released by the National Bureau of Statistics, China's urban fixed asset investments, in the January-July period of this year increased by 24.9 percent, as compared to the corresponding period of 2009.

## Manufacturing figures ease fears of slowdown

Manufacturing in China rebounded in August, easing fears of a steep correction to the economy, analysts said.

The Purchasing Managers' Index (PMI), a major indicator of economic activity, rose to 51.7 percent in August, up 0.5 percentage points from the July figure, and reversed a three-month fall in the growth rate, the China Federation of Logistics and Purchasing said on Wednesday.

The index considers 50 to be a benchmark figure and the dividing line between economic expansion and contraction. Anything above 50 indicates expansion.

Economists have been concerned about a slowdown, especially when US growth dropped to 1.6 percent in the second quarter, from a previous estimate of 2.4 percent in July.

Neither is news on the job front in the European Union good with the unemployment rate hitting an almost two-decade high.

A research note from the Industrial Securities said the rebound showed domestic demand is playing an increasingly important role, with the nation relying less on foreign trade for growth.

"China's recovery in the third quarter is helping prevent the world from a double dip recession," the note said.

Zhang Liqun, a researcher at the State Council's Development and Research Center, said he believed the PMI rebound indicated that China's economy was not likely to see a steep correction.

"But attention should be paid to the big rebound in the Input Price Index (IPI), which might increase pressure on companies' costs."

The IPI jumped 10.1 points last month to 60.5.

"Overall, the leading indicators in August point to some near-term strength in manufacturing activity and a rebound in input cost pressures," said Peter Redward, head of Emerging Asia Research at Barclays Capital.

"Looking ahead, we expect a further pickup in the headline PMI in September before moderating in October."

However, Lu Zhengwei, chief economist of Industrial Bank, said he believed the rebound was largely due to seasonal factors.

Historically, the PMI tended to rise month-on-month from August to September, after declining from May to July.

"Without seasonal factors, the rebound is quite weak and should not be regarded as a signal for economic recovery," Lu said.

Despite the improved PMI statistics, most economists believe China's economic growth will continue to slow in the coming months.

"We expect gross domestic product (GDP) growth to slow further, bottoming at 8 to 8.5 percent year-on-year in the fourth quarter as the impact of the property tightening becomes more apparent and export growth slows," said Wang Tao, head of China Economic Research at UBS Securities.

"But the new investment programs announced this year will help push up investment and GDP growth from the first quarter of 2011, and we expect the growth to be 9.5 to 10 percent for the whole year," Wang added.

## Growth expected to fall below 7 percent in next decade

China's economic growth in the next decade is likely to fall to 7 percent from the current rapid pace, Deutsche Bank was quoted as saying Thursday.

"Reasons for slowing down the economy in the next 10 years include decreasing export volumes, slowing down in property demand and urbanization," said Ma Jun, Chief Economist with the Deutsche Bank.

The Chinese government has set the target of 8 percent GDP growth in order to maintain economic and social stability. The country has maintained rapid economic growth of over 8 percent for 10 years, starting with the 8.4 percent in 2000. The high was 14 percent in 2007, and China reached a surprising 9 percent amid the global financial crisis in 2008, according to data from the National Bureau of Statistics.

"In 2015, the large portion of aging people and the population structure change affected by the One-child Policy will be an impediment to economic development," Life Weekly magazine quoted Chris Sturdy, Asia-Pacific chairman with the Bank of New York Mellon Corporation. "By then, China's economic growth might drop to 5-6 percent."

But former central bank adviser Fan Gang expressed a different view. "China's economy is likely to continue growing rapidly over the next 20 to 30 years if the pace of growth stays at 8 percent and with 8 million new jobs every year."

Fan attributed the future high economic growth to high residents' saving, continued foreign investment, relatively low labor costs, and scientific and technical innovations.

"I think China will maintain economic growth between 8 and 9 percent for the next decade," said HSBC's analyst Sun Junwei. "The country's future economic growth will be driven by massive domestic consumption and urbanization."

But Sun warned that the long-term rapid growth will bring with it problems, including the waste of natural resources and environmental degradation. "Resources limitation and environmental pollution could cause large economic cost for the country," said Sturdy with the Bank of New York Mellon.

## Wall St rises on economic hopes ahead of payrolls

Pending home sales unexpectedly rise, jobless claims dip
Retail index rises after Aug same-store sales data
Chipmakers, recently battered, continue to rise
Dow up 0.5 pct; S&P up 0.9 pct, Nasdaq up 1.1 pct

U.S. stocks rose on low volume on Thursday as data showed improvement in housing and the job market a day ahead of the critical monthly payrolls figures.

Investors built on Wednesday's sharp advance as indicators provided the latest reason for optimism the economy could avoid another downturn. But the nascent rally could be derailed if Friday's jobs data disappoints investors.

"Money seems to be flowing out of bonds and into the stock market," said Ryan Detrick, senior technical strategist at Schaeffer's Investment Research in Cincinnati.

"Obviously, tomorrow comes the big news with the employment data. But in the near term, it shows how explosive rallies can be when we get decent economic data, because the market is pricing a double-dip recession."

Chipmaker shares rose for a second day running and the PHLX semiconductor index .SOX gained 2.1 percent to close above its 14-day moving average for the first time since late July.

Broadcom Corp, up $1.63 at $32.71, posted a 9.2 percent advance in the last two sessions, its largest such gain since May 2009.

The Dow Jones industrial average .DJI added 50.63 points, or 0.49 percent, to 10,320.10. The Standard & Poor's 500 Index .SPX rose 9.81 points, or 0.91 percent, to 1,090.10. The Nasdaq Composite Index .IXIC gained 23.17 points, or 1.06 percent, to close at 2,200.01.

About 6.6 billion shares traded on the New York Stock Exchange, the Nasdaq and the American Stock Exchange, about average for the past month, but still way below last year's daily average of 9.65 billion. Volume is typically light in the days just ahead of the Labor Day holiday weekend.

The housing and labor markets have long been considered two of the biggest headwinds the economic recovery faces. Friday's payrolls report is expected to show about 100,000 jobs were lost in August.

Data from the National Association of Realtors showed pending home resales rose unexpectedly in July and a separate report showed new claims for unemployment insurance fell for a second straight week.

Shares of Hovnanian Enterprises (HOV.N) rose 5.4 percent to $3.88 on the home sales data and after the sixth-largest U.S. builder reported a narrower quarterly loss late on Wednesday.

"Homebuilders, semis are doing well, the riskier trade is kind of back on," said Detrick.

The biggest open interest on an ETF that tracks the S&P 500 was at September $109 on the call side and September $110 on the put side. Since the SPDR S&P 500 (SPY.P) was at 109.47, the open interest suggests options investors are not expecting a major move after the payrolls report.

The S&P 500's moving average convergence-divergence or MACD generated a 'buy' signal after having been a 'sell' since Aug. 11. The last time the signal turned bullish was July 9, foreshadowing an advance that ended a month later and made July the best month for the index in a year.

"At least in the near term, that's a sign things are improving. That's usually the first step. We need that positive MACD for bigger future gains," Schaeffer's Detrick said.

The Morgan Stanley Retail index .MVR rose 2.4 percent and Nordstrom Inc jumped 8.1 percent to $32.76 as U.S. retailers posted better-than-expected sales in August.

"Today's data is positive, but given the high level of unemployment, it's hard to be too optimistic about the consumer," said Michael Sheldon, chief market strategist at RDM Financial in Westport, Connecticut.

Burger King Holdings Inc agreed to sell itself to investment firm 3G Capital for about $3.26 billion, pushing the stock up 25.1 percent to $23.59.

In the end to an extended bidding war, Hewlett-Packard Co raised its buyout offer for data storage company 3PAR Inc to $33 a share, topping an earlier bid from Dell Inc. The higher bid prompted Dell to bow out.

Shares of 3PAR rose 2.5 percent to $32.88 while Dell gained 2 percent to $12.36. HP, a Dow component, rose 1.2 percent to $39.68. Advancing stocks outnumbered declining ones on the NYSE by a ratio of about 7 to 3, while on the Nasdaq, about eight stocks rose for every five that fell.

## Econ outlook optimism sends copper to 4-mth high

Markets heartened by manufacturing data, jobs report looms
U.S. jobless claims fall, pending home sales rise
Market awaits Friday's key U.S. non-farm payrolls report

Copper rose to its highest in more than four months on Thursday as recent economic data from the world's two largest economies, the United States and China, brightened the outlook for demand.

Copper CMCU3 for three-month delivery on the London Metal Exchange ended at $7,653 a tonne compared with a close of $7,606 a tonne on Wednesday. It touched $7,689 earlier, its highest since April 27.

A slew of upbeat U.S. data on Thursday boosted sentiment. Sales of previously owned homes rose unexpectedly in July, factory orders edged up and claims for unemployment benefits fell.

"Markets have become far too pessimistic about the possibility for double dip and the like. We'll see increasingly better data through to the back end of this year," said Tom Kendall, an analyst at Credit Suisse. "Copper has some good underlying fundamentals. Consumer demand remains strong especially in Asia, so it's not just a fund move."

Also lending support, the euro edged up versus the dollar, supported by healthy results at Spanish and French bond auctions and stable global equities. A strong euro makes dollar-priced metals cheaper for European investors.

Copper also rallied on Wednesday as investors felt more comfortable betting on riskier assets after key manufacturing data from the U.S. and China beat expectations.

"It doesn't look as bad as it did before," said Jesper Dannesboe, senior commodity strategist at Societe Generale, referring to the economic outlook after strong Chinese and U.S. PMI data. "It looks like there's not going to be a double-dip recession, but maybe a period of slowdown of the recovery."

The positive data from the world's top two economies overcame a weak U.S. private sector payrolls number that the market largely ignored. However, the U.S. jobs market will swing back into focus on Friday with key government employment data for August.

"A lot will ride on what happens with the U.S. macro numbers ... with Friday's key nonfarm payroll figures being especially critical. The number could disappoint given that the private sector ADP payroll report came in on the negative side," said MF Global in a note.

**CAUTIOUS**

Other data from metal-consuming industries such as the auto sector was not rosy on Wednesday Automakers posted their weakest U.S. August sales in 27 years, underscoring uncertainty about the strength of the recovery in the world's largest economy.

But in Europe, growth data looked upbeat, with gross domestic product in the 16-nation currency area expanding by 1.9 percent in the second quarter, compared with a previous reading of 1.7 percent.

Moreover, falling stocks, which indicate demand trends, continued to offer support for copper prices. Inventories now stand at 399,000 tonnes, their lowest since November 2009, and cancelled warrants -- material earmarked for delivery – account for 7.25 percent of the total stocks.

In other metals, LME nickel CMNI3 gained 3 percent to end up at $21,650 a tonne, having hit $21,772 earlier, its highest since August 20, while lead CMPB3 ended at $2,155 a tonne versus Wednesday's $2,115 a tonne, having hit $2,180 earlier, its highest since Aug 10.

Zinc CMZN3 ended at $2,174 a tonne from $2,133, having hit a four month high of $2,194 earlier.. "The Chinese prefer to arb zinc rather than copper. The volumes some days are very strong," a Sydney trader said.

The differential between LME zinc and the Shanghai benchmark was open a fraction at around 100 yuan ($14.68) per tonne in favor of importing zinc, accounting for import duties and VAT.

Tin CMSN3 ended at $21,425 from $21,450, and aluminum CMAL3 ended at $2,145 from $2,108, having hit $2,147 earlier, it's highest since Aug 18.

## US Copper Sets 4-month Closing High on Strong Data

U.S. copper surged to a more than four-month high on Wednesday and held near that lofty level to the close, propelled by robust manufacturing data in the United States and China, soaring shares and a weak dollar.

Benchmark copper for December delivery HGZ0 closed 10.75 cents, or 3.19 percent, higher at $3.4775 per lb on the COMEX metals division of the New York Mercantile Exchange.December's range spanned from $3.3735 to $3.4860, a level last seen on April 27.

Copper for September delivery HGU0 shot up 10.75 cents, or 3.20 percent, to end at $3.4685 per lb. September copper soared to a high dating to April 27 at $3.4765, from a low at $3.3710 a lb. Both contracts set their highest close since April 26.

COMEX estimated final copper futures volume at 33,576 lots. Open interest was down 3,524 lots at 134,206 contracts as of Aug. 31.

Copper began its rally overnight when China released its official purchasing managers' index (PMI), which rose to 51.7 in August from 51.2 in July. The new orders component rose to 53.1 from 50.9 and was seen as especially supportive.

Later, in the United States, the Institute for Supply Management's index of national factory activity rose to 56.3 in August from 55.5 in July, above expectations for a 53.0 reading. The ISM index helped investors shrug off a separate report showing U.S. private employers unexpectedly cut 10,000 jobs in August.

Contributing to copper's strong gains was a report that Australia's economy grew at its fastest pace in three years in the last quarter. The reports helped drive Wall Street stocks up more than 2 percent, which fed back into copper's gains.

The U.S. dollar declined against major currencies after the raft of upbeat data soothed worries about the health of the global economy, boosting investors' appetite for industrial assets like copper.

The gains won on the improved economic readings sent copper up through technical resistance above $3.41 a lb, triggering stop-loss buy orders - traders.

London Metal Exchange (LME) copper warehouse stocks were down 1,575 tonnes on Tuesday at 398,525 tonnes.

Benchmark copper CMCU3 on the London Metal Exchange finished sharply higher at $7,606 per tonne, from $7,440, at the previous close.