



**PRESS RELEASE**

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**FORTIS BANK NEDERLAND/VM Group: Metals Monthly**

Is the US dollar poised on the brink of a new bull market? A protracted period of dollar strength would push metals' prices lower than they are today – which would be bad news for US investors – but the impact is less obvious when measured in other currencies. That's the conclusion of the headline feature in the February issue of the **Metals Monthly**, published today by VM Group in partnership with Fortis Bank Nederland.

Each month this report, which is free access, analyses developments in the global precious and base metals, as well as steel markets. Each report contains our updated price forecasts and analyses of supply and demand for each metal, as well as an examination of fund activity. In the February issue the feature examines the role of the US dollar in determining the price direction of metals, and looks back at previous dollar bull and bear periods. If the dollar is going to improve in the coming weeks and months then dollar-denominated prices for metals will slip in the absence of any other drivers; but prices in other currencies ought to hold up well.

This month we have also raised our aluminium market surplus forecast for 2010, to 1.2 Mt from ~1 Mt previously, owing to the sluggishness of OECD economic recovery and rising aluminium supply from China and the Middle East. Similar revisions have been made to copper and zinc. On the other hand we now anticipate a slight global deficit for tin this year, with promising demand and continued supply bottlenecks.

**Metal price (nominal \$) movements, %, in dollars during dollar bull/bear periods**

	Dollar bull periods			Dollar bear periods		
	Sep-1980 to Jan-1985	June-1995 to Jan-2002	July-2008 to Feb-2009	Feb-1985 to Dec-1987	Feb-2002 to April-2008 %	Mar-2009 to Nov-2009
Dollar index, major currencies	56%	40%	21%	(40%)	(38%)	(15%)
Dollar/Euro	110%	55%	25%	(49%)	(46%)	(16%)
Gold	(57%)	(27%)	2%	68%	231%	24%
Silver	(72%)	(20%)	(27%)	17%	321%	37%
Platinum	(45%)	3%	(53%)	102%	352%	52%
Palladium	(51%)	130%	(56%)	14%	20%	88%
Aluminium	(34%)	(25%)	(56%)	85%	117%	56%
Copper	(33%)	(51%)	(60%)	131%	462%	101%
Lead	(58%)	(21%)	(63%)	83%	472%	123%
Zinc	11%	(24%)	(53%)	(2%)	200%	107%
Nickel	(24%)	(28%)	(68%)	87%	396%	66%
Tin	(37%)	(44%)	(46%)	(36%)	434%	35%

*Note: table on price movements in other currencies can be found in the Metals Monthly*

The **Metals Monthly** is published is open-access and available directly from the VM Group at [www.virtualmetals.co.uk](http://www.virtualmetals.co.uk). If you have not received a copy of this report, or should you require further details or commentary, please contact:

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