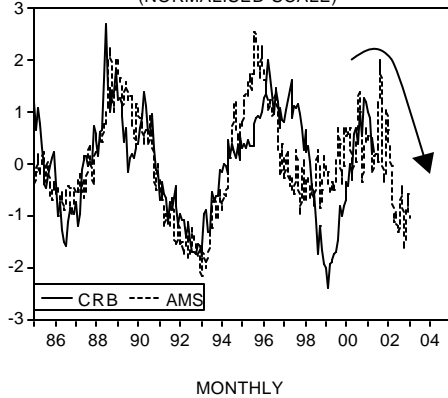


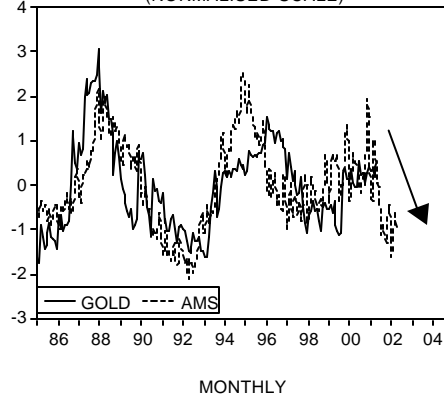
## Commodity prices poised to ease

After reaching the figure of **229.79** at the end of November 2000, the CRB commodity price index has been trending down. A sharp decline in the cyclical component of money AMS indicates that the cyclical component of the CRB index will remain subdued (see chart)

CYCLICAL COMP:CRB VS MONEY AMS LAGGED 20  
(NORMALISED SCALE)

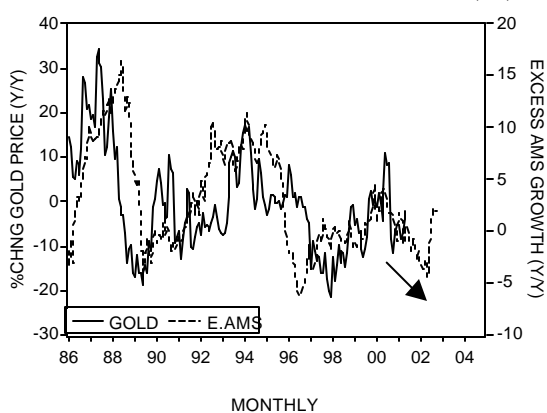


CYCLICAL COMP.GOLD PRICE VS AMS LAGGED 11  
(NORMALISED SCALE)



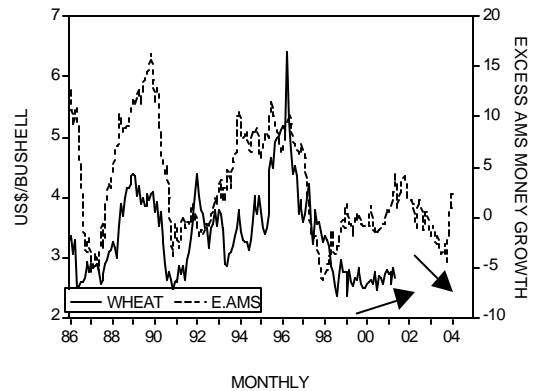
Meanwhile, after reaching the figure of **\$406.10** per ounce at the end of January 1996, the price of gold has been trending down. It stood at **\$265.8** per ounce at the end of May. Excess money AMS growth raises the possibility that the price of the yellow metal will remain subdued until early next year (see chart).

%CHNG GOLD PRICE VS EXCESS AMS GROWTH(-17)



In the meantime the price of wheat eased to **\$2.67** per bushel from **\$2.83** in April. Our monetary analysis indicates that the price of wheat could rise slightly until the year end, before commencing a downtrend (see chart)

WHEAT PRICE VS EXCESS MONEY AMS GROWTH(-34)



### Thought for today

- Australia April build approvals up **0.9%**.
- Australia Q1 new volume capex fell **2.1%**.
- Japan April housing starts fell **7.2%** y/y.
- German Apr capital equipment orders fell **1%**
- NAPM-NY business activity slips in May.
- Chicago PMI at **38.7** in May vs **38.9** in April.
- In w/e May 26 US jobless claims up **8,000**.
- US Help index at **65** in Apr vs **67** in March.
- Canada real GDP up **0.1%** in March vs **-0.1%** Apr.

### Thought for today

If liberty means anything at all, it means the right to tell people what they do not want to hear.

**George Orwell**

Also, the cyclical component of money AMS indicates that the cyclical component of the gold price will continue to weaken throughout this year (see chart).