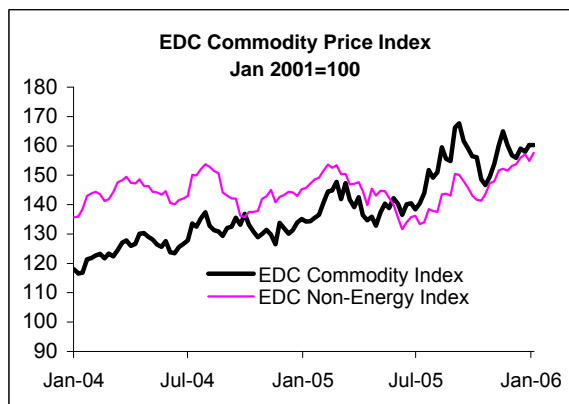


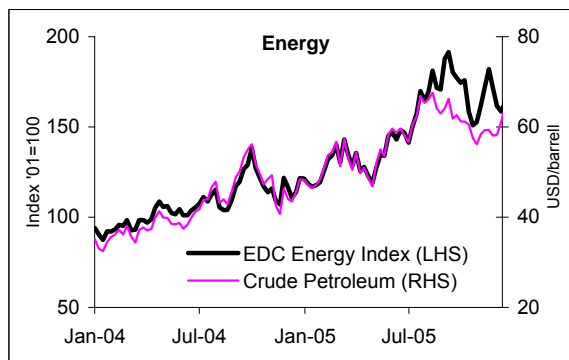
ENERGY DECLINE LEAVES INDEX UNCHANGED

- EDC Economics' **all-commodity** price index was steady for the week ending January 27 as lower energy prices, particularly natural gas prices, offset increases in all the other major commodity indexes. Year on year, the EDC all-commodity price index was up 19.4% but excluding energy, the index was up only 8.2%.
- Both crude petroleum and natural gas prices fell, however the latter fell by almost 7%. Other noticeable movers last week were price rises for copper, lumber, wheat and nickel, while on the downside the price for steel fell by 7.4% and the price of cocoa fell by 5.2%.



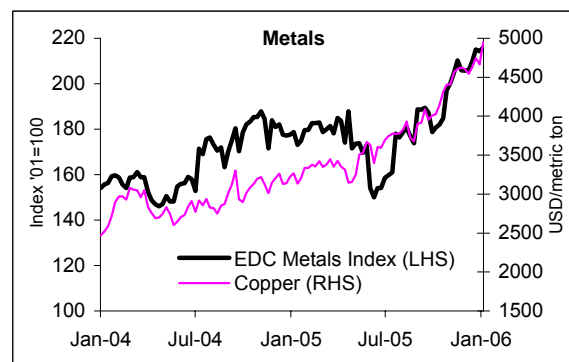
ENERGY

- The EDC **Energy** price index fell by 2.3% w/w as both crude oil and natural gas prices declined, while coal prices remained steady.
- **Oil** prices closed at US\$67.76/bbl, down 0.9% on the week as it was reported that OPEC believes global supplies are adequate to cover demand. OPEC meets this week and is expected to leave current production targets unchanged at 28 million barrels per day.
- **Natural gas** prices fell US\$0.6/mmbtu to US\$8.18/mmbtu, down 6.8% w/w as temperatures in the Mid-western and North-eastern US, which account for over 80% of US heating demand, are now forecast to remain mild through the first week of February. Mild weather across North America has allowed gas storage surpluses to emerge.



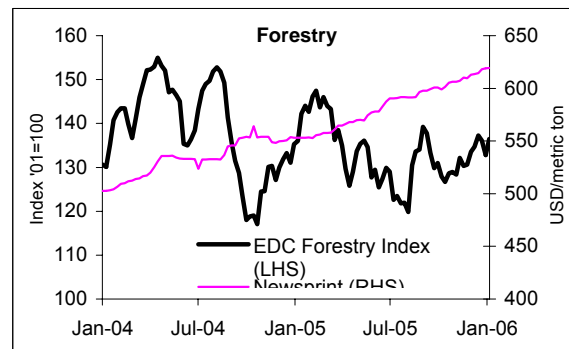
METALS

- The EDC **Metals** price index rose 0.8% on big gains for most industrial metals, while **gold** and **steel** saw declines. The index has been on a strong bull run since June '05. The rise in early '06 seems to be the result of a speculative frenzy as **copper** approaches US\$5,000/tonne. **Aluminum** and **nickel** advanced 4.5% w/w and 5.6% w/w, respectively.
- **Zinc** has the brightest outlook among industrial metals this year and is up 17% m/m. The global balance for **copper**, **aluminum** and **nickel** are all close to equilibrium, but with low inventories and speculation regarding Chinese demand, volatility is high. For these metals we expect incremental supply gains to slowly establish a downward pricing trend but medium term prices are likely to remain well above historic norms.



FORESTRY

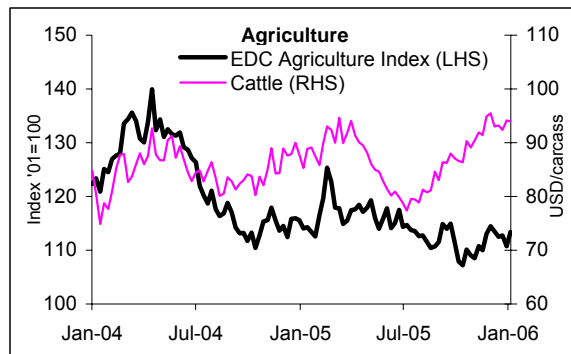
- The EDC **Forestry** price index increased 2.7% w/w on stronger prices for building materials.
- Building product prices increased last week as buyers attempted to replenish inventories. **Lumber** prices increased by 5.8% w/w to reach US\$368/000bf, while **OSB** prices reached US\$292/000 sq ft last week, a w/w increase of 3.2%.
- **Newsprint** hit its highest price in a year at US\$619.40/mt last week, more or less completing the (announced) price hike that began in October. **Pulp** prices meanwhile reached US\$602.15/mt, their highest since June. These upward movements were expected as buyers stepped up orders on the eve of price increases (effective February 1st).



AGRICULTURE

The EDC **Agriculture** index was up 2.4% last week.

- **Wheat** prices in Chicago were up nearly 6% w/w on demand from hedge & commodity-index funds seeking to diversify away from stocks and bonds.
- **Coffee** prices were up 4.5% w/w and are up by nearly 15% y/y on concerns that current stocks and world production cannot meet growing world demand. However, prices may fall on reports that weather in Viet Nam (the world's second biggest producer) is improving after months of severe drought followed by heavy rain limited output last year.
- **Cocoa** prices continue to decline on reports that shipments of harvested beans to ports in the Ivory Coast, the world's biggest producer, have returned to normal after disruption by violent demonstrations.



EDC Index (Jan, 2001=100)	Annual				Monthly					Week Ending				% Change			YTD 2006	Trend ¹
	2002	2003	2004	2005	8/2005	9/2005	10/2005	11/2005	12/2005	1/6	1/13	1/20	1/27	w/w	m/m	y/y		
EDC Commodity Index	84	101	127	146	149	161	158	150	160	159.0	158.0	160.3	160.2	0.0%	2.8%	19.4%	159	↑
EDC Non-Energy Index	97	112	143	145	137	146	145	145	152	156.0	157.1	154.9	157.6	1.8%	2.5%	8.2%	156	↑
Energy																		
EDC Energy Index	67	85	106	148	165	181	177	156	169	163	159	168	164	-2.3%	3.1%	38.1%	163	→
Crude Petroleum (USD/barrell)	26	31	42	57	65	65	62	58	59	64	64	68	68	-0.9%	11.0%	43.6%	66	→
Natural Gas (USD/Mbtu)	3.33	5.43	5.80	8.83	9.28	12.62	13.09	9.98	12.39	9.27	8.54	8.78	8.18	-6.8%	-14.1%	31.3%	8.69	→
Coal (USD/short ton)	27	25	30	36	38	37	36	36	36	36	37	34	34	0.0%	-5.6%	-1.5%	35	→
Metals																		
EDC Metals Index	100	117	164	180	173	182	184	191	207	210	215	214	216	0.8%	4.8%	20.8%	214	↑
Copper (USD/metric ton)	1560	1777	2876	3694	3790	3831	4019	4318	4588	4632	4747	4668	4949	6.0%	9.0%	51.4%	4749	↑
Nickel (USD/metric ton)	6793	9605	13943	14802	14987	14130	12321	12239	13595	14231	14784	14467	15282	5.6%	14.3%	5.7%	14691	→
Aluminum (USD/metric ton)	1351	1433	1725	1906	1875	1831	1932	2069	2263	2296	2400	2361	2467	4.5%	8.2%	32.6%	2381	↑
Zinc (USD/metric ton)	780	828	1052	1388	1306	1387	1482	1617	1836	1953	2047	2124	2235	5.2%	17.6%	74.0%	2090	↑
Gold (USD/ounce)	311	363	410	446	440	457	468	475	511	535	548	567	562	-1.0%	8.9%	31.6%	553	↑
Silver (USD/ounce)	4.63	4.91	6.70	7.36	7.01	7.21	7.68	7.86	8.75	9.04	9.14	8.99	9.65	7.4%	8.3%	41.6%	9.20	↑
Steel (USD/ton)	94	115	194	198	178	212	215	219	232	229	229	229	212	-7.4%	-7.4%	-2.0%	225	→
Forestry																		
EDC Forestry Index	93	109	138	133	122	135	131	128	132	137	136	133	136	2.7%	1.3%	0.3%	136	↑
Lumber (spf 2x4 USD/000bf)	238	271	393	355	302	344	311	332	342	368	358	348	368	5.8%	4.0%	-5.2%	360	→
OSB (7/16 USD/000sq. ft.)	161	299	373	318	254	384	382	261	302	318	318	283	292	3.2%	-6.4%	-5.2%	302	→
Newsprint (USD/metric ton)	448	481	531	580	591	595	600	605	611	614	618	619	619	0.0%	1.0%	12.0%	618	↑
Pulp (USD/metric ton)	463	522	616	611	587	584	593	601	600	599	600	601	602	0.1%	0.6%	-4.3%	601	→
Agriculture																		
EDC Agriculture Index	105	117	123	115	113	112	112	109	112	113	113	111	113	2.4%	-0.1%	-0.6%	112	→
Canola (Cdn\$/metric ton)	367	346	344	258	260	241	234	234	227	228	232	232	230	-0.6%	1.8%	-10.5%	230	↓
Barley (Cdn\$/metric ton)	171	147	130	125	124	124	123	122	122	121	120	120	118	-1.3%	-3.9%	-3.7%	120	↓
Soya (USD/bushel)	5.77	7.00	8.49	6.76	7.08	6.55	6.45	6.40	6.62	6.89	6.37	6.26	6.32	1.0%	-8.3%	4.8%	6.46	↓
Cattle (USD/carcass)	67	84	84	87	80	83	87	89	93	93	92	94	94	-0.1%	1.0%	10.2%	93	↑
Pork (USD/carcass)	47	54	71	68	70	69	66	61	61	59	58	54	56	3.1%	-6.0%	-25.3%	57	↓
Wheat (USD/bushel)	3.18	3.39	3.35	3.01	3.05	2.96	2.97	2.80	2.98	3.05	3.12	3.04	3.21	5.6%	3.0%	12.8%	3.11	→
Seafood (USD/MT FOB CNTRS)	615	603	629	662	679	684	703	714	753	765	775	785	790	0.6%	3.9%	29.5%	779	↑
Cocoa (USD/metric ton) 2	1784	1754	1548	1529	1472	1516	1461	1433	1526	1607	1577	1602	1520	-5.2%	-2.1%	-4.6%	1577	→
Coffee (USD/pound) 2	60	64	80	114	108	99	106	110	104	125	125	124	129	4.5%	19.6%	14.6%	125	↑
Fertilizers																		
Potash (USD/ton)	84	101	127	146	149	161	158	150	160	159	158	160	160	0.0%	2.8%	19.4%	159	↑

Source: Bloomberg, EDC Economics ¹ Trend arrow points up (down) if 5 week average exceeds (falls short of) the 15 week average by a factor of 2% or more. ² Series do not affect EDC indices for Canada but are included in table because of their significance as a globally traded commodity.

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