

Archer Daniels Midland

12:49 13 Aug 2009

Gold, Silver and Platinum surge to lift miners, FTSE 100 inches closer to 4,800

The FTSE 100 appears to be positioned to test the 4,800 barrier this week, surging over 60 points up in midmorning trade following yesterday's resilient performance amid negative UK jobless data.

The indices were helped by international markets with the Dow Jones industrial average adding 120 points to close 1.3% up yesterday. Germany and France also contributed, posting quarterly GDP improvements of 0.3%, ending the recession and sparking hopes Europe is on its way out of the economic crisis. This marked a quarterly contraction of 0.1% for the eurozone following a 2.5% decline recorded in the previous quarter.

The market reacted positively as most heavyweights were in the blue at midday.

Key movers

Financial stocks had another good day following yesterday's strong performance. Insurer Prudential (LSE: PRU) posted better than expected interim profits and upped the interim dividend to 6.29p per share. The company rallied 8% to 516p per share on the news today.

The commercial property sector also rode the momentum to post another round of gains. Liberty International rose 3% to 482p per share, **British Land Co (LSE: BLND)** upped 3.6% to 497p and the leading riser in the group **Land Securities Group (LSE: LAND)** added 4.4%, rising to 623p per share.

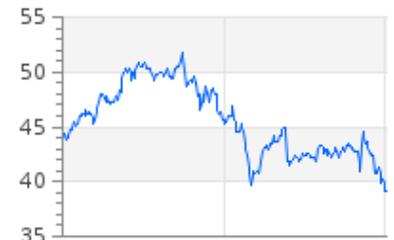
Metal prices expectedly hiked on the encouraging updates, lifting the mining sector which emerged as the leading performer in the top tier index today. **Kazakhmys (LSE: KAZ)**, **Lonim (LSE: LMI)** and **Xstrata (LSE: XTA)** all rose over 5% in midmorning trade.

In the red

Price: US\$39.16

Market Cap: US\$21936.07M

1 Year Share Price Graph



May 2008 November 2008 May 2009

Share Information

Code: ADM

Listing: NYSE

52 week	High	Low
	\$52.06	\$38.63

Sector: Agribusiness

Website: www.adm.com

Company Synopsis:

Archer Daniels Midland is one of the world's leading agricultural processing companies and one of the world's largest processors of soybeans, corn, wheat and cocoa. Its principal activities include procuring, transporting, storing, processing and merchandising agricultural commodities and products.

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Following yesterday's weak data from rivalling tour operator **TUI Travel (LSE: TT)**, **Thomas Cook Group (LSE: TCG)** released its own report, revealing that swine flu related losses amounted to £12.6 million and stating the company will not hit the operating profit target set for 2010. Thomas Cook was the runaway leader on the losers list with a 5% decline.

UK satellite communications firm **Inmarsat (LSE: ISAT)** followed Thomas Cook, dropping over 2%.

Except for the pair, no FTSE 100 companies shed more than 1.5% in the morning.

Commodities

Key oil benchmarks expectedly rose on today's positive news. **US Light crude** cleared the US\$70/barrel hurdle, moving up to US\$70.16. **Brent crude** was at US\$73.82.

Oil and gas sector majors unmoved, juniors climb

Oil stocks were largely unresponsive to the recovering sentiment and rising oil prices as most majors and midcaps showed little movement in morning trade.

Supermajors **BP Plc (LSE: BP)** and **Shell (LSE: RDSB)** opened flat, as did mid tier oil stocks. **Tullow Oil (LSE: TLW)** upped 1%, but **Cairn Energy (LSE: CNE)**, **Dana Petroleum (LSE: DANA)**, **Dragon Oil (LSE: DGO)** and **BG Group (LSE: BG)** all were unmoved.

Juniors were off to a better start. Europe focused oil and gas developer **Ascent Resources (AIM: AST)** soared over 9% and Africa and FSU operating oil and gas junior **Victoria Oil & Gas (AIM: VOG)** spiked 21%.

US focused junior **Empyrean Energy (AIM: EME)**, Iraq and Algeria operating **Gulf Keystone Petroleum (AIM: GKP)** and Ukraine focused gas producer, **Regal Petroleum (AIM: RPT)** rose 1.4%, 3.2% and 2.2% respectively. **Gulfsands Petroleum (AIM: GPX)**, an oil and gas company with assets in Iraq, Syria and Gulf of Mexico also gained, adding 1.2%.

North Sea focused oil explorer and developer **Xcite Energy (AIM: XEL)** and Western Europe operating oil and gas

company **Northern Petroleum (AIM: NOP)** both pulled back over 2%.

Precious metals rally on prices

Miners got another boost from the metal prices, which rose on the positive updates from the US and Europe. **Gold** rallied almost US\$10 to US\$956, **Silver** followed with a gain of US\$0.33, improving to US\$14.86 and **Platinum** hiked US\$30 to US\$1,269.

Platinum miner **Aquarius Platinum (LSE: AQP)** and **Johnson Matthey (LSE: JMAT)** both rose over 2%.

Top tier silver miner **Fresnillo (LSE: FRES)** and FTSE 250 silver producer **Hochschild Mining (LSE: HOC)** added over 3% each.

Gold producers **Peter Hambro Mining (LSE: POG)** and **Randgold Resources (LSE: RRS)** climbed 2-3%. Junior precious metal miners also progressed. Canadian gold and copper miner **Rambler Metals and Mining (LSE: RMM)** soared 11% after entering exclusive negotiations with **Crew Gold (TSX: CRU)** to acquire the Nugget Pond processing facility.

Uzbekistan focused gold miner **Oxus Gold (AIM: OXS)** rose over 2%, as did Africa operating gold and platinum miner **Goldplat (AIM: GDP)** and Gold and diamond miner **Vatukuola Gold Mines (AIM: VGM)**. Philippines focused gold producer **Medusa Mining (AIM&ASX: MML)** upped almost 2%.

Copper and gold miner **EMED Mining (AIM: EMED)** and Latin America operating oil and gas producer **Gold Oil (AIM: GOO)** declined considerably, shedding 7.8% and 6% respectively.

Australian gold and copper prospector **Solomon Gold (AIM: SOLG)** and Tajikistan operating gold miner **Kryso Resources (AIM: KYS)** both dropped over 2%.

Base metals follow with gains

Base metal prices fell into the same pattern and advanced in the morning. **Copper** rose US\$0.05 to US\$2.87 per pound, **Zinc** improved to US\$0.84/pound and **Nickel** climbed to US\$9.37/pound. All of the key players in the sector responded positively.

Anglo American (LSE: AAL), **Antofagasta (LSE: ANTO)** and **Rio Tinto (LSE: RIO)** all rose, adding over 4%. Copper miner **Kazakhmys (LSE: KAZ)**, **BHP Billiton (LSE: BLT)** and **Vedanta Resources (LSE: VED)** climbed 5.4%, 3.5% and 3.9% respectively.

Juniors were volatile and more mixed as some companies opened the day with big gains. London's only listed pure iron ore producer **Ferrexpo (LSE: FXPO)** surged 8.5% and **Noventa (AIM: NVTA)**, tantalum concentrate supplier with assets in Mozambique, soared 20%.

However, some businesses started Thursday with losses. Zinc mining and recycling specialist **ZincOX (AIM: ZOX)** and laterite nickel specialist **European Nickel (AIM: ENK)** declined 1% and 2.5% respectively.

Philippines focused miner **Rusina Mining NL (AIM: RMLA)** lost 6.7%.

Insurance, banks, private equity

Financial stocks once again bolstered the FTSE 100 as the major banks climbed for the second day in a row and insurers got a boost from Prudential.

RBS (LSE: RBS) was the leading riser in the group, climbing 3.8%. Lloyds followed with a 2.3% gain, while **HSBC (LSE: HSBA)** and **Barclays (LSE: BARC)** both added almost 2%.

Insurers were strong in midmorning trade. **Old Mutual (LSE: OML)** gained 4%, **Aviva (LSE: AV)** added 2%, while **Legal & General (LSE: LGEN)** and **Standard Life (LSE: SL)** upped less than 2%.

Other Small Cap Movers

Latin America operating power producer **Rurelec (AIM: RUR)** dipped 4%, following an equal loss yesterday.

Large and Mid Cap News

Anglo American PLC (LSE: AAL) said it successfully completed the sale of its 49.5 percent holding in Southern Africa focused agri-processing business Tongaat Hulett Ltd, as announced yesterday, for gross proceeds of approximately US\$523 million. The company did not provide pricing details yesterday when it said it would sell its entire holding of 51.2 million Tongaat shares to institutional investors via an accelerated bookbuild and an exchangeable bond issue.

Tomkins PLC (LSE: TOMK) reported a drop in sales and swung to a pretax loss in the first half as conditions in its end markets continued to deteriorate throughout the period. While the rate of deterioration in some of these markets has slowed in June and July, the outlook remains uncertain. The supplier of systems and components for the industrial, automotive and building sector made a pretax loss of US\$114.9 million compared with a profit of US\$61.3 million in the previous first half, while sales fell to US\$2 billion from US\$2.9 billion.

Europe's second largest tour operator **Thomas Cook Group Plc (LSE: TCG)** released its interim statement today, reporting steeper losses related to the worsening economy and swine flu and projecting it will miss the operating profit target set for the next year. The group's revenue for the 9 months to 30 June was £5.85 billion, up from £5.28 billion for the equivalent period of the previous year. Pre-tax losses increased to £286.4 million from £236.7 million a year ago. Thomas Cook posted a loss of £49.3 million before exceptional items in the 9 months to June 2009, while the quarterly profit before exceptional items to June 2009 was at £61.4 million, improvements of 43.4% and 39.5% respectively.

Salamander Energy PLC (LSE: SMDR) said it has completed drilling operations on its South Sebuku-1 onshore exploration well which encountered multiple gas-bearing sandstone formations flowing at an aggregate rate of 10.9 million standard cubic feet per day (MMscfd). The well is located in the Bengara I Production Sharing Contract, East Kalimantan in Indonesia, and Salamander holds a 25 percent interest in the Bengara I PSC. The SS-1 well has been suspended as a potential future producer and the Bengara I partners are in discussion with the authorities with a view to appraisal drilling on the South Sebuku discovery in 2010.

Rio Tinto PLC (LSE, ASX: RIO) said its unit Cloud Peak Energy Inc has filed a new registration statement with the US Securities and Exchange Commission in connection with its proposed initial public offering of its common stock. Cloud Peak Energy, comprised of most of Rio Tinto Energy America's (RTEA's) western US coal assets, is a major producer of coal in the US and in Wyoming's Powder River Basin, operating two of the five largest coal mines in the region.

Engineering, construction and services group **Balfour Beatty PLC (LSE: BBY)** said it has been selected as one of Stoke-on-Trent City Council's two design and build partners for their £250 million Building Schools for the Future programme (BSF). The contract involves the delivery of the City's major investment programme covering the building and refurbishment of the secondary and special schools throughout Stoke-on-Trent, including five new-build academies. Work on the construction project is scheduled to commence in autumn 2010.

Inhalation product developer **Vectura Group PLC (LSE: VEC)** said it has received a US\$6 million US milestone payment in relation to progress on the development of its combination asthma/ chronic obstructive pulmonary disease (COPD) product VR315. VR315 is being developed as a generic product delivered with Vectura's GyroHaler Dry Powder Inhaler delivery device.

Small Cap News

Jersey-based and Mozambique-focused tantalum miner **Noventa Ltd (AIM: NVTA)** announced the appointment of Peter John Cox as an executive director with immediate effect. Cox is currently managing director of Goldline Global Consulting (Pty) Ltd, an engineering consultancy serving the mining industry globally. Since the late 80s he has had a continuing exposure to the tantalite industry and through Goldline has consulted to and managed tantalite mining operations in Southern Africa.

Publisher **Electric Word (AIM: ELE)** reported better profits from lower revenues for the 6 months ended 31 May 2009, also announcing a £2.45 million (net of expenses) cash call and conversion of preference shares to reduce debt. Revenues were down 3% to £8.7 million, but pre-tax profits jumped 19% year-on-year to £0.8 million, while adjusted earnings per share rose 16% to 0.37p following the restructuring of the publisher's My Child business, which enabled higher profits on a smaller revenue.

Electrical products manufacturer and supplier **Cinpart PLC (AIM: CINP)** said it entered into an agreement to acquire a 10 percent interest - equivalent to 2,000 ordinary shares following a share reorganisation - in its majority owned subsidiary Active Energy Ltd from Alpha Prospects PLC for £250,000 in cash and shares. Cinpart will pay £100,000 in cash and the balance by the issue of 1.125 million new company shares.

Irish healthcare services company **United Drug PLC (LSE: UDG)** and American pharmaceutical company Medco Health Solutions Inc (NYSE:MHS) today announced they have agreed to establish a joint venture to provide home-based pharmacy care services to patients in the UK. The JV, which will operate as Medco Health Solutions, will provide patients covered by the National Health Service (NHS) with homecare services, including prescription drug dispensing and home delivery, on-site nursing and case-management capabilities.

Regeneris (AIM: RGS) said it has been selected by Nokia Oyi as the exclusive provider of a wide range of performance management, training, and support solutions for the Nokia UK Care Network. This new contract builds on the long-standing partnership between the two companies and Regeneris now provides services to Nokia throughout Europe including technical support and high quality repair, the group said in a statement.

Kiotech International PLC (AIM: KIO), supplier of natural high performance feed additives for use in aqua- and agriculture, reported a 60 percent rise in pretax profit and 29 percent rise in sales for the first half to end-June 2009. Pretax profit rose to £277,725 from £174,139 a year earlier, while sales climbed to £3.47 million from £2.69 million. It noted strong sales growth in Chile, Finland, Mexico and Vietnam during the period.

Plant Impact (AIM: PIM), a developer of technologies that improve crop productivity, said its application to join the UK Parliamentary and Scientific Committee as an industrial member has been successful. The committee is Westminster's oldest all party associate committee. The 360 strong membership comprises 153 peers, MPs and MEPs together with 207 non Parliamentary bodies. Industry members on the committee include Pfizer, Monsanto, Merck Sharp and Dome,

AstraZeneca, BASF and the Crop Protection Association.

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