



## COMMODITIES

### Precious Metals

Gold	(\$/oz)	+0.60%	1734.1
Silver	(\$/oz)	+0.99%	33.61
Platinum	(\$/oz)	+0.49%	1641
Palladium	(\$/oz)	+1.32%	693

### Base Metals

Copper	(\$/lb)	+0.55%	3.7818
Nickel	(\$/lb)	+0.69%	9.0409
Zinc	(\$/lb)	+0.77%	0.9009

### ENERGY

Brent Crude (\$/Bbl)	-0.62%	121.14
Henry Hub (\$/MMBtu)	0.00%	2.67



FTSE AIM 100 Index (5 days)

Source: ft.com



Brent Future (5 days)

Source: ft.com



Gold Future (5 days)

Source: ft.com



Wheat Future (5 days)

Source: ft.com

## VSA Capital's Thought of the Day

The UK economic outlook is beginning to pick up, driven by what appears to be a strong start to the traditional spring house buying season. The Right move pricing survey indicated a 4.1% rise in advertised prices in February, the biggest rise since April 2002.

## AGRICULTURE/TIMBER

### Genus interim results

Genus has reported its half year results this morning for the six months ended 31 December 2011, and revenue (9 per cent), operating profit (3 per cent) and profit before tax (13 per cent) are all up on the same period last year. Volumes have been driven by the porcine sector, up 13 per cent from H1 last year, although bovine sales were up a respectable 8 per cent. Chief Executive Karim Bitar remained positive, commenting 'I am excited by the enormous growth prospects'. Asia was a main grower with operating profit (including joint ventures) up 97 per cent while Europe, the largest sector by revenue, was the only area to record a reduction in operating profit as 'European pig production remained unprofitable and demand for Genus' products was weak'. Net debt has been decreased slightly from £68.8m to £67.7m from the first half of last year to the first half of the current year. The company also notes it has introduced an interim dividend for the first time and a reduction in finance costs as a result of the refinancing completed March 2011.



Kerry Group has reported its preliminary results for the year ended 31 December 2011, with the company recording increased like for likes in sales revenue of 6.4 per cent on last year and basic earnings per share up just over 11 per cent. Chief Executive Stan McCarthy also stated that the company expects 'to achieve seven to ten per cent growth in adjusted earnings per share to a range of 228 to 235 cent per share (2011: 213.4 cent)'.

Dechra, an international pharmaceutical business which focuses on the veterinary market, has reported its half year results for the period ended 31 December 2011. Revenue is up 9 per cent compared to the same period last year while underlying operating profit is up 11.8 per cent while net debt has been reduced from £49m at the same point last year to £46m this year. The company comments that with the overall economic environment it continues to expect challenges although 'overall market growth continues to exceed pre-year expectations'.

Analyst: [Stuart Davidson](#)

## MINING



### Medusa down and Touchstone up ...

Medusa Mining Limited released its results for the six months to 31 December 2011 this morning, with lower gold production and higher cash costs (but albeit higher gold prices) seeing net profit after tax fall 59% to US\$24m. This fall in gold production was expected (but perhaps not to this extent) due to planned mine expansion and development which will see a large increase in the scale of the Company's operations at the Co-O mine. While average cash cost of

US\$261/oz was higher than the H1 2010 costs of US\$186 per ounce it still remains firmly in the lowest quartile of cash costs for the industry. The revised forecast gold production for the fiscal year to 30 June 2012, after taking into account current production of 25,780, is now 75,000 ounces at anticipated cash costs of US\$230/oz. At 9.30am today the share price was down 1.85%.

**Touchstone Gold Limited's** new drilling programme, in a previously undrilled area to the south of the Filodehambre area of the Rio Pescado property in Colombia, has intersected multiple high-grade gold intercepts. Results include 9.13 g/t gold over 15m, 5.84 g/t gold over 21.75m and 4.03 g/t gold over 23.2m. Mineralisation of this zone extends approximately 250m along strike and remains open to the south and west downdip. These results lend support to the originally suggested potential size of the resource at Rio Pescado. At 9.30am today the share price was up 13.51%.

Analyst: [Jessica Pandal](#)

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## OIL & GAS



### Amec Plc final results 2011

Amec plc announced today its final results 2011, highlighting:

- An increase of revenue from £2.95 billion to £3.26 billion
- But only a small increase of the net profit to £232 m (\$367.59 m) from £230 m in 2010 because of higher cost of sales and administrative expenses
- Due to the phasing of work on Imperial Oil's Kearl oil sands project, the unconventional oil & gas revenue share contribute only by 23%, down from 35% last year
- The minerals and metals market contribution increased by 24% from 18% in 2010.

**Cove Energy** has announced today an operational update for its Rovuma basin area block 1, offshore Mozambique, with the drilling of the Lagosta-3 eighth successful appraisal well, Anadarko; the operator has increased the net pay to 176 meters of gas.

Cove chief executive John Craven said the discovery "not only delivers another significant section of gas pay but also considerably extends the western area of the gas field, adding further confirmation to the 15 to 30-plus [trillion cubic feet] recoverable gas resource estimate for the WLBC complex." The Cove discovery can be added to other significant gas discoveries in offshore Mozambique (e.g. Anadarko, Eni)

**Magnolia Petroleum** reported today its participation in four horizontal wells with Chesapeake in the Mississippi formation in Oklahoma, oil proven and reopening area.

Analyst: [Amina Bouzid](#)

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## LINK TO THE PREVIOUS FIVE COFFEE BREAKS

<http://www.vsacapital.com/home/coffee-break-newsletters>

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