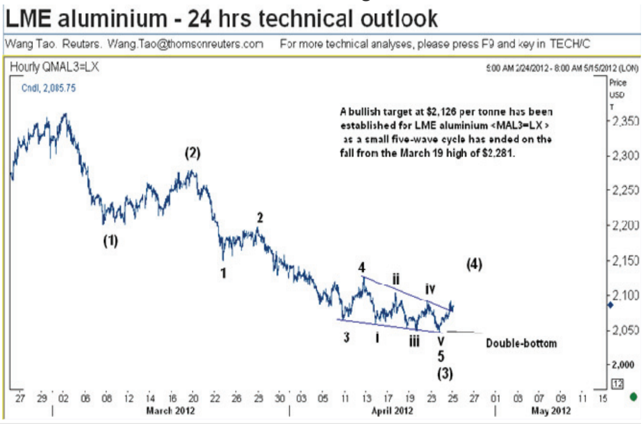
INSIDE METALS

Wednesday, April 25, 2012

CHART OF THE DAY

Click on the chart for full-size image



Click here for LME charts

GENERAL NEWS

- Highland Gold net hit by lower output, higher costs

TRADING PLACES

- Trafigura sees copper outperforming
- LME approves BOCI, G.H. Financials as cat 2 members

MARKET NEWS

ALUMINIUM:

- RUSAL trims China 2012 aluminium demand growth

COPPER:

- Chinese copper demand growth to slow this year-CICC

NICKEL/STEEL:

- Indian state to resume iron ore mining in July-minister
- Venezuela iron ore output up 6 pct in Q1 - paper
- Nippon Steel sues Posco over steel sheet technology - Nikkei
- US Steel posts profit before items as shipments up

FEATURE

Space mining plan more than just sci-fi fantasy

Shady corporation sends robot army into space to mine precious metals from asteroids. That's the basic setup of Blade Runner, the sci-fi epic that hit cinemas 30 years ago this June. It's also the business plan for Planetary Resources, a U.S. startup that has outlined its strategy to take the mining industry into near-Earth orbit. The economics look challenging, to say the least. But the idea is not completely bonkers.

Click here to read more..

TODAY'S MARKETS

BASE METALS: London copper fell half a percent on reversing gains from the previous session as decent European government bond sales boosted risk appetite, as investors cautiously await the outcome of a U.S. central bank policy meeting.

Three-month copper on the London Metal Exchange fell more than half a percent to $8,105 per tonne by 0108 GMT, after rising more than 1 percent in the previous session. The most-traded July copper contract on the Shanghai Futures Exchange was little changed at 57,570 yuan per tonne.

PRECIOUS METALS: Gold held around $1,641 per ounce underpinned by stronger equities, but investors were also looking for hints of another round of quantitative easing when the U.S. Federal Reserve ends its two-day meeting.

"I don't think they will announce the QE3, but Bernanke's speech may offer some hints. We don't know, but we can see that other nations have already cut interest rates," said Ronald Leung, director of Lee Cheong Gold Dealers in Hong Kong.

FOREX: The euro held most of its gains and came close to a three-week high against the dollar after Dutch debt attracted decent demand despite the collapse of the country's government and as strong earnings from Apple bolstered Asian shares.

"Ahead of the Fed FOMC outcome today trading is likely be relatively restrained, with the risk rally struggling to make much headway," said Mitul Kotecha of Credit Agricole Corporate and Investment Bank.

FEATURE

Space mining plan more than just sci-fi fantasy

By Kevin Allison

LONDON, April 24 (Reuters Breakingviews) - Shady corporation sends robot army into space to mine precious metals from asteroids. That's the basic setup of Blade Runner, the sci-fi epic that hit cinemas 30 years ago this June. It's also the business plan for Planetary Resources, a U.S. startup that has outlined its strategy to take the mining industry into near-Earth orbit. The economics look challenging, to say the least. But the idea is not completely bonkers.

The hitherto publicity-shy company's backers, including Google billionaire Larry Page and Titanic director James Cameron, are hardly the first eccentric technologists to cotton onto the idea. Mining from asteroids has been a staple of futurist thinking since the Russian rocket pioneer Konstantin Eduardovich Tsiolkovsky first proposed it in the early 1900s.

Fast-forward a century and high commodity prices, a mini-boom in private space flight and miners' soaring labor and energy costs have combined to reinvigorate interest in tapping the vast resources of outer space. The cost of mining platinum on earth is rising at 16 to 20 per cent per year. Anglo American, the world's biggest platinum producer, estimates that about half the world's production is unprofitable at today's price of about $1,500 per ounce.

Assuming they could be economically put into orbit, space-faring robots equipped with solar panels or small nuclear power plants would be largely immune to such cost pressures - and wouldn't go on strike, either. Peter Diamandis, Planetary Resources' co-founder, estimates a single asteroid 30 meters in diameter could contain up to $50 billion worth of platinum.

There are thought to be hundreds of thousands of such objects within relatively easy reach of Earth.

Launch and recovery costs may be bigger hurdles to a vibrant asteroid mining industry. Planetary Resources says its top priority will be to develop cheaper launch technologies.

Yet even if it could land a robot miner on an orbiting rock for fraction of the current $50 million to $500 million price tag of modern space missions, getting mined material safely back down could prove excessively costly.

Still, there are worse ways for billionaires to spend their money. Even if the project fails to return a single rock to Earth, its backers may still benefit if the company's technologies find application in space tourism or terrestrial mining - not to mention the odd Hollywood screenplay.

CONTEXT NEWS

Google executives Larry Page and Eric Schmidt and Titanic director James Cameron are among the backers of a U.S. venture to survey and eventually extract precious metals and minerals from asteroids in near-earth orbit.

Planetary Resources, based in Bellevue, Washington, will initially focus on developing and selling low-cost robots that can be used for surveying missions. It plans to eventually offer prospecting services that would tap some of the thousands of asteroids in relatively close orbits near Earth.

The company, co-founded by Peter Diamandis, the founder of the $10 million Ansari X Prize for private manned space flight, declined to say how much it had raised from investors.

Diamandis said a 30-metre long asteroid could contain $25 billion to $50 billion worth of platinum, at today's prices.

GENERAL NEWS

Highland Gold net hit by lower output, higher costs

MOSCOW, April 24 (Reuters) - Russian gold miner Highland Gold posted a 15 percent drop in net profit to $104 million for 2011, hit by falling production and rising costs.

Earnings per share fell to $0.319, the company said on Tuesday, adding that the comparative 2010 results were strengthened by a decision to reverse a $52.8 million impairment loss attributed to its Novo project.

Highland Gold's production fell to 184,102 troy ounces of gold and gold equivalents from 200,028 ounces in 2010, while group total cash costs rose to $594 per ounces from $513.

Revenue increased by 23 percent, however, to $300 million in 2011, while earnings before interest, taxation, depreciation and amortisation (EBITDA) rose 30 percent to $157 million.

Gold companies are benefiting from rising gold prices , which allows them to increase revenue despite falling output.

"A 'no hedge' policy enabled us to take full advantage of favourable market conditions," Baxter said.

For 2012, the company earmarked $160 million for capital expenditures, the Chief Executive Officer Valery Oyf told a conference call.

Highland Gold's larger Russian rival - Nord Gold - reported an 8 percent increase in first quarter revenue to $264 million on Tuesday, while its gold output fell 11 percent to 155,700 troy ounces.

The company confirmed its previous plan to increase 2012 output to 200,000-215,000 ounces of gold and gold equivalents in its three key mines of Mnogovershinnoye, Novoshirokinskoye and Belaya Gora.

Highland Gold shares were up 0.75 percent at 133.75 pence at 0843 GMT in London

Canada's Barrick Gold , the world's largest gold producer, said in February it intended to sell its 20 percent stake in Highland Gold in February.

The stake in Highland was perceived as a non-core to ongoing business strategy of Barrick, Duncan Baxter, Chairman of Highland Gold, said in a statement.

TRADING PLACES

Trafigura sees copper outperforming

LAUSANNE, Switzerland, April 24 (Reuters) - Commodities trader Trafigura expects copper to outperform many other metals this year and says prices are likely to move higher again in the second half after a mid-year dip.

Simon Collins, director and head of dry bulk commodities at Trafigura Beheer BV which says it is the world's third biggest trader of raw materials, told Reuters that exchange stocks could build further short-term, keeping a dampener on prices, but market fundamentals were healthy.

"Our view on the (copper) market is that it will remain quite tight," Collins said in an interview on the sidelines of a Financial Times Commodities conference in Switzerland.

"Copper is the outperformer for this year - but not immediately. We are very positive about copper and relatively positive also about zinc. In both cases, production on the ground is constrained. There are not so many projects coming up on the mining side."

Benchmark copper on the London Metal Exchange (LME) ended up 1.31 percent at $8,150 a tonne on Tuesday versus a close of $8,045 on Monday, when the metal fell nearly 2 percent.

Collins forecast copper prices moving down to around $7,000 per tonne by the end of the second quarter "or early Q3": "But then I think we will see the market coming back quite quickly."

Copper reached a record high of over $10,000 in February last year but has since corrected lower.

Collins said the copper market should expect a dip in the middle of this year but then recover.

"It is quite possible that copper exchange stocks can build again, and we could see lower prices by the end of the second quarter or in the third quarter," he said.

The outlook for copper was "down in the near term and then back up".

Copper has been a favoured pick for many investors because of its tight supply pipeline, but worsening economic indicators in the euro zone and signs of decelerating Chinese growth have cast some doubt on the pace of growth.

AFRICA AND CHINA

"I don't think we are very likely to see record prices again this year, or at least if we did it would only be right at the very end of the year," he said.

Trafigura said the outlook for aluminium was less rosy.

"Aluminium is in structural decline, despite the high energy prices. It is very energy intensive to produce. The market has not reduced its surpluses and shows little sign of doing so."

But many of Trafigura's markets were expanding, suggesting the company should continue its recent rapid growth.

Trafigura has expanded rapidly over the last two years and is now a major player in many commodities, including oil, non-ferrous and bulk commodities.

Trafigura registered a $79 billion turnover in 2010, mostly from its holdings in metals and energy, and bought metals warehousing and logistics firm NEMS in March 2010.

By last year, its turnover had jumped to $122 billion.

TRADING PLACES *(Continued)*

"In absolute terms, the market is still expanding so the level of activity for a company like ours will continue to increase. We are expanding in Asia where we are actually transacting 65-70 percent of our metals business now."

"Another area where we see growth is Africa, where you have increasing demand with an increasing population, high growth rates from low levels. It will obviously benefit from the commodities super-cycle.

"In terms of our metals business, we have invested considerably in warehousing in Africa," Collins said. "We have also expanded operations in Asia. We have eight offices in China now.

"I think we will see further expansion in China as the growth increases. We will see movement inland, away from the coastal areas where most of the expansion has been seen until recently. The movement is likely to be inland to the northwest or central China," Collins said.

LME approves BOCI, G.H. Financials as cat 2 members

LONDON, April 24 (Reuters) - The London Metal Exchange (LME) has approved two new members as category 2, or associate broker clearing members (ABCM), it said in a notice on Tuesday.

The LME's first Chinese member was approved, BOCI Global Commodities (UK) Limited, a unit of the Bank of China.

Financial services company G.H. Financials Limited (GFH Group) was also approved, while the exchange also said it had approved the resignation of Category 2 member Phibro Limited.

Category 2 members are able to trade on the LME's electronic platforms and the telephone market but may not trade in the ring.

MARKET NEWS *(Continued)*

RUSAL trims China 2012 aluminium demand growth

SHANGHAI, April 25 (Reuters) - UC RUSAL , the world's largest aluminum producer, has trimmed its forecast of China's 2012 aluminium demand growth to 10.5 percent from 11 percent, a company executive said on Wednesday.

Steve Hodgson, director of international sales, also said Rusal has invested in a Chinese trading firm based in Shenzhen which it hopes would allow RUSAL to take better advantage of the price arbitrage between the Shanghai Futures Exchange and London Metal Exchange.

Hodgson was speaking at an industry conference in Shanghai.

Chinese copper demand growth to slow this year-CICC

LONDON, April 24 (Reuters) - Growth in Chinese copper demand is due to dip this year as the government seeks to cool a booming property sector and erosion of bonded stockpiles is unlikely before mid-year, the country's top investment bank said.

Consumption growth of copper in China, which accounts for 40 percent of global demand, is expected to slow to 4.8-4.9 percent from 6.0 percent last year said Janet Kong, managing director of research at China International Capital Corp. (CICC).

Construction is the biggest copper consumer in China, accounting for a fifth of demand, but the government is not ready to lift the brakes on a sizzling housing market that had threatened to become a bubble, she added.

"We don't think the government will loosen the policy on the property sector for a year," Kong told Reuters in an interview in London.

In addition, the government's aim to boost consumer demand will change the composition of economic growth, which has already resulted in less usage of copper per unit of growth.

"Starting from last year we think that intensity declined and we think it's going to continue in line with how China GDP as a growth driver will change," she said.

"So this is the second year that we think compared to last year the growth rate will decelerate further. But it's not the end of the world... construction is the major user of copper but it's not the only one." Graphic on copper prices vs. LME stocks:

http://link.reuters.com/tef35s Graphic on Chinese copper imports

http://link.reuters.com/muq96s Graphic on China's real estate market:

http://link.reuters.com/pek96s Graphic on Chinese aluminium production:

http://link.reuters.com/myt77s

SLOWER RECOVERY

Copper inventories in bonded warehouses in Shanghai, estimated to have more than doubled since late last year to 600,000-650,000 tonnes, will only begin to erode by mid-year or in the third quarter, she said.

"If you look at last year, bonded warehouse inventories started to come down when Chinese buyers needed to buy more," said Kong, who was with Goldman Sachs before joining CICC.

"(In 2012) this should be somewhere in the latter part of Q2 or even Q3. Recovery will be slower and take longer to be manifested in falling stock levels."

Demand is sensitive to prices, however, and Chinese buyers will shy away if the market gets carried away, she added.

London Metal Exchange (LME) benchmark three-month copper futures rallied to a high of $8,765 per tonne on February 9, up 22 percent since mid-December, but prices have since retreated to around $8,000 per tonne.

If overseas investors bid up prices like they did in January, Shanghai buyers will not chase the rally," Kong said.

MARKET NEWS

"If prices remain at a relatively low level and demand does gradually pick up, exhausting the onshore inventory, then we have a better chance of having the arb opening up," she added, referring to the arbitrage between the LME and the Shanghai Futures Exchange.

ALUMINIUM SURPLUS

The Chinese aluminium market is expected to show a modest surplus this year as high-cost smelters delay plans to close, after a deficit of 500,000 tonnes last year, the first in recent history, Kong said.

China would have seen more capacity shutdowns this year if LME prices had remained close to the lows of December under $2,000 per tonne, but they instead rebounded to a peak of $2,361.50 per tonne on March 3. LME benchmark futures have since fallen back to around $2,050 per tonne.

"Given the recovery in aluminium prices, a quite impressive one, the anticipated cuts did not materialise... this year we think China will have a moderate surplus, not a big one."

Many state-owned smelters have difficulty closing down due to social obligations to employees, she added.

But a global surplus in the market will be absorbed by continued financing deals, which will help buoy prices and keep premiums firm, Kong said.

"We're positive on aluminium this year... we think aluminium will be well supported. At this current level, there will be marginal shutdowns in China, not massive ones."

Indian state to resume iron ore mining in July-minister

By Simon Webb and Krittivas Mukherjee

NEW DELHI, April 24 (Reuters) - Iron ore production by privately owned miners in India's Karnataka state will likely resume in July, the country's mines minister said on Tuesday, after what will have been a year's hiatus due to a government and judicial crackdown on illegal operations.

Dinsha Patel said initial production from the southern state would go to local steel mills, but a resumption of mining means the world's third-biggest supplier of iron ore could hope to regain its $6 billion, 100 million tonnes average annual exports, mainly to China, in 2012/13.

"In two to three months mining should happen, I believe the problem will be resolved by July," Patel told Reuters in an interview, adding exports from Karnataka should then follow. He did not give a timeframe for such shipments.

Last week, India's top court allowed mining to restart in mines of more than 50 hectares in Karnataka after their environmental plans are approved, potentially bringing 4.5 million tonnes per year to local steel producers. The state-run NMDC was earlier allowed to mine 1 million tonnes of ore every month by the Supreme Court.

India's government has struggled to shape a mining policy balancing the drive by miners for exports with the need to ensure future supply to domestic steelmakers, who are ramping up production to supply India' economic expansion.

India's steel industry is aiming to produce between 100 and 110 million tonnes by 2020, up from existing capacity of 70 million, a target that would require almost all of the country's entire existing iron ore output.

Patel said India would continue to export iron ore until domestic steel companies adopted technology that would allow them to process ore fines.

"Right now about 70 percent of our exports is of fines. If we don't export then we have a storage problem," he said. "And even when Indian steel companies begin using fines, we hope to have added to our mining capacity. And as long as we have surplus we will export."

Just over half of India's annual production of 240 million tonnes of iron ore is of higher grade, coveted by both domestic steelmakers, who lack the technology to use ore fines, and exporters who get a better price for higher quality.

"Our policy is clear. We have to provide for our own industries," Patel said.

ILLEGAL MINING

The government wants to conserve resources, but says it opposes a blanket ban on exports. Some state governments, such as Karnataka, want a ban. The uncertainty around export policy has hurt India's reputation as a stable supplier of iron ore.

Illegal sales have only worsened matters. Such mining in India is widespread and usually entails removing resources outside permitted zones. In an ongoing case in Karnataka, an anti-corruption ombudsman exposed an alleged $3.6 billion exports scam and described a "mafia-type of operation" with links between politicians and mining.

The country's Supreme Court has also cracked down, banning mining in Karnataka last year due to environmental concerns. The court is gradually lifting that ban.

It has also asked the state to resume exports of iron ore, but the state government has yet to approve any shipments.

Patel said the government was taking steps to rein in illegal sales, including setting up satellite tracking of consignments and electronic checkposts.

The government has also proposed a mining bill that will create an independent regulator, with the aim of improving transparency. The bill imposes profit and royalty sharing arrangements with villagers as well as encouraging foreign investment.

"I expect the bill to be approved by parliament around August when it convenes," Patel said.

Venezuela iron ore output up 6 pct in Q1 - paper

CARACAS, April 24 (Reuters) - Venezuela increased iron ore production by 6 percent in the first quarter of 2012 to its highest level in five years, the president of the country's primary iron producer Ferrominera Orinoco said.

Iron ore output rose to 4.27 million tonnes in the first three months of this year, compared with 4.03 million tonnes in the same period of 2011, Radwan Sabbagh said in an interview published on Tuesday by the state newspaper Correo del Orinoco.

MARKET NEWS

Venezuela's state-run basic industries, which also include aluminum and steel, are producing well below capacity due to years of low investment and outdated technology, compounded by electricity shortages that led to power rationing in 2010.

The oil-producing nation is trying to raised mining output with financing from China.

Ferrominera's output declined to 13.8 million tonnes in 2009, and this year its goal is to produce 20 million tonnes.

Venezuela has one of the largest reserves of iron ore in Latin America with around 4 billion tonnes, according to the U.S. Geological Survey. It exports about 40 percent of its production.

Nippon Steel sues Posco over steel sheet technology - Nikkei

TOKYO, April 25 (Reuters) - Japan's Nippon Steel has sued Posco , accusing the South Korean steel maker of improperly obtaining patented magnetic steel sheet technology, the Nikkei newspaper reported on Tuesday.

A Nippon Steel spokesman declined to comment on the matter.

The two companies have several technical cooperation agreements and cooperate in a joint iron ore procurement scheme.

US Steel posts profit before items as shipments up

April 24 (Reuters) - U.S. Steel Corp posted an adjusted first-quarter profit, partly because it shipped more flat-rolled steel in the quarter.

The net loss was $219 million, or $1.52 per share, compared with a net loss of $86 million, or 60 cents per share, in the same quarter of 2011. But adjusted for items, including a $399 million loss on the sale of its Serbian operations, it posted a profit of 67 cents per share.

Sales rose to $5.2 billion from $4.8 billion in the 2011 quarter, the Pittsburgh-based company said on Tuesday.

REUTERS SPECIAL REPORT

Reuters coverage of CESCO copper week, the world's largest copper conference

The copper market's top players flocked to Santiago for the annual CESCO/CRU conference, the world's biggest gathering dedicated to the red metal.

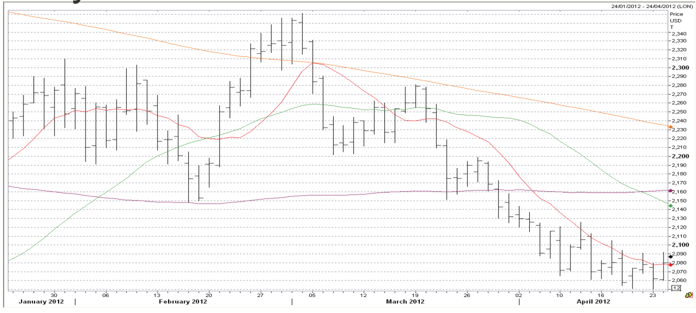
While the market remained jittery about a potential sag in demand from top metal consumer China, mining woes in No.1 producer Chile's crept back into the spotlight.

Read on for interviews with heads of Chilean state miner Codelco and global miners Anglo American, Rio Tinto and Xstrata, as well as news on Chinese copper stocks, refinery costs and exploration risks.

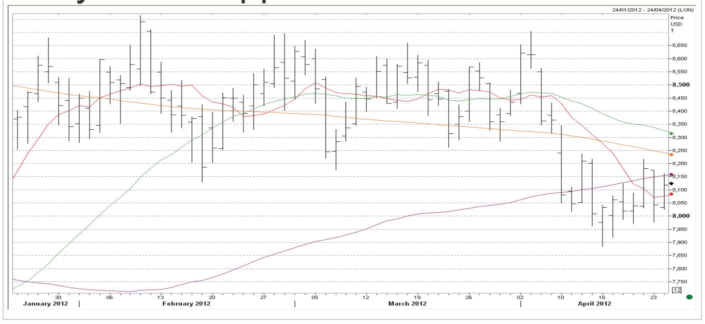
For more on the report, click here

ANALYTIC CHARTS *(Click on the charts for full-size image)*

Daily LME Aluminium 3-months

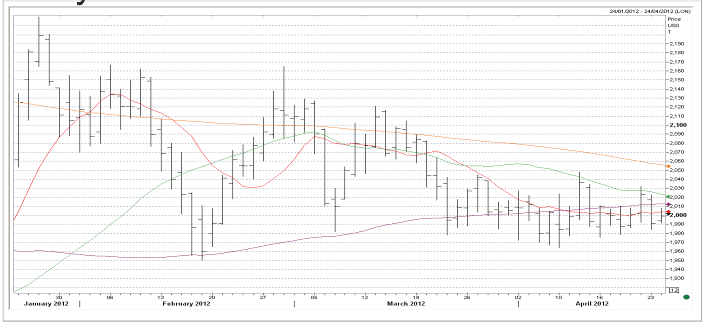


Daily LME Copper 3-months



Daily LME Nickel 3-months

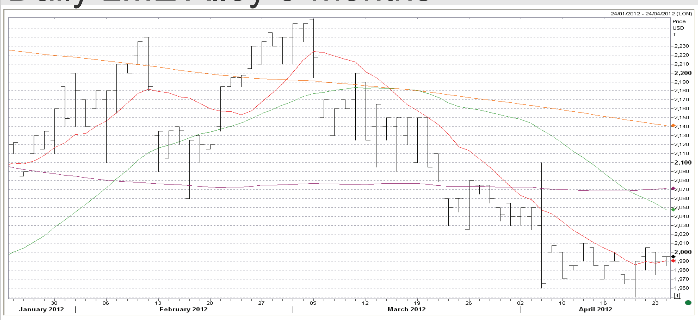
Daily LME Zinc 3-months



Daily LME Lead 3-months

Daily LME Tin 3-months

Daily LME Alloy 3-months



Daily LME Nasaac 3-months

MARKET REVIEW

METALS-London copper slips ahead of Fed decision

SINGAPORE, April 25 (Reuters) - London copper fell half a percent on reversing gains from the previous session as decent European government bond sales boosted risk appetite, as investors cautiously await the outcome of a U.S. central bank policy meeting.

FUNDAMENTALS

Three-month copper on the London Metal Exchange fell more than half a percent to $8,105 per tonne by 0108 GMT, after rising more than 1 percent in the previous session.

The most-traded July copper contract on the Shanghai Futures Exchange was little changed at 57,570 yuan per tonne.

The U.S. Federal Reserve began a two-day meeting on Tuesday that will likely show the central bank is slightly more upbeat on the economy but in little hurry to raise borrowing costs.

The latest U.S. data was a mixed bag, showing February home prices rising for the first time in 10 months while a measure of consumer confidence last month fell more than expected.

Solid demand for new Dutch and Spanish debt soothed some worries about the euro zone, easing yields on European government bonds.

But the Dutch political crisis heightened as the biggest opposition parties refused to back austerity cuts needed to meet EU budget targets. Growth in Chinese copper demand is due to dip this year as the government seeks to cool a booming property sector and erosion of bonded stockpiles is unlikely before mid-year, the country's top investment bank said.

LME copper stocks fell 1,975 tonnes to 256,875 tonnes on Tuesday, the lowest since the end of March. The ratio of canceled warrants to total stocks stood at 39.38 percent, off an eight-year high of 40 percent a day earlier. P

PRECIOUS-Gold perched at $1,641 on equities, all eyes on Fed

By Lewa Pardomuan

SINGAPORE, April 25 (Reuters) - Gold held around $1,641 per ounce underpinned by stronger equities, but investors were also looking for hints of another round of quantitative easing when the U.S. Federal Reserve ends its two-day meeting.

Previous rounds of asset purchases by the Fed weakened the dollar and boosted U.S. and global stocks. The central bank is expected to reiterate its intent to keep benchmark U.S. interest rates near zero over the next two years, which could burnish gold's safe-haven appeal.

Bullion struck a 2012 high around $1,790 in late February after the Fed at the time said it would keep interest rates near zero until at least by the end of 2014.

Gold hardly moved at $1,641.31 per ounce by 0632 GMT, having risen as high as $1,648.91 on Tuesday as the Dow and the S&P 500 jumped after strong earnings and upbeat outlooks from big manufacturers.

"I don't think they will announce the QE3, but Bernanke's speech may offer some hints. We don't know, but we can see that other nations have already cut interest rates," said Ronald Leung, director of Lee Cheong Gold Dealers in Hong Kong.

"I think $1,650 or $1,655 will be the cap for the time being. We can see the downside at $1,625."

The Fed is due to release a statement outlining its views on policy and the economy at about 1630 GMT, followed by a news conference by Fed Chairman Ben Bernanke, who is likely to be peppered with questions on the chances of more easing

Shares rose across Asia ahead of the Fed's policy meeting, boosted by firm U.S. corporate earnings, signs of an improving U.S. housing market, and healthy demand for euro zone sovereign debt.

For a 24-hour gold technical outlook:

http://graphics.thomsonreuters.com/WT1/20122504093052.jpg

Despite occasional support from equities, a brighter U.S. economic outlook and subsiding risks from the European debt crisis have reduced investor interest in gold, dealers said.

In the Netherlands, the biggest opposition parties refused on Tuesday to back austerity cuts needed to meet EU budget targets after the government fell, deepening the crisis in a nation probably facing a long period of uncertainty until elections

"As long as interest rates are low it's good for commodities, but it seems the euro zone is suffering," said Leung of Lee Cheong Gold Dealers.

"Speculators are not as aggressive as they used to be; they just wait and see. They are looking at the stock market and maybe bonds. The stock market in the U.S. is not performing too badly this year."

U.S. gold futures for June were at $1,642.20 per ounce, down 0.10 percent.

Price volatility could spike ahead of Wednesday's May COMEX options expiry, as call and put options investors look to profit from heavy bets at the $1,650 strike price. There are currently about 10,000 lots in calls and about 30,000 contracts in puts at the popular price, traders said

"Last night, customers sold gold when it rose to $1,648, but this morning we've seen buying from Indonesia and Thailand, although the volume is low," said a physical dealer in Singapore.

"Most people actually expected gold price to come down, that's why they are not so keen to enter the market. There's a bit of buying from India," said the dealer, referring to the world's top consumer.

Argentina added to its gold reserves in September 2011 as the price began to retreat from record highs, International Monetary .

MARKET REVIEW *(Continued)*

FOREX-Euro near 3-wk high on Dutch debt sale, Apple results

By Antoni Slodkowski

TOKYO, April 25 (Reuters) - The euro held most of its gains and came close to a three-week high against the dollar after Dutch debt attracted decent demand despite the collapse of the country's government and as strong earnings from Apple bolstered Asian shares.

The euro, further boosted versus the greenback after data suggested U.S. home prices may be stabilising, edged near levels not seen in the last three weeks, last fetching $1.3203 . Immediate resistance is at last week's high of 1.3225.

Traders cited stop losses at 1.3230 in the common currency, while chartists suggested that if they get triggered, the euro would target resistance at the 61.8 percent retracement of its slide to 1.2995 from around 1.3386, coming in at 1.3236.

Any further gains in the euro could be affected by the Federal Reserve, however, which is expected to repeat its intent to keep benchmark U.S. interest rates near zero through 2014 when it ends a two-day policy meeting on Wednesday.

"Ahead of the Fed FOMC outcome today trading is likely be relatively restrained, with the risk rally struggling to make much headway," said Mitul Kotecha of Credit Agricole Corporate and Investment Bank.

"Assuming that the Fed does not alter its policy setting but instead only tinkers with its economic forecasts, the dollar will escape any further selling pressure," he said, adding that any reference to quantitative easing would be negative for the currency, although analysts thought that was unlikely.

Other risk-sensitive currencies, such as the Australian and New Zealand dollars gained as Asian equities jumped after Apple Inc's results beat Wall Street estimates, sending its stock up 7 percent.

Chinese stocks were likely to get a fillip following the results as stronger-than-expected demand for the iPhone was largely generated in the greater China region, where sales jumped five-fold.

This saw the Aussie pull away from a two-week trough at $1.0247 hit after low inflation data the day before paved the way for a cut in domestic rates in May, putting it smack bang in the middle of its recent range at 1.0327.

Resistance in the Aussie was seen at the 200-hour moving average at $1.0349 and then a string of daily highs between 1.0385 and 1.0415, suggesting any gains in the currency would likely be hard won.

Improvement in risk appetite helped the dollar climb on the safe-haven yen and pull away from the overnight low of 80.86 yen to 81.42 yen, up 0.1 percent on the day.

(Inside Metals is compiled by Akanksha.mohanty in Bangalore)