

PRECIOUS METALS

PRECIOUS METALS MARKET WATCH

Precious Metals	Contract	Open	High	Low	Close	Change	% Chg
MCX Gold Rs.	OCT0	18185	18258	18141	18167	-30	-0.16
COMEX Gold \$	OCT0	1205	1210.9	1199.9	1201.4	-2.7	-0.22
MCX Silver Rs.	SEP0	29103	29274	28900	28959	-161	-0.55
COMEX Silver \$	SEP0	18.5	18.575	18.22	18.242	-0.23	-1.25

LONDON FIXING

	A.M. FIXING	P.M. FIXING
Gold	1206	1203
Silver Fix AM	18.48	

US \$ INDEX

	Close	% Change
US \$ INDEX	80.691	0.284

ETF HOLDINGS as on previous close

ETF	in tonnes	Change
SPDR Holding	1282.75	-18.079
iShares Holding	9151.03	-34.26

FOREX MARKET WATCH

Currency	Open	High	Low	Close	Change	% Chg
USD/INR	46.05	46.16	46.03	46.13	-0.03	-0.06
USD/JPY	85.44	86.04	85.31	85.96	0.43	0.50
EUR/USD	1.3293	1.3311	1.3217	1.3227	-0.0061	-0.46

FUNDAMENTAL OUTLOOK

Precious metals prices are trading a tad lower on COMEX today. Precious metals prices are expected to remain under pressure in early trading session on account of a stronger dollar overseas. But, any major dip in prices can be used as a good buying opportunity in precious metals.

MARKET ROUNDUP

Precious metals prices ended lower yesterday, snapping an eighth-session winning streak, pressured by a stronger dollar ahead of a closely watched policy statement by the Federal Reserve.

IN FOCUS

- The world's largest gold-backed exchange traded fund, SPDR Gold Trust said its holdings fell to 1282.75 tonnes by August 9, down by 18.079 tonnes from the previous business day.
- The world's largest silver-backed exchange-traded fund, the iShares Silver Trust, said its holdings stood at 9151.03 tonnes as of August 9, down by 34.26 tonnes from the previous business day.
- Yukon Nevada Gold Corp reached steady state production. The Plant operated during July and produced gold pro-rated at 100,000 ounces per year on an annualized basis
- Peru has given the green light to Newmont Mining and Buenaventura to begin operations at the La Zanja gold mine, which will produce more than 100,000 ounces a year, Buenaventura said on Friday.
- Kinross Gold Corp made the all-stock offer for Red Back, saying Red Back's two mines would help propel its annual output to about 2.6 million ounces by the end of 2010 and about 3.9 million ounces by 2015, making it a comfortable top-tier gold producer.

BASE METALS

BASE METALS MARKET WATCH

Base Metals	Contract	Open	High	Low	Close	Change	% Chg
MCX Copper Rs.	AUG0	342.85	345	341.15	342.4	0.2	0.06
LME Copper \$	3M	7455	7485	7400	7425	55	0.75
MCX Zinc Rs.	AUG0	98.2	99.6	98.2	98.7	0.75	0.77
LME Zinc \$	3M	2143	2179	2137.5	2147	18	0.85
MCX Nickel Rs.	AUG0	1023.1	1055.7	1021.8	1053.3	27.1	2.64
LME Nickel \$	3M	22250	22900	22050	22825	725	3.28
MCX Lead Rs.	AUG0	100.4	101.5	100.1	100.55	0.3	0.30
LME Lead \$	3M	2195	2220	2185	2195	34	1.57
MCX Aluminium	AUG0	101.4	101.9	100.3	100.6	-1.1	-1.08
LME Aluminium	3M	2211	2220	2175	2185	-6	-0.27

SHANGHAI MARKET WATCH

Metals	Close	Change	% Chg	Index	Close	Change
Aluminium	15385	35	0.23	Baltic Dry Index	2114	84
Copper	58200	410	0.71	CRB Index	274.59	-0.12
Zinc	17300	310	1.82	DJ Commodity Index	-	-

INDICES

LME WAREHOUSE STOCK

Metals	Prev.	Net	Total	Metals	L/W*	C/W*	Change
Copper	412625	-2150	410475	Copper	385525	24950	-1650
Zinc	618375	-675	617700	Zinc	553125	64575	-575
Nickel	117336	-1062	116274	Nickel	112122	4152	-900
Lead	187975	2000	189975	Lead	186625	3350	-125
Alum	4397675	-6025	4391650	Alum	4186575	205075	-6325

LME WARRANTS

FUNDAMENTAL OUTLOOK

Industrial metals prices are trading weak on international bourses in early trade today. We expect a further sell off in the prices of industrial metal as China import numbers are still not strong despite of a surge in import numbers for the previous month. But a weaker rupee versus the dollar will limit the downside on Indian Exchanges.

MARKET ROUNDUP

Industrial metals futures closed up yesterday, with healthier demand prospects in China helping to boost sentiment, but gains were limited ahead of Tuesday's Federal Reserve monetary policy announcement.

IN FOCUS

- China's imports of unwrought copper and semi-finished copper products rose to 342,901 tonnes in July after having fallen 17.3 percent to 328,231 tonnes in June, data from the General Administration of Customs showed on Tuesday.
- China's imports of unwrought primary aluminium, alloy and semi-finished aluminium products declined to 67,462 tonnes in July versus 74,582 tonnes in June. Exports of unwrought primary aluminium and alloy stood at 68,786 tonnes in July compared with June's 70,409 tonnes, a fall of 4.7 percent from a month ago.
- Brazilian mining giant Vale has started production at its Goro nickel mining project in New Caledonia, the company said in a market filing on Monday.
- ArcelorMittal's Ukrainian steel plant Kryviy Rih said third quarter demand outlook for its products will be slightly weaker when compared with the second quarter, while raw materials costs will remain on par.
- The flat-steel-product industry in the European Union is recovering, as demand for cars and appliances improves, but long steel products are still suffering as construction demand languishes, Eurometal said Monday.

ENERGY

ENERGY MARKET WATCH

Energy	Contract	Open	High	Low	Close	Change	% Chg
MCX Crude	AUG0	3735	3773	3735	3756	24	0.64
NYM Crude	SEP0	80.91	81.76	80.71	81.48	0.78	0.97
MCX Natgas	AUG0	207.4	209.2	198.3	199	-8.5	-4.10
NYM Natgas	SEP0	4.452	4.548	4.263	4.309	-0.158	-3.54

INDICES

EXCHANGE VOLUME on previous close

Index	Close	Change	Exchange	Volume (in crores)
Clean Tanker Index	746	-14	MCX	27918.84
Dirty Tanker Index	784	5	NCDEX	4342.30

ENERGY INDICATORS

Date	Time	Energy Data	Country	Prior	Consensus	Actual
11Aug	8.00pm	Crude Stock	U.S.	-2.784	-1.600	
11Aug	8.00pm	Gasoline Stock	U.S.	0.729	0.100	
11Aug	8.00pm	Distillate Stock	U.S.	2.173	1.300	
11Aug	8.00pm	Refinery Utilisation	U.S.	0.6		
11Aug	8.00pm	Stocks at Cushing Oklahoma	U.S.	0.666		
11Aug	8.00pm	Natural Gas Inventory	U.S.	28	33	29

FUNDAMENTAL OUTLOOK

Crude oil prices are trading a tad lower on NYMEX today. In the evening session we have the crude oil inventory report to be released by the API. Any major drawdown in stocks reported will limit the downside in crude oil prices.

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MARKET ROUNDUP

Crude Oil prices rose yesterday for the first time in four sessions, edging back above \$81 a barrel on expectations that the U.S. Federal Reserve will keep borrowing rates low and may signal its readiness to print more money to support a faltering economic recovery.

IN FOCUS

- The collision of two cargo ships off Mumbai at the weekend shut India's busiest port on Monday, caused an oil slick and stalled the delivery of 1.5 million barrels of crude oil for one of the biggest refiners.
- U.S. crude oil inventories fell last week for the second week in a row as imports dipped, also for the second straight week, a preliminary Reuters poll ahead of weekly inventory reports showed on Monday.
- A low pressure system over the oil rich Gulf of Mexico just off southwest Florida strengthened slightly and now has a medium 30 percent chance of strengthening into a tropical depression over the next 48 hours as it moves toward the Louisiana coast, the U.S. National Hurricane Center said in a report on Monday.
- Japan may consider cutting crude oil imports from Iran as pressure builds from the United States to impose sanctions on the Islamic Republic over its nuclear programme, an official told Reuters on Monday.
- China imported 19 million tonnes or 4.47 million barrels per day of crude oil in July, down from June's record 5.4 million bpd, official data from the General Administration of Customs showed on Tuesday.
- Cosmo Oil Co, Japan's fourth-biggest refiner, said on Monday it plans to shut the 50,000 barrels per day No.5 crude distillation unit (CDU) at its Yokkaichi plant from early October to mid-November.