

PRECIOUS METALS

PRECIOUS METALS MARKET WATCH

Precious Metals	Contract	Open	High	Low	Close	Change	% Chg
MCX Gold Rs.	OCTI	25700	25743	25654	25688	48	0.19
COMEX Gold \$	OCTI	1744.5	1767.7	1729.4	1756.4	15.4	0.88
MCX Silver Rs.	SEPI	58868	59000	58665	58718	-196	-0.33
COMEX Silver \$	SEPI	39.075	39.99	38.69	39.307	0.193	0.49

LONDON FIXING

	A.M. FIXING	P.M. FIXING
Gold	1738	1739
Silver Fix AM	39.18	

US \$ INDEX

	Close	% Change
US \$ INDEX	73.916	-0.65

ETF HOLDINGS as on previous close

ETF	in tonnes	Change
SPDR Holding	1260.17	-12.72
iShares Holding	9705.89	-66.67

FOREX MARKET WATCH

Currency	Open	High	Low	Close	Change	% Chg
USD/INR	45.36	45.36	45.18	45.195	-0.155	-0.34
USD/JPY=	76.87	77.13	76.59	76.86	0.14	0.18
EUR/USD	1.4262	1.4478	1.4259	1.4449	0.0198	1.39

FUNDAMENTAL OUTLOOK

Precious metals are trading higher on COMEX today. We expect prices to trade higher for the following day as U.S. data added to concerns about economic growth, while investors wait for a meeting between France and Germany for any solutions to the euro zone debt crisis.

MARKET ROUNDUP

Precious metals dropped 1.5 percent on Friday, falling further from the previous session's record highs, as a rise in appetite for riskier assets prompted profit-taking from bullion's sharp safe-haven rally this week.

IN FOCUS

- Holdings in the SPDR Gold Trust the world's largest gold-backed exchange traded fund fell to 1260.17 tonnes by Aug 12, down by 12.72 tonnes from the previous business day.
- Holdings in the world's largest silver backed exchange-traded fund iShares Silver Trust fell to 9705.89 tonnes by Aug 12, down by 66.67 tonnes from the previous business day.
- Harmony Gold, the world's fifth-largest gold producer, reported a 67 percent drop in quarterly profit, falling short of market expectations as power rates, new equipment and the costs of a troubled mine shaft hit its bottom line.
- Crocodile Gold Corp slashed its full-year production forecast and said production cost would be higher than expected. The company expects to mine 77,500-82,500 ounces of gold this year at a cash cost of \$1,150-\$1,250 per ounce. It had previously forecast production of 85,000-100,000 ounces at a cash cost of \$875-\$975 per ounce.

BASE METALS

BASE METALS MARKET WATCH

Base Metals	Contract	Open	High	Low	Close	Change	% Chg
MCX Copper Rs.	AUG1	401.8	402.4	401.5	402.25	0.45	0.11
LME Copper \$	3M	8880	8920	8820	8865	-16	-0.18
MCX Zinc Rs.	AUG1	98	98.5	97.9	98.2	0.1	0.10
LME Zinc \$	3M	2190	2208	2175	2177	-9	-0.41
MCX Nickel Rs.	AUG1	980	980	972.9	978.1	0.2	0.02
LME Nickel \$	3M	21800	21800	21400	21400	-200	-0.93
MCX Lead Rs.	AUG1	107.85	108.2	107.8	107.95	0.05	0.05
LME Lead \$	3M	2388	2395	2378	2380	-5	-0.21
MCX Aluminium	AUG1	108.3	108.5	108.2	108.4	0.15	0.14
LME Aluminium	3M	2412	2429	2400	2400	-13	-0.54

SHANGHAI MARKET WATCH

Metals	Close	Change	% Chg	Index	Close	Change
Aluminium	17920	-15	-0.08	Baltic Dry Index	1306	19
Copper	67000	400	0.60	CRB Index	-	-
Zinc	16900	190	1.14	DJ Commodity Index	-	-

INDICES

LME WAREHOUSE STOCK

Metals	Prev.	Net	Total	Metals	L/W*	C/W*	Change
Copper	461775	-1175	460600	Copper	451475	9125	-750
Zinc	879150	-1275	877875	Zinc	774200	103675	-2100
Nickel	103590	-318	103272	Nickel	97662	5610	-66
Lead	308525	-225	308300	Lead	292950	15350	-575
Alum	4564225	-6550	4557675	Alum	4253775	303900	-6450

LME WARRANTS

FUNDAMENTAL OUTLOOK

Industrial metals are trading higher on Industrial bourses today. We expect prices to trade higher for the following session on account of increased risk appetite and hopes top consumer China will snap up the metal.

MARKET ROUNDUP

Industrial metals ended a shade lower on Friday as global economic growth fears lingered and Chinese demand prospects remained unclear, but copper in New York crept up with equities to end less than a penny higher from the previous session.

IN FOCUS

- Global copper demand will grow by 5.4 percent this year, exceeding predictions made at the start of the year, despite lower than expected off take in top consumer China and the impact of the earthquake in Japan, Brook Hunt said on Monday.
- Financial turmoil and potentially serious damage to global economic growth have unnerved consumers, many of which are now waiting longer to place orders, international copper product maker Luvata told Reuters on Monday.
- Copper output in Zambia, Africa's top producer of the metal, decreased to 472,891 tonnes in January-July 2011, compared with 478,734 tonnes in the same period a year earlier, the central bank said on Monday.
- Kazakhstan's refined copper output declined by 3.2 percent year-on-year in the first seven months of 2011, and zinc production edged down, data released on Monday by the State Statistics Agency showed.

ENERGY

ENERGY MARKET WATCH

Energy	Contract	Open	High	Low	Close	Change	% Chg
MCX Crude	AUG1	3926	3926	3877	3896	-27	-0.69
NYM Crude	SEP1	85.59	88.05	84.4	87.88	2.5	2.93
MCX Natgas	AUG1	185.1	185.1	183.9	184.6	-0.5	-0.27
NYM Natgas	SEP1	4.012	4.062	3.95	4.024	-0.036	-0.89

INDICES

EXCHANGE VOLUME on previous close

Index	Close	Change	Exchange	Volume (in crores)
Clean Tanker Index	680	2	MCX	2461.66
Dirty Tanker Index	695	-3	NCDEX	6819.57

ENERGY INDICATORS

Date	Time	Energy Data	Country	Prior	Consensus	Actual
17Aug	8.00pm	Crude Stock	U.S.	-5.225	-0.300	
17Aug	8.00pm	Gasoline Stock	U.S.	-1.588	-1.000	
17Aug	8.00pm	Distillate Stock	U.S.	-0.737	0.700	
17Aug	8.00pm	Refinery Utilisation	U.S.	0.7		
17Aug	8.00pm	Stocks at Cushing Oklahoma	U.S.	-1.372		
17Aug	8.00pm	Natural Gas Inventory	U.S.	25		

FUNDAMENTAL OUTLOOK

Crude oil is trading marginally lower on NYMEX today. We expect prices to remain under pressure on account of weak U.S. economic data offset hopes for a resolution to Europe's debt crisis.

MARKET ROUNDUP

Crude oil turned negative in volatile trading near the close on Friday, after holding gains on supportive July retail sales data then getting pressured by gloomy consumer confidence data for this month.

IN FOCUS

- Russia's crude oil export duty will rise from Sept. 1 to \$444.1 per tonne from \$438.2 in August due to higher crude prices, finance ministry and Reuters calculations showed on Monday.
- Confidence in the global crude oil tanker industry has tumbled to an all-time low with a growing number of ship-owners mulling whether to pull their ships from the market, the top executive of the world's largest independent tanker operator told Reuters.
- Turkey is ramping up shipments of diesel to Libyan rebels, effectively joining Qatar and trader Vitol in fuelling the uprising against leader Muammar Gaddafi.

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