

PRECIOUS METALS

PRECIOUS METALS MARKET WATCH

Precious Metals	Contract	Open	High	Low	Close	Change	% Chg
MCX Gold Rs.	OCT0	18658	18715	18540	18673	30	0.16
COMEX Gold \$	OCT0	1225.4	1233.2	1217.7	1230.1	3.1	0.25
MCX Silver Rs.	SEP0	29522	29570	29008	29300	-224	-0.76
COMEX Silver \$	SEP0	18.505	18.575	18.165	18.399	-0.196	-1.05

LONDON FIXING

	A.M. FIXING	P.M. FIXING
Gold	1223	1218
Silver Fix AM		18.36

US \$ INDEX

	Close	% Change
US \$ INDEX	82.267	0.041

ETF HOLDINGS as on previous close

ETF	in tonnes	Change
SPDR Holding	1295.516	0.912
iShares Holding	9151.03	-

FOREX MARKET WATCH

Currency	Open	High	Low	Close	Change	% Chg
USD/INR	46.65	46.7025	46.56	46.565	-0.085	-0.18
USD/JPY	85.56	85.74	85.2	85.44	-0.11	-0.13
EUR/USD	1.2879	1.2924	1.2824	1.286	-0.0023	-0.18

FUNDAMENTAL OUTLOOK

Precious metals are trading firm COMEX today. We expect a further rise in the prices of precious metals on account of strong physical demand and high Investment demand from global ETF's.

MARKET ROUNDUP

Precious metals prices edged higher after seesawing in early trade with gold futures ended higher on Wednesday, hitting their highest level in 1-1/2 months on strong physical demand.

IN FOCUS

- The world's largest gold-backed exchange-traded fund, SPDR Gold Trust, said its holdings rose to 1,295.516 tonnes by Aug. 18 from to 1,294.604 tonnes on Aug. 17.
- The world's largest silver-backed exchange-traded fund, the iShares Silver Trust, said its holdings stood at 9151.03 tonnes as of August 18, unchanged from the previous business day.
- China, the world's second-largest gold consumer, produced 31.897 tonnes of the precious metal in June, up from 28.31 tonnes in May, the Ministry of Industry and Information Technology said on Wednesday.
- Polymetal said that its total ore reserves estimated at 1.0 mln oz of gold and Birkachan total mineral resources estimated at 2.0 mln oz of gold. It added that the ore reserves are sufficient to support a 13 year mine life.
- Aldrin Resource Corp has begun drilling at Longline gold project. It announced that north eastern structure showed gold values in quartz vein material of up to 2.04 g/t of gold.

BASE METALS

BASE METALS MARKET WATCH

Base Metals	Contract	Open	High	Low	Close	Change	% Chg
MCX Copper Rs.	AUG0	343.5	344.8	339.7	343.45	-0.1	-0.03
LME Copper \$	3M	7380	7405	7320	7390	8	0.11
MCX Zinc Rs.	AUG0	98.8	99.4	97.3	98.65	0.25	0.25
LME Zinc \$	3M	2135	2150	2110	2135	12	0.57
MCX Nickel Rs.	AUG0	1025.3	1037.7	1007.4	1018.7	-7.6	-0.74
LME Nickel \$	3M	22050	22265	21695	21910	-40	-0.18
MCX Lead Rs.	AUG0	99.1	100	97.4	98.5	-0.4	-0.40
LME Lead \$	3M	2155	2160	2110	2140	10	0.47
MCX Aluminium	AUG0	99.65	99.8	97.1	98.05	-1.45	-1.46
LME Aluminium	3M	2150	2150	2093	2115	-26	-1.21

SHANGHAI MARKET WATCH

Metals	Close	Change	% Chg	Index	Close	Change
Aluminium	15320	-15	-0.10	Baltic Dry Index	2558	43
Copper	58190	490	0.85	CRB Index	269.9	-0.29
Zinc	17210	125	0.73	DJ Commodity Index	-	-

INDICES

LME WAREHOUSE STOCK

Metals	Prev.	Net	Total	Metals	L/W*	C/W*	Change
Copper	405025	-1725	403300	Copper	372350	30950	3600
Zinc	619950	-500	619450	Zinc	556300	63150	-500
Nickel	116592	-624	115968	Nickel	112248	3720	-954
Lead	192400	75	192475	Lead	186000	6475	3675
Alum	4448800	20975	4469775	Alum	4288850	180925	-3300

LME WARRANTS

FUNDAMENTAL OUTLOOK

Industrial metals prices are trading a tad lower on international bourses. We expect a bounce back in the prices of industrial metals on account of continuously declining LME warehouse stocks and rise in cancelled warrants which indicate that the physical interest in metals is still strong.

MARKET ROUNDUP

Industrial metals prices ended higher yesterday, with support from positive sentiment in U.S. equity markets and steady outflows of the metals from London warehouses keeping prices near one-week highs.

IN FOCUS

- The global aluminum market was in surplus by 314,000 metric tons in the first six months of 2010, the World Bureau of Metal Statistics said Wednesday.
- The global refined zinc market was in a 266,000-metric-ton surplus in January to June, the World Bureau of Metal Statistics said Wednesday.
- The global lead market was in a 57,400-metric-ton surplus in January to June, the World Bureau of Metal Statistics said Wednesday.
- The world nickel market was in a 19,000-metric-ton deficit between January and June this year compared with a surplus in the same period last year, the World Bureau of Metal Statistics said Wednesday.
- The global copper market was in deficit by 80,000 metric tons in the first six months of 2010, the World Bureau of Metal Statistics said Wednesday.

ENERGY

ENERGY MARKET WATCH

Energy	Contract	Open	High	Low	Close	Change	% Chg
MCX Crude	AUG0	3550	3550	3437	3527	-25	-0.70
NYM Crude	SEP0	75.45	75.74	73.83	75.42	-0.35	-0.46
MCX Natgas	AUG0	200.9	201.2	195.9	197.3	-3.8	-1.89
NYM Natgas	SEP0	4.275	4.308	4.196	4.239	-0.028	-0.66

INDICES

EXCHANGE VOLUME on previous close

Index	Close	Change	Exchange	Volume (in crores)
Clean Tanker Index	692	-6	MCX	40528.14
Dirty Tanker Index	786	-19	NCDEX	5453.13

ENERGY INDICATORS

Date	Time	Energy Data	Country	Prior	Consensus	Actual
18Aug	8.00pm	Crude Stock	U.S.	-2.988	-1.000	-0.818
18Aug	8.00pm	Gasoline Stock	U.S.	0.409	-0.100	-0.039
18Aug	8.00pm	Distillate Stock	U.S.	3.456	1.500	1.069
18Aug	8.00pm	Refinery Utilisation	U.S.	-3.1		1.9
18Aug	8.00pm	Stocks at Cushing Oklahoma	U.S.	-0.114		-0.687
18Aug	8.00pm	Natural Gas Inventory	U.S.	37	31	

FUNDAMENTAL OUTLOOK

Crude oil prices are trading steady on NYMEX today. We expect a bounce back in the prices of crude oil for the day on account of firm Asian equity markets.

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For any queries contact on 022 - 3027 1518 / 19 / 20 / 21 / 22

MARKET ROUNDUP

Crude Oil prices fell yesterday, but a bounce by equity markets pulled crude futures well above lows and allowed traders to shrug off data showing combined U.S. crude and product stocks rose to the highest since weekly records began in 1990.

IN FOCUS

- U.S. commercial crude and product stocks rose last week to the highest level since the U.S. government began tracking weekly data, government data showed Wednesday, a sign fuel supply is outpacing demand amid a slow U.S. economic recovery.
- China's diesel exports in July almost doubled from a month earlier to 520,000 tonnes, a level also 22 percent above year-ago levels, data showed on Thursday, as Chinese firms drew on stocks following peak refinery production in June.
- The U.S. National Hurricane Center said Wednesday a tropical wave over the west central Caribbean Sea south of eastern Cuba still had a low 10 percent chance of developing over the next 48 hours as it moves west.
- Royal Dutch Shell declared force majeure on its Nigerian Bonny Light oil stream after a rise in sabotage on its pipelines cut output by up to 100,000 barrels per day, trade sources said on Wednesday.
- Venezuela's state oil company PDVSA said on Wednesday the alkylation unit at its 187,000 barrels per day (bpd) Puerto La Cruz refinery could restart in two weeks after an explosion that stopped it on Tuesday.