

PRECIOUS METALS

PRECIOUS METALS MARKET WATCH

Precious Metals	Contract	Open	High	Low	Close	Change	% Chg
MCX Gold Rs.	OCT0	18879	18948	18859	18933	36	0.19
COMEX Gold \$	NOV0	1238.9	1240.4	1235	1239.2	2.6	0.21
MCX Silver Rs.	SEP0	30382	30590	30330	30391	-39	-0.13
COMEX Silver \$	OCT0	19.085	19.2	19.005	19.047	0.008	0.04

LONDON FIXING

	A.M. FIXING	P.M. FIXING
Gold	1234.5	1235
Silver Fix AM		19.03

US \$ INDEX

	Close	% Change
US \$ INDEX	83.154	0.236

ETF HOLDINGS as on previous close

ETF	in tonnes	Change
SPDR Holding	1297.95	-1.52
iShares Holding	9175.38	24.35

FOREX MARKET WATCH

Currency	Open	High	Low	Close	Change	% Chg
USD/INR	46.93	47.085	46.93	47.0425	0.1225	0.26
USD/JPY=	85.400002	85.970001	84.510002	84.629997	-0.610001	-0.72
EUR/USD	1.2768	1.2776	1.266	1.2668	-0.01	-0.78

FUNDAMENTAL OUTLOOK

Precious metals prices trading down on COMEX today. We expect Gold to remain under pressure during the day. But overall outlook for gold remains bullish, any downside today should be taken as a good buying opportunity for medium term.

MARKET ROUNDUP

U.S. gold futures ended higher on Monday as weaker equity markets on economic worries boosted the metal's appeal as an alternative investment, ahead of a closely watched nonfarm payrolls report this week.

IN FOCUS

- The world's largest gold-backed exchange-traded fund, SPDR Gold Trust, said its holdings stood at 1,298.556 tonnes by Aug. 30, unchanged 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 30, unchanged from the previous business day.
- Jaguar Mining Inc announces first gold pour at caet. Reiterates its gold production target at new caeté operation will total approximately 20,000 ounces in Q4 2010.

BASE METALS

BASE METALS MARKET WATCH

Base Metals	Contract	Open	High	Low	Close	Change	% Chg
MCX Copper Rs.	AUG0	351.2	352.8	349.2	351.9	1.25	0.36
LME Copper \$	3M	7275	7465	7232	7459	154.5	2.12
MCX Zinc Rs.	AUG0	97.5	98.7	96.2	96.5	-0.95	-0.97
LME Zinc \$	3M	2055	2095	2040	2095	0	0.00
MCX Nickel Rs.	AUG0	996	1008.2	991.3	994.8	0.3	0.03
LME Nickel \$	3M	20550	21100	20385	21050	600	2.93
MCX Lead Rs.	AUG0	97.05	98.6	96.1	96.5	-1	-1.03
LME Lead \$	3M	2030	2090	2019	2090	0	0.00
MCX Aluminium	AUG0	96.4	96.9	95	95.25	-1.1	-1.14
LME Aluminium	3M	2030	2076	2010	2058	0	0.00

SHANGHAI MARKET WATCH

Metals	Close	Change	% Chg	Index	Close	Change
Aluminium	15315	180	1.19	Baltic Dry Index	2712	9
Copper	59340	1490	2.58	CRB Index	267.76	0.49
Zinc	17270	435	2.58	DJ Commodity Index	-	-

INDICES

LME WAREHOUSE STOCK

Metals	Prev.	Net	Total	Metals	L/W*	C/W*	Change
Copper	401250	-1150	400100	Copper	369825	30275	0
Zinc	623600	-500	623100	Zinc	562200	60900	0
Nickel	118956	-96	118860	Nickel	115248	3612	0
Lead	192450	-300	192150	Lead	184050	8100	0
Alum	4448800	-3200	4445600	Alum	4312475	133125	0

LME WARRANTS

FUNDAMENTAL OUTLOOK

Industrial metals prices are trading down on LME. We may see some profit taking during the day. We expect base metals prices to take cues from manufacturing PMI data due to be released tomorrow from China. Expectations for the same are good. Buying at dips is recommended today.

MARKET ROUNDUP

U.S. industrial metals futures rallied on Monday on follow-through buying from last week's gains, advancing to a high last seen in early May that triggered some short-cover buying.

IN FOCUS

- Brazilian steelmakers Gerdau SA, Votorantim Siderurgia SA and ArcelorMittal Brasil SA have stepped up imports of steel scrap to use in their furnaces in a move to drive local scrap prices lower, Brazil's scrap institute Inesfa said late last week.
- Chilean copper output rose 6.3% in July to 454,178 metric tons from the 427,308 tons produced in July 2009, the government statistics agency said Monday.
- Canada's Capstone Mining Corp said it saw a 44 percent increase in estimates for contained copper at four undeveloped deposits at its Minto mine in Yukon.
- Singapore Exchange Ltd. said Tuesday that it plans to introduce metals futures contracts following a partnership deal it struck with the London Metal Exchange. The Singapore Exchange plans to launch standard, cash-settled copper, primary aluminum, zinc and nickel futures contracts based on settlement prices from the London Metal Exchange, it said in a statement, without indicating any timeline.
- Chile, the world's No. 1 copper producer, said on Monday its output of the red metal rose 6.3 percent to 454,178 tonnes in July from the same month a year earlier.
- China's steel mills produced 1.711 million tonnes of crude steel per day in the middle 10 days of August, little changed from the previous 10 days, data from the China Iron & Steel Association showed on Monday.
- Rio Tinto on Monday signaled it was pushing ahead with its expansion plans in iron ore while it awaits competition authority clearance to form a partnership with rival BHP Billiton in Australia.

ENERGY

ENERGY MARKET WATCH

Energy	Contract	Open	High	Low	Close	Change	% Chg
MCX Crude	SEP0	3552	3552	3504	3522	-29	-0.82
NYM Crude	OCT0	75.5	75.58	74.01	74.7	-0.47	-0.63
MCX Natgas	SEP0	176	185.6	175.3	183.1	6.5	3.68
NYM Natgas	OCT0	3.746	3.878	3.693	3.812	0.161	4.41

INDICES

EXCHANGE VOLUME on previous close

Index	Close	Change	Exchange	Volume (in crores)
Clean Tanker Index	686	0	MCX	25573.46
Dirty Tanker Index	724	-6	NCDEX	3933.69

ENERGY INDICATORS

Date	Time	Energy Data	Country	Prior	Consensus	Actual
01Sep	8.00pm	Crude Stock	U.S.	4.108	1.300	
01Sep	8.00pm	Gasoline Stock	U.S.	2.273	-0.200	
01Sep	8.00pm	Distillate Stock	U.S.	1.763	1.100	
01Sep	8.00pm	Refinery Utilisation	U.S.	-2.3		
01Sep	8.00pm	Stocks at Cushing Oklahoma	U.S.	-0.779		
01Sep	8.00pm	Natural Gas Inventory	U.S.	40		

FUNDAMENTAL OUTLOOK

Crude oil prices are trading marginally down on NYMEX today. Crude oil prices are expected to extend its downward rally as higher crude inventories. Crude oil inventory is due to be released from API later in the evening today. Any changes from expectation are likely to give direction to crude oil prices today.

Disclaimer: This Document has been prepared by N.B. Commodity Research (A Division of Nirmal Bang Commodities Pvt Ltd). The information, analysis and estimates contained herein are based on N.B. Commodities Research assessment and have been obtained from sources believed to be reliable. This document is meant for the use of the intended recipient only. This document, at best, represents N.B. Commodities Research opinion and is meant for general information only. N.B. Commodities Research, its directors, officers or employees shall not in any way be responsible for the contents stated herein. N.B. Commodities Research expressly disclaims any and all liabilities that may arise from information, errors or omissions in this connection. This document is not to be considered as an offer to sell or a solicitation to buy any securities. N.B. Commodities Research, its affiliates and their employees may from time to time hold positions in securities referred to herein. N.B. Commodities Research or its affiliates may from time to time solicit from or perform investment banking or other services for any company mentioned in this document.

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

MARKET ROUNDUP

U.S. crude oil futures ended lower on Monday, snapping a three-day winning streak, as energy markets took a cue from equities, which fell amid worries about the faltering economic recovery.

IN FOCUS

- U.S. oil demand in June was slightly less than previously estimated, but consumption was still at its highest level since October 2008, the Energy Information Administration said on Monday.
- U.S. crude oil imports in June topped 10 million barrels per day on a monthly basis for the first time since October 2008 thanks to strong petroleum demand, the federal Energy Information Administration said on Monday.
- Kazakhstan plans to double its crude oil export duty to \$40 per tonne from Jan. 1, two government sources told Reuters on Monday, less than six months after reinstating the tax when prices recovered from lows in the financial crisis.
- Hurricane Earl strengthened into a powerful Category 4 storm on Monday after lashing the northeast Caribbean islands, and was expected to swipe the U.S. East Coast in the next few days, the U.S. National Hurricane Center said.
- Russia started selling its new ESPO Blend crude from the Far East port of Kozmino since late 2009, marking one step towards expanding its exports into Asian markets.
- A 80,000 tonne vessel of Venezuela crude for Belarus arrived at Lithuania's Klaipeda port on Sunday, the port said. Belarus has been looking for alternative sources of crude for its refineries after the Russian Federation placed higher duties on crude exports.
- Gross natural gas production in June in the lower 48 U.S. states fell for the first time since December 2009, according to data released Monday by the U.S. Energy Information Administration.