

PRECIOUS METALS

PRECIOUS METALS MARKET WATCH

Precious Metals	Contract	Open	High	Low	Close	Change	% Chg
MCX Gold Rs.	OCT0	17950	18042	17930	17980	0	0.00
COMEX Gold \$	OCT0	1196.1	1201.3	1190.6	1197.9	3.4	0.28
MCX Silver Rs.	SEP0	28977	29118	28836	29014	53	0.18
COMEX Silver \$	SEP0	18.305	18.48	18.185	18.321	0.043	0.24

LONDON FIXING

	A.M. FIXING	P.M. FIXING
Gold	1195.5	1192.5
Silver Fix AM		18.35

US \$ INDEX

	Close	% Change
US \$ INDEX	80.793	-0.099

ETF HOLDINGS as on previous close

ETF	in tonnes	Change
SPDR Holding	1282.75	0.912
iShares Holding	9151.03	-

FOREX MARKET WATCH

Currency	Open	High	Low	Close	Change	% Chg
USD/INR	46.235	46.27	46.15	46.19	0.02	0.04
USD/JPY	86.28	86.51	85.72	85.89	-0.45	-0.52
EUR/USD	1.3164	1.3238	1.312	1.3188	0.0026	0.20

FUNDAMENTAL OUTLOOK

Precious metals prices are trading firm on COMEX today. We expect precious metals prices to trade firm before the release of the US Nonfarm Payrolls data due to be released later in the day. However, a stronger rupee versus the dollar will limit the upside on Indian exchanges.

MARKET ROUNDUP

Precious metals prices rose yesterday for a seventh consecutive session as a weaker dollar and surging grain prices lifted the metal's investment appeal.

IN FOCUS

- The world's largest gold-backed exchange-traded fund, SPDR Gold Trust said its holdings rose to 1,282.746 tonnes by August 5 from 1,281.834 tonnes on Aug 4.
- The world's largest silver-backed exchange-traded fund, the iShares Silver Trust, said its holdings stood at 9185.29 tonnes as of August 5, unchanged from the previous business day.
- Russia's top gold producer Polyus Gold may halt operations at its KazakhGold subsidiary next week a senior executive at Polyus said on Thursday.
- Capital Gold Corp. Increases fourth quarter production at its El Chanate mine by 40% compared to prior year. Says it has produced 55,746 ounces of gold in its fiscal year ended July 31, 2010 at El Chanate.
- Russia's gold and foreign exchange reserves rose to \$474.5 billion from \$469.1 billion a week earlier; central bank data showed on Thursday.

BASE METALS

BASE METALS MARKET WATCH

Base Metals	Contract	Open	High	Low	Close	Change	% Chg
MCX Copper Rs.	AUG0	345.55	345.6	338.9	341.5	-4.15	-1.20
LME Copper \$	3M	7495	7515	7341	7399	-106	-1.41
MCX Zinc Rs.	AUG0	97.2	98.2	95.9	96.35	-0.6	-0.62
LME Zinc \$	3M	2105	2135	2085	2095	-25	-1.18
MCX Nickel Rs.	AUG0	1009	1023.4	1007.7	1013	2.4	0.24
LME Nickel \$	3M	21950	22090	21810	21875	-75	-0.34
MCX Lead Rs.	AUG0	101.8	102.6	99.2	100.15	-1.65	-1.62
LME Lead \$	3M	2255	2255	2165	2190	-53	-2.36
MCX Aluminium	AUG0	102.25	102.8	100.7	101.2	-1	-0.98
LME Aluminium	3M	2230	2235	2190	2200	-28	-1.26

SHANGHAI MARKET WATCH

Metals	Close	Change	% Chg
Aluminium	15360	-20	-0.13
Copper	57490	-60	-0.10
Zinc	16780	120	0.72

INDICES

Index	Close	Change
Baltic Dry Index	1978	21
CRB Index	277.67	-1.31
DJ Commodity Index	-	-

LME WAREHOUSE STOCK

Metals	Prev.	Net	Total
Copper	413950	-875	413075
Zinc	619650	-700	618950
Nickel	117870	-90	117780
Lead	184975	2250	187225
Alum	4404975	-4475	4400500

LME WARRANTS

Metals	L/W*	C/W*	Change
Copper	384575	28500	-1425
Zinc	598175	20775	-700
Nickel	112380	5400	282
Lead	183425	3800	0
Alum	4184675	215825	1400

FUNDAMENTAL OUTLOOK

Industrial metals prices are trading slightly weak on International bourses. We expect a further sell-off in the prices of industrial metals as a move by china to test its banks with respect to the loans in the property sector is expected to pressurize metals. Also, weak data points so reported by the US in the previous trading days indicate that the recovery is still not in force in that region.

MARKET ROUNDUP

Industrial metals lost over one percent of their value yesterday, after a surprise jump in U.S. weekly jobless claims underscored recovery worries and investors squared positions ahead of Friday's monthly payrolls data.

IN FOCUS

- KME Group, one of the world's leading makers of copper and copper alloy products, said on Thursday its first-half output rose 21 percent driven by a recovery in industrial demand.
- China's copper demand is expected to grow at 8 percent this year from last year, and at a similar pace next year, a senior executive of Chile's Codelco, the world's largest copper producer, said on Thursday.
- Nickel production at BHP Billiton's Matoso mine in Colombia will see output reduced by a quarter next year due to the replacement of a furnace starting in early 2011, the firm said on Thursday.
- Miner Lonmin Plc. said the South African government had ordered it to stop selling nickel, copper and other offshoots of its platinum production due to a dispute over the prospecting rights.
- U.S. steel import permits rose 15% to 2.32 million net tons in July from June, the American Iron and Steel Institute reported. Import permits for finished steel products rose 14% to 1.75 million tons compared with preliminary imports in June.

ENERGY

ENERGY MARKET WATCH

Energy	Contract	Open	High	Low	Close	Change	% Chg
MCX Crude	AUG0	3791	3810	3770	3799	3	0.08
NYM Crude	SEP0	82.44	82.48	81.56	82.01	-0.46	-0.56
MCX Natgas	AUG0	219.6	223	211.7	213.4	-6.5	-2.96
NYM Natgas	SEP0	4.736	4.825	4.556	4.598	-0.139	-2.93

INDICES

EXCHANGE VOLUME on previous close

Index	Close	Change	Exchange	Volume (in crores)
Clean Tanker Index	769	-6	MCX	29934.89
Dirty Tanker Index	765	-6	NCDEX	4753.73

ENERGY INDICATORS

Date	Time	Energy Data	Country	Prior	Consensus	Actual
04Aug	8.00pm	Crude Stock	U.S.	7.308	-1.400	-2.784
04Aug	8.00pm	Gasoline Stock	U.S.	0.091	-0.400	0.729
04Aug	8.00pm	Distillate Stock	U.S.	0.938	1.200	2.173
04Aug	8.00pm	Refinery Utilisation	U.S.	-0.9		0.6
04Aug	8.00pm	Stocks at Cushing Oklahoma	U.S.	0.066		0.666
04Aug	8.00pm	Natural Gas Inventory	U.S.	28	33	29

FUNDAMENTAL OUTLOOK

Crude oil prices are trading little changed on NYMEX today. We expect crude oil prices to take direction after the release of the US Non-farm payrolls and Unemployment data due to be released later in the day.

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MARKET ROUNDUP

Crude oil futures prices slipped a second day on Thursday, pressured by a jump in U.S. jobless claims and disappointing retail sales data that also weighed on equities markets.

IN FOCUS

- Distillates held in floating storage worldwide may fall by 9-11 million barrels to 33-35 million barrels by end-July from June, as stocks are depleted by firm demand in Western Europe and the Mediterranean, traders and shipbrokers said on Thursday.
- Oil inventories at the key U.S. Cushing, Oklahoma crude oil hub fell 210,962 barrels to 39.76 million barrels in the week to Aug. 3 from a record high
- Sinopec Corp plans to raise crude processing at its Gaoqiao refinery to a record high in August as a new crude unit revs up, an industry source said on Friday.
- Seaborne oil exports by OPEC, excluding Angola and Ecuador, will fall by 420,000 barrels per day (bpd) in the four weeks to Aug. 21, an analyst who estimates future shipments said on Thursday.
- A La Nina weather anomaly, the opposite sibling of the more infamous El Nino phenomenon, is strengthening in the Pacific Ocean and could boost hurricanes along the vulnerable, oil-rich U.S. Gulf Coast, the Climate Prediction Center said on Thursday.
- Suncor Energy Inc. said its oil sands production in July was up sequentially averaging about 322,000 barrels per day (bpd), and that it was still aiming for an average production of 280,000 bpd for 2010.