

PRECIOUS METALS

PRECIOUS METALS MARKET WATCH

Precious Metals	Contract	Open	High	Low	Close	Change	% Chg
MCX Gold Rs.	OCT0	18197	18205	18188	18197	-3	-0.02
COMEX Gold \$	OCT0	1195.9	1212.1	1193.7	1204.1	6.2	0.52
MCX Silver Rs.	SEP0	29145	29149	29107	29120	-7	-0.02
COMEX Silver \$	SEP0	18.34	18.585	18.29	18.472	0.151	0.82

LONDON FIXING

	A.M. FIXING	P.M. FIXING
Gold	1194.5	1207.75
Silver Fix AM	18.3	

US \$ INDEX

	Close	% Change
US \$ INDEX	80.407	-0.418

ETF HOLDINGS as on previous close

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

FOREX MARKET WATCH

Currency	Open	High	Low	Close	Change	% Chg
USD/INR	46.11	46.1875	45.98	46.16	-0.03	-0.06
USD/JPY	85.84	86.26	85.03	85.53	-0.29	-0.34
EUR/USD	1.3186	1.3337	1.3158	1.3288	0.0095	0.72

FUNDAMENTAL OUTLOOK

Precious metals prices are trading sideways to up on COMEX. Weakness in US\$ and dismal numbers from US economy that may promote the second stimulus package are likely to support the prices of precious metals. We expect Gold prices to touch the levels of US\$1210/ounce during the day.

MARKET ROUNDUP

U.S. gold futures ended higher on Friday for an eighth straight session, after a disappointing nonfarm payrolls report fueled double-dip recession worries, increasing the metal's appeal as a safe haven.

IN FOCUS

- The world's largest gold-backed exchange-traded fund, SPDR Gold Trust said its holdings fell to 1,300.829 tonnes by August 9, unchanged from the previous business day.
- The world's largest silver-backed exchange-traded fund, the iShares Silver Trust, said its holdings stood at 9185.29 tonnes as of August 9, unchanged from the previous business day.
- Zhaojin Mining Industry said it suspended mining operations in the Zhaoyuan region in Shandong province on Aug 7 in accordance with a local government order for all non-coal mines to undergo safety inspections.
- A fire at a gold mine in eastern China killed 16 people, while more than 300 were lifted to safety, state news agency Xinhua said on Saturday.
- 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.

BASE METALS

BASE METALS MARKET WATCH

Base Metals	Contract	Open	High	Low	Close	Change	% Chg
MCX Copper Rs.	AUG0	340.95	342.6	340.95	342.2	1.5	0.44
LME Copper \$	3M	7380	7450	7345	7370	-29	-0.39
MCX Zinc Rs.	AUG0	97.4	98.1	97.4	97.95	0.6	0.62
LME Zinc \$	3M	2085	2136	2085	2129	32	1.53
MCX Nickel Rs.	AUG0	1019	1028.6	1019	1026.2	7.3	0.72
LME Nickel \$	3M	21820	22230	21800	22100	225	1.03
MCX Lead Rs.	AUG0	99.5	100.4	99.5	100.25	0.7	0.70
LME Lead \$	3M	2150	2205	2150	2161	-24	-1.10
MCX Aluminium	AUG0	101.1	101.9	101.1	101.7	0.5	0.49
LME Aluminium	3M	2200	2225	2191	2191	-9	-0.41

SHANGHAI MARKET WATCH

Metals	Close	Change	% Chg	Index	Close	Change
Aluminium	15350	-10	-0.07	Baltic Dry Index	2030	52
Copper	57790	300	0.52	CRB Index	274.71	-2.96
Zinc	16990	210	1.25	DJ Commodity Index	-	-

INDICES

LME WAREHOUSE STOCK

Metals	Prev.	Net	Total	Metals	L/W*	C/W*	Change
Copper	413075	-450	412625	Copper	386025	26600	-1900
Zinc	618950	-575	618375	Zinc	553225	65150	4375
Nickel	117780	-444	117336	Nickel	112284	5052	-348
Lead	187225	750	187975	Lead	184500	3475	-325
Alum	4400500	-2825	4397675	Alum	4186275	211400	4375

LME WARRANTS

FUNDAMENTAL OUTLOOK

Industrial metals prices are trading marginally up on LME. We expect industrial metals to trade sideways to up during the day with the hopes for improving demand if the Federal Reserve further eases monetary policy and top consumer China continues expanding at an aggressive pace. Buying at dips should be the investor's strategy today.

MARKET ROUNDUP

Industrial Metals futures ended lower on Friday, after data showing the U.S. economy shed twice as many jobs as expected revived concerns about a slower economic recovery.

IN FOCUS

- Russian consumption of stainless steel products returned to pre-crisis levels in the first six months of the year as output and imports of stainless steel roll both showed strong increases, the national association of special steels producers said Friday.
- Russia exported 102,100 metric tons of nickel in January-June, 3.9% less than in January-June 2009, the federal customs service reported Friday.
- Russia aluminum exports in the first six months of the year fell to 1.595 million metric tons, down 5% on the year-earlier period, the federal customs service reported Friday.
- Russia exported 231,200 metric tons of copper in January-June, 8.8% more than in January-June 2009, the federal customs service reported Friday.
- Chile's Codelco said it needs copper prices around \$2.50 per lb to let the company proceed with a five-year plan to boost production as output at its ageing mines declines.
- POSCO expects its proposed \$12 billion steel mill project in the state of Orissa not to be delayed by ongoing talks between the central and state governments of India, a spokesman at POSCO said on Monday.

ENERGY

ENERGY MARKET WATCH

Energy	Contract	Open	High	Low	Close	Change	% Chg
MCX Crude	AUG0	3720	3734	3720	3732	19	0.51
NYM Crude	SEP0	82.12	82.67	80.04	80.7	-1.31	-1.60
MCX Natgas	AUG0	208	208	207.1	207.5	-0.6	-0.29
NYM Natgas	SEP0	4.61	4.646	4.456	4.467	-0.131	-2.85

INDICES

EXCHANGE VOLUME on previous close

Index	Close	Change	Exchange	Volume (in crores)
Clean Tanker Index	760	-9	MCX	1286.62
Dirty Tanker Index	779	14	NCDEX	2349.86

ENERGY INDICATORS

Date	Time	Energy Data	Country	Prior	Consensus	Actual
11Aug	8.00pm	Crude Stock	U.S.	-2.784		
11Aug	8.00pm	Gasoline Stock	U.S.	0.729		
11Aug	8.00pm	Distillate Stock	U.S.	2.173		
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 slightly up on NYMEX today. We expect crude oil prices to take clues from overseas market and Asian equity market later in the session today.

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MARKET ROUNDUP

U.S. crude oil futures prices fell a third straight session on Friday as a disappointing U.S. July jobs report showed more losses than expected and weighed down equities markets and oil.

IN FOCUS

- The U.S. government vowed on Sunday that operations to completely clean up BP's Gulf of Mexico oil spill and compensate those affected would not slacken off despite the success in halting the leak.
- Saudi Arabia, the world's top crude exporter, will supply full contracted volumes of crude oil in September to at least four Asian term buyers, steady with August levels, industry sources said on Monday.
- Enbridge Inc extracted the ruptured section of pipeline on Friday that had caused crude oil to foul part of southern Michigan, but U.S. regulators will have the final say on any schedule for restarting the line.
- Operating rates at its 70,000 barrel per day Big Spring, Texas, refinery were at 51,000 bpd in June, with rates gradually increasing through the rest of the year, the company said during a second quarter conference call on Friday.