

PRECIOUS METALS

PRECIOUS METALS MARKET WATCH

Precious Metals	Contract	Open	High	Low	Close	Change	% Chg
MCX Gold Rs.	APR10	16771	17037	16767	17020	224	1.33
COMEX Gold \$	MAY10	1117.2	1138	1117.2	1138	19.1	1.71
MCX Silver Rs.	MAR10	25461	26448	25420	26350	753	2.94
COMEX Silver \$	APR10	16.475	17.08	16.42	16.925	0.466	2.83

LONDON FIXING

	A.M. FIXING	PM. FIXING
Gold	1116	1126.5
Silver Fix AM		16.57

US \$ INDEX

	Close	% Change
US \$ INDEX	80.403	-0.31

ETF HOLDINGS as on previous close

ETF	in tonnes	Change
SPDR Holding	1,111.556	4.569
iShares Holding	9473.45	-3.46

FOREX MARKET WATCH

Currency	Month	Open	High	Low	Close	Change	% Chg
USD/INR		45.95	46.1	45.95	46.015	-0.08	-0.17
USD/JPY=		89.11	89.43	88.56	88.81	-0.31	-0.35
EUR/USD		1.356	1.3626	1.3435	1.3609	0.0048	0.35

FUNDAMENTAL OUTLOOK

Gold is trading a tad lower on COMEX after rallying more than 2% in last trading session. Outlook for precious metals is sideways to up for the day. However it looks difficult for the euro to gain further because speculators as well as investors would probably want to sell the currency into its gains as long as this uncertainty about the Greek debt crisis lingers.

MARKET ROUNDUP

Gold futures ended nearly 2 percent higher on Tuesday, rallying to six-week highs, as currency market fluctuations related to Greece and the UK prompted fund buying. Silver too posted handsome gains in last trading session

IN FOCUS

- The world's largest gold-backed exchange-traded fund, SPDR Gold Trust, said its holdings stood at 1,111.556 tonnes as of March 2, up 4.569 tonnes from the previous business day.
- The world's largest silver-backed exchange-traded fund, the iShares Silver Trust, said its holdings fell 3.46 tonnes from the previous business day to 9,473.45 tonnes as of March 2.
- South Africa's biggest union said on Tuesday it had cancelled plans for an indefinite strike at Gold Fields' operations in the country that would have stopped output at the world's No.4 gold producer.
- Canada's Minefinders Corp Ltd posted its first-ever quarterly profit, primarily helped by commercial production at its flagship Dolores mine in Mexico, and forecast improved output and lower cash costs per ounce of gold and silver in 2010.
- For 2010, the company expects production and sale of about 91,000 to 100,500 ounces of gold, and about 2.3 million to 2.6 million ounces of silver. It sees cash operating costs between \$430 and \$470 per gold-equivalent ounce, a decline from \$550 in 2009.
- The euro rebounded from a 9-1/2-month low against the dollar on Tuesday as investors awaited new plans to address Greece's debt crisis and held out hope for some form of help from the European Union.
- Turkey imported 310 kilograms of gold in February, up from 60 kilograms in January, Istanbul's Gold Exchange said.

BASE METALS

BASE METALS MARKET WATCH

Base Metals	Contract	Open	High	Low	Close	Change	% Chg
MCX Copper Rs.	APR10	338.15	345.3	335.1	344.5	5.3	1.56
LME Copper \$	3M	7375	7510	7265	7505	105	1.42
MCX Zinc Rs.	MAR10	101.9	103.9	100	102.9	0.75	0.73
LME Zinc \$	3M	2230	2270	2180	2255	35	1.58
MCX Nickel Rs.	MAR10	985	1021.4	972.1	1017.1	30.1	3.05
LME Nickel \$	3M	21570	22290	21175	22290	840	3.92
MCX Lead Rs.	MAR10	100	101.4	98.7	100.75	0.35	0.35
LME Lead \$	3M	2185	2210	2145	2190	20	0.92
MCX Aluminium	MAR10	97.6	99.1	97.1	98.95	0.95	0.97
LME Aluminium	3M	2145	2173	2119	2165	22	1.03

SHANGHAI MARKET WATCH

Metals	Close	Change	% Chg
Aluminium	16320	-200	-1.21
Copper	57220	-2830	-4.71
Zinc	17650	-670	-3.66

INDICES

Index	Close	Change
Baltic Dry Index	2792	32
CRB Index	275.13	2.42
DJ Commodity Index	-	-

LME WAREHOUSE STOCK

Metals	Prev.	Net	Total
Copper	551250	1075	552325
Zinc	541375	-175	541200
Nickel	163224	-384	162840
Lead	167200	525	167725
Alum	4570075	-3300	4566775

LME WARRANTS

Metals	L/W*	C/W*	Change
Copper	522525	29800	3600
Zinc	537750	3450	-25
Nickel	158154	4686	576
Lead	154175	13550	-150
Alum	4265250	301525	-5900

FUNDAMENTAL OUTLOOK

Industrial metals are trading a tad lower on international bourses after posting handsome gains overnight. Today we have retail sales and PMI numbers to be released by the EZ and ISM non manufacturing numbers, any positive surprise in these numbers is likely to support industrial metals prices. Nickel in particular looks extremely strong for the day.

MARKET ROUNDUP

Industrial metals futures ended positive, as a euro rebound against the dollar lifted most commodities while concerns lingered about power supplies to Chile's copper mines after Saturday's earthquake.

IN FOCUS

- The Brazilian division of steelmaker ArcelorMittal is resuming operations of an iron mine rented to mining giant Vale in 2004, ArcelorMittal said Tuesday, as soaring iron ore prices make the business increasingly attractive.
- The biggest copper deposits and key exporting ports in Chile's far north were unaffected and other mines near the capital Santiago were resuming operations this week.
- Stable power supply returned on Tuesday to key Chilean copper mines, which resumed normal operations after a massive weekend earthquake hit the top producer of the metal, but key oil refineries remained shut.
- Guarded optimism surrounds expectations for a 2012 recovery in the U.S. steel industry, as much will depend on how firm the recoveries are in the construction and automotive sectors of the economy.

ENERGY

ENERGY MARKET WATCH

Energy	Contract	Open	High	Low	Close	Change	% Chg
MCX Crude	MAR10	3618	3713	3611	3702	78	2.15
NYM Crude	APR10	78.88	80.95	78.26	79.68	0.98	1.25
MCX Natgas	MAR10	216.6	218.9	214.6	217	0	0.00
NYM Natgas	APR10	4.693	4.755	4.655	4.717	0.038	0.81

INDICES

EXCHANGE VOLUME on previous close

Index	Close	Change	Exchange	Volume (in crores)
Clean Tanker Index	759	-2	MCX	28714.31
Dirty Tanker Index	883	-6	NCDEX	2511.01

ENERGY INDICATORS

Date	Time	Energy Data	Country	Prior	Consensus	Actual
03Mar	8.00pm	Crude Stock	U.S.	3.000	1.400	-
03Mar	8.00pm	Gasoline Stock	U.S.	-0.900	0.600	-
03Mar	8.00pm	Distillate Stock	U.S.	-0.600	-0.900	-
03Mar	8.00pm	Refinery Utilisation	U.S.	1.4	-	-
03Mar	8.00pm	Stocks at Cushing Oklahoma	U.S.	-0.700	-	-
03Mar	8.00pm	Natural Gas Inventory	U.S.	-172	-	-

FUNDAMENTAL OUTLOOK

Crude futures stood steady in early trade session near \$80 a barrel after a larger-than-expected build in U.S. crude inventories and a greater-than-forecast drawdown in distillates. Outlook for crude oil is sideways to up for the day buying at dips is recommended during the day.

MARKET ROUNDUP

Crude Oil fell more than 1 percent to below \$79 a barrel on Monday as investors sold off an early rally and the dollar strengthened against the euro.

IN FOCUS

- The American Petroleum Institute (API) said after Tuesday's settlement that crude stocks rose 2.7 million barrels last week, distillate stocks were down 4.1 million barrels and gasoline stocks gained 909,000 barrels.
- Distillates, which include heating oil and diesel, were expected to be down 900,000 barrels, the poll showed. Gasoline stocks were forecast to be up 600,000 barrels, according to poll, with demand seen down, particularly in the East Coast, as bad weather put the brakes on long road trips, analysts said.
- U.S. stocks ended slightly higher on Tuesday as mergers and acquisitions supported selected sectors, but investors pulled back from recent gains in some big-cap technology and bank shares.
- The massive Venezuelan-run Isla refinery on the Caribbean island of Curacao remained shut on Tuesday due to a strike and power supply problems, in the latest hitch for a worldwide refining network run by Venezuela's state-run oil company.
- Iraqi Oil Minister Hussain al-Shahrastani said on Tuesday he does not expect the Organization of Petroleum Exporting Countries to change its output target at a meeting later this month.

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