

PRECIOUS METALS

PRECIOUS METALS MARKET WATCH

Precious Metals	Contract	Open	High	Low	Close	Change	% Chg
MCX Gold Rs.	APR10	16986	17095	16956	17028	8	0.05
COMEX Gold \$	MAY10	1134.30	1145.80	1133.90	1143.90	5.90	0.52
MCX Silver Rs.	MAR10	26311	27250	26221	26930	580	2.20
COMEX Silver \$	APR10	16.9	17.35	16.9	17.205	0.151	0.89

LONDON FIXING

	A.M. FIXING	PM. FIXING
Gold	1136.25	1136.5
Silver Fix AM		17.17

US \$ INDEX

	Close	% Change
US \$ INDEX	80.011	-0.51

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		45.78	45.79	45.78	45.78	-0.05	-0.11
USD/JPY=		88.80	89.03	88.33	88.46	-0.31	-0.35
EUR/USD		1.3608	1.3739	1.3594	1.3703	0.0097	0.71

FUNDAMENTAL OUTLOOK

Gold slipped today in early trade session as investors booked profits after the metal rallied to a 6-1/2 week high the previous day, but an increase in ETF holdings highlighted bullion's growing safe haven appeal. In the afternoon session we have EZ GDP numbers to be released any positive upside in these numbers may support Euro thus pressurizing dollar which in turn may lend some support to precious metals.

MARKET ROUNDUP

Gold rose to 6-1/2 week highs on Wednesday as the euro's recovery against the dollar amid easing worries about a Greek debt crisis increased the metal's appeal as a hedge against currency volatility.

IN FOCUS

- The world's largest gold-backed exchange-traded fund, SPDR Gold Trust, said its holdings stood at 1,115.511 tonnes as of March 3, up from 1,111.556 tonnes in 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 3.
- Greece announced plans for a further \$6.5 billion in pay cuts and tax hikes to reduce its deficit, easing worries about the country's debt crisis.
- India gold demand remained weak for a second day on Wednesday as prices traded above the most-watched 17,000 rupees-mark after an overnight jump, but a strong rupee, which made the dollar-quoted asset cheaper, aided sentiment.
- 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.
- A firmer euro could also lend support, with markets less worried about the debt crisis in Greece that had undermined the single currency. Gold priced in euro and sterling was within sight of their record highs.
- 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	344	349.5	340.1	345.65	0.9	0.26
LME Copper \$	3M	7445	7630	7375	7535	44	0.59
MCX Zinc Rs.	MAR10	102.6	106.2	101.1	104.25	1.35	1.31
LME Zinc \$	3M	2230	2335	2195	2285	30	1.33
MCX Nickel Rs.	MAR10	1014.3	1045.8	1008.7	1033.1	16	1.57
LME Nickel \$	3M	22210	22890	21880	22845	605	2.72
MCX Lead Rs.	MAR10	100.5	103.3	99.9	101.3	0.55	0.55
LME Lead \$	3M	2190	2260	2160	2205	6	0.27
MCX Aluminium	MAR10	98.4	100.7	98.4	99.8	0.85	0.86
LME Aluminium	3M	2160	2220	2150	2198.5	30.5	1.41

SHANGHAI MARKET WATCH

Metals	Close	Change	% Chg	Index	Close	Change
Aluminium	16320	0	0.00	Baltic Dry Index	2911	119
Copper	59010	1790	3.13	CRB Index	277.71	2.58
Zinc	17680	30	0.17	DJ Commodity Index	-	-

INDICES

LME WAREHOUSE STOCK

Metals	Prev.	Net	Total	Metals	L/W*	C/W*	Change
Copper	552325	-1750	550575	Copper	514600	35975	6175
Zinc	541200	-25	541175	Zinc	537675	3500	50
Nickel	162840	-744	162096	Nickel	158004	4092	-594
Lead	167725	250	167975	Lead	154475	13500	-50
Alum	4566775	-8825	4557950	Alum	4261075	296875	-4650

LME WARRANTS

FUNDAMENTAL OUTLOOK

Industrial metals are trading a tad higher on international bourses. Outlook for industrial metals is sideways to up for the day, but at the same time profit booking is not ruled out on account some weakness in Euro. In the evening session we have US durable orders numbers to be released any positive surprise in these numbers may support industrial metal prices later in the day.

MARKET ROUNDUP

Copper rose on Wednesday, hitting a seven-week high as the dollar fell against the euro, making metals cheaper for non-U.S. investors amid signs that demand was improving cropped up in the U.S. and Asia. Aluminium touched a five-week peak of \$2,219 a tonne. Used in transport and packaging, it ended at \$2,210 from \$2,168. Steel ingredient zinc closed at \$2,320 from \$2,255, battery material lead at \$2,238.50 from \$2,200 a tonne on Tuesday. Stainless ingredient nickel hit \$22,943, its highest since June 2008. It closed at \$22,845 from \$22,240 on Tuesday. It is up about 20 percent so far this year.

IN FOCUS

- China's emergence as one of the world's leading economic powerhouses and premiere driver of global zinc demand will set the industry standard for years to come and dictate where future market balances will lie. China has been the main driver of the world's zinc consumption for the last two decades, securing a compound annual growth rate of 12 percent per year.
- Anglo American PLC Affected copper mining operations were able to resume full and safe production during Sunday Expected that the chagres smelter will resume full production by Wednesday Lost copper production during the stoppage was limited to less than 1,500 tonnes Minor damage was reported at Anglo american's copper mining operations Considerable damage at scaw metals' plant near conception, preventing resumption of operations until further notice
- South African miner Metorex produced 24,840 tonnes of copper and 1,501 tonnes of cobalt in the six months ended December 2009, up from 13,563 tonnes of copper and 135 tonnes of cobalt a year earlier.
- HudBay Minerals said on Wednesday its fourth-quarter profit fell 54 percent, hurt by declining copper sales and C\$6.9 million in executive severance costs. Revenue fell 7 percent to C\$166.7 million due to declining copper cathode sales fell. The company said Chinese demand for scrap copper declined late in the year, while North American domestic demand remained weak, prompting HudBay to decide not to sell to the market.

ENERGY

ENERGY MARKET WATCH

Energy	Contract	Open	High	Low	Close	Change	% Chg
MCX Crude	MAR0	3690	3710	3638	3687	-15	-0.41
NYM Crude	APR0	79.64	81.23	79.44	80.87	1.19	1.49
MCX Natgas	MAR0	217.5	219.6	215.2	219	2	0.92
NYM Natgas	APR0	4.72	4.79	4.68	4.767	0.059	1.25

INDICES

EXCHANGE VOLUME on previous close

Index	Close	Change	Exchange	Volume (in crores)
Clean Tanker Index	764	5	MCX	31088.63
Dirty Tanker Index	880	-3	NCDEX	3402.26

ENERGY INDICATORS

Date	Time	Energy Data	Country	Prior	Consensus	Actual
03Mar	8.00pm	Crude Stock	U.S.	3.000	1.400	4.100
03Mar	8.00pm	Gasoline Stock	U.S.	-0.900	0.600	0.700
03Mar	8.00pm	Distillate Stock	U.S.	-0.600	-0.900	-0.900
03Mar	8.00pm	Refinery Utilisation	U.S.	1.4	-	0.7
03Mar	8.00pm	Stocks at Cushing Oklahoma	U.S.	-0.700	-	0.100
03Mar	8.00pm	Natural Gas Inventory	U.S.	-172	-131	-

FUNDAMENTAL OUTLOOK

U.S. crude futures stood little changed near \$81 a barrel on Thursday after a 1.5 percent rise a day earlier on the back of a weaker dollar. We may witness a slight profit booking in the early part of the trading session, but the outlook for crude oil remains bullish, buying at dips is recommended.

MARKET ROUNDUP

Crude oil futures rose for the second day in a row on Wednesday, posting the highest close in seven weeks, as economic data eased recovery worries and the dollar fell against the euro.

IN FOCUS

- Royal Dutch Shell said on Wednesday an oil flowstation in Nigeria's restive Niger Delta had been damaged by an explosion, in what appeared to have been an attack by a militant splinter group.
- Chile's top oil refinery, damaged by a devastating earthquake, could be shut down for a month, which would boost the need for fuel imports to the world's top copper producer.
- Wednesday's climb came despite government data showing U.S. crude stocks rose by 4.1 million barrels last week, more than the 1.4 million barrel increase forecast. Gasoline stocks rose 700,000 barrels, slightly more than expected.
- The Energy Information Administration report showed that total distillate stocks fell 900,000 barrels, in line the Reuters poll forecast. EIA data showed gasoline inventories up 700,000 barrels, just above the forecast for a 600,000 barrel increase but lower than the 909,000 barrel increase the API reported.

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