

27th July 2010

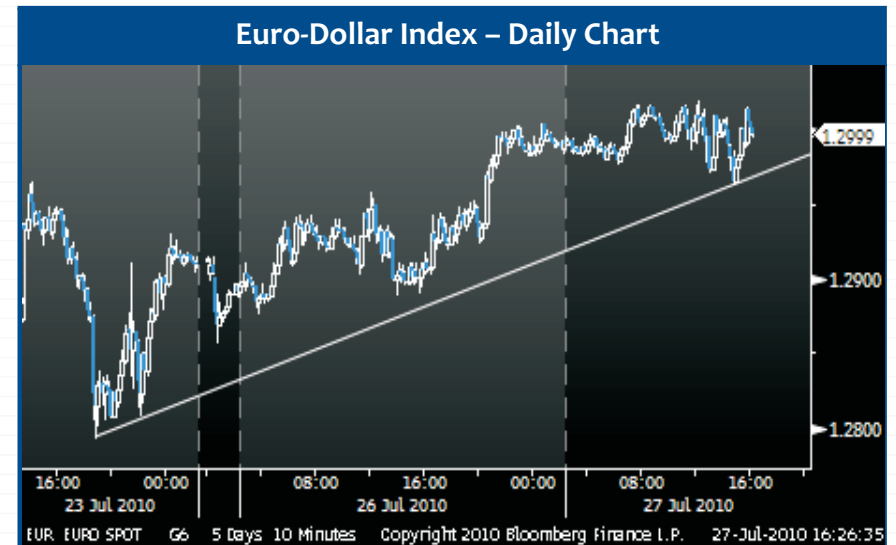
Commodity Daily

ENERGY AND METALS UPDATE

ANALYSIS & VIEW

-  Safe-haven assets such as gold, treasuries and the dollar struggled Monday while stocks and industrial commodities rallied after US New Home Sales beat market forecast, increasing from 267K in May to 330K for June.
-  Oil was steady near \$79 per barrel as forecasts indicated a trend of falling crude inventories and rising refined product stockpiles in the United States would continue. Given the recent improvement in the technical and macro- economic picture the likelihood for further base metal gains is increasing with copper potentially set to challenge the \$7500 area if it can form a base above \$7200; gold meanwhile remains under pressure as stale liquidation is seen and spec shorts increase, a re-test of the \$1165 level is on the cards. The key now will be market reaction to this weeks economic data, particularly tomorrows US Consumer Confidence and Friday's GDP.

DOLLAR



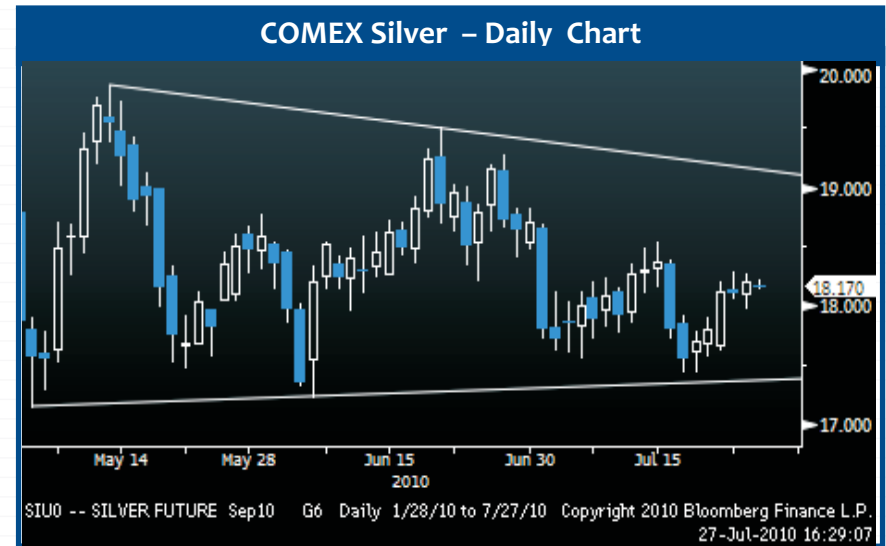
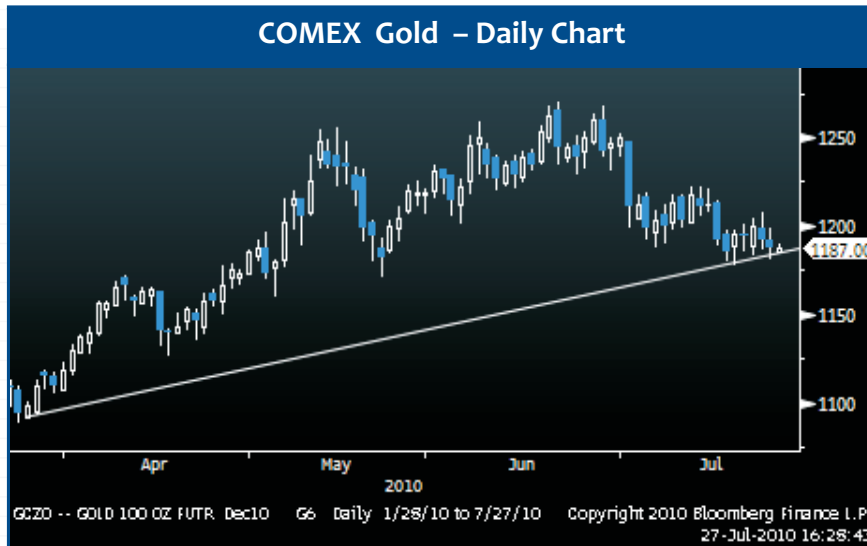
Fundamental View

- Speculation that the world's largest economy is into the jaws of recession has led to the loosening of investors' confidence in the currency with the additional effect given by outshining Euro
- GfK's consumer sentiment index, based on a survey of 2,000 people, will climb to 3.9 from a revised 3.6 in July, the Nuremberg-based market research company said in a statement today which will very support the ever rising Euro as of the positive Stress test.

Technical View

- Euro has resistance at 1.3120 with the corresponding support at 1.2900
- DXY has resistance at 84 with the corresponding support at 80

GOLD & SILVER



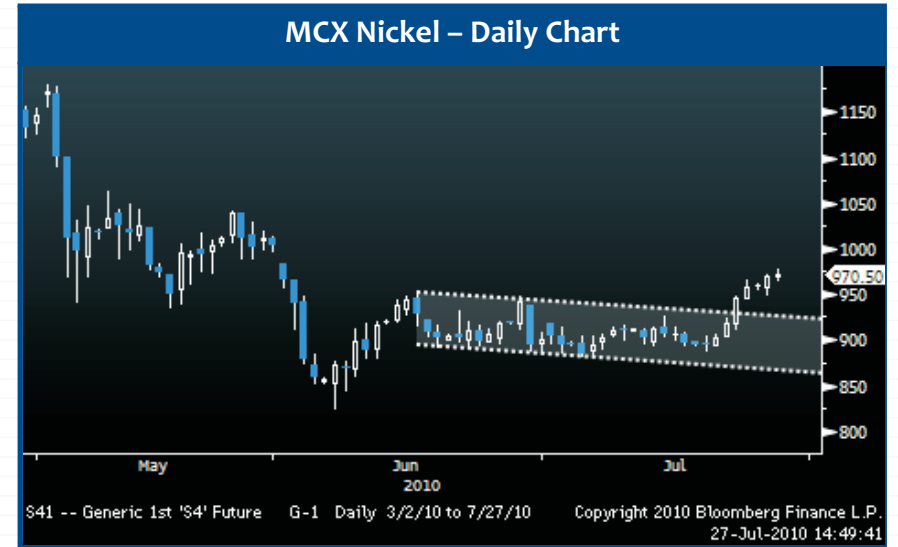
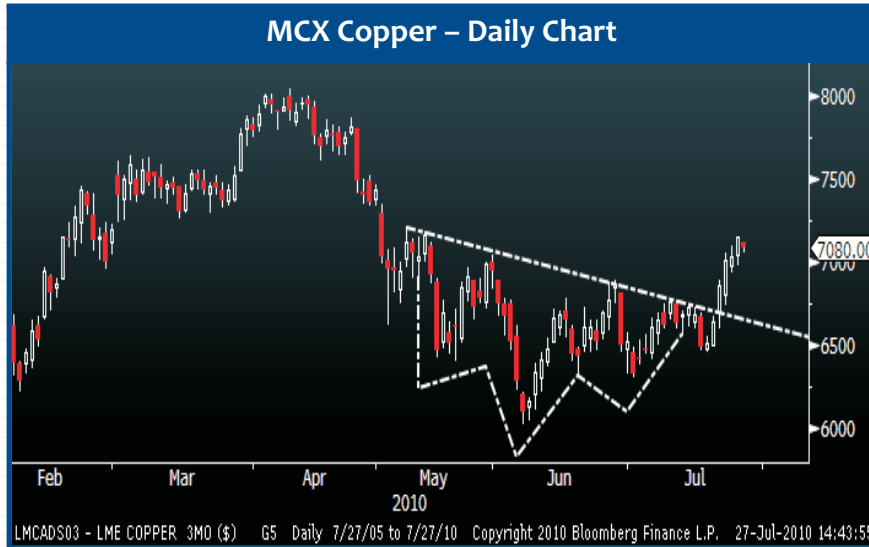
Fundamental View

- Done with the Stress test and got the positive results the Euro is on it's northward movement which has resulted into some correction in the prices yesterday.
- Gold investment in bullion-backed exchange-traded funds grew by 273.8 metric tons in the second quarter, the second-largest quarterly inflow ever, the World Gold Council

Technical View

- COMEX Gold has support at \$1174 with resistance lies at \$1210. Silver support level lies at \$17.35/oz with the corresponding resistance of \$18.25/oz.
- Sell MCX Gold (Aug) below 18050 SL 18090 TGT 18000

BASE METALS



BASE METALS

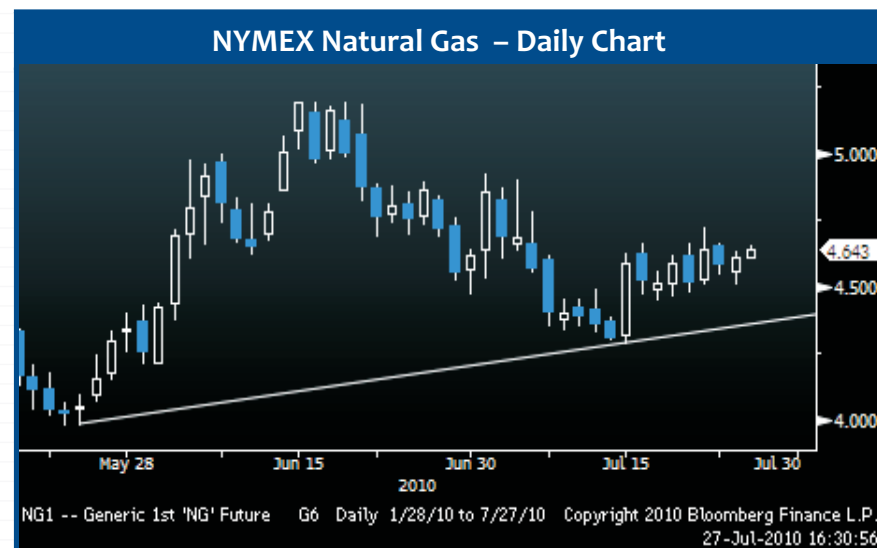
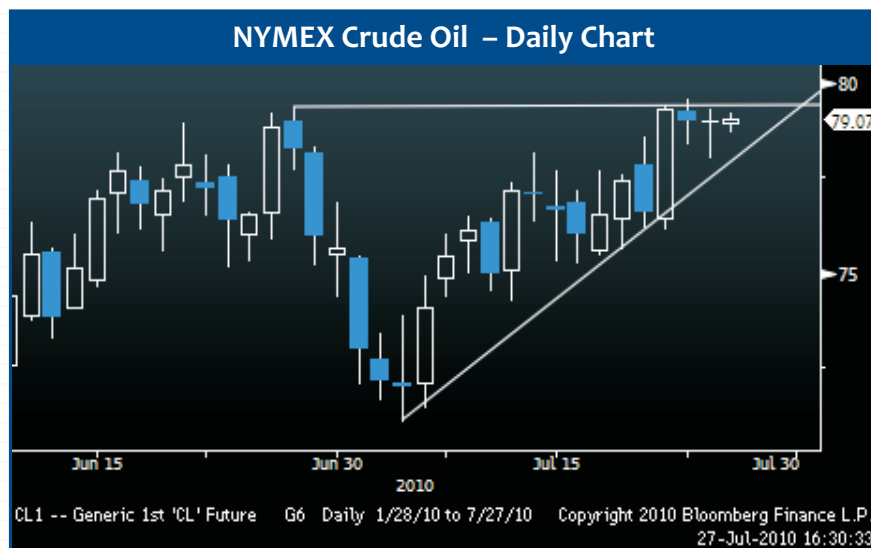
Fundamental View

- Base metals continued to hold previous gains on prevailing firm trend in euro and global equities however today copper prices, which are trading at higher levels couldn't sustain above \$7200 as fall in China's equities after a six day rally weakened metals demand and the global economy. The equities were dragged down mainly by lenders and developers on worries that banks would not recoup all their loans to the local government.
- Nickel prices hit an 8-week high of \$20,800/tonne on the LME before closing to \$20,475/tonne due to improved macroeconomic sentiments. Nickel inventories dipped for the 34th session in the row declining by 552 tonnes to reach 116,262 tonnes yesterday.
- New home sales data from the US for the month of June helped Copper to hold gains. The Commerce Department said sales rebounded by more than expected in June. The report showed that new home sales rose by 23.6 percent to an annual rate of 330,000 in June from the revised May rate of 267,000.
- Today, US consumer confidence and Richmond manufacturing index data will be released, any positive numbers may help metal prices to trade higher.

Technical View

- MCX Copper (Aug) has strong support at 327 with resistance at 334
- Nickel has resistance at 960 with support at 980
- Zinc support lies at 89 and resistance at 90.50
- Lead has support at 92.50 & resistance at 93.50

CRUDE OIL AND NATURAL GAS



Fundamental View

- Crude oil futures traded up near \$79 on positive economic outlook backed by strong home sales data and positive equity indices on better earnings data. The data yesterday showed that the new home sales increased in June 2010 by 3.3 million from prior 3 million restoring economic recovery optimism.
- Natural gas futures also traded higher near \$4.65 on warmer weather backed by fresh buying on higher demand expectations. The near term temperature for US weather is expected to remain above normal levels and which may continue the upside move in natural gas market

Technical View

- The strong resistance for crude oil lies at \$80 with support at \$77, MCX Crude oil (July) resistance lies near 3760 with support at 3640.
- MCX Natural gas (July) resistance at 221, support at 214.

E C O N O M I C D A T A

Date	Country	Event	Time	Consensus	Previous	Actual
26/07/2010	Japan	Merchnds Trade Exports YoY (JUN)	5:20	23.5	32.1	27.7
	Japan	Merchnds Trade Imports YoY (JUN)	5:20	24.7	33.4	26.1
	USA	Chicago Fed Nat Activity Index (JUN)	18:00	- -	0.21	-0.63
	USA	New Home Sales (JUN)	19:30	320K	300K	330K
27/07/2010	India	India REPO Cutoff Yld (27-Jul)	11:15	5.75%	5.50%	--
	India	Reverse Repo Rate (27-Jul)	11:15	4.25%	4.00%	--
	India	Cash Reserve Ratio (27-Jul)	11:15	6.00%	6.00%	--
	Europe	Euro-Zone M3 s.a. (YoY) (JUN)	13:30	-0.10%	-0.20%	--
	USA	S&P/CaseShiller Home Price Ind (MAY)	18:30	- -	144.56	--
	USA	Consumer Confidence (JUL)	19:30	52	52.9	--

L M E W A R E H O U S E S T O C K S

Commodity	WareHouse Stocks	+/- Change	Cancelled Warrants	+/- Change
Aluminium	4399775	-4875	241875	-2300
Copper	413800	-2475	30725	-2800
Nickel	115950	-312	4506	-150
Zinc	620300	-300	4175	-3450
Lead	183175	375	22300	-300

E X C H A N G E M O V E M E N T

MCX / NCDEX MOVEMENT

Commodity	Contract	Open	High	Low	Close	% Change	Open Interest	Volume
Gold	Aug	18255.00	18274.00	18113.00	18144.00	-0.60	18055	12935
Silver	Sep	29160.00	29225.00	28950.00	29169.00	0.14	19077	35437
Copper	Aug	330.60	334.80	328.05	333.90	0.97	37728	50545
Nickel	July	956.40	971.80	950.00	969.90	1.23	10781	28694
Lead	July	89.50	90.45	88.85	90.30	1.05	6012	9193
Zinc	July	91.75	93.40	91.10	93.20	1.52	7393	8664
Steel	July	23900.00	24030.00	23850.00	23880.00	0.67	74710	5100
Crude Oil	Aug	3719.00	3728.00	3671.00	3707.00	-0.27	31121	32246
Natural Gas	July	214.40	217.30	212.10	216.40	0.09	3569	2942

INTERNATIONAL MOVEMENT

Commodity	Contract	Open	High	Low	Close	% Change	Open Interest	Volume
Gold	COMEX	1192.00	1198.40	1182.40	1187.00	-0.39	254284	16269.00
Silver	COMEX	18.03	18.20	18.03	18.20	0.55	129	35437
Copper	LME	7044.50	7149.15	6985.00	7149.00	1.69	30725	8754
	COMEX	319.75	323.80	316.60	322.30	1.19	76952	5440
Nickel	LME	20310.00	20810.00	20310.00	20800.00	2.19	4506	872
Zinc	LME	1920.00	1955.00	1915.50	1954.00	2.50	22300	2412
Lead	LME	1970.00	2015.25	1965.00	2015.00	1.81	4175	546
Crude Oil	NYMEX	78.98	79.33	78.06	78.98	0.00	367922	11662
Natural Gas	NYMEX	4.56	4.63	4.51	4.61	0.70	20019	315

TECHNICAL LEVELS

Commodity	Contract	S3	S2	S1	R1	R2	R3
Gold	Aug	17919	18016	18080	18241	18338	18402
Silver	Sep	28729	28840	29004	29279	29390	29554
Copper	Aug	323.0	325.5	329.7	336.5	339.0	343.2
Nickel	July	934.2	942.1	956.0	977.8	985.7	999.6
Lead	July	87.7	88.3	89.3	90.9	91.5	92.5
Zinc	July	89.4	90.3	91.7	94.0	94.9	96.3
Steel	July	23630.0	23740.0	23810.0	23990.0	24100.0	24170.0
Crude Oil	Aug	3619.0	3645.0	3676.0	3733.0	3759.0	3790.0
Natural Gas	July	208.0	210.1	213.2	218.4	220.5	223.6

INTRADAY CALLS COVERED

Commodity	Reco	Time	Reco. Price	Covering Price	Time	Gain /loss	Lot size	Margin %	Margin Money	Per contract	ROI (%)	Target Achieved
Gold	Long	18:23	18650	18630	19:03	-20	100	4	74600	-2000	-2.68	SL Trgd
Crude oil	Long	18:41	3700	3720	19:32	20	100	5.5	20350	2000	9.83	Achieved
Nickel	Long	12:50	969	960.0	17:10	-9	250	6.14	14874	-2250	-15.13	SL Trgd
Copper	Long	19:39	334	333.9	11:30	-0.1	1000	6	20040	-100	-0.50	CL Price
Lead	Long	12:30	92.15	92.25	17:30	0.10	5000	7.64	35201	500	1.42	Booked
Gold	Long	16:20	18235	18215	16:55	-20	100	4	72940	-2000	-2.74	SL Trgd
Gold	Short	19:12	18210	18185	19:32	25	100	4	72840	2500	3.43	Achieved
Gold	Short	19:36	18160	18135	19:39	25	100	4	72640	2500	3.44	Achieved
Gold	Short	19:45	18120	18140	21:00	-20	100	4	72480	-2000	-2.76	SL Trgd
Silver	Short	19:35	29169	29180	19:00	-11	30	5.74	50110	-330	-0.66	SL Trgd
Zinc	Short	17:36	89.4	90	19:32	-0.60	5000	7.64	34151	-3000	-8.78	SL Trgd
Crude oil	Short	13:28	3705	3694	14:07	11	100	5.5	20378	1100	5.40	Booked
Gold	Short	11:50	18230	18255	13:02	-25	100	4	72920	-2500	-3.43	SL Trgd

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