


28th July 2010

Commodity Daily

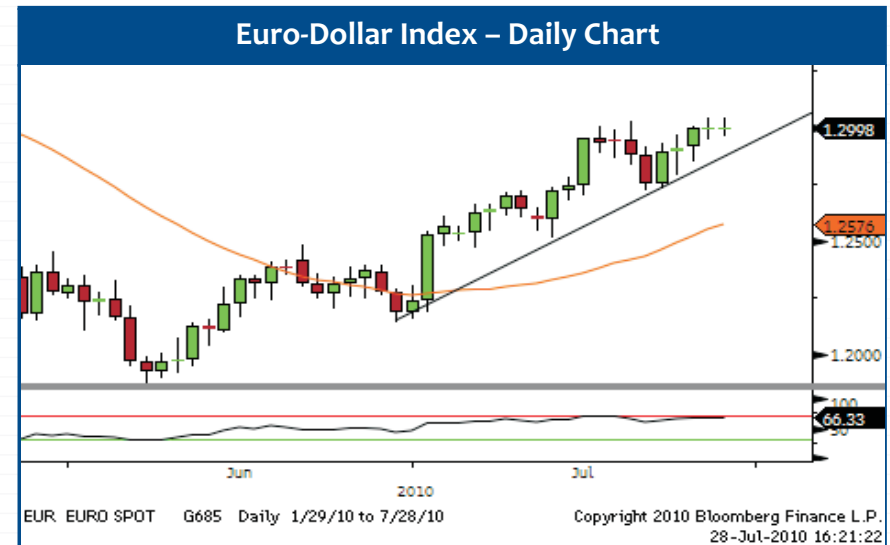
ENERGY AND METALS UPDATE

ANALYSIS & VIEW

Gold - Gone with the wind

-  Stabilization in sovereign crisis in the Euro-zone weighed on gold and the yellow metal tumbled in NY session despite little changes in the euro and equities. Recent strength in the euro and decline in CDS signal market sentiment has improved while reduction in ECB's purchases of euro-zone government bonds indicates risks have diminished.
-  Gold's rally in May and June was mainly due to worries over Euro-zone's sovereign crisis and potential disintegration of the Euro but there worries have markedly diminished. Gold came under pressure at the start of US trade yesterday in reaction to weak confidence data and it slipped to a 3-month low of \$1157 and closing down 2.2% at \$1160. Physical buying interest has given gold an initial lift this morning however with gold having failed to hold the \$1166 level and with broader risk appetite continuing to rise gold may now look to challenge the 200DMA (\$1150).
-  Crude oil slumped after failing to re-test 80. The front-month WTI contract plummeted to as low as 76.79 before recovering to 77.5 at close. The contract lost -1.87% yesterday. Ahead of the official report by the US Energy Department, the industry-sponsored API showed surprising crude inventory build. Economic data and the results of the Beige book will continue to lend direction to Copper today, but clearance of the May 10th high at \$7206 would open the way to challenge the \$7500 area.

DOLLAR



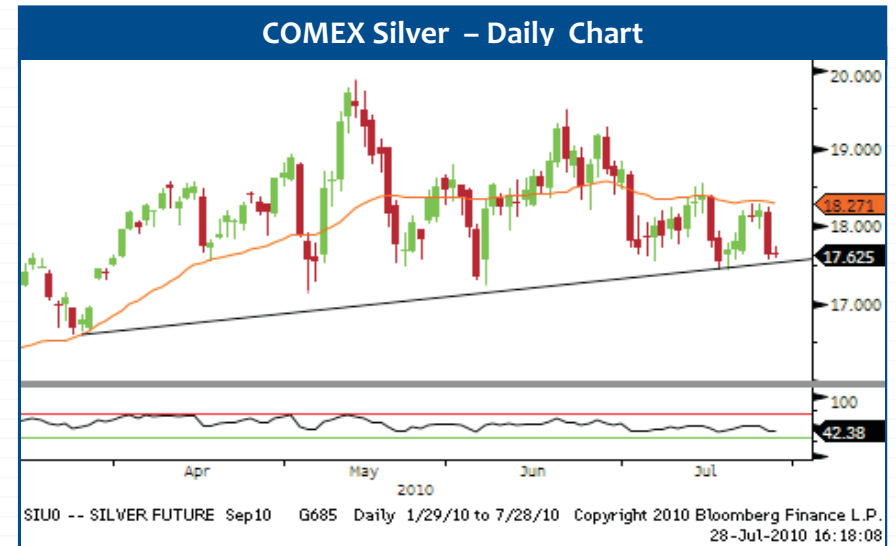
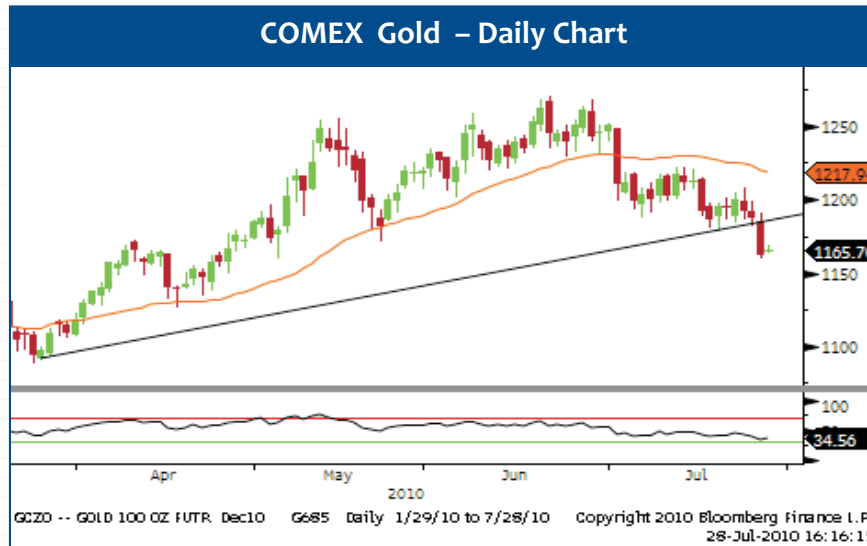
Fundamental View

- Orders for durable goods probably increased in June for the sixth time in the past seven months, showing business spending is supporting the U.S. recovery 1.0% against the prior of -1.1%
- Euro rallied yesterday and continued its northward journey on the back of positive Economic data from Germany and EC as well as boosted investor confidence after the positive stress results.

Technical View

- The euro's almost 2 percent rally since July 21 may extend to the 200-day moving average of \$1.3618 provided the 16-nation currency breaks above resistance around the \$1.31
- Dollar has a support level of 81 with the resistance level of 83.50

GOLD & SILVER



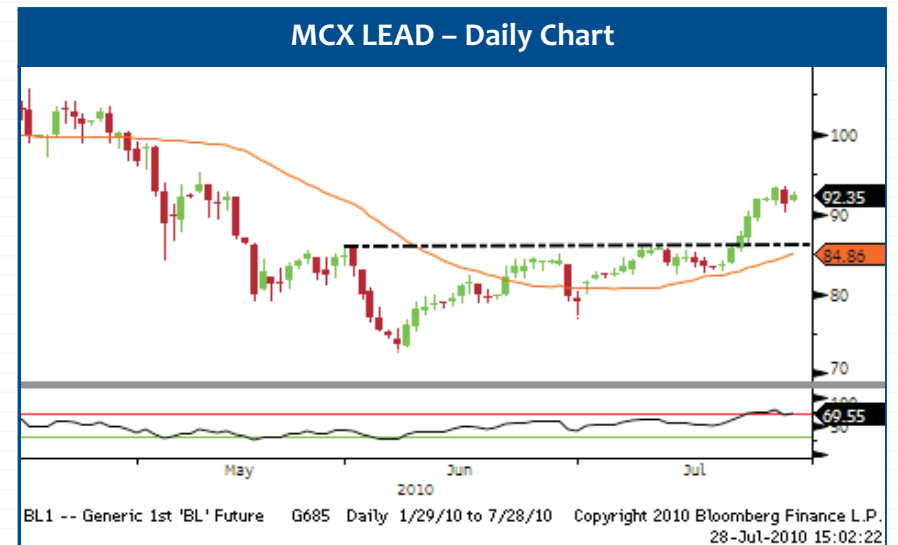
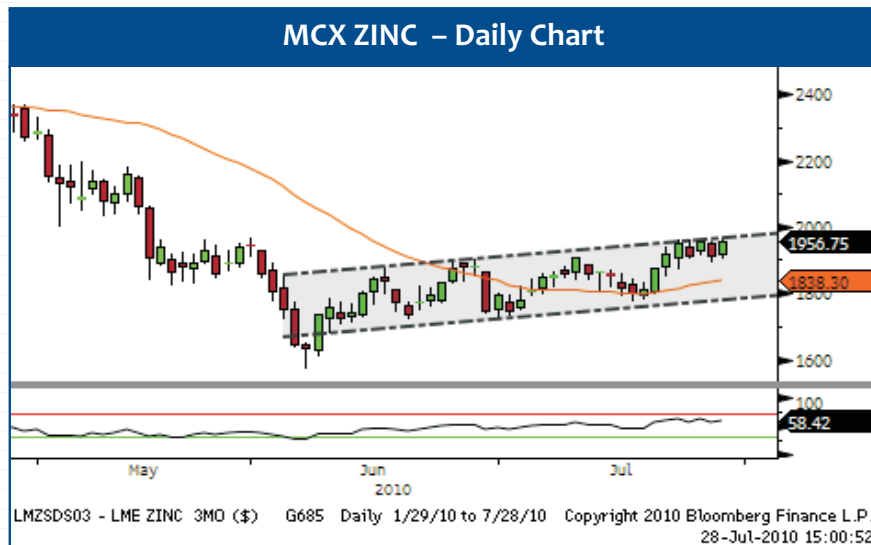
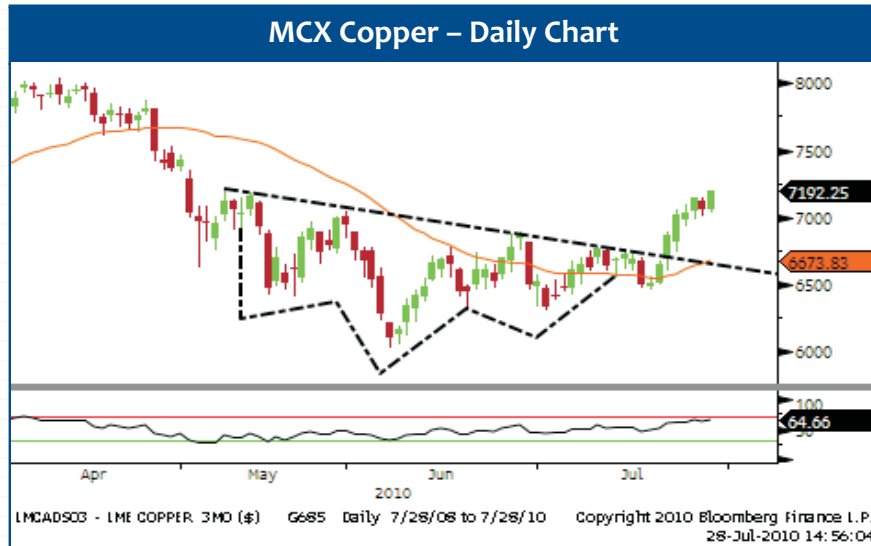
Fundamental View

- Rising Euro on the back of positive economic signals as well as rallying equity market infused investors' money into another investment forms resulting into the 2.2% loss on the daily basis.
- Gold holdings by SPDR, world's largest bullion backed ETF has come to stand at 1300.829 indicating the liquidating buying interest of big investors.

Technical View

- Yellow metal slid below its 100-day moving average and yesterday dropped below a 21-month trend line driving towards the strong support level of \$1,148 and then to \$1,127 with the resistance for the day being \$1168/oz. Silver is some what strong supported by base metals with the support level of \$17.48 with the corresponding resistance of \$18.25
- Buy MCX Gold (Aug) above 17780 SL 17720 TGT 17850
- Sell Silver (Sept) above 28300 SL 28580 TGT 28000

BASE METALS



BASE METALS

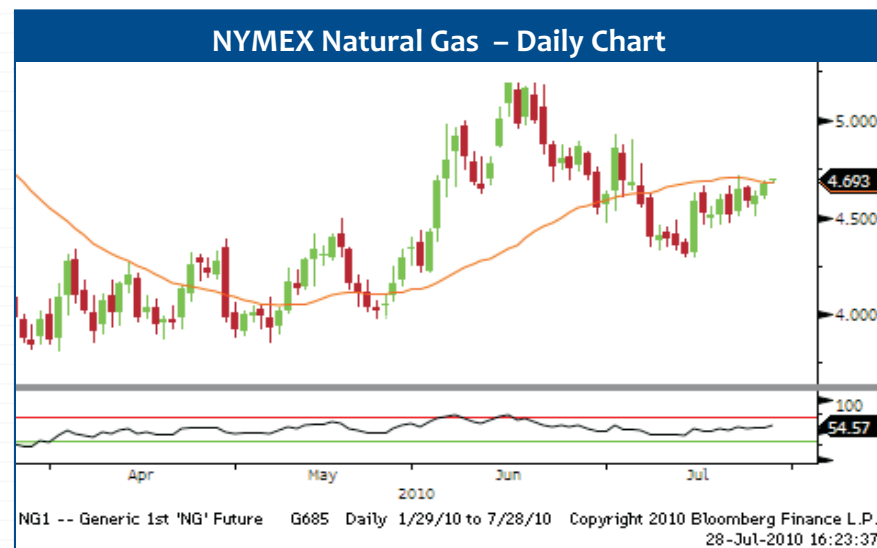
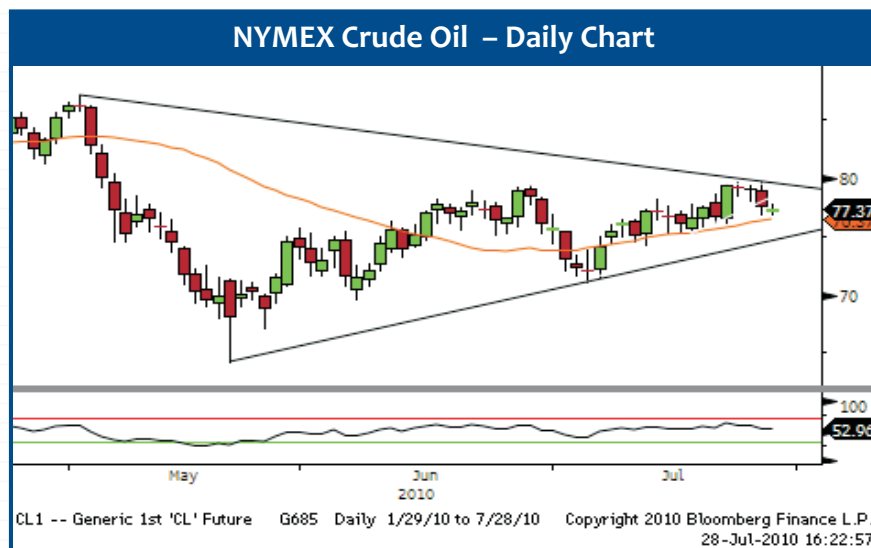
Fundamental View

- Base metals prices again traded with positive bias after witnessing selling pressure on weak US consumer confidence data however prices soared up as shares in Hong Kong and Shanghai rose after china's central bank ruled out any big policy changes in the coming months and said while economic growth would slow, there would be no double-dip. US Consumer confidence in the US tumbled from 54.3 in June to 50.4 in July and was less than forecasts of 51.3. The Richmond manufacturing Index reported figures of 16 in July from the previous 23 in June.
- Copper rose to an 11-week high in London to \$7200 as remarks from China's central bank fueled optimism about the outlook for demand in the world's largest consumer of the metal. China has "good" economic fundamentals, the People's Bank of China said on its website yesterday, helping to lift the Shanghai Composite Index of equities to a two-month high. Lead and Zinc prices also witnessed positive trend along with copper.
- A report today may show that orders for durable goods in the U.S., the second-biggest copper user, climbed in June for the sixth time in seven months.

Technical View

- MCX Copper (Aug) has strong support at 330 with resistance at 336
- Nickel has resistance at 950 with support at 970
- Zinc support lies at 89 and resistance at 91
- Lead has support at 91.50 & resistance at 93

CRUDE OIL AND NATURAL GAS



Fundamental View

- Crude oil futures pared gains fell almost 2% on previous day traded near \$77 today on poor consumer confidence data pressure by unexpected rise in crude oil stockpiles. Oil prices weaken after US data showed consumer confidence data for July 2010 at 50.4 against prior 52.9 despite positive home price index.
- The American Petroleum Institute reported today in its weekly inventory estimates that crude oil inventories rose by 3.08 mb against prior fall of 0.24 mb despite lower imports while gasoline stockpiles also climb by 0.87 mb.
- Natural gas futures kept momentum trading higher near \$4.68 on hot weather backed by fresh buying on higher demand in physical market. 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 while the growing supplies might be a major concern for downside.

Technical View

- The strong resistance for crude oil lies at \$79.50 with support at \$75, MCX Crude oil (July) resistance lies near 3680 with support at 3560.
- MCX Natural gas (July) resistance at 224, support at 216.

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

Date	Country	Event	Time	Consensus	Previous	Actual
27/07/2010	India	India REPO Cutoff Yld (27-Jul)	11:15	5.75%	5.50%	5.75%
	India	Reverse Repo Rate (27-Jul)	11:15	4.25%	4.00%	4.50%
	India	Cash Reserve Ratio (27-Jul)	11:15	6.00%	6.00%	6.00%
	USA	S&P/CaseShiller Home Price Ind (MAY)	18:30	- -	144.56	146.43
	USA	Consumer Confidence (JUL)	19:30	52	52.9	50.4
28/07/2010	USA	ABC Consumer Confidence (25-Jul)	2:30	- -	-45	--
	USA	MBA Mortgage Applications (23-Jul)	16:30	- -	7.60%	--
	USA	Durable Goods Orders (JUN)	18:00	0.80%	-0.60%	--

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	4395125	-4650	237225	-4650
Copper	411425	-2375	32775	2050
Nickel	116334	384	4374	-132
Zinc	619725	-575	4200	25
Lead	183350	175	21850	-450

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	18130.00	18153.00	17736.00	17754.00	-2.15	14936	15311
Silver	Sep	29149.00	29149.00	28393.00	28458.00	-2.43	23311	35437
Copper	Aug	333.30	333.65	328.50	331.40	-0.76	42862	59704
Nickel	July	969.20	976.60	948.00	958.00	-1.23	9417	21752
Lead	July	90.10	90.35	87.75	88.50	-2.03	5139	12248
Zinc	July	93.05	93.40	90.40	91.25	-2.12	5523	6270
Steel	July	23890.00	23930.00	23720.00	23750.00	-0.55	74210	3850
Crude Oil	Aug	3703.00	3718.00	3610.00	3624.00	-2.25	24174	39721
Natural Gas	Aug	217.00	218.90	216.20	217.10	0.33	6089	3783

INTERNATIONAL MOVEMENT

Commodity	Contract	Open	High	Low	Close	% Change	Open Interest	Volume
Gold	COMEX	1185.30	1190.20	1160.80	1161.80	-2.13	287966	22520.00
Silver	COMEX	18.17	18.21	17.60	17.62	-3.16	111	35437
Copper	LME	7117.00	7145.00	7016.00	7059.00	-1.28	32775	5495
	COMEX	322.75	323.65	317.60	320.65	-0.52	76933	6699
Nickel	LME	20701.00	20975.00	20325.00	20545.00	-1.23	4374	618
Zinc	LME	1950.00	1954.75	1895.00	1909.00	-2.37	21850	3705
Lead	LME	2017.00	2018.00	1955.00	1977.00	-1.91	4200	727
Crude Oil	NYMEX	78.92	79.69	76.79	77.50	-1.88	376363	17280
Natural Gas	NYMEX	4.61	4.69	4.60	4.68	1.37	11156	247

TECHNICAL LEVELS

Commodity	Contract	S3	S2	S1	R1	R2	R3
Gold	Aug	17192	17464	17609	18026	18298	18443
Silver	Sep	27428	27911	28184	28940	29423	29696
Copper	Aug	323.6	326.0	328.7	333.9	336.3	339.0
Nickel	July	916.5	932.3	945.1	973.7	989.5	1002.3
Lead	July	84.8	86.3	87.4	90.0	91.5	92.6
Zinc	July	87.0	88.7	90.0	93.0	94.7	96.0
Steel	July	23460.0	23590.0	23670.0	23880.0	24010.0	24090.0
Crude Oil	Aug	3475.3	3542.7	3583.3	3691.3	3758.7	3799.3
Natural Gas	Aug	213.2	214.7	215.9	218.6	220.1	221.3

INTRADAY CALLS COVERED

Commodity	Reco	Time	Reco. Price	Covering Price	Time	Gain /loss	Lot size	Margin %	Margin Money	Per contract	ROI (%)	Target Achieved
Gold	Short	18:37	18000	17975	18:41	25	100	4	72000	2500	3.47	Achieved
Gold	Short	18:43	17975	17950	18:41	25	100	4	71900	2500	3.48	Achieved
Gold	Short	18:37	17930	17900	19:12	30	100	4	71720	3000	4.18	Achieved
Gold	Short	19:14	17880	17855	19:40	25	100	4	71520	2500	3.50	Achieved
Silver	Short	18:44	28980	28880	18:50	100	30	5.74	49904	3000	6.01	Achieved
Silver	Short	18:56	28850	28720	19:15	130	30	5.74	49680	3900	7.85	Achieved
Silver	Short	19:30	28700	28600	19:40	100	30	5.74	49421	3000	6.07	Achieved
Silver	Short	20:15	28400	28480	20:24	-80	30	5.74	48905	-2400	-4.91	SL Trgd
Silver	Short	20:55	28400	28480	10:15	-80	30	5.74	48905	-2400	-4.91	SL Trgd
Lead	Short	18:49	92.1	91.3	19:45	0.80	5000	7.64	35182	4000	11.37	Achieved
Lead	Short	20:33	91.2	90.5	20:45	0.70	5000	7.64	34838	3500	10.05	Achieved
Zinc	Short	19:15	88.8	88	19:45	0.80	5000	7.64	33922	4000	11.79	Achieved
Silver	Short	19:38	28570	28450	20:11	120	30	5.74	49198	3600	7.32	Achieved
Gold	Short	19:50	17850	17820	20:10	30	100	4	71400	3000	4.20	Achieved
Gold	Short	20:14	17800	17760	20:20	40	100	4	71200	4000	5.62	Achieved
Crude oil	Short	19:57	3670	3640	20:45	30	100	5.5	20185	3000	14.86	Achieved
Copper	Short	19:38	330	331.4	11:30	-1.4	1000	6	19800	-1400	-7.07	Closing
Zinc	Short	20:41	87.9	88.4	21:10	-0.50	5000	7.64	33578	-2500	-7.45	SL Trgd
Copper	Short	12:24	331.4	333	16:30	-1.6	1000	6	19884	-1600	-8.05	SL Trgd
Aluminium	Short	12:31	95.1	95.7	17:30	-0.6	5000	5.05	27563	-3000	-10.88	SL Trgd
Gold	Short	16:08	18040	18060	16:30	-20	100	4	72160	-2000	-2.77	SL Trgd
Crude oil	Short	11:56	3694	3714	18:45	-20	100	5.5	20317	-2000	-9.84	SL Trgd
Natural Gas	Long	19:22	218.3	216.5	20:45	-1.8	1250	8.25	22512	-2250	-9.99	SL Trgd

OUR TEAM

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