

30th July 2010

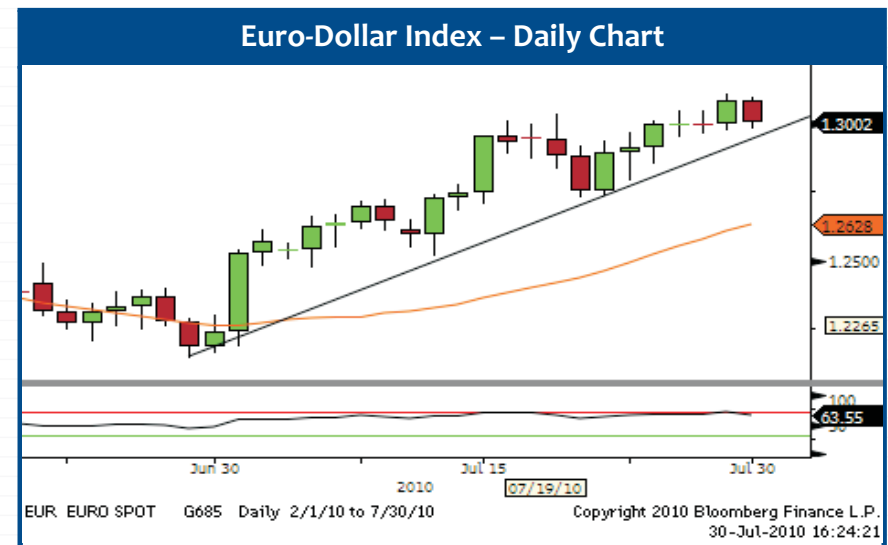
Commodity Daily

ENERGY AND METALS UPDATE

ANALYSIS & VIEW

-  The dollar plunged to a 12-week low against the euro as economic data in the US has been mixed but biased to the downside while that in the Euro zone has shown improvement after enduring a tough period. At the same time, concerns over sovereign crisis in peripheral European countries continue to diminish as debt-ridden economies have been actively implementing fiscal consolidations measures and economic indicators have been better-than-expected.
-  Crude prices dropped today to trade below \$78 per barrel as stocks also managed to slide and thereby reflecting poor sentiment in markets. Gold might be heading for the biggest monthly drop this year, after recording a historic high of \$1265.30 an ounce in June. Confidence among investors continue on supporting risk appetite thus, traders are targeting more high yielding assets and stocks, while discarding trades in low yielding assets and commodities, as both are considered a safe investment.
-  Technical and fund buying coupled with a further decline in inventories for most base metals boosted copper above \$7200 to a high of \$7283; aluminium to a 10week high of \$2113, while lead and zinc hit their best levels since mid-May touching highs of \$2057 & \$2005 respectively.
-  A mixed start has been seen so far although the overall tone is a cautious one ahead of today's data, particularly the US GDP reading. The complex will be looking to broader risk sentiment for direction in the coming sessions but with most of the metals having cleared overhead resistance, the technical's suggesting further upside momentum and inventories continuing to decline there is scope for further gains with copper potentially set to target the \$7500 area

DOLLAR



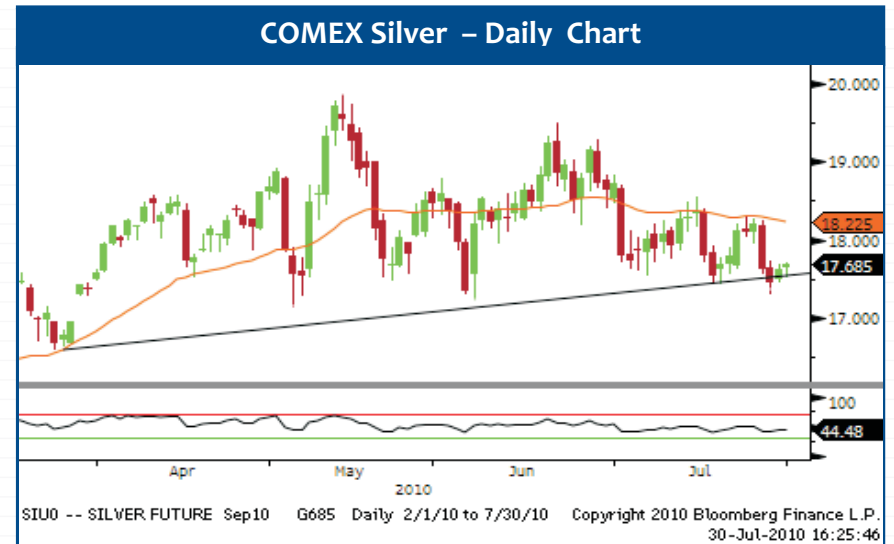
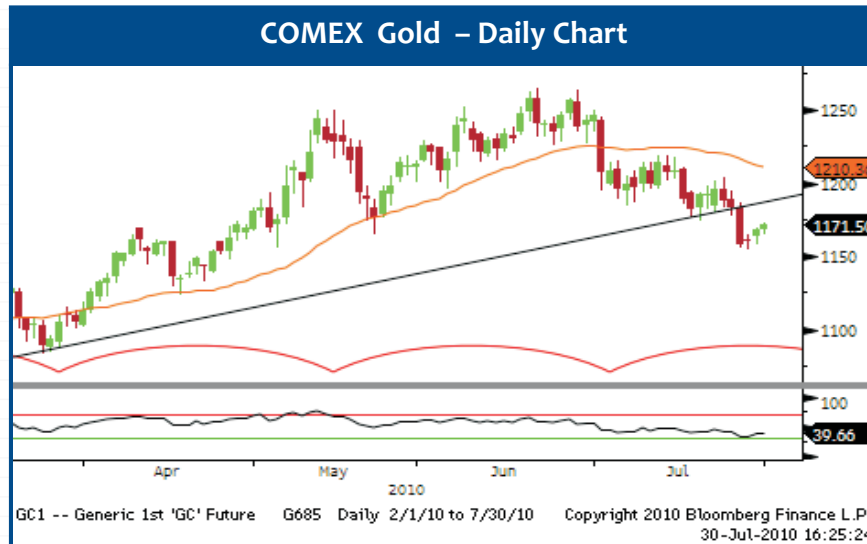
Fundamental View

- The Euro today lost some ground chopped between the negative news of Spain probably losing its Aaa credit rating and the positive once be European inflation accelerated to 2.1% the fastest pace in more than 1 1/2 years and unemployment in Germany held at the highest in almost 12 years.
- US Dollar gained some strength on the back of positive Initial jobless claims as well as slight optimized view of investors on the back rising equities.

Technical View

- Euro halted in continuing rally extended to the 200-day moving average of \$1.3618 provided the 16-nation currency breaks above resistance around the \$1.31 with the corresponding support level of \$1.29
- Dollar has a support level of 80 with the resistance level of 81.70

GOLD & SILVER



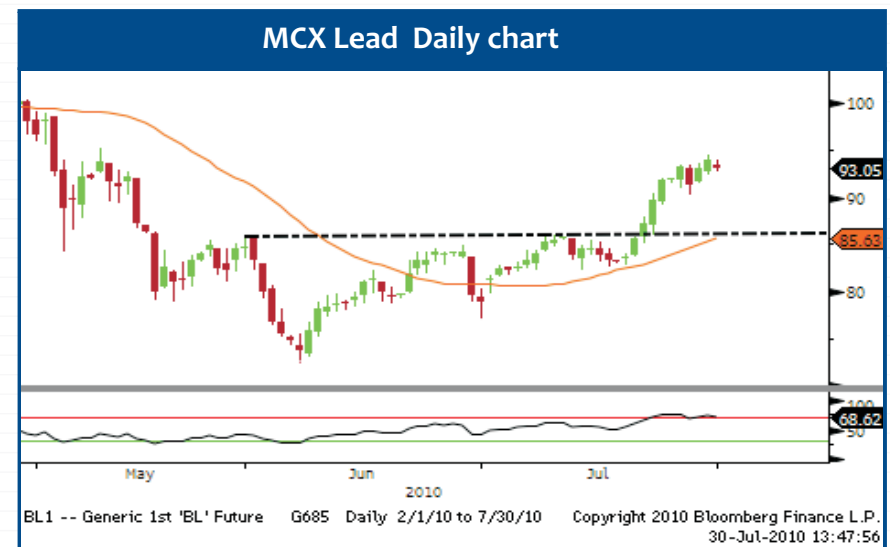
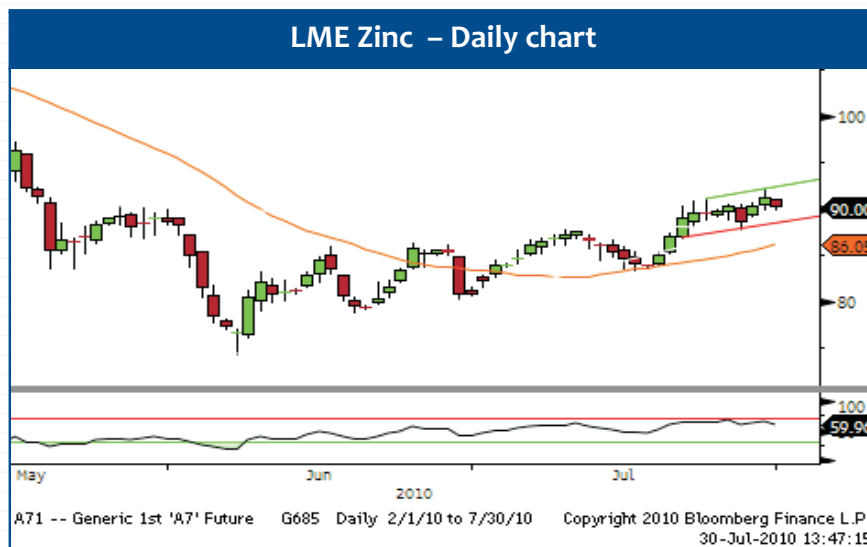
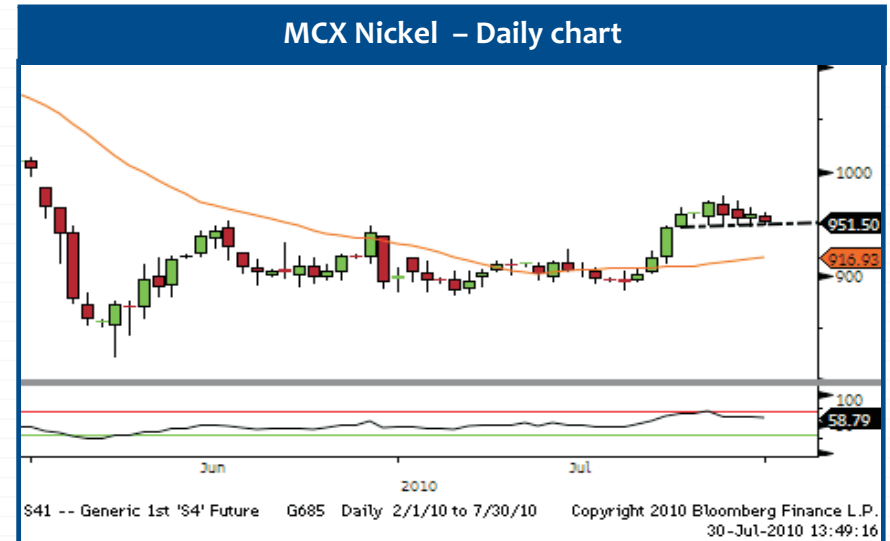
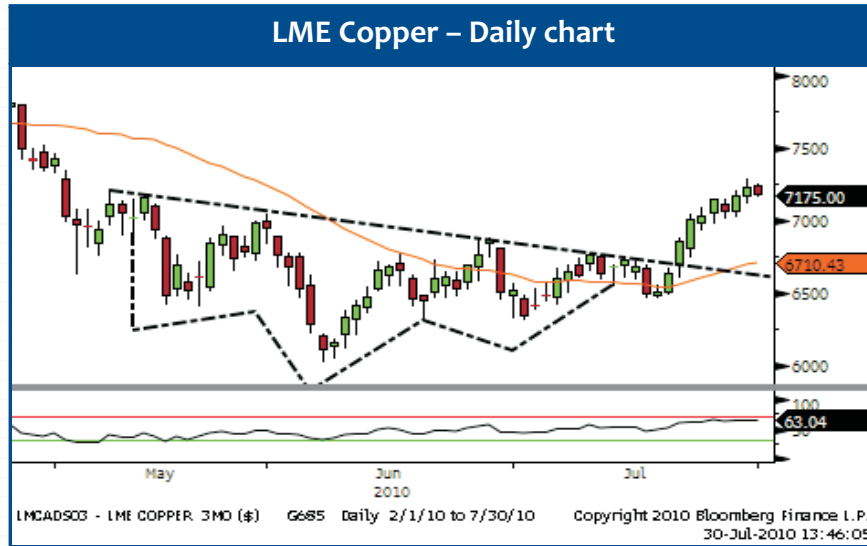
Fundamental View

- The biggest monthly decline in the yellow metal of the year as well as some negatives of will increase the bids. Bullion is set for a third weekly drop and the first monthly slide since March. Prices have slumped 5.9 percent in July, the most since December's 7 percent retreat, and this week fell to a 12-week low as holdings in gold-backed exchange-traded funds slid.
- The International Monetary Fund's gold holdings fell 17.4 metric tons in June to 2,933.9 tons, where as Russia's gold assets increased 6.56 tons in June to 709.8 tons, as per the organization's web site details.

Technical View

- Yellow metal slid below its 100-day moving average driving towards the strong support level of \$1,148 and then to \$1,127 with the resistance for the day being \$1175/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 17800 SL 17720 TGT 17900
- Buy Silver (Sept) above 28380 SL 28100 TGT 28900

BASE METALS



BASE METALS

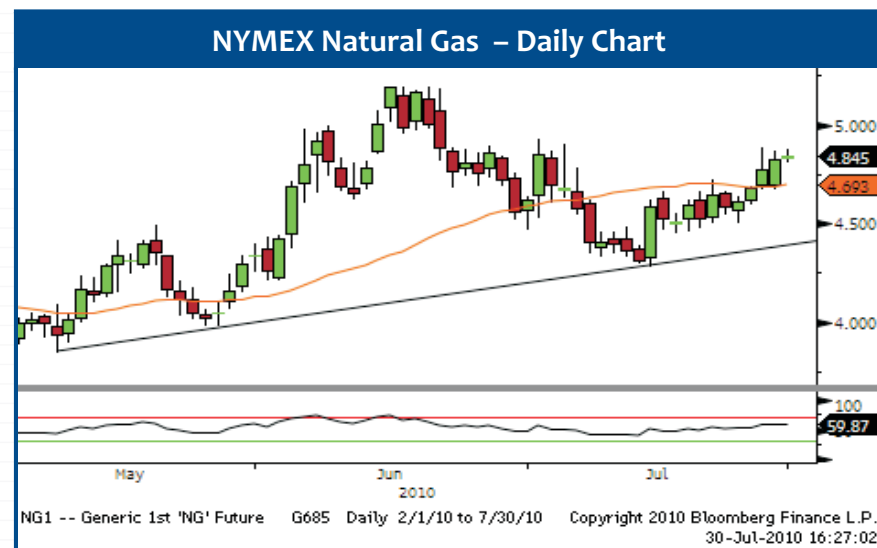
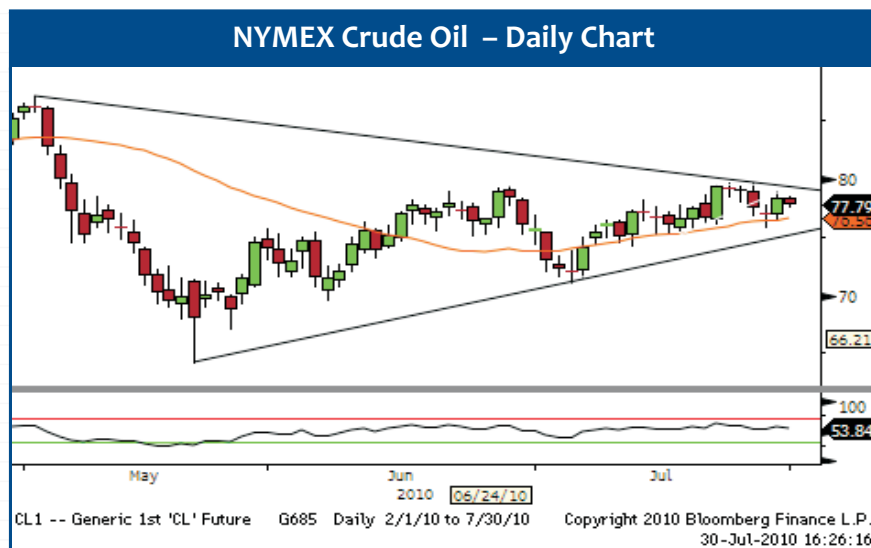
Fundamental View

- Base metals prices witnessed some profit booking at higher levels however still firm trend intact in prices. Copper prices made new high of \$7287 on the LME and rising euro against dollar. Sliding inventories and increasing cancelled warrants adding support to prices. LME Nickel prices sustained near \$20500, while lead and zinc also trading near \$2000 level. Today, somewhat correction is expected in base metal prices.

Technical View

- MCX Copper (Aug) has strong support at 333 with resistance at 338
- Nickel has resistance at 970 with support at 955
- Zinc support lies at 91 and resistance at 93
- Lead has support at 93 & resistance at 95

CRUDE OIL AND NATURAL GAS



Fundamental View

- Crude oil futures traded steadied above \$77 after rising on previous trading session on positive equity indices supported by better economic outlook on slightly improved jobless data from US.
- Investors are paused for today's important data of US GDP and personal consumption as the evidence of continuing trend for economic recovery.
- Natural gas futures witnesses heavy buying traded above \$4.850 after EIA reported smaller than expected inventory build in its weekly storage report. Natural gas stockpiles rose by 28 Bcf against expectation of build of 32 Bcf compare to prior increase of 51 Bcf.

Technical View

- The strong resistance for crude oil lies at \$80 with support at \$76, MCX Crude oil (July) resistance lies near 3680 with support at 3560.
- MCX Natural gas (July) resistance at 230, support at 223.

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

Date	Country	Event	Time	Consensus	Previous	Actual
29/07/2010	India	Primary Articles WPI YoY (17-Jul)	12:00	--	16.48%	14.50%
	India	Fuel Power Light WPI YoY (17-Jul)	12:00	--	14.27%	14.29%
	UK	Net Consumer Credit (JUN)	14:00	0.2B	0.3B	-0.1B
	UK	Mortgage Approvals (JUN)	14:00	48.0K	49.8K	47.6K
	Europe	Business Climate Indicator (JUL)	14:30	--	0.37	0.66
	USA	Initial Jobless Claims (24-Jul)	18:00	--	464K	457K
	USA	Continuing Claims (17-Jul)	18:00	--	4487K	4565K
30/07/2010	Japan	Nomura/JMMA Manufacturing PMI	4:45	--	53.9	--
	Japan	Natl CPI YoY (JUN)	5:00	-0.70%	-0.90%	--
	Japan	Industrial Production YOY% (JUN P)	5:20	18.80%	20.40%	--
	Japan	Housing Starts (YoY) (JUN)	10:30	2.20%	-4.60%	--
	Europe	Euro-Zone Unemployment Rate (JUN)	14:30	10.00%	10.00%	--
	Europe	Euro-Zone CPI Estimate (YoY) (JUL)	14:30	1.90%	1.40%	--
	USA	GDP QoQ (Annualized) (2Q A)	18:00	2.50%	2.70%	--
	USA	Personal Consumption (2Q A)	18:00	2.30%	3.00%	--
	USA	GDP Price Index (2Q A)	18:00	1.10%	1.10%	--
	USA	Core PCE QoQ (2Q A)	18:00	1.00%	0.70%	--
	USA	Employment Cost Index (2Q)	18:00	0.50%	0.60%	--
	USA	U. of Michigan Confidence (JUL F)	19:25	67.5	66.5	--

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	4385300	-5325	230625	-2725
Copper	413500	1975	32675	-2975
Nickel	117498	720	5358	534
Zinc	620350	625	4025	-125
Lead	184150	325	21325	-150

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

M C X / N C D E X M O V E M E N T

Commodity	Contract	Open	High	Low	Close	% Change	Open Interest	Volume
Gold	Aug	17758.00	17818.00	17660.00	17762.00	-0.06	10912	6953
Silver	Sep	28300.00	28354.00	28134.00	28271.00	0.05	25489	35437
Copper	Aug	334.80	338.35	333.65	337.40	0.59	41382	36227
Nickel	July	953.60	965.80	948.30	959.10	0.51	5359	15025
Lead	July	90.30	92.05	89.95	91.20	1.09	2897	3437
Zinc	July	92.75	94.45	92.50	93.85	0.85	3616	3782
Steel	July	23900.00	24040.00	23880.00	23930.00	-0.04	69410	13670
Crude Oil	Aug	3616.00	3675.00	3582.00	3652.00	1.07	21280	23788
Natural Gas	Aug	221.90	227.80	221.20	224.90	1.18	7287	3310

I N T E R N A T I O N A L M O V E M E N T

Commodity	Contract	Open	High	Low	Close	% Change	Open Interest	Volume
Gold	COMEX	1165.80	1172.00	1161.60	1171.20	0.76	338283	9092.00
Silver	COMEX	17.50	17.70	17.48	17.62	1.11	60312	35437
Copper	LME	7155.25	7283.00	7126.00	7230.50	0.84	32675	3463
	COMEX	323.75	329.70	322.65	329.00	1.36	75871	4041
Nickel	LME	20460.00	20850.00	20350.00	20675.00	1.31	5358	443
Zinc	LME	1964.00	2005.00	1950.00	1990.00	1.77	21325	2464
Lead	LME	2010.00	2057.00	2000.00	2050.00	1.59	4025	541
Crude Oil	NYMEX	76.89	78.89	76.45	78.36	1.76	356555	9706
Natural Gas	NYMEX	4.69	4.87	4.68	4.83	1.11	202086	955

TECHNICAL LEVELS

Commodity	Contract	S3	S2	S1	R1	R2	R3
Gold	Aug	17517	17589	17675	17833	17905	17991
Silver	Sep	27932	28033	28152	28372	28473	28592
Copper	Aug	329.9	331.8	334.6	339.3	341.2	344.0
Nickel	July	932.2	940.2	949.7	967.2	975.2	984.7
Lead	July	88.0	89.0	90.1	92.2	93.2	94.3
Zinc	July	90.8	91.7	92.8	94.7	95.6	96.7
Steel	July	23700.0	23790.0	23860.0	24020.0	24110.0	24180.0
Crude Oil	Aug	3504.7	3543.3	3597.7	3690.7	3729.3	3783.7
Natural Gas	Aug	214.9	218.0	221.5	228.1	231.2	234.7

INTRADAY CALLS COVERED

Commodity	Reco	Time	Reco. Price	Covering Price	Time	Gain /loss	Lot size	Margin %	Margin Money	Per contract	ROI (%)	Target Achieved
Crude oil	Long	19:08	3625	3650	19:09	25	100	5.5	19938	2500	12.54	Achieved
Crude oil	Long	19:13	3650	3675	20:29	25	100	5.5	20075	2500	12.45	Achieved
Aluminium	Long	15:08	97	96.4	23:30	-0.6	5000	5.05	27563	-3000	-10.88	SL Trgd
Zinc	Long	13:55	91.1	91.7	15:06	0.60	5000	7.64	34800	3000	8.62	Achieved
Copper	Long	14:32	336.2	337.2	17:45	1	1000	6	20172	1000	4.96	Booked
Gold	Long	12:02	17795	17765	13:10	-30	100	4	71180	-3000	-4.21	SL Trgd
Natural Gas	Long	12:36	222.5	225.5	18:29	3	1250	8.25	22945	3750	16.34	Achieved
Gold	Short	19:15	17675	17695	19:35	-20	100	4	70700	-2000	-2.83	SL Trgd
Gold	Short	17:50	17700	17675	19:15	25	100	4	70800	2500	3.53	Achieved
Natural Gas	Short	19:55	225	226.5	20:00	-1.5	1250	8.25	23203	-1875	-8.08	SL Trgd
Natural Gas	Short	20:20	223	222	20:48	1	1250	8.25	22997	1250	5.44	Exit
Zinc	Short	21:34	91.2	91.2	23:30	0.00	5000	7.64	34838	0	0.00	CI Price

O U R T E A M

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