



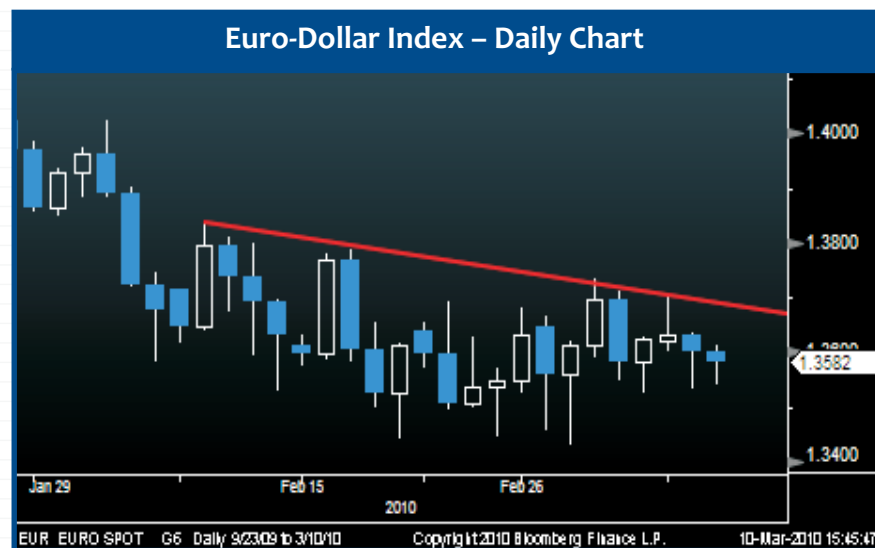
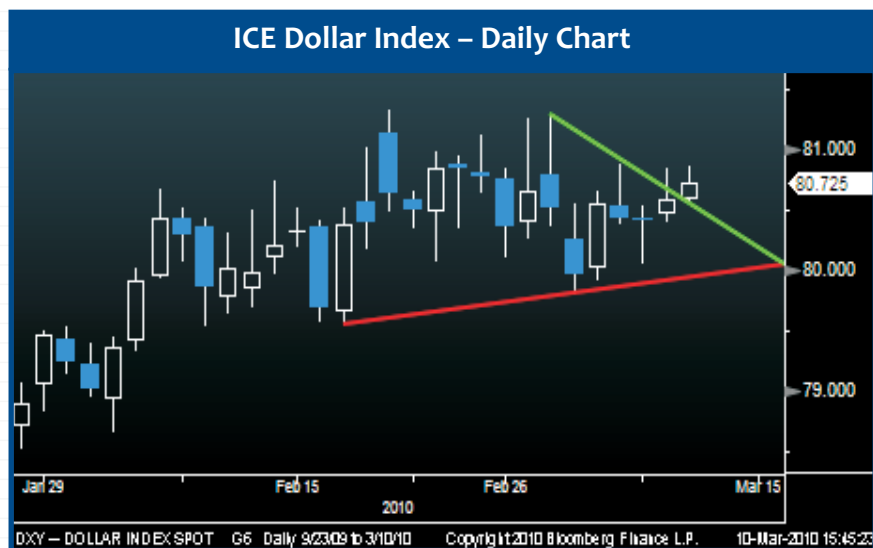
# Commodity Daily

**ENERGY AND METALS UPDATE**

**10<sup>th</sup> March 2010**

## ANALYSIS & VIEW

### DOLLAR



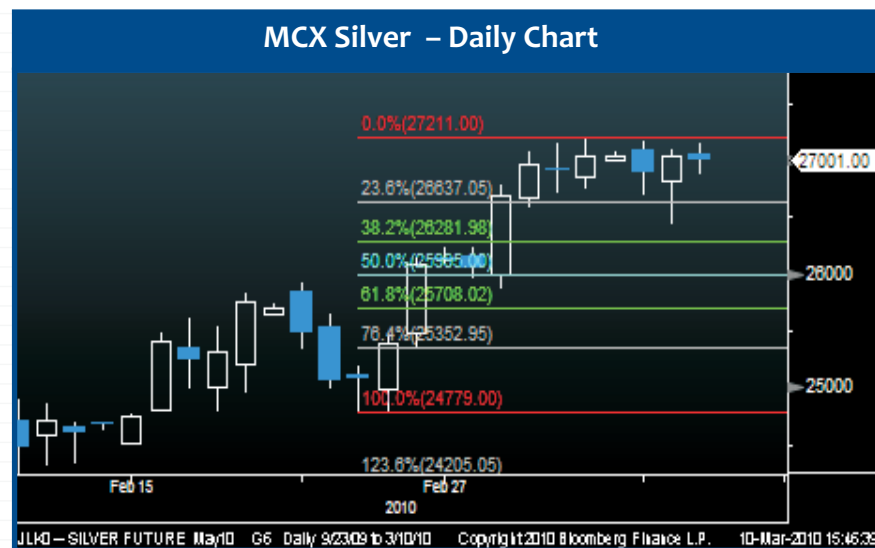
#### Fundamental View

- Dollar index pared losses today and rose towards 81 levels getting strength from weaker pound as a report showed U.K. manufacturing unexpectedly contracted.
- Data from the Office for National Statistics showed manufacturing output contracted 0.9% in January for the first time in five months while Industrial production fell by 0.40% in January 2010.
- The dollar index has recovered after yesterday's corrections we expect further pressure on commodities on stronger dollar outlook.

#### Technical View

- Dollar has support at 80.40 and resistance is at 81.20
- Euro has support at 1.3530 and resistance at 1.3640

## GOLD & SILVER



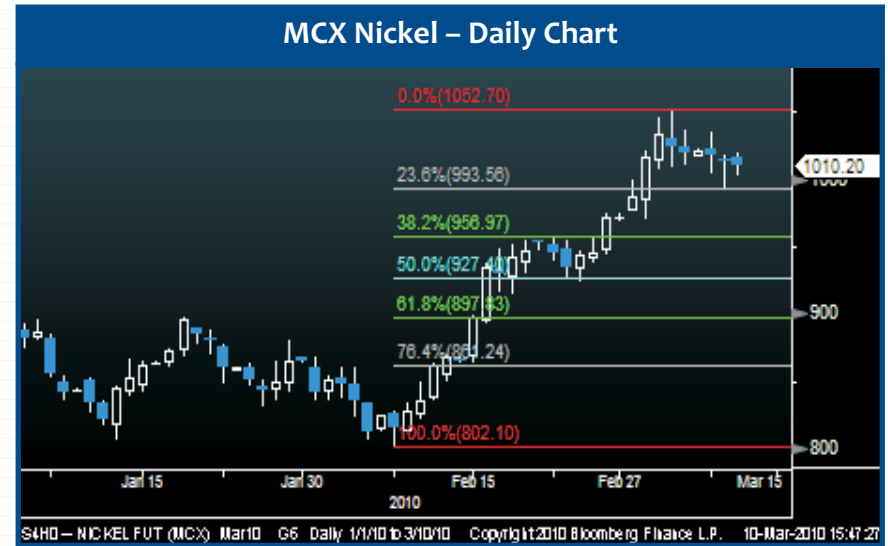
### Fundamental View

- Gold futures traded higher near \$1125 boosted buy fresh buying getting cues from China's trade balance boosting demand for metals.
- Silver prices rallied on strong base metals prices traded near \$17.40 on increasing industrial demand.
- Gold holdings in the SPDR Gold Trust, the biggest exchange-traded fund backed by the metal, were unchanged yesterday at 1,116.12 metric tons, according to the company's Web site.

### Technical View

- COMEX Gold Support: \$1110 & Resistance at \$1138  
MCX Gold (Apr) Support: Rs.16580 Resistance at Rs.16920
- COMEX Silver Support: \$16.70 Resistance at \$17.80.  
MCX Silver (March) Support: Rs.26800 Resistance at Rs.27350

**BASE METALS**



## BASE METALS

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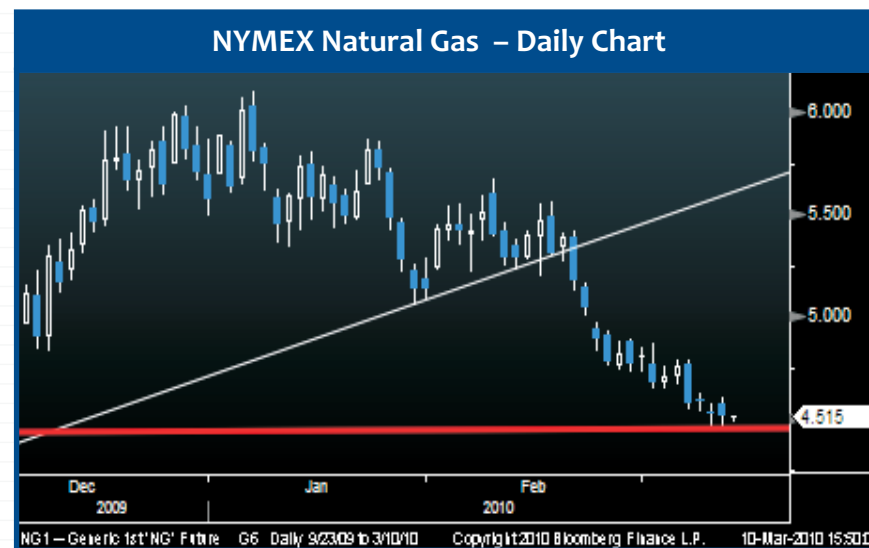
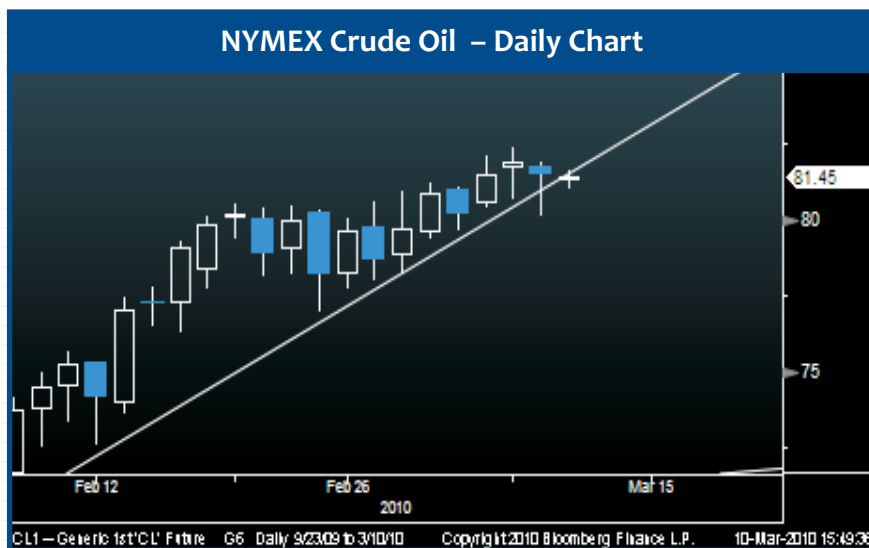
### Fundamental View

- Base metals prices yesterday traded with negative bias on stronger dollar, however recovered from lower levels on demand concerns. Copper imports from China rose in the month of February beating the expectations of traders.
- China's February imports of unwrought copper and semi-finished copper products rose 10.3 percent on the month to 322,282 tonnes. Analysts and traders had expected imports of copper and semi-finished copper products to be flat with or slightly lower from a month ago at about 282,000 tonnes in February.
- Russian nickel and copper exports rose in January this year from a year ago, both in tonnage and value, but aluminium export volumes and their value declined. The government lifted a 5 percent export tariff on copper cathodes and nickel from February 2009 to help major miner Norilsk Nickel and other producers of the two metals hit by the global economic crisis.
- Today, base metals may trade with sideways to positive, in industrial metals, particular zinc and lead looks strong, while nickel and copper may trade range bound.

### Technical View

- LME Copper Resistance: \$7700, Support: \$7300
- MCX Copper Support: 340 & Resistance: 345
- MCX Nickel (Mar) support lies at Rs.990 and Resistance lies at Rs.1020
- MCX Zinc(Mar) has Resistance: 108 and Support: 105
- MCX Lead(Mar) has Resistance: 103.50 and Support: 101

## CRUDE OIL AND NATURAL GAS



### Fundamental View

- Crude oil futures declined further from eight weeks high as industry data showed a sharp build in crude oil inventories.
- The American Petroleum Institute reported that U.S. crude stocks jumped 6.5 mb against the forecast of 2.6 mb. The US Gasoline inventories declined by 3.1 mb while distillate inventor fell by 2.7 mb against forecast of decline of 4 mb.
- Natural gas futures reversed gains pressured by mild weather forecasts and growing supply concerns meanwhile the firm cash prices at Henry Hub helped in limiting downside in natural gas prices.
- The weekly inventory data will be eyed today where US commercial stockpiles are forecasted to grow by 2mb while gasoline stockpiles are forecasted 1 mb decline.

### Technical View

- NYMEX Crude oil strong resistance lies at \$82.50 with support at \$79, MCX Crude oil (March) resistance lies near 3750 with support at 3640. MCX Natural gas (March) resistance at 202, support at 212.

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

Date	Country	Event	Time	Consensus	Previous	Actual
9/03/2010	UK	Total Trade Balance (GBP/Mln) (JAN)	15:00	-£3100	-£3262	-£3768
	USA	NFIB Small Business Optimism (FEB)	18:00	- -	89.3	88.0
	USA	IBD/TIPP Economic Optimism (MAR)	20:30	- -	46.8	45.40
10/03/2010	USA	ABC Consumer Confidence (8-Mar)	3:30	-48	-49	--
	JAPAN	Domestic CGPI (YoY) (FEB)	5:20	-1.50%	-2.10%	--
	CHINA	Trade Balance (USD) (FEB)	10:30	\$7.15B	\$14.17B	--
	UK	Industrial Production (YoY) (JAN)	15:00	-0.80%	-3.60%	--
	USA	MBA Mortgage Applications (6-Mar)	17:30	- -	14.60%	--
	USA	Wholesale Inventories (JAN)	20:30	0.20%	-0.80%	--

## 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	4527825	-5150	289825	-4250
Copper	538175	-700	27325	600
Nickel	159702	-210	2610	-168
Zinc	539300	-625	12850	-175
Lead	170475	125	3475	-625

## EXCHANGE MOVEMENT

### MCX / NCDEX MOVEMENT

Commodity	Contract	Open	High	Low	Close	% Change	Open Interest	Volume
Gold	April	16703.0	16753.00	16581.00	16727.00	-0.07	15385	10047
Silver	Mar	26816.0	27090.00	26460.00	27033.00	0.56	12243	14732
Copper	Feb	342.6	343.65	337.75	342.50	-0.06	25164	36692
Nickel	Feb	1015.0	1017.40	994.20	1014.30	-0.34	12515	25034
Lead	Feb	107.1	107.35	105.30	106.75	-0.37	5889	11932
Zinc	Feb	102.9	103.15	100.65	102.25	-0.83	5564	8526
Steel	Feb	25010.0	25390.00	24950.00	25370.00	1.53	37120	9200
Crude Oil	Feb	3705.0	3734.00	3665.00	3723.00	0.43	16575	22040
Natural Gas	Feb	206.7	210.70	206.00	206.50	-0.10	13350	2559

### INTERNATIONAL MOVEMENT

Commodity	Contract	Open	High	Low	Close	% Change	Open Interest	Volume
Gold	COMEX	1123.80	1125.10	1108.20	1122.30	-0.15	270936	18721
Silver	COMEX	17.23	17.33	16.91	17.32	0.38	688	35437
Copper	LME	7536.75	7536.75	7387.00	7510.00	0.54	27325	2238
	COMEX	342.50	342.50	335.50	341.15	0.03	91072	3180
Nickel	LME	22300.00	22330.00	21799.00	22250.00	-0.22	2610	544
Lead	LME	2380.00	2380.00	2325.00	2375.00	0.21	3475	1064
Zinc	LME	2250.00	2274.00	2213.00	2245.00	-0.56	12850	591
Crude Oil	NYMEX	81.75	81.91	80.16	81.49	-0.46	219496	13910
Natural Gas	NYMEX	4.57	4.60	4.48	4.52	-0.24	169036	738

## TECHNICAL LEVELS

Commodity	Contract	S3	S2	S1	R1	R2	R3
Gold	April	16449.0	16515.0	16621.0	16793.0	16859.0	16965.0
Silver	Mar	26002.0	26231.0	26632.0	27262.0	27491.0	27892.0
Copper	Feb	333.1	335.4	339.0	344.9	347.2	350.8
Nickel	Feb	976.7	985.4	999.9	1023.1	1031.8	1046.3
Lead	Feb	103.5	104.4	105.6	107.6	108.5	109.7
Zinc	Feb	98.4	99.5	100.9	103.4	104.5	105.9
Steel	Feb	24643.3	24796.7	25083.3	25523.3	25676.7	25963.3
Crude Oil	Feb	3611.7	3638.3	3680.7	3749.7	3776.3	3818.7
Natural Gas	Feb	200.1	203.0	204.8	209.5	212.4	214.2

## INTRADAY CALLS COVERED

Commodity	Reco	Reco. Price	Covering Price	Gain /loss	Lot size	Margin %	Margin Money	Per contract	ROI (%)	Target Achieved
Copper	Short	338.2	340	-1.8	1000	5	16910	-1800	-10.64	SL Trgd
Silver	Short	26565	26510	55	30	5.74	45745	1650	3.61	Booked
Lead	Short	101.9	101.2	0.70	5000	7.64	38926	3500	8.99	Achieved
Zinc	Short	106.4	105.9	0.5	5000	5.05	27563	2500	9.07	Booked
Silver	Long	26755	26770	15	30	5.74	46072	450	0.98	Exit
Natural Gas	Long	208	209.5	1.5	1250	10.01	26026	1875	7.20	Booked
Gold	Long	16670	16650	-20	100	4	66680	-2000	-3.00	SL Trgd

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