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Angel Commodities

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Precious Metals

January 14, 2009

Commodity	Open	High	Low	Close	Change
Gold Loco $	820.55	831.0	813.2	821.65	+1
Gold Feb $	820.1	831.4	814.0	821.8	+1
Gold Feb Rs.	12999	13078	12856	12974	-20
Silver Loco $	10.66	10.85	10.39	10.75	+0.1
Silver Mar $	10.60	10.845	10.415	10.735	+0.075
Silver Mar Rs.	17903	18024	17550	17824	-193
Rupee/$	48.96	49.12	48.74	49.12	+0.28
Euro/$	1.3357	1.3372	1.3140	1.3190	-0.0176
Yen/$	89.16	89.88	88.78	89.39	+0.18
US $ Index	83.21	84.45	83.02	84.25	+1.05

MAJOR HIGHLIGHTS

The ECB's key lending rate stands at 2.5%. Most economists expect the central bank to order up a reduction of half a percentage point, or 50 basis points, on Thursday.

Holdings in the SPDR Gold Trust, the largest exchange-traded gold fund, totaled 787.60 tons last Friday, unchanged from a day earlier, according to the latest data from the fund.

TECHNICAL ANALYSIS

Spot gold continues to close below its 10-day. It is also closing below its 65-Day EMA & 100-Day EMA. Daily MACD Histogram has moved in negative territory whereas Weekly MACD Histogram is in positive territory. 14-day RSI is at 47 levels and sloping downwards.

MARKET RECAP

Yesterday, the bullion pack traded sideways with gold prices falling by almost 4% the previous day. The strength in the U.S. dollar against other major currencies is pressurizing the bullion pack. Investors expect the European Central Bank (ECB) to slash interest rates on Thursday by 50 basis points from 2.5% now, to help fight the economic downturn which is leading to weakening of the euro. Crude prices gained marginally during yesterday's trading session with overall a downward pressure on gold prices as weaker crude reduces gold's appeal as a hedge against inflation.

In **currency** market, EURO continued to fall yesterday against the USD after touching a high of 1.4718 (18th Dec 08). It closed below its strong support of 1.3308 (6th Jan low) indicating that the EURO could further remain weaken ahead of the ECB rate cuts tomorrow. For the day, resistance is seen at 1.3328/1.3466 whereas support is seen at 1.3096/1.3002. Yesterday, the Rupee lost marginally against the USD, ending the day at 49.12 (+0.28). It continues to trade sideways for the past few weeks, with very strong support at 47.45 levels (100-Day EMA) whereas major resistance for this week is seen at 49.29. For the day, resistance is seen at 49.29/49.40 whereas support is seen at 48.60/48.27.

OUTLOOK

The Dollar continues to gain in strength, in turn pressurizing the bullion pack as the EURO continues to fall against the USD on expectations of ECB rate cuts this week with recession impacting the EURO-ZONE as well. Falling global markets are also taking a toll on the investment sentiments the world over, making investors risk averse even more as the global economic scenario continues to remain grim. Silver has also fallen along with gold, partly as an investment class and partly because it being an industrial metal, correlated with base metal prices which have also fallen over the past few days. Physical demand in coming months shall play a crucial role in supporting bullion prices on the downside.

On intraday basis, **Spot Gold** prices have immediate support at $813/$804 whereas resistance is seen at $832/$847. **Spot Silver** prices shall find support at $10.45/$10.00 whereas resistance is seen at $10.95/$11.20.

MCX Feb Gold has support at 12860/12740 whereas resistance is seen at 13083/13192 levels whereas **MCX March Silver** shall find support at 17590/17370 whereas resistance is seen at 18048/18273 levels.

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Base Metals

January 14, 2009

Commodity	Open	High	Low	Close	Change
LME Copper	3225	3415	3110	3360	+155
LME Zinc	1285	1305	1205	1300	+50
LME Nickel	10600	11125	10075	11050	+500
LME Lead	1155	1185	1060	1150	+10
LME Alum	1515	1530	1460	1515	-7
LME Tin	11200	11700	10900	11625	+275
COM Copper	146.25	155.20	141.35	152.50	+6.25
MCX Copper	162.35	169.25	155.55	167.55	+4.85
MCX Lead	56.70	58.50	53.40	57.95	+0.8
MCX Zinc	60.65	63.35	58.75	60.70	-1.8
MCX Alum	72.50	73.35	70.70	73.00	+0.3
MCX Nickel	510.	550	498.10	544.60	+25.9
MCX Tin	550	550	550	550	0

LME Stocks	Close	Previous	Change
Copper	374850	369500	+5350
Tin	7920	8010	-90
Lead	45850	45275	+575
Zinc	268550	259775	+8775
Aluminum	2432825	2421875	+10950
Nickel	78798	78642	+156

MARKET RECAP

Base metals displayed a positive move during yesterday's trading session & reversed their direction towards the LME close on Tuesday, rebounding in high volumes on the back of firmer energy prices and bargain hunting across the commodity sector. Current price levels might appear highly attractive to investors after the sharp decline seen at the end of last year. Prices had earlier collapsed during the fourth quarter of 2008, when investors realised the credit crisis was dampening economic growth everywhere in the world and not just the US. Most metals reached multi-year lows in December, with copper falling well under $3,000 a tonne, but the New Year marked the start of a ten-day rally, largely on the back of the annual re-balancing of commodity indices. This is now factored in, but volatility is expected to stay high as trading volumes climb back to more normal levels.

Copper had a highly volatile session, rebounding almost ten percent from a morning trough of $3,120 a tonne to reach nearly $3,420 in after-market hours. The market is vulnerable on the downside, however, and is seen re-testing levels under $3,000 again on the back of rising inventories with LME stocks rising by 5,350 tonnes to 374,850 tonnes, the highest since late January 2004. Aluminium managed sporadic forays above $1,500, but ended $4 lower at $1,512, although it had been as low as $1,466 earlier. Inventories rose by 10,950 tonnes to 2,432,825 tonnes, the highest since early September 1994. Nickel gained $515, or 4.8 percent to close at $11,240 a tonne, having dropped near $10,000 earlier as the market had initially extended Monday's near-12 percent decline. The 156-tonne increases in stocks lifted the total to 78,798 tonnes, close to their recent peaks, which were the highest since July 1995. Elsewhere, zinc rose $53, or 4.2 percent to $1,308 on the back of renewed copper strength, while stocks jumped by 5,975 tonnes to 268,550 tonnes, a fresh high since April 2006.

OUTLOOK

The dollar continues to be fairly strong and there may be a bit of decoupling going on as people are realising the dollar is strong because of other reasons than the weak economy. It is more to do with safe-haven buying and flight to quality. There is no change in sentiment and we are likely to hear more bad news on the economic front - industrial production, housing and employment are all decimated and they will stay weak for the foreseeable future. There are also continuing concerns that the corporate reporting season will pour an increasing torrent of negativity into the marketplace - US aluminium producer Alcoa announced a fourth-quarter loss on Monday - and given constantly-rising inventories and the lack of real physical demand for metals, it is hard to make a positive case for base metals in the short term.

The market has earlier been spooked by China's State Reserves Bureau (SRB) becoming reticent in resuming its government-ordered copper buying programme - talk is the state body had suspended plans to purchase between 500,000 and 700,000 tonnes of copper. With this in mind, the market failed to react to surprisingly strong initial Chinese copper imports -- up 32 percent in December at 286,576 tonnes. Overall, the bearish sentiments are not going away so soon, so any rally in the base metals is likely to be short-lived unless we see a substantial change in the overall global economic scenario.

For the day, Base metals are expected to trade sideways during today's trading session ahead of ECB's rate cut decision expected tomorrow.

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TECHNICAL ANALYSIS

Copper

Copper prices rose sharply during yesterday's trading session with immediate support for MCX Feb contract is seen at Rs.164. Further below, support is seen at 159 levels.

Whereas resistance is seen at Rs.169.50 levels & further upwards at Rs. 172.30.

Zinc

Zinc prices also rose during yesterday's trading session with immediate support seen at Rs.61.50 levels for MCX Jan contract whereas crucial support is seen at Rs.59.80 levels. Short-term resistance is seen at Rs64.70 whereas major resistance is seen at Rs 66.30.

ECONOMIC CALENDAR

Date	IST	Country	Release	For	Consensus	Actual	Prior
13-Jan	7.00	US	Trade Balance	Nov	-$51.0B	-$40.4B	-$57.2B
14-Jan	7.00	US	Retail Sales	Dec	-1.10%	-	-1.80%
14-Jan	7.00	US	Retail Sales ex-auto	Dec	-1.20%	-	-1.60%
14-Jan	8.30	US	Business Inventories	Nov	-0.50%	-	-0.60%
15-Jan	7.00	US	Core PPI	Dec	0.10%	-	0.10%
15-Jan	7.00	US	Initial Claims	10-Jan	NA	-	NA
15-Jan	7.00	US	PPI	Dec	-1.90%	-	-2.20%
15-Jan	8.30	US	Philadelphia Fed	Jan	-35	-	-32.9
16-Jan	7.00	US	Core CPI	Dec	0.10%	-	0.00%
16-Jan	7.00	US	CPI	Dec	-1.00%	-	-1.70%
16-Jan	7.45	US	Capacity Utilization	Dec	74.70%	-	75.40%
16-Jan	7.45	US	Industrial Production	Dec	-0.80%	-	-0.60%
16-Jan	8.25	US	Mich Sentiment-Prel	Jan	60	-	60.1

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Energy

January 14, 2009

Commodity	Open	High	Low	Close	Change
NYMEX Crude Feb	37.65	37.90	37.65	37.78	+0.19
MCX Crude Jan	1846	1944	1774	1850	-9
NYMEX Nat Gas Feb	5.515	5.555	5.155	5.184	-0.358
MCX Nat Gas Jan	271.50	271.50	258.30	259.10	-15.3

MAJOR HIGHLIGHTS

- As per market survey, Crude Oil inventory is expected to rise by 3Mbbl. Gasoline and Distillates stocks are expected to increase by 1.8Mbbl and 1.7Mbbl respectively.
- Saudi Arabian Oil Minister Ali al-Naimi said the world's biggest exporter would pump below its OPEC production target of 8.05 million bpd in February.
- In China, the world's second-largest oil consumer, growth in crude-oil imports moved at the slowest pace in three years in 2008, the Customs General Administration of China reported.

TECHNICAL ANALYSIS

On intraday basis, MCX Jan Crude shall find support at 1850/1770 levels whereas resistance is seen at 1940/2025 levels. Prices are trading below 10day-EMA (Rs. 1990). RSI is trading at 39 levels and marching southwards. The short-term trend has once again turned down along with intermediate and long term trends, which continue to remain down.

MARKET RECAP

Crude Oil prices rose yesterday for the first time in last five trading sessions, after Saudi Arabia, OPEC's biggest oil producer, said it will cut production by more than the target set by the cartel in December. Rise in heating oil prices amidst cold weather across the US also supported prices. NYMEX February Crude Oil futures were down by 7.93% to close at $37.59 per barrel.

Crude Oil prices were under pressure in the first half of trading session, as growing concern over falling oil demand in the wake of economic slowdown in major oil consuming nations weighed on oil prices. Russia started pumping natural gas to Europe through Ukraine Tuesday, but the European Union said little or no gas was flowing to countries with urgent shortages.

New York Mercantile Exchange **Natural Gas** futures traded lower yesterday, as traders perceived that current inventory levels are sufficient to meet heating demand. NYMEX February Natural Gas futures were down by 6.45% to close at $5.184.

OUTLOOK

Crude Oil prices will take cues from today's inventory data, which is expected to show rise in crude oil and oil products stocks. If data shows larger expected rise in crude oil stocks then oil prices can have limited upside. Oil prices may rise in near term on account of cut in oil supplies announced by Saudi Arabia and cold weather in US, but this rise can be short lived, as rising inventory levels throughout the major industrialized nations and heavy demand destruction is likely to dominate sentiments in the market.

Crude oil market is trading in contango, where near month contract is trading at discount to next month contract. This gap indicates that oil prices can rebound in future, so instead of selling oil at depressed prices amidst sluggish demand, companies and investors are hoarding oil for future sales. Crude Oil prices can trade range bound in the short term with good support is seen at $35 per barrel.

We can witness sideways move in crude oil prices with crucial support for NYMEX February contract is seen at $36.80/35.30 level & resistance at $40.20/41.50 levels.

Natural Gas prices are expected to trade sideways up, as forecast for cold weather in gas consuming regions of US and technical buying at lower levels can support gas prices. MCX Jan contract has support at 252.70/249.10 levels & resistance at 262.10/267.70 levels.

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