



Angel Commodities™

Service Truly Personalized



Content

Precious Metal

Base Metal

Energy

Angel Commodities

For Intl. Commodities Research Queries, please contact the following:

Amar Singh
Mandar Pote
Reena Walia

Head Commodity Research (Bullion)
Research Analyst (Energy)
Research Analyst (Base Metals)

(022) 4035 8638
(022) 4035 8633
(022) 4035 8632

amar.singh@angeltrade.com
mandar.pote@angeltrade.com
reena.walia@angeltrade.com



Precious Metals

January 29, 2009

Commodity	Open	High	Low	Close	Change
Gold Loco \$	898.20	903.20	881.85	887.35	-11.4
Gold Feb \$	898.9	903.4	882.0	886.7	-12
Gold Feb Rs.	14060	14082	13853	13894	-201
Silver Loco \$	12.07	12.17	11.82	11.99	-0.09
Silver Mar \$	12.09	12.17	11.815	11.99	-0.075
Silver Mar Rs.	19402	19488	19131	19270	-206
Rupee/\$	48.80	48.93	48.70	48.92	-0.01
Euro/\$	1.3160	1.3324	1.3100	1.3156	-0.0008
Yen/\$	88.95	90.73	88.86	90.26	+1.35
US \$ Index	84.56	84.87	83.57	84.50	-0.05

MAJOR HIGHLIGHTS

- US Fed kept the benchmark interest rate unchanged at 0.25% and mentioned that it would keep rates low for some time.
- The US House of Representatives have passed President Barack Obama's \$825bn economic stimulus package.

TECHNICAL ANALYSIS



Spot gold continues to close above both its 10-day as well as its 65-Day EMA, both are sloping upwards. Daily MACD Histogram has moved into positive territory whereas Weekly MACD Histogram is in positive territory. 14-day RSI is at 63 levels.

MARKET RECAP

Gold prices failed to hold above \$900/oz level yesterday, as profit booking by traders and late recovery in dollar against major currencies pulled yellow metal prices lower. Spot gold was down by 1.26%. Silver also followed suit. Spot silver was down by 0.74% to close at \$11.99/oz. The US dollar recovered from its early losses against major currencies, after Fed left interest rates unchanged and decided to buy treasury securities to calm credit markets. In energy market, crude oil prices traded higher, as surprise fall in oil product inventory supported oil prices. NYMEX March crude oil futures were up by more than 1% to close at \$42.16 per barrel.

In currency market, the EURO could not hold on to its gains, closing tad lower against dollar. The recent low of 1.2764, witnessed on 23rd Jan 08 shall act as short-term key support. For the day, resistance is seen at 1.3286/1.34273 whereas support is seen at 1.30823/1.2967. The Rupee has been trading sideways for the past few weeks within the range of 48 - 49.35. For the day, resistance is seen at 49.29/49.50 whereas support is seen at 48.65/48.32.

OUTLOOK

Gold has been well supported by investors' fears over systemic risk and the outlook for the economy, which sent the metal to a three-month high on Monday. But signs are emerging that this risk aversion is ebbing, prompting some profit taking in yellow metal. Gold will continue to take cues from movement in dollar. Strong dollar against euro can weaken gold prices in the near term. Gold has gained more than \$100 since Jan. 15. Further, gold's recent improved luster has resulted from widespread global economic gloom and ultra-low global interest rates as the price of money [interest rates] is held down by central banks, the price of its competitor [gold] pushes higher on the lack of yield reward in monetary alternatives. With Fed has kept its interest rate unchanged and remain pessimistic about growth in the first half of this year, gold will continue to benefit as a safe haven asset in the medium term.

On intraday basis, **Spot Gold** prices have immediate support at \$880/\$868.50 whereas resistance is seen at \$902/\$915. **Spot Silver** prices shall find support at \$11.80/\$11.50 whereas resistance is seen at \$12.16/\$12.30.

MCX Feb Gold has support at 13805/13710 whereas resistance is seen at 13940/14035 levels whereas **MCX March Silver** shall find support at 19105/18850 whereas resistance is seen at 19460/19650 levels.



Base Metals

January 29, 2009

Commodity	Open	High	Low	Close	Change
LME Copper	3285	3425	3255	3300	+10
LME Zinc	1130	1170	1125	1135	0
LME Nickel	11720	11875	11050	11400	-310
LME Lead	1160	1180	1125	1135	-7
LME Alum	1339	1410	1325	1365	+25
LME Tin	11350	11500	11250	11300	-100
COM Copper	147	155.35	147	148.90	+1.9
MCX Copper	162.30	167.75	159.	162.35	+1.05
MCX Lead	55.95	57.75	55.20	56.15	-0.1
MCX Zinc	53.25	56.70	53.25	55.10	+0.1
MCX Alum	63.15	66.60	63.15	65.05	+1.05
MCX Nickel	551.50	584.50	548	571.40	+17
MCX Tin	528	528	528	528	0

LME Stocks	Close	Previous	Change
Copper	454925	451800	3125
Tin	9050	9055	-5
Lead	52175	52125	50
Zinc	320575	314775	5800
Aluminum	2731850	2719350	12500
Nickel	82764	81966	798

MARKET RECAP

Base metals reverted to the downside on Tuesday on the LME, erased nearly entire of the previous session's rally, allowing worries about the impact of the global economic downturn on demand and inventories to resurface.

Base Metals, key components in homebuilding, led a broad-based rally in the metals complex on Monday following data that showed sales of previously owned U.S. homes rebounded in December but yesterday Pessimistic economic prospects reflected in data showing U.S. consumer confidence dropped to a record low index in January to 37.7 versus the forecast of 38.7.

LME copper for three months delivery was down \$215 at \$3,290 a tone, near the bottom of its session range between \$3,219 and \$3,605 a tone as LME warehouse stocks increased sharply by 12,375 tones to 451,800 tones on Tuesday, their highest level since December 2003. Copper fails to find support from a weak dollar, which slipped to a one-week low against the euro at \$1.3330 after a surprise rise in German corporate sentiment. Freeport-McMoRan Copper and Gold Inc increased production cuts at its already-curtailed Morenci copper mine in Arizona because due to sharp declines in the price of copper.

Aluminum was \$38 at \$1,340, its LME stock rose 7,800 and are seen reaching four million tones by the summer, as a steady stream of off-exchange metal is warranted; Nickel fell \$775 to \$11,400, as stocks climbed 498 tones; zinc dropped \$43 to \$1,135, there was a heavy 9,025-tonne stock rise; Lead slipped by \$40 to \$1,145, with stocks rising 3.4 percent.

OUTLOOK

There was some enthusiasm on Monday for the housing market it was over- exuberance. Yesterday, the market is came back to down on economic report, consumer confidence which remained overwhelmingly bearish. It may just be positioning as the economic data goes from bad to worse. Company reports coming out there's a lot of potential for more bad economic news.

Stocks keep piling up and there is no end in sight. We will need massive cutbacks to prompt a trend reversal. Given the build in short positions in base metals and in copper in particular, prices are vulnerable to violent bursts higher when these shorts run for cover, but without an improvement in the fundamentals gains will prove short-lived

We expect this kind of volatile price action to remain a characteristic of metals prices for some time yet.



TECHNICAL ANALYSIS



Copper

Copper prices rose sharply during the past couple of days with immediate support for MCX Feb contract is seen at Rs.158. Further below, crucial support is seen at 155 levels.

Whereas resistance is seen at Rs.165 levels & further upwards at Rs. 169.80.

Zinc

Zinc prices have also bounced back from its lows with immediate support seen at Rs.53.30 levels for MCX Jan contract whereas crucial support is seen at Rs.51.50 levels.

Short-term resistance is seen at Rs.55.60 whereas major resistance is seen at Rs 58.20.

ECONOMIC CALENDAR

Date	IST	Economic Release	For	Consensus	Actual	Prior
26-Jan	20.30	Existing Home Sales	Dec	4.40M	4.74M	4.45M
26-Jan	20.30	Leading Indicators	Dec	-0.30%	0.30%	-0.40%
27-Jan	20.30	Consumer Confidence	Jan	39	37.7	38
28-Jan	0.45	FOMC Rate Decision	Jan. 28	0-0.25	0-0.25	0-0.25
29-Jan	19.00	Durable Orders	Dec	-1.80%	-	-1.50%
29-Jan	19.00	Initial Claims	24-Jan	575K	-	589K
29-Jan	20.30	New Home Sales	Dec	400K	-	407K
30-Jan	19.00	Chain Deflator-Adv.	Q4	0.60%	-	3.90%
30-Jan	19.00	GDP-Adv.	Q4	-5.40%	-	-0.50%
30-Jan	20.15	Chicago PMI	Jan	34	-	34.1
30-Jan	20.25	Mich Sentiment-Rev	Jan	61.9	-	61.9
30-Jan	20.30	Employment Cost Index	Q4	0.70%	-	0.70%



Energy

January 29, 2009

Commodity	Open	High	Low	Close	Change
NYMEX Crude Mar	41.65	42.75	41.65	42.16	+0.58
MCX Crude Feb	2063	2083	2002	2050	-83
NYMEX Nat Gas Mar	4.455	4.595	4.350	4.420	-0.025
MCX Nat Gas Feb	219	225.80	214.50	216.20	-2.9

MARKET RECAP

Crude Oil prices traded higher yesterday, after unexpected fall in gasoline stocks coupled with strength in equity markets outweighed sharp rise in crude oil stocks. NYMEX March Crude Oil futures were up by 1.39% to close at \$42.16 per barrel.

As per inventory data, crude oil stocks at Cushing Okla. have increased by 0.3Mbbbl to 33.5Mbbbl. Demand for crude oil during last four weeks in US averaged 19.4Mbbbl, down by 4% compared to similar period last year. Demand in US, world's largest oil consumer, is falling because of worsening economic conditions. Despite of this, oil prices got support as rally in equity markets improved market sentiments. Prices were also supported by rise in oil product prices, which rose in the wake of surprise fall in their inventory.

New York Mercantile Exchange **Natural Gas** futures traded tad lower yesterday, as traders remain wary over falling demand. NYMEX March Natural Gas futures were down by 0.56% to close at \$4.420.

MAJOR HIGHLIGHTS

- Crude Oil inventory rose by 6.2Mbbbl to 338.90Mbbbl in the week ended 23rd Jan., US Energy department said yesterday. Gasoline stocks fell by 0.1Mbbbl to 219.9Mbbbl, against the expected increase of 1.6Mbbbl. Distillates were down by 1.0Mbbbl to 144Mbbbl, against the expected decline of 0.7Mbbbl.
- The Dow Jones Industrial Average (DJIA) increased 200.72 points, or 2.5 percent, to 8,375.45.
- As per market survey today's Natural gas inventory is expected to fall by 180Bcf. Data will be released at 9.00 p.m. IST.

TECHNICAL ANALYSIS



On intraday basis, MCX February Crude shall find support at 2010/1965 levels whereas resistance is seen at 2090/2150 levels. RSI is trading at 41 and heading southward. MACD is trading in negative territory, indicating weakness in oil prices in the short term.

OUTLOOK

There is a tug of war between bulls and bears in the energy market. On bearish front, we have weakening global economy and falling energy demand. But strength in equity markets is giving bulls the reason to prop up oil prices. In the short term, movement in equity markets can also have bearing on oil price direction. In the wake of weakening fundamentals, demand for oil is likely to remain subdued in the short to medium term. Traders will be waiting for the approval of new \$825bn economic stimulus plan, which can help to support ailing US economy and in turn would help to revive energy demand. Until then prices are likely to remain range bound, with near term support is seen at \$38 per barrel.

Today's economic data on jobless claims and new home sales can show the current status of US economy. Weak data can weigh on oil prices. We can witness sideways down movement in crude oil prices with crucial support for NYMEX March contract is seen at \$40.60/38.70 level & resistance at \$43.60/45.10 levels.

Natural Gas prices will take cues from today's inventory data. MCX Feb contract has support at 211 levels & resistance at 226.70 levels.