

## MARKET COMMENTARY

### **GOLD**

Gold and silver fell for the fourth straight day on concern the recession will deepen, reducing demand for commodities, including precious metals. The metals dropped yesterday as the dollar climbed and crude oil fell as much as 11 percent. A report also showed declining producer prices in December, reducing gold's appeal as an inflation hedge.



### **CRUDEOIL**

Crude oil is expected to trade weak, set for a two-week decline of more than 20 percent, after OPEC said demand will drop this year. Consumption of OPEC crude will shrink 4.2 percent to 29.5 million barrels a day, according to the group's monthly report released yesterday. The Organization of Petroleum Exporting Countries shaved its global demand estimate for 2009 by 20,000 barrels to 85.66 million barrels a day. That brings this year's reduction to 180,000 barrels a day, or 0.2 percent. U.S. fuel demand fell 6 percent last year, the biggest drop since 1980, as prices touched records and the economy contracted. U.S. crude stockpiles increased 1.14 million barrels to 326.6 million barrels last week, the highest since Aug. 31, 2007.



### **COPPER**

Copper futures fell for a second straight day as climbing inventories signaled global output of the metal is exceeding demand. Stockpiles monitored by the London Metal Exchange climbed 1.4 percent to 387,325 metric tons today and have jumped 14 percent this month after surging 72 percent last year. Copper has plunged 66 percent from a record in May as slumping global growth slashed demand for the metal used in pipes and wires. The Federal Reserve Bank of New York reported yesterday that manufacturing in New York state contracted for a ninth straight month in January and a gauge of expectations for six months from now was negative for the first time.



### **CURRENCY-USDINR**

The MCX-SX INR January Rupee futures contract opened weaker due to weak regional stock markets and concerns about capital outflows from country. MCX-SX INR January '09 futures prices closed weaker towards 49.10 on Thursday. Foreigners have withdrawn about \$310 million from Indian equity indices this year, after dumping more than \$13 billion in 2008. Rupee weakened as it was rumored that there is heavy dollar demand from importers. Recent fall in stock prices on the domestic bourses along with other regional exchanges could also be blamed for recent weakness.



### **Exchange Movement - 15.01.2009**

Commodity	Exch	Contract	Open	High	Low	Close	% Change in Price
Gold	MCX	FEB	12831.0	12924.0	12733.0	12787.0	-0.34
Silver	MCX	MAR	17598.0	17700.0	17392.0	17484.0	-0.65
Copper	MCX	FEB	162.0	164.9	157.3	160.2	-1.11
Nickel	MCX	JAN	523.1	531.0	512.6	523.7	0.11
Lead	MCX	JAN	55.2	56.3	53.6	55.5	0.54
Zinc	MCX	JAN	61.1	62.2	60.0	60.6	-0.74
Crudeoil	MCX	FEB	2148.0	2225.0	2032.0	2059.0	-4.14
INR	MCXSX	JAN	49.1725	49.3000	48.9500	49.1000	-0.15
EURO			1.3189	1.3241	1.3026	1.3124	-0.49

**LME BASE METAL STOCKPILES MOVEMENT ON 15.01.2009**

<b>Metals</b>	<b>Change from Previous Day</b>
Copper	+ 5175
Nickel	+ 108
Zinc	+ 1550
Lead	- 200

**IMPORTANT ECONOMIC DATA OF UNITED STATES FOR THE WEEK  
12.01.2009 TO 16.01.2009**

<b>DATE</b>	<b>ET</b>	<b>RELEASE</b>	<b>FOR</b>	<b>Actuals</b>	<b>CONSENSUS</b>	<b>PRIOR</b>
13.01.09	14:00	Treasury Budget	Dec	-\$83.6B	-\$83.0B	-\$48.3B
14.01.09	08:30	Retail Sales	Dec	-2.7%	-1.1%	-1.80%
14.01.09	10:00	Business Inventories	Nov	-0.7%	-0.5%	-0.6%
14.01.09	10:35	Crude Inventories	01/09	1144K	NA	6682K
15.01.09	08:30	Initial Claims	01/10	524K	NA	470K
16.01.09	09:15	Industrial Production	Dec		-0.8%	-0.6%

### GOLD(FEB)

GOLD 0902(MXGLDG9)00:00 01/16 - 5 Minutes B:12806.00 A:12810.00  
O 12809.00 H 12809.00 L 12787.00 C 12787.00 V 6 T 0 -19  
SMA(18) 12779



MSFL Technical View: Sell around 12800-850 with stop loss above 12930 for target of 12700/12650

### Silver (MAR)

SILVER 0903(MXSILH9)00:30 01/16 - Hourly B:17509.00 A:17526.00  
O 17469.00 H 17530.00 L 17454.00 C 17484.00 V 1,479 T 0 +18  
SMA(18) 17542



MSFL Technical View: Sell around 17550-17650 with stop loss above 17750 for target of 17300

**CRUDE OIL(FEB)**

CRUDEOIL 0903(MXCROH9)00:00 01/16 - 5 Minutes B:2058.00 A:2059.00  
O 2059.00 H 2060.00 L 2058.00 C 2059.00 V 42 T 0 +1

SMA(18) 2058.2



MSFL Technical View: Sell around 2100-2120 with stop loss above 2160 for target of 2040/2000

**COPPER(FEB)**

COPPER 0902(MXCOPG9)00:00 01/16 - 5 Minutes B:160.30 A:160.40  
O 160.40 H 160.40 L 160.20 C 160.20 V 5 T 0 -0.3

SMA(18) 160.49



MSFL Technical View: Sell around 166 with stop loss above 169 for target of 162 or Buy around 162 with stop loss below 159 for target of 166

**ZINC(JAN)**

ZINC 0901(MXZINF9)23:55 01/15 - 5 Minutes B:60.70 A:60.75  
 O 60.60 H 60.75 L 60.55 C 60.75 V 48 T 0 +0.2  
 SMA(18) 60.675



MSFL Technical View: Sell around 61.10 with stop loss above 62.30 for target of 57

**LEAD(JAN)**

LEAD 0901(MXLEAF9)23:55 01/15 - 5 Minutes B:55.55 A:55.60  
 O 55.50 H 55.60 L 55.50 C 55.55 V 11 T 3,054 +0.1  
 SMA(18) 55.586



MSFL Technical View: Sell around 56 with stop loss above 57 for target of 52

## NICKEL(JAN)

NICKEL 0901(MXNICKF9)00:00 01/16 - 5 Minutes B:524.10 A:525.60

O 525.40 H 525.40 L 523.70 C 523.70 V 2 T 0 -0.4

SMA(18) 522.06



MSFL Technical View: Sell around 530 with stop loss above 540 for target of 490

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