

Commodity Outlook

Wednesday December 30, 2009

Gold popped back above USD 1,100 an ounce

Gold started the week on a positive note consolidating around USD 1,115 an ounce on Monday as stocks rallied on China's growth numbers. The metal sustained above USD 1,100 an ounce for most of Tuesday before closing slightly lower at 1,098 an ounce in the international markets. Gold prices have weakened over 7% in December trimming this year's advance to around 24% from its peak of 39%. Earlier this month, it traded at a record high above USD 1,200 an ounce. Also, Gold holdings in SPDR increased by 0.91 MT to stand at 1133.62 MT as of Dec 29. Meanwhile, S&P500 recorded its highest annual gain since 2003 as it closes the year with a 25% YTD gain.

USD strengthens on investor confidence

In FX, the EUR/USD started out in the red on Monday as the USD strengthened on renewed investor confidence. The trades consolidated between USD 1.44-1.43 for most of the two sessions and peaked to USD 1.446 before closing at USD 1.4354 yesterday. GBP/USD also traded above USD 1.6 level on Monday but settled lower by Tuesday on the back of limited data flows which are expected to continue on Thursday.

Crude inches towards USD 80/bbl

Crude oil price continued to trade closer to USD 80/bbl since the weeks start with yesterdays session peaking above USD 79/bbl on news of US Home price recovery. This has been crude oil's longest advance since Oct09 as prices rose for a fifth day with day end closing at USD 78.87/bbl

Outlook

Gold trade activity is likely to remain subdued given another holiday lengthened weekend. However, an over bought USD and mixed economic data may yield further USD weakness and provide Gold strength before the year-end.

Market data as of December 29, 2009

Contract	Contract Date	Traded Volume	Open Interest	Pvs Sett Pr	Curr Sett Pr	Change	% Change	Trading Unit
TGOLD50	Jan-09	0	0	34,501	34,251	-250	-0.72	PKR/Tola
TGOLD50	Feb-09	0	0	35,038	34,785	-253	-0.72	PKR/Tola
TGOLD50	MA10	0	0	35,046	34,793	-253	-0.72	PKR/Tola
TGOLD100	Jan-09	0	0	34,501	34,251	-250	-0.72	PKR/Tola
TGOLD100	Feb-09	0	0	35,038	34,785	-253	-0.72	PKR/Tola
TGOLD100	MA10	0	0	35,046	34,793	-253	-0.72	PKR/Tola
MINIGOLD	Aug-09	0	0	31,006	30,777	-229	-0.74	PKR/10g
MINIGOLD	Aug-09	0	0	31,017	30,796	-221	-0.71	PKR/10g
MINIGOLD	Aug-09	0	0	31,028	30,796	-232	-0.75	PKR/10g
MINIGOLD	Aug-09	0	0	31,059	30,826	-233	-0.75	PKR/10g
MINIGOLD	Aug-09	0	0	30,996	30,835	-161	-0.52	PKR/10g
GOLDKILO	Jan-09	3	3	29,580	29,365	-215	-0.73	PKR/10g
GOLDKILO	Feb-09	0	0	30,040	29,823	-217	-0.72	PKR/10g
GOLDKILO	MA10	0	0	30,047	29,830	-217	-0.72	PKR/10g
GOLD	Jan-09	26	107	29,607	29,392	-215	-0.73	PKR/10g
GOLD	Feb-09	2	2	30,067	29,850	-217	-0.72	PKR/10g
GOLD	MA10	0	0	30,074	29,857	-217	-0.72	PKR/10g
GO10Z	FE10	302	104	1103.2	1095.2	-8	-0.73	USD/T oz
GO10Z	MA10	0	0	0	1095.4	0	0	USD/T oz
GO10Z	AP10	767	324	1103.7	1095.7	-8	-0.72	USD/T oz
GO100OZ	FE10	0	1	1103.2	1095.2	-8	-0.73	USD/T oz
GO100OZ	MA10	0	0	0	1095.4	0	0	USD/T oz
GO100OZ	AP10	0	0	1103.7	1095.7	-8	-0.72	USD/T oz
CRUDE100	FE10	0	0	77.25	78.81	1.56	2.02	USD/bbl

Source: National Commodity Exchange Limited

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Karachi Bullion Rate (PKR)

	Dec 29'09	Dec 24'09
Gold per Tola	34,610	34,862
Gold per 10gms	29,670	29,886

Source: www.vdealu.com

Gold Spot Price (USD/oz)

Previous Closing	1,107.90
Open	1,108.90
High	1,109.20
Low	1,097.10
Close	1,098.10

*Prices as of Dec 29'09

Source: Bloomberg

Pivot Table

Resistance 1	1,125.67
Resistance 2	1,113.57
Resistance 3	1,105.83
PIVOT POINT	1,101.47
Support 1	1,093.73
Support 2	1,089.37
Support 3	1,077.27

*Prices as of Dec 29'09

Source: Bloomberg

Crude Oil Price (USD/bbl)

	Dec 29'09	Dec 28'09
WTI Cushing Spot	78.87	78.77
Dated Brent Spot	76.95	76.64

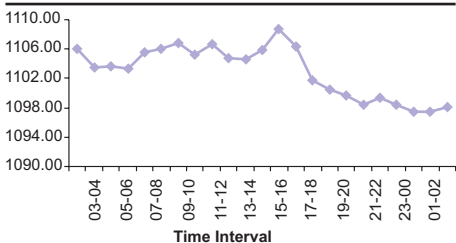
Source: Bloomberg

Currency

	Dec 29'09	Dec 28'09
EUR/USD	1.4354	1.4378
PKR/USD	84.17	84.09

Source: Bloomberg

Intraday Graph (USD/OZ)



Source: Bloomberg & IGI Research

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