



09th Nov. 2009

MORNING MANTRA (METALS & ENERGY)

NEWS ROUND UP

- India may be among the first Group of 20 nations to begin winding back fiscal stimulus after Prime Minister Manmohan Singh said faster economic growth would allow the measures to be withdrawn.
- Japanese investors who lived through a decade of deflation and recessions say U.S. Treasuries are a bargain even with yields at about the lowest levels since at least the 1960s.
- The International Monetary Fund signalled record low U.S. interest rates are funding global “carry trades” and the dollar is still overvalued as concerns mount that new financial imbalances are forming.
- China promised \$10 billion in cheap loans to Africa, pledged to cut customs duties and distributed a newspaper with photos of Chinese leaders among beaming Africans, as part of an effort to fight claims it is exploiting the continent's minerals.

MOVEMENTS IN INTERNATIONAL EXCHANGES AS ON 06th November 2009

COMMODITY	EXCHANGE	CONTRACT	UNIT	CLOSING	%CHANGE
BULLIONS					
GOLD	COMEX	DEC	USD/TROY OUNCE	1095.7	0.59
SILVER	COMEX	DEC	USD/OUNCE	17.375	-0.20
PLATINUM	COMEX	JAN	USD/TROY OUNCE	1348.2	-1.08
BASE METALS					
COPPER	COMEX	DEC	USD/POUND	2.9525	-0.15x
ALUMINIUM	COMEX	-	USD/POUND	-	-
ZINC	SHFE	JAN*	YUAN/TONNE	16900.00	0.09
COPPER	SHFE	JAN*	YUAN/TONNE	51210.00	0.16
ALUMINIUM	SHFE	JAN*	YUAN/TONNE	15175.00	-0.23
LME					
COPPER	LME	3 MONTHS	USD/TONNE	6561.00	0.14
ALUMINIUM	LME	3 MONTHS	USD/TONNE	1917.50	-0.10
ZINC	LME	3 MONTHS	USD/TONNE	2198.00	-0.92
LEAD	LME	3 MONTHS	USD/TONNE	2330.50	-0.62
NICKEL	LME	3 MONTHS	USD/TONNE	17870.00	0.08
TIN	LME	3 MONTHS	USD/TONNE	14950.00	-0.17
ENERGY					
CRUDE OIL	NYMEX	DEC	USD/BARREL	77.43	-2.75
NATURAL GAS	NYMEX	DEC	USD/MMBTU	4.595	-3.91
CURRENCY			CLOSING		
DOLLAR INDEX (DEC)			75.94		0.10
EURO/ USD (DEC)			1.48335		-0.23

* Closing as per first session of 09.11.09

Moneywise. Be wise.



Commodity Research

MOVEMENTS IN MCX AND NCDEX AS ON 07th November 2009

COMMODITY	EXCHANGE	CONTRACT	UNIT	CLOSING	% CHANGE
BULLIONS					
GOLD	MCX	DEC	INR / 10 GM	16645	0.12
SILVER	MCX	DEC	INR /1KG	27174	0.07
BASE METALS					
COPPER	MCX	NOV	INR /1KG	305.55	0.03
ALUMINIUM	MCX	NOV	INR /1KG	88.85	0.17
ZINC	MCX	NOV	INR /1KG	101.70	0.00
LEAD	MCX	NOV	INR/1KG	105.25	-0.43
NICKEL	MCX	NOV	INR /1KG	817.90	0.05
NEW STEEL LONG	NCDEX	NOV	INR /MT	20170.00	-2.13
ENERGY					
CRUDE OIL	MCX	NOV	INR /1BARREL	3639	0.64
NATURAL GAS	MCX	NOV	INR /1MMBTU	215.90	-0.23
CURRENCY (As on 06.11.09)				CLOSING	% CHANGE
INR/ 1 DOLLAR MCX (NOV. CONTRACT)				46.89	-0.36
INR/ 1 EURO (RBI REFERENCE RATE)				69.64	-0.49

STOCK POSITIONS AT LME WAREHOUSES AS ON 06th November 2009

COMMODITY	CLOSING STOCK POSITION	+/-	LME WARRANT	LME CANCELLED WARRANT
Copper	385575	5750	382875	2700
Aluminium	4542100	-3275	4418200	123900
Nickel	130062	216	128910	1152
Zinc	426075	-600	415475	10600
Lead	130800	-125	130425	375
Tin	26400	-30	26190	210

Note: LME WARRANT: - A document of possession, issued by the warehouse company, for each lot of LME approved metal held within an LME approved facility. Warrants are used as the means of delivering metal under LME contracts.

LME CANCELLED WARRANT: - Change in stockpiles of metal, which may no longer be available at warehouses and is booked for removal or onward shipment. This information is a valuable indicator of consumption trends, which in turn can provide valuable information in price trends.

Moneywise. Be wise.



Yesterday results of key U.S economic releases

Indicator	Period	Forecast	Previous	Actual
-	-	-	-	-
-	-	-	-	-

Market Update

Gold prices are expected to open on firm note in today's session tracking moves in international markets. Gold edged up on Monday and hovered near last week's lifetime high above \$1,100 on a falling U.S. dollar and after a weaker-than-expected U.S. unemployment rate revived worries about the health of the global economy. Gold has gained as much as 25.2 percent in 2009, driven by persistent weakness in the U.S. currency, and recently by the failure of a meeting of the Group of 20 finance officials to talk more specifically about the dollar's decline.

Crude oil futures are also likely to trade on positive path after falling in Friday's session. U.S. crude futures finished nearly 3 percent lower on Friday, after government data showing the unemployment rate at its highest in 26-1/2 years sparked more worries about petroleum demand. Losses deepened from Thursday, when oil futures fell in a delayed reaction to midweek's government inventory data showing U.S. total oil product demand over the past four weeks was down 4.5 percent from a year ago. The oil markets ignored signals from Wall Street, which, despite the jobless report, remained up slightly in late trading, helped by several broker upgrades that offset the disappointing rise in the unemployment rose to 10.2 percent, the highest since April 1983.

In base metal section copper along with zinc and lead may open in green territory. London copper rose more than 1 percent on Monday, reversing from losses in the previous session as investors brushed off grim U.S. job data. The U.S. unemployment rate jumped to 10.2 percent in October, a 26-1/2-year high, but closer inspection of the data showed that payroll losses kept declining and job losses for earlier months were revised lower.

Moneywise. Be wise.



Commodity Research

INVESTMENT RESEARCH TEAM

Rajesh Jain Head (Research)

Fundamental Research

Saurabh Jain	Team Leader	saurabhjain@smcindiaonline.com
Saurabh Rana	Team Leader	saurabh_rana@smcindiaonline.com
Priyanka Ahluwalia	Sr. Research Analyst	priyankaahluwalia@smcindiaonline.com
Jaisheel Garg	Sr. Research Analyst	jaisheelgarg@smcindiaonline.com
Manish Choudhary	Sr. Research Analyst	manishchoudhary@smcindiaonline.com
Ankita Nanda	Research Analyst	ankitananda@smcindiaonline.com
Surabhi Mehra	Research Analyst	surabhi@smcindiaonline.com
Dinesh Joshi	Research Analyst	dineshjoshi@smcindiaonline.com
Harsh Gupta	Research Analyst	harsh_gupta@smcindiaonline.com
Mayank Garg	Research Analyst	mayankgarg@smcindiaonline.com
Shinjini Amitabh	Research Analyst	shinjiniamitabh@smcindiaonline.com
Kamla Devi	Research Analyst	kamladevi@smcindiaonline.com

Technical Research (Commodity / Equity)

Dr. R.P.Singh	Head - Technical (Commodities)	ravisingh@smcindiaonline.com
Ajit Mishra	Sr. Technical Analyst	ajitmishra@smcindiaonline.com
Parminder Chauhan	Research Analyst	parminderchauhan@smcindiaonline.com
Suruchi	Research Analyst	

Derivative Research

Nitin Murarka	Head - Derivative Research	nitinmurarka@smcindiaonline.com
Vineet Sood	Sr. Research Analyst (Strategies)	vineetsood@smcindiaonline.com
Kunal Sharma	Research Analyst	kunal_sharma@smcindiaonline.com
Dhirender Singh Bisht	Research Analyst	dhirenderbisht@smcindiaonline.com

Commodity/Currency Research Team

Vandana Bharti	Sr. Research Analyst	vandanabharti@smcindiaonline.com
Tejas Seth	Sr. Research Analyst	seththejas@smcindiaonline.com
Amit Pandey	Sr. Research Analyst (Strategies)	amitpandey@smcindiaonline.com
Sandeep Joon	Research Analyst	sandeepjoon@smcindiaonline.com
Rupa Mehta	Research Analyst	rupamehta@smcindiaonline.com
Shitij Gandhi	Research Analyst	shitijgandhi@smcindiaonline.com
Subhranil Dey	Research Analyst	subhranildey@smcindiaonline.com
Ajeet Kumar	Research Analyst	ajeet694@smcindiaonline.com
Priyanka Chauhan	Research Analyst	priyankachauhan@smcindiaonline.com

Mutual Fund

Anant Sharma	Sr. Research Analyst	anantsharma@smcindiaonline.com
Bhaskar Mandal	Research Analyst	bhaskar.mandal@smcindiaonline.com

Support Team

Simmi Chibber	Research Executive	simmi@smcindiaonline.com
Shivanand Upadhyay	Content Editor (Hindi)	shivanand@smcindiaonline.com
Pramod Chhimwal	Graphic Designer	pramodchhimwal@smcindiaonline.com

WATCH OUT FOR OUR OTHER REPORTS

Morning Mantra – Commodities (Metals and Energy)	DGCX Daily Commodity Watch
Morning Mantra – Commodities (Agri)	Derivative Daily
Daily Currency Report	Mutual Fund Weekly Update
Evening Buzzer – Equity	Currency Afternoon Buzzer
Evening Buzzer – Commodities	Daily Metal and Energy Report
Mutual Fund Portfolio Monitor	Daily Commodity Hindi Reports
Weekly Report covering major stocks with their short term, medium term and long-term trends	

Moneywise. Be wise.



Commodity Research

Disclaimer : This report is for the personal information of the authorized recipient and doesn't construe to be any investment, legal or taxation advice to you. It is only for private circulation and use. The report is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. No action is solicited on the basis of the contents of the report. The report should not be reproduced or redistributed to any other person(s) in any form without prior written permission of the SMC. The contents of this material are general and are neither comprehensive nor inclusive. Neither SMC nor any of its affiliates, associates, representatives, directors or employees shall be responsible for any loss or damage that may arise to any person due to any action taken on the basis of this report. It does not constitute personal recommendations or take into account the particular investment objectives, financial situations or needs of an individual client or a corporate/s or any entity/s. All investments involve risk and past performance doesn't guarantee future results. The value of, and income from investments may vary because of the changes in the macro and micro factors given at a certain period of time. The person should use his/her own judgment while taking investment decisions. Please note that we and our affiliates, officers, directors, and employees, including persons involved in the preparation or issuance of this material; (a) from time to time, may have long or short positions in, and buy or sell the securities thereof, of company (ies) mentioned here in or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company (ies) discussed herein or may perform or seek to perform investment banking services for such company(ies) or act as advisor or lender/borrower to such company(ies) or (c) may have any other potential conflict of interest with respect to any recommendation and related information and opinions. All disputes shall be subject to the exclusive jurisdiction of Delhi High court.

Moneywise. Be wise.