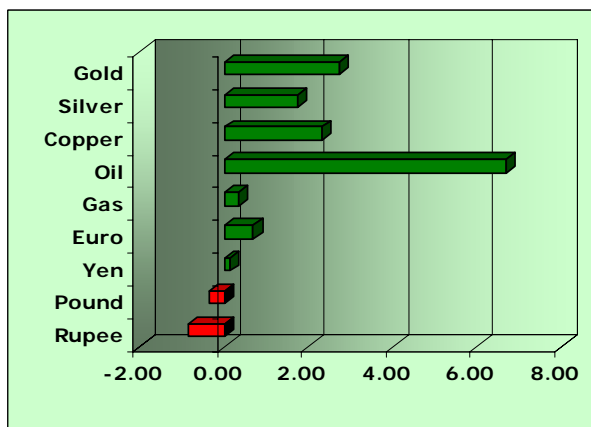


### Fundamental Update

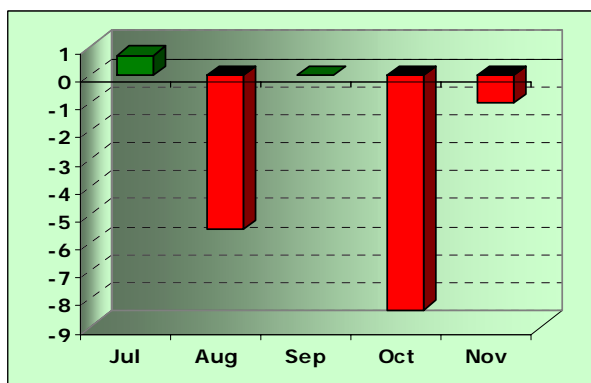
#### International market review



#### LME Warehouse stocks as on 30<sup>th</sup> Dec'08

	+/-	Closing stock
<b>Copper</b>	+5250	336700
<b>Zinc</b>	-25	253600
<b>Nickel</b>	+42	77682
<b>Lead</b>	+400	44975
<b>Tin</b>	0	7920
<b>Aluminium</b>	+3025	2253025

#### U.S. Durable goods orders (% change)



### Market Highlights

- **Fed's Commercial Paper, Federal Agency Debt Holdings Rose**
- **Oil rose for third day above \$40 on Middle East tension and decline in stockpiles**
- **Copper dropped as global stockpiles rose to near five-year high**

### Economy

The Federal Reserve's holdings of commercial paper in a facility that helps U.S. corporations finance short-term notes rose to \$332.1 billion Dec. 24 from \$319.4 billion a week earlier. The FOMC said it "stands ready" to expand a standing \$600 billion program to purchase housing agency and mortgage-backed debt, and will evaluate purchases of long-term Treasury securities. Total holdings of federal agency securities rose to \$21 billion in the latest week, up from \$17.6 billion from the previous week. The Fed's Term Auction Facility credit also rose to \$450 billion from \$447 billion the previous Wednesday.

Oil rose on Monday as Israeli bombardment of Hamas targets in Gaza for a third day raised concerns over Middle East crude supplies, but gains were pared after prices hit a session high \$42.20 a barrel. U.S. crude oil supplies fell last week, while refined fuel stocks rose, according to survey report. Crude oil inventories fell 1.4 million barrels in the week ended December 26, while distillates stocks rose 1.0 million barrels and gasoline stocks rose 1.5 million barrels, according to Reuters survey.

Copper declined in London after stockpiles jumped to the highest in nearly five years as a global slowdown cuts raw material demand. London Metal Exchange monitored inventory jumped by 5,250 metric tons yesterday to 336,700 tons, the highest since Feb. 9 2004. The stockpiles have increased 71 percent this year while copper prices are down 56 percent, heading for the first annual decline since 2001.

## Economic Calendar

	US Economic Data	Month	Actual	Survey	Prior
<b>24<sup>TH</sup> Dec'08</b>					
7.00pm	Durable orders	Nov	-1.0	-3.0	-6.9
7.00pm	Jobless claims (000s)	Nov	586	558	554
9.05pm	EIA Inventory (Million Barrels)	w/e			
	Crude oil		-3.10	+0.40	0.500
	Distillate		+1.80	+0.20	0.290
	Gasoline		+3.30	+0.50	1.300
<b>25<sup>th</sup> Dec'08</b>					
7.00pm	Natural gas storage change Bcf	w/e		--	-124
<b>30<sup>th</sup> Dec'08</b>					
7.00pm	Chicago PMI	Dec		33.0	33.8
8.30pm	Consumer confidence	Dec		45.2	44.9

## Precious Metals



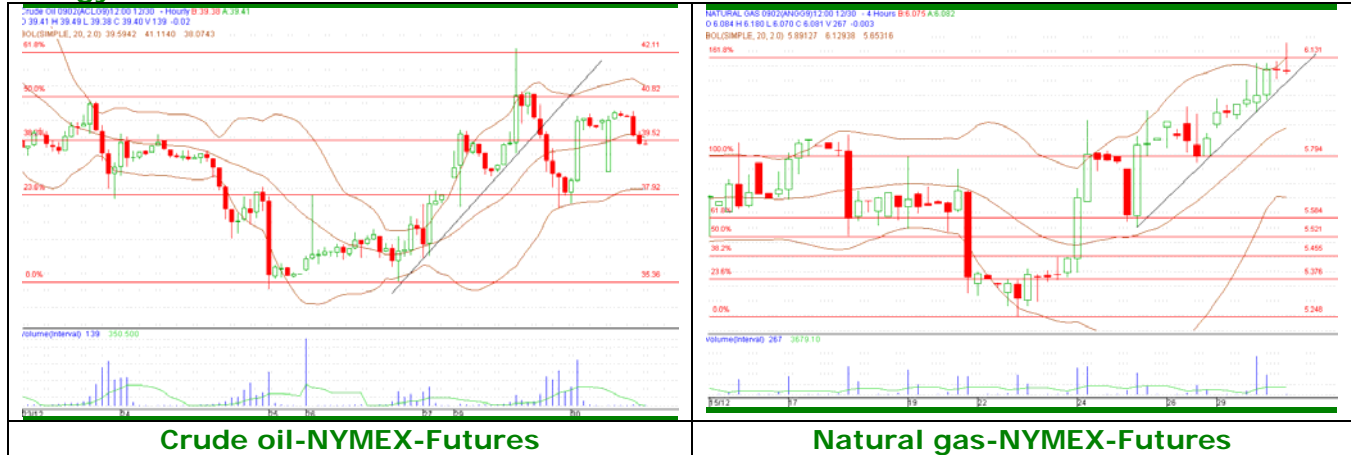
- Gold prices were declined due to long covering in the international market. Spot price fell below \$880.0/Troyounce level to show down trend. Prices fell because of sharp price gains were recorded with in very short span of time.
- Prices are trading below \$880.2 i.e. Rs. 13673/10gr level today. If price falls below \$877.0 i.e. Rs. 12614/10gr then market can indicate a negative tone. If price falls below \$872.6 then intraday selling is likely to come to hit target at \$868.5 i.e. Rs.13481/10gr level. U.S. consumer confidence data expected to be negative for precious metals market today. But bargain hunt can be expected around \$865.3 i.e. Rs.13445/10gr level in the MCX-February contract as overall outlook remains bullish for near term target of \$917.5/Troy ounce in the spot market .
- Silver showed sharper gains than gold yesterday. Silver prices were fulfilled \$11.26/Troy ounce level and MCX-March futures reached Rs.18400/kg target level yesterday. Still bullish tone persists in silver market for new target of \$11.70 in the near term. But prices below \$10.76 i.e. Rs.17840/kg is bearish indication on the intraday basis to hit target \$10.54 i.e. Rs. 17430/kg level. The resistance level is at \$11.09 i.e. Rs. 18290/kg level and selling can be seen around \$10.91 i.e. Rs.18075/kg level.

## Base Metals



- Copper prices today breached trend line resistance and prices are expected to give some upside correction. Today copper prices are expected to have support at \$2870/ton i.e. Rs.142.8/kg in MCX February contract and buying can be seen there. While on upside copper prices can give breakout above \$2930/ton i.e. Rs.146.1/kg in MCX and prices can target \$3070/ton i.e. Rs.152.3/kg in MCX and selling can again be seen there.
- Zinc prices are trading sideways. Zinc prices are expected to have support at Rs.54.00/kg in MCX December contract. While on upside, buying can be seen in zinc prices, above Rs.54.70/kg in MCX and prices can target Rs.55.70/kg.
- Nickel prices are forming triangle pattern in daily charts. Nickel prices have trend line support at Rs.465.0/kg in MCX December contract and buying can be seen there. While on upside nickel prices can give breakout above Rs.482.0/kg in MCX and prices can target Rs.500.0/kg in MCX. Nickel prices are expected to target 532.0/kg in MCX on breach of Rs.500/kg with good volumes.
- Lead prices are expected to have intraday support at Rs.43.90/kg in MCX December contract and buying can be seen there. While on upside lead prices can give breakout above Rs.45.1/kg and buying can be seen there for Rs.46.3/kg. Lead prices are expected to trade sideways to up today.

## Energy



- Crude oil prices are likely to target \$44.3 i.e. Rs.2168/Barrel level today. Prices can find support around \$39.7 i.e. Rs.1930/Barrel level. If price breaks above \$40.9 i.e. Rs.1998 level then they are expected to target previous price peak in MCX at Rs.2108/Barrel (\$42.8). Fibonacci projections are suggesting \$46.0/Barrel target in the short term.
- Natural gas prices showed upper spike in the hourly chart which is indicating a sign of long covering. Prices around \$6.05 i.e. Rs.292.4/mmBtu level is crucial resistance. If price falls from these level then they can reach \$5.84 i.e. Rs.282/mmBtu level in the evening session. Selling can be confirmed on breaching below \$5.98 i.e. Rs.290.0/mmBtu level today.

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