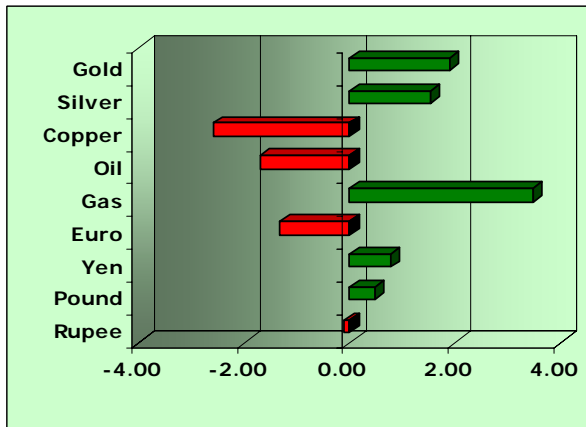


### Fundamental Update

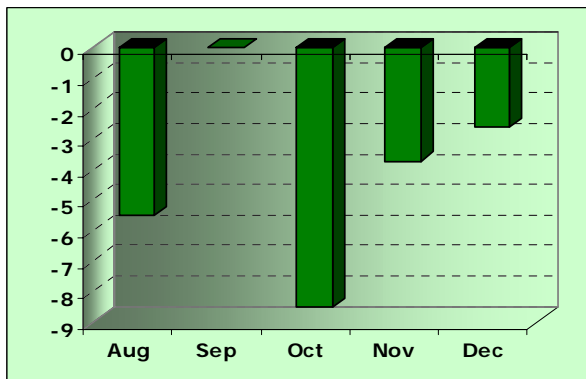
#### International market review



#### LME Warehouse stocks as on 29<sup>th</sup> Jan'09

	+/-	Closing stock
Copper	+22750	477675
Zinc	+925	321500
Nickel	+954	83718
Lead	+350	52525
Tin	+150	9200
Aluminium	+59750	2791600

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



### Market Highlights

- **U.S. Jobless claims jump to record, durable orders slide**
- **New home sales down 14.7 pct in December to record low**
- **Crude steady above \$41 on strike threat, gloomy data**

### Economy

The number of Americans claiming jobless benefits hit a record high in mid-January, while orders for long-lasting factory goods fell for a fifth month in December, according to data on Thursday that showed the economy in steep decline. The number of people staying on state jobless benefits rolls after drawing an initial week of aid jumped 159,000 to a higher-than-forecast 4.78 million in the week ended January 17. New orders for long-lasting manufactured goods dropped 2.6 percent last month after plunging 3.7 percent in November, the Commerce Department said. For 2008 as a whole, orders tumbled 5.7 percent, the second biggest decline since 2001.

Sales of newly built U.S. single-family homes fell 14.7 percent in December, the largest monthly decline since 1994, data showed on Thursday, indicating the housing market's downward spiral was far from reaching a bottom. The Commerce Department said sales tumbled to a 331,000 annual pace, the lowest since it started keeping records in 1963. November's sales were sharply revised down to 388,000 annual rate, which was previously reported as 407,000.

U.S. crude futures steadied on Friday as concerns about a potential strike among unionised U.S. refinery workers kept in check demand worries after bleak economic data from the world's top oil consumer nation. A possible strike by 30,000 U.S. refinery workers threatened on Thursday to shutter more than half of the nation's oil refining capacity, although a top union negotiator expressed optimism a deal could be reached before Sunday's deadline.

## Economic Calendar

	US Economic Data	Month	Actual	Survey	Prior
<b>27<sup>nd</sup> Jan'09</b>					
7.00pm	Consumer Confidence	Jan	37.7	39	38
<b>28<sup>th</sup> Jan'09</b>					
9.00pm	EIA Inventory (Million Barrel)	w/e			
	Crude oil		6.2	--	---
	Gasoline		1.0	--	---
	Distillate		0.1	--	---
<b>29<sup>th</sup> Jan'09</b>					
1.45am	FOMC rate decision	Jan		--	0-0.25
7.00pm	New housing starts	Dec		0.4	0.407
7.00pm	Initial jobless claims (000s)	w/e		580	589
7.00pm	EIA Natural gas storage change	w/e		--	--

## Precious Metals



- Gold prices were up after they have broken above channel resistance with U.S. economic data. U.S. durable goods and jobless claims reported worsen than earlier expectations. But prices are unable to break above crucial \$910/Troy ounce level to confirm bullish trend today. Prices can trail support level at \$897.0 i.e. Rs.14060-14030/10gr level today.
- MCX-February futures may trade below Rs.14280/10gr level while spot prices are likely to trade below \$910/Troy ounce level to reach target support level. Mixed market sentiments can show random price moves. As per Elliott wave count, prices were up on corrective wave "A". Wave "B" is a selling opportunity which is identifiable at \$910 or else \$920.4 (Rs.14440) on breaching above \$910 for instance. But wave "C" can end at new low around \$866.5-862.5/Troy ounce in the medium term.
- Silver prices are trading around \$12.27 i.e. Rs.19670/kg level and breaking above this level would target \$12.65 i.e. Rs.20270/kg level. Prices can take support around \$12.04 i.e. Rs.19340/kg level. Silver price charts show uptrend indication.

## Base Metals



**Copper-MCX-February**



**Zinc-LME-Select**



**Nickel-LME-Select**



**Lead-LME-Select**

- Copper prices are expected to remain pressurized on weak U.S. GDP data today. Copper prices are expected to have resistance at \$3170/ton i.e. Rs.161.2/kg in MCX February contract and selling can be seen below this for \$3140/ton i.e. RS.154.8/kg in MCX. A break down below \$3110/ton which is also trend line support can give further downward direction and prices can target \$3030/ton i.e. RS.149.6/kg in MCX.
- Zinc prices are trading sideways. Zinc prices can give break down only below \$1090/ton i.e. Rs.52.4/kg in MCX January contract and selling can be seen below this. While on upside Zinc prices can give intraday buying above \$1135/ton i.e. Rs.54.30/kg in MCX and prices can target \$1063/ton i.e. Rs.55.50/kg in MCX.
- Nickel prices are expected to remain sideways to down. Nickel prices are expected to have resistance at \$11470/ton i.e. Rs.558.0/kg in MCX January contract and prices can target \$10970/ton i.e. Rs.540/kg in MCX. Nickel prices should not break below \$10770/ton i.e. Rs.923.0/kg in MCX to remain bullish.
- Lead prices made altogether a different flag formation and are reluctant to fall. Today Lead prices are expected to give breakout above \$1165/ton i.e. Rs.56.80/kg in MCX January contract and buying can be seen there and prices can target Rs.59.80/kg in MCX. While on lower side Lead prices are expected to have support at Rs.55.50/kg in MCX.

## Energy



- Crude oil prices are still under consolidation with higher volatility at nearer to one week price lows. Prices can trade in the range of \$41.9 to \$40.6/Barrel level which is Rs.2062-1962/Barrel in MCX-February contract.
- If price breaks above \$41.9 then they can reach \$42.5 i.e. Rs.2092/Barrel level. But prices can pick momentum only above \$42.5/Barrel level. At lower side, prices can target \$39.9 i.e. Rs.1975-1962/Barrel level. In the overall, market is under bullish sentiments unless price closes below \$40.6/Barrel on the daily basis.
- Natural gas prices are in uptrend. Prices can target \$4.94 i.e. Rs.242/mmBtu level in the short term. Prices can rally on breaking above \$4.65 i.e. Rs.228/mmBtu level today. Prices can take support around \$4.47 i.e. Rs.218.2/mmBtu level.

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