



## Xchange Weekly (Market Update)

15<sup>th</sup> June 2009

Dear member/customer,

Welcome to this week's Xchange update from DGCX. This week's update includes a snapshot of DGCX volumes and news, as well as market commentary from JRG Metals & Commodities DMCC.

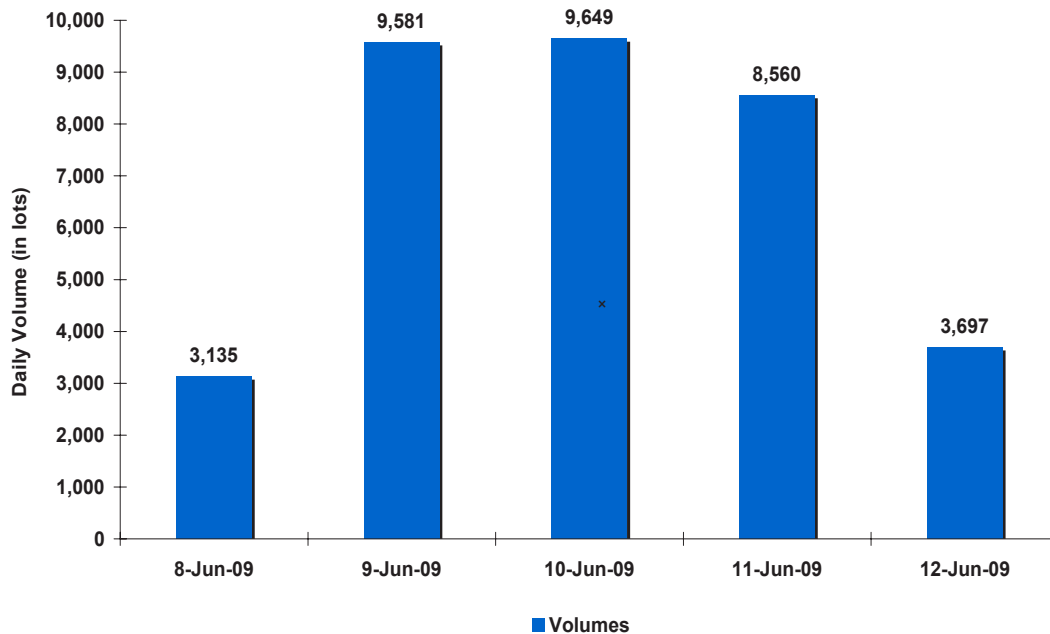
Please note that the observations expressed in the market commentary do not reflect the views of DGCX and are solely the view of the writer.

### DGCX Market Close

Market	Previous Week close	Current Week close	Current Week close	% Change	Weekly High	Weekly Low
DGCX Gold futures - (\$/ounce)	\$ 956.30	\$ 940.50	▼	<b>-1.65%</b>	966.50	937.70
DGCX Silver futures - (\$/ounce)	\$ 15.28	\$ 14.87	▼	<b>-2.68%</b>	14.80	14.80
DGCX Euro Futures - (\$/Euro)	\$ 1.396	\$ 1.400	▲	<b>0.28%</b>	1.414	1.380
DGCX GBP Futures - (\$/GBP)	\$ 1.598	\$ 1.644	▲	<b>2.89%</b>	1.661	1.581
DGCX INR Futures - (\$/100 INR)	\$ 2.111	\$ 2.099	▼	<b>-0.57%</b>	2.113	2.090
DGCX JPY Futures - (\$/100 Yen)	\$ 1.012	\$ 1.016	▲	<b>0.39%</b>	1.027	1.014
DGCX Steel Futures - (\$/mt)	\$ 440.00	\$ 440.00	-	<b>0.00%</b>	-	-
DGCX DBRC Futures - (\$/b)	\$ 68.34	\$ 70.92	▲	<b>3.78%</b>	-	-
DGCX DWTI Futures - (\$/b)	\$ 68.44	\$ 72.04	▲	<b>5.26%</b>	73.16	66.92

### DGCX Daily Volumes

Average Daily Volume (ADV 6,426)





## Market commentary

provided by **JRG Metals & Commodities DMCC**

### Crude Oil

**Weekly commentary:** U.S. crude oil futures rose above \$70 a barrel last week and hit \$73 a barrel last Thursday, the highest intraday price since late October due to a government report showing an unexpected decline in U.S. crude oil inventories, supportive U.S. economic data and an improved 2009 demand forecast from the International Energy Agency in Paris. According to the report from the DoE, Crude oil stockpiles dropped 4.38 million barrels to 361.6 million last week. At the same time, China, the world's third-biggest economy, processed a record volume of crude oil in May as increased factory output, agriculture and a jump in car sales boosted demand for fuel. Last week, the U.S. Energy Information Administration raised its demand forecast for this year. However, in a monthly report last Friday, The Organization of Petroleum Exporting Countries cut its forecast for world oil demand further, but said the worst appeared to be over for the market. Additionally, OPEC said demand this year would contract by 1.62 million barrels per day. It previously expected a decline of 1.57 million barrels per day.

Light, sweet crude oil for June on DGCX traded in the range \$73.16-\$66.92, before settling at \$72.04 a barrel at the end of last week.

#### **Weekly Outlook (DWTI June):**

Expecting weakness below \$73.4. Resistances are \$76.00, \$78.40 and \$81.00. Supports are \$70.70, \$68.30, \$65.00.

### Gold

**Weekly commentary:** The Gold price declined last week and traded below the key level of \$940 an ounce and settled at \$937.9, due to the continuation of profit booking from the three month high on the expectation of economic recovery. Reduced U.S. wholesale inventories, less than expected unemployment claims and an increase in retail sales boosted economic optimism and pushed gold lower. In a report, the University of Michigan's consumer confidence index increased from 68.7 to 69.0 in June, the highest in nine months, but less than expected. Recent currency fluctuations have led to large price swings in bullion and other commodities last week, and gold could still feel pressure if the dollar sustains its momentum. Holdings of major ETFs were also static. According to the report from SPDR Gold Trust, the world's largest bullion exchange-traded fund, its holdings were static for a fourth session on Friday at 1,132.15 metric tonnes. Meanwhile, gold buying in India, the world's biggest bullion consumer last year, declined with appetite for the precious metal receding as the wedding season tails off. Earlier this week, trade data showed India's gold imports fell sharply in May.

Gold for August delivery on DGCX traded in the range \$966.5-\$937.7

before settling at \$940.5 an ounce at the end of last week.

#### **Weekly Outlook (DG Aug):**

Expecting weakness below \$945. Resistances are \$958, \$966, \$982. Supports are \$935, \$924, \$915.

### Euro vs. Dollar

**Weekly Commentary:** The US dollar spent most of the week under pressure as investors bought higher-yielding currencies and assets such as stocks and commodities as there was doubt whether the economy has improved enough to justify talk of higher U.S. interest rates by year end. Improved U.S. labour market and retail sales data raised optimism about an economic recovery and reduced safe-haven demand for the greenback adversely affected the dollar. Strong demand for long-term U.S. debt at a Treasury auction helped lift bonds and stocks, further diminishing the allure of the dollar as a haven and boosting demand for higher yielding assets. Investors remained wary of making big bets in favour of the dollar, especially as they rethought the chances of a Fed rate hike this year. Rumours about finding a new global reserve currency to challenge the greenback also weighed on the dollar prior to a meeting in Russia of BRIC nations Brazil, Russia, India and China.

#### **Weekly Outlook (DEUR September):**

Expecting strength above \$141.65. Supports are 139.50, 138.00 and 136.60. Resistances are 142.30, 143.60 and 145.60.

### Pound vs. Dollar

**Weekly Commentary:** Sterling rose sharply against dollar last week helped by further signs the UK housing market is stabilizing and a calm political outlook. Better than expected UK inflation poll result; showing consistency in price rises for the year ahead also supported the sterling rally. The Bank of England/GfK NOP Inflation Attitudes Survey showed British inflation expectations for the coming year rose to 2.4% in May from 2.1% in February, the first rise since August. A survey by the Royal Institution of Chartered Surveyors showed house prices in England and Wales fell at their slowest annual pace since November 2007, echoing other recent indicators suggesting house prices may be nearing a trough. The pound was also supported by a calmer UK political outlook, with Labour Party parliamentarians on Monday offering their support to Prime Minister Gordon Brown.

#### **Weekly Outlook (DGBP September):**

Expecting weakness below \$162.20. Supports are 160.70, 159.70, and 158.10. Resistances are 165.28, 166.80, and 168.40.

### Further Information

Full details on all of our products and DGCX news can be found at [www.dgcx.ae](http://www.dgcx.ae)

Alternatively, if you would like to speak with a Relationship Manager, please contact us.

Tel: +971 (0)4 361 1616 Email: [info@dgcx.ae](mailto:info@dgcx.ae)

**Dubai Gold and Commodities Exchange**

P.O. Box 37736, Dubai, United Arab Emirates

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