



Daily Metal Commentary

Thursday, July 2, 2009

Today's News

- U.S. June Employment at 9.5%
- Non -Farm Payrolls fell 467,000 (forecast -400,000)
- Weekly Jobless Claims fell 16,000
- ECB keeps main refinancing interest rate at record low 1 percent
- Euro Zone Unemployment hits record high at 9.5%
- LME Copper stocks fell 1500 tonnes this morning, totaling 264,225 tonnes.
- SPDR Gold Trust holdings were unchanged on Wednesday at 1120.55 tonnes.

Gold and silver are sharply lower this morning as traders paired positions ahead of the release of June U.S. employment statistics. The estimate for non-farm payrolls is a drop of 350,000 – 400,000 jobs. A bigger than expected non farm payroll would be negative for physical commodities. Weak employment data with a slowing physical gold market could send the yellow metal back to the 870.00 level, a better than expected jobs number will allow gold to challenge overhead resistance at 950.00- 962.00. The upside of gold and silver appear to be limited given the recent global growth forecast by the World Bank. The recovery seems to be stalling and that will be an issue for all physical commodities. Be very careful trading the long side of the metal markets, the downside is such a quicker and faster game.

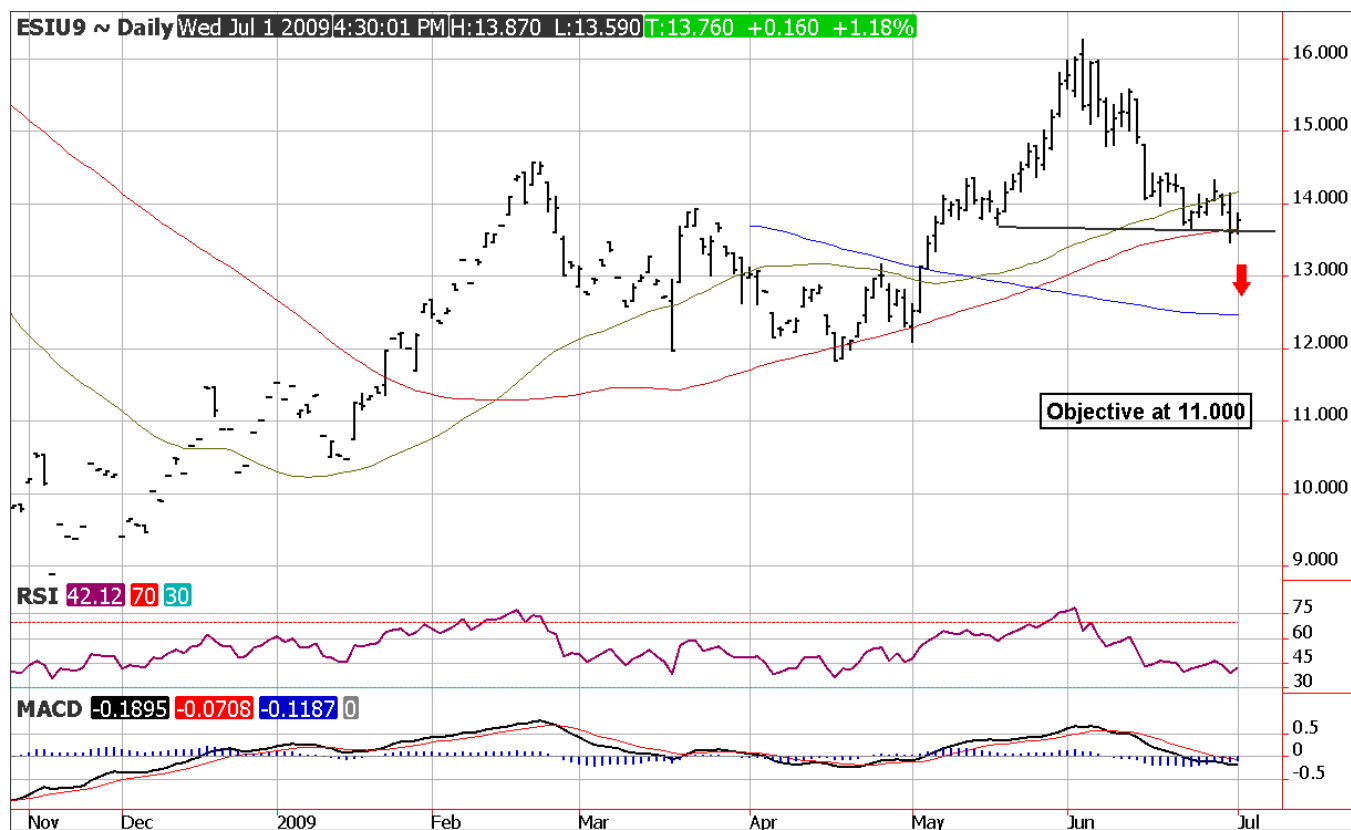
August gold resistance is 955.00 -962.00 and support remains at 920.00 -914.00. Consider this a range trade until either of those barriers is broken on a settlement. A settle under 914.00 could accelerate prices to 870.00. The chart pattern for silver is getting close to confirming a bad trade, which means a bearish outlook. Resistance for September silver is 14.15 -14.30 with support at Monday's 13.455 low. The chart count for September silver is 11.00

LME Copper stocks were down 1,500 tonnes this morning, total at 264,225 tonnes. The chart pattern for copper is bullish and the current price target is at 261.25, however, copper is due for a correction and the tone of the global recovery has become a bit too negative for copper to reach the objective without another downside correction. Users can cover longs for a minute. It appears the copper market is into resistance on the weekly chart (see below).

Daily August Gold



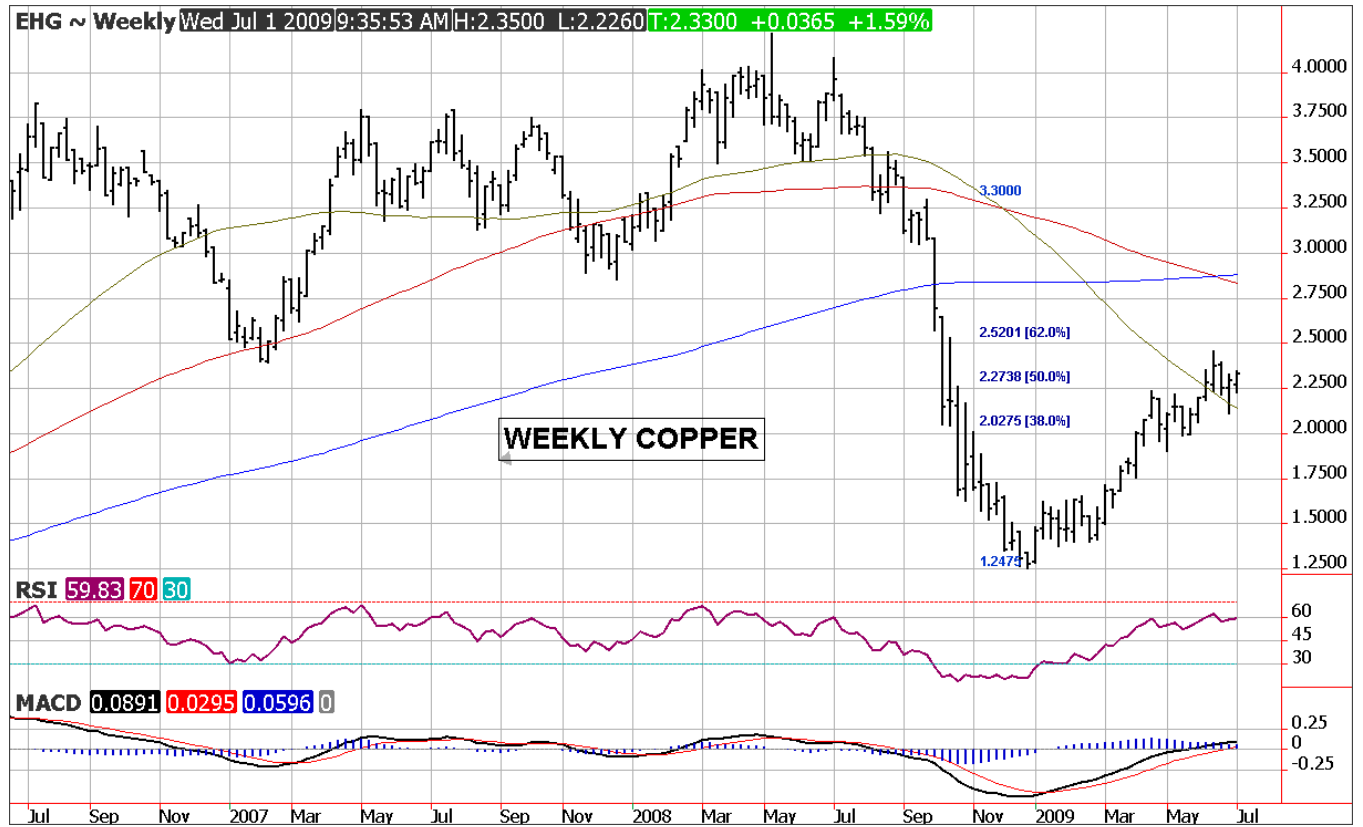
Daily September Silver



Weekly Palladium Chart



Weekly Copper Chart



Previous Day's Activity, Wednesday, July 1					
Futures	Settle	Net Chg	Pct	Vol	Open Int.
GCQ	941.30	13.90	1.50	97,417	227,294
GCZ	944.20	14.00	1.50	4,389	52,918
SIU	1376.00	16.00	1.20	10,421	58,579
HGU	233.05	5.85	2.20	16,832	73,564
PLV	1205.10	19.80	1.50	1,681	22,089
PAU	254.85	3.90	1.30	764	16,082

London	A.M.	Fixes
	\$US	Euro
Gold	\$936.00	€ 663.60
Silver	\$13.41	€9.532
Platinum	\$1,188.00	€ 842.85
Palladium	\$252.00	€ 178.80

Commitments of Traders - Futures and Options						
	Non-Commercial		Commercial		Non-Reportable	
	Position	Change	Position	Change	Position	Change
Gold	170,956	-12,148	-201,474	15,792	30,518	-3,644
Silver	28,681	-2,036	-45,467	2,448	16,785	-413
Copper	-21,804	-3,279	20,493	5,650	1,311	-2,730
Platinum	9,918	775	-12,581	-249	2,663	-526
Palladium	8,085	-345	-9,591	705	1,506	-360

Comex Warehouse Stocks			LME Warehouse Stocks		
	Total Troy Oz.	Daily Net Chg.		Tonnes	Daily Net Chg.
Gold	8,737,284	5,583	Aluminium	4,397,325	2,500
Silver	117,583,739	8,829	Nickel	109,584	0
Copper	59,795	0	Copper	264,225	-1,500
Platinum	2,523	2	Zinc	353,125	-250
Palladium	4,291	0			

World Official Gold Holdings (GFMS)		
Country/Organization		Gold (Tonnes)
United States		8133.5
Germany		3412.6
IMF		3217.3
France		2508.8
Italy		2451
SPDR Gold Trust		1120.6
China		1054
Switzerland		1040.1
Japan		765.2

Important Dates

DATE	TIME	COUNTRY	INDICATOR / EVENT
7/02/2009	7:30 am	US	Weekly Jobless Claims
	7:30 am	US	Employment Statistics
	9:00 am	US	Factory Orders
7/03/2009	NA	US	Independence Day (Observed)
7/06/2009	9:00 am	US	ISM Non-Manufacturing Index
7/09/2009	7:30 am	US	Weekly Jobless Claims
7/10/2009	7:30 am	US	US Trade Balance
7/14/2009	7:30 am	US	Producer Price Index
7/15/2009	7:30 am	US	Consumer Price Index
	8:15 am	US	Industrial Production
7/28/2009	NA	US	Option Expiration for August Metals
7/29/2009	NA	US	Last Trading Day for July Metals
7/31/2009	NA	US	First Notice Day for August Metals

Regards, Tony Raia

Sr. VP

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