

Gold & Silver Marketwatch

Daily Update: Tuesday, April 29, 2008

Strategist Contact Information

Camilla Sutton, CFA, CMT Stephen Malyon, CFA
 Camilla_Sutton@Scotiacapital.com Stephen_Malyon@Scotiacapital.com

Trading Contacts

Reuters MMCN or (212)225-6200
 Stephen Abbriano—Stephen_Abbriano@scotiacapital.com
 Robert Lockwood—Robert_Lockwood@scotiacapital.com

Market Commentary

Gold opened 882.75/883.75 in New York and drifted lower early on following oil. Support was established around 878.00 and the metal moved sideways on light trading. However as the session progressed funds sold the metal down to a low of 873.20/874.20, responding to a further slump in oil prices and a stronger USD. It became range bound as the market is hesitant ahead of tomorrow's FOMC rate decision and statement. Gold closed at 874.50/875.50. Risks surrounding tomorrow are substantial as the Fed release could easily pave the near-term outlook for the USD, which could have a significant impact on gold prices.

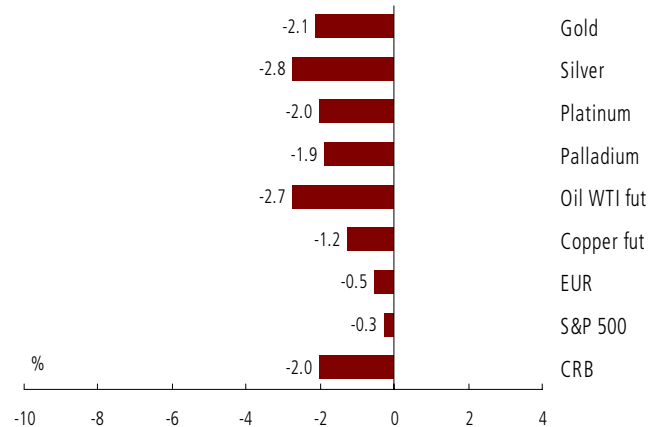
Silver opened at 1666.00/1670.00 and tumbled to a low of 1644.00/1648.00 as dealers reacted to weak oil prices and a strong USD. The metal later recovered from the lows as short covering pushed silver up to resistance around 1670.00. However, from here it slipped and traded within a narrow range during the afternoon, finally settling at 1651.00/1655.00.

Technical Commentary

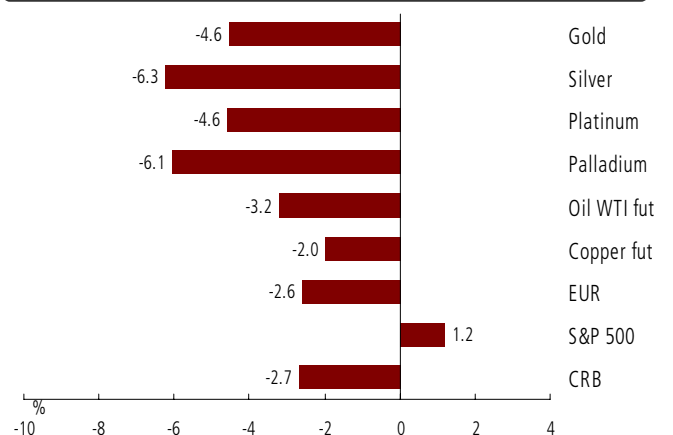
Gold - Today's price action broke through support and was clearly bearish, providing no confirmation of a bottom and in fact foreshowing further near-term downside. Technicals, which have been clouded over the last several weeks, have generally all taken on a near-term bearish tone. The MACD created a sell signal on April 23rd, when it crossed below the signal line, flagging a warning that there was a potential change in trend underway. Moving averages are also pointing to further weakness ahead as gold is trading well below its 100-day moving average of 905.60 and the 4 and 9-day are trading below the 18-day moving average (884.98, 903.63 & 914.81, respectively). Accordingly, momentum for the precious metal has clearly softened and today's break of support clears up much of the cloudiness that we have seen in recent signals. We think today's price action opens up a test of the Fibonacci 50% retracement level (836.10) of the June 2007 to March 2008 run. However, we note that tomorrow's FOMC meeting provides a key risk to most markets.

Silver's support of 16.80, which had been holding well, was decidedly broken and hints at further near term downside. Support lies at the recent low of 16.40, while resistance comes in at the 100-day MA of 17.09.

1-Day Commodity Moves



5-Day Commodity Moves



4/29/08 14:28 - Time above charts last updated - Source: Bloomberg

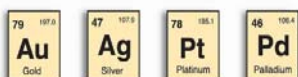
Gold, Silver, Platinum & Palladium

	Gold	Silver	Platinum	Palladium
Open	882.75/883.75	16.66/16.70	1,970	442.25
High	883.50/884.50	16.70/16.74	1,973	442.25
Low	873.20/874.20	16.44/16.48	1,922	424.25
Close / Last Mid*	874.50/875.50	16.51/16.55	1,931	425.25
London Fix AM	886.00	16.780	1,955	431.00
London Fix PM	880.00	-	1,950	428.00
Handy Harman (Base)	880.00	16.600	1,950	428.00
Gold / Silver Ratio	52.4	NA	NA	NA
Open Interest	Gold OI	One day ch	Silver OI	One day ch
COMEX	418,657	(3,522)	127,367	(3,340)
CBOT	<u>12,017</u>	<u>(646)</u>	<u>3,606</u>	<u>34</u>
Total	430,674	(4,168)	130,973	(3,306)

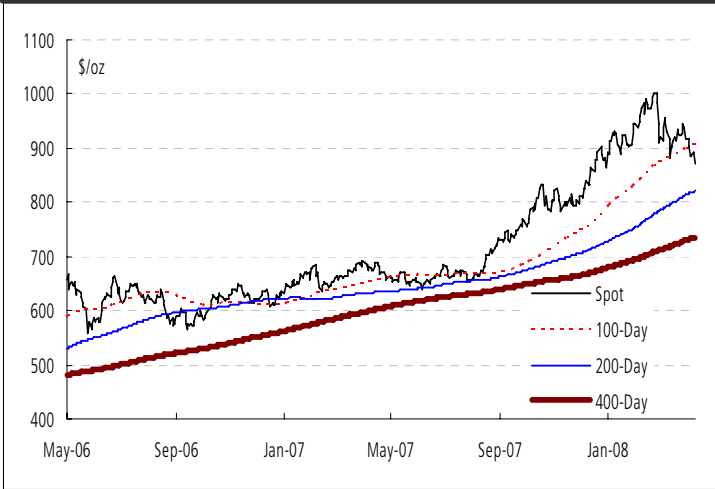
Technical Levels, etc.

	Gold	Silver	Platinum	Palladium
Pivot	880.43	16.727	1,941	431.25
Primary Support (Buy)	864.90	16.298	1,908	418.75
Primary Resistance (Sell)	888.74	16.968	1,960	436.75
HBOP	912.58	17.638	2,013	454.75
LBOP	841.06	15.628	1,855	400.75
Bollinger Band Upper	949.85	18.560	2,066	469.57
Bollinger Band Mid	913.69	17.580	1,999	449.10
Bollinger Band Lower	877.52	16.601	1,931	428.63
Relative Strength 14 Day	34	38	41	35

Close/last mid refers to the spot closing floor price in gold and silver, and spot's last mid price as provided by Bloomberg in platinum & palladium spot
 All other data provided by Bloomberg. Actual market levels may have differed.



Gold: 2-Year Close with Moving Averages



Gold: 2-Month Candlesticks



Silver: 2-Year Close with Moving Averages



Silver: 2-Month Candlesticks



Source: Bloomberg - which can differ slightly from market spot prices

Moving Averages

	Gold	Silver	Platinum	Palladium
5 Day MA	888.81	16.870	1,963	436.75
10 Day MA	907.72	17.390	1,998	446.13
20 Day MA	913.69	17.580	1,999	449.10
30 Day MA	917.79	17.590	1,981	447.25
60 Day MA	934.59	18.170	2,024	470.08
100 Day MA	905.60	17.090	1,845	430.75
200 Day MA	821.08	15.260	1,604	391.75

FX Majors

CAD	1.0123
EUR	1.5577
GBP	1.9688
CHF	1.0358
AUD	0.9341
ZAR	7.6019
JYP	103.75
as of: 4/29/2008 14:28	

Markets

CRB	411.76
DJAIG	209.25
Crude (fut)	115.91
S&P 500	1,393.51
US 10 Yr	3.81
US 30 Yr	4.54
CDN 10 Yr	3.69
as of: 4/29/2008 14:28	

This report has been prepared by ScotiaMocatta and is not intended for use by private individuals. The ScotiaMocatta trademark represents the precious metals business of The Bank of Nova Scotia. The Bank of Nova Scotia, a Canadian chartered bank, is incorporated in Canada with limited liability. Opinions, estimates and projections contained herein are subject to change without notice. The information and opinions contained herein have been compiled or arrived at from sources believed reliable but no representation or warranty, express or implied, is made as to their accuracy or completeness. Neither the Bank of Nova Scotia, its affiliates, employees or agents accepts any liability whatsoever for any loss arising from the use of this report or its contents. The Bank of Nova Scotia, its affiliates, employees or agents may hold a position in the products contained herein. This report is not a direct offer financial promotion, and is not to be construed as, an offer to sell or solicitation of an offer to buy any products whatsoever. The Bank of Nova Scotia is authorized and regulated by The Financial Services Authority.

