

Market Commentary

Gold opened at 854.00/856.00 in New York. Non-farm payrolls came in near expectations, after which the dollar rallied and gold tumbled to reach an intraday low of 844.00/846.00. Despite weaker oil and an advancing dollar, the metal broke away and rallied from its lows. Good fund buying carried the metal higher to peak at 868.75/870.75. The metal retreated from its highs as dealers took profit, closing at 853.50/855.50.

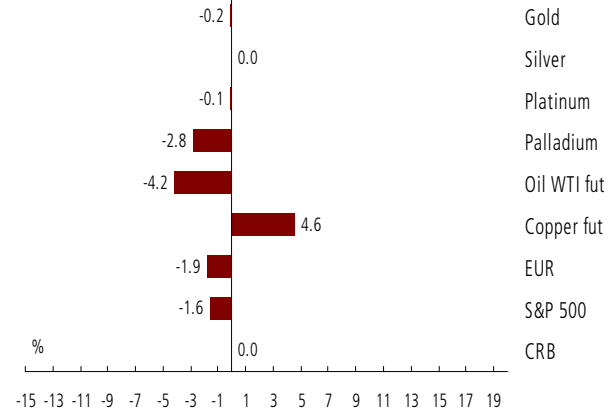
Silver opened at 1118.00/1123.00 and surged on short covering before the release of the key non-farm data, finding resistance near 1140.00. It was dragged lower as the dollar rallied and oil prices retreated, dipping to a low of 1096.00/1101.00. The metal later gathered momentum and climbed from its lows for a good part of the session, finding resistance near 1130.00. Panicked buying drove it through this level, carrying the metal to a high of 1161.00/1166.00. This level could not be sustained as the session unwound, slipping lower to close at 1131.00/1136.00.

Technical Commentary

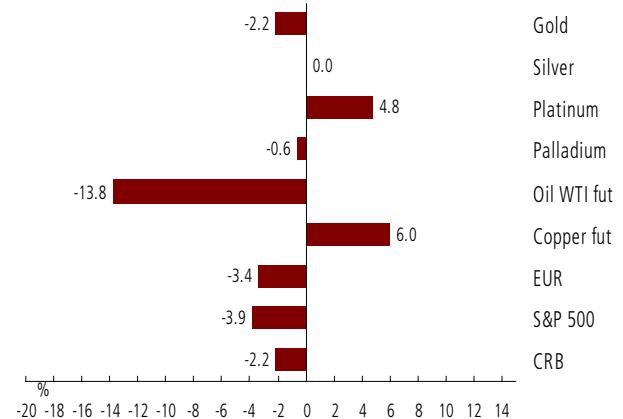
Gold is unchanged on the day, closing near its 200 day moving average at 857. On the weekly chart, gold is showing a down move off last Friday's close of 878. Our key support on both daily and weekly charts remains the 830 level. While 830 holds, we are looking for another leg up to 890 and 930.

Silver is making a firm close near 11.30. The unit remains in an up channel that is bound by 10.89 on the base and 12.75 on the top. We tried the downside of this channel a number of times this week but the support line held. The weekly chart shows a down week but the current close is not far from last Friday's 11.70 close. The gold/silver ratio is largely unchanged on the week near 75.60. The ratio has the previous week's large 81.75 to 75.60 down candle over-hanging the market. Risk appears to be for a move to 72.07, the November low.

1-Day Commodity Moves



5-Day Commodity Moves



1/9/09 13:53 - Time above charts last updated - Source: Bloomberg

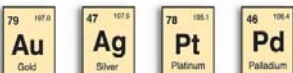
Gold, Silver, Platinum & Palladium

	Gold	Silver	Platinum	Palladium
Open	854.00/856.00	11.18/11.23	993	196.00
High	868.75/870.75	11.61/11.66	1,003	198.00
Low	844.00/846.00	10.96/11.01	972	186.50
Close / Last Mid*	853.50/855.50	11.31/11.36	996	194.00
London Fix AM	854.00	11.220	991	196.00
London Fix PM	847.25	11.220	988	196.00
Handy Harman (Base)	847.25	11.315	988	196.00
Gold / Silver Ratio	75.5	NA	NA	NA
Open Interest	Gold OI	One day ch	Silver OI	One day ch
COMEX	328,203	(81)	86,202	(282)
CBOT	4,341	87	2,084	(21)
Total	332,544	6	88,286	(303)

Technical Levels, etc.

	Gold	Silver	Platinum	Palladium
Pivot	853.63	11.245	989	193.42
Primary Support (Buy)	838.41	10.880	975	187.08
Primary Resistance (Sell)	870.41	11.675	1,009	200.33
HBOP	902.41	12.470	1,043	213.58
LBOP	806.41	10.085	941	173.83
Bollinger Band Upper	887.18	11.765	1,010	200.20
Bollinger Band Mid	858.88	11.005	899	182.91
Bollinger Band Lower	830.59	10.244	788	165.63
Relative Strength 14 Day	54	58	76	56

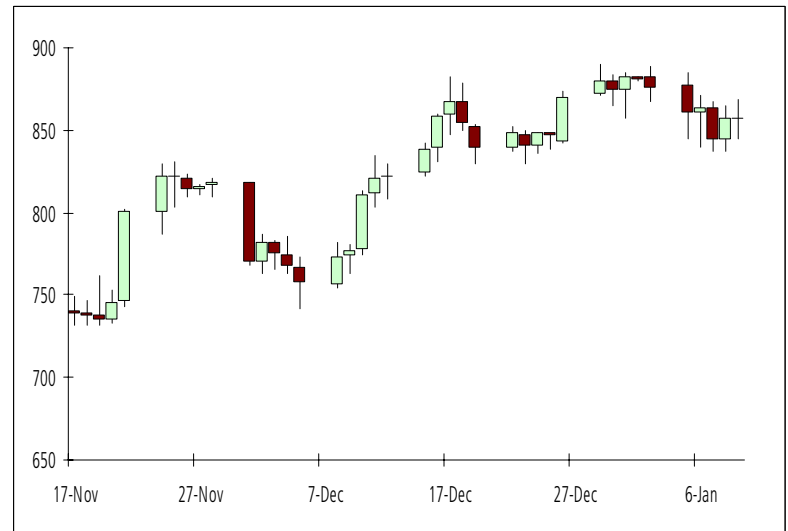
Close/last mid refers to the spot closing floor price in gold and silver, and spot's last mid price as provided by Bloomberg in platinum & palladium spot. All other data provided by Bloomberg. Actual market levels may have differed.



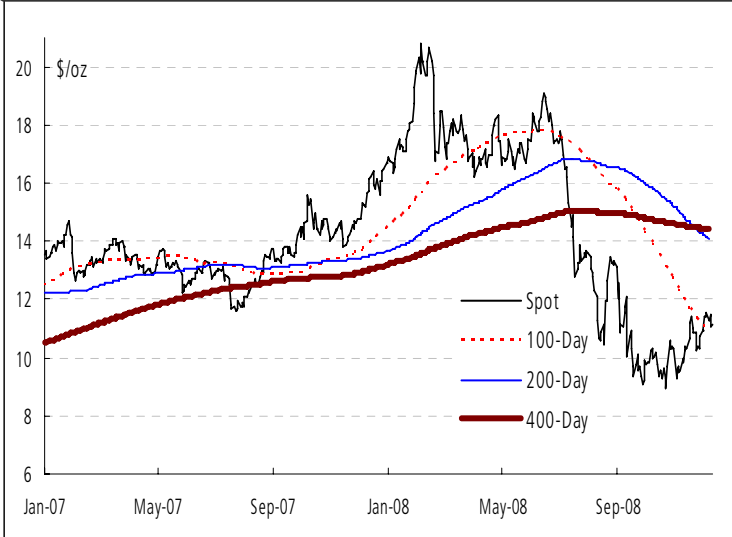
Gold: 2-Year Close with Moving Averages



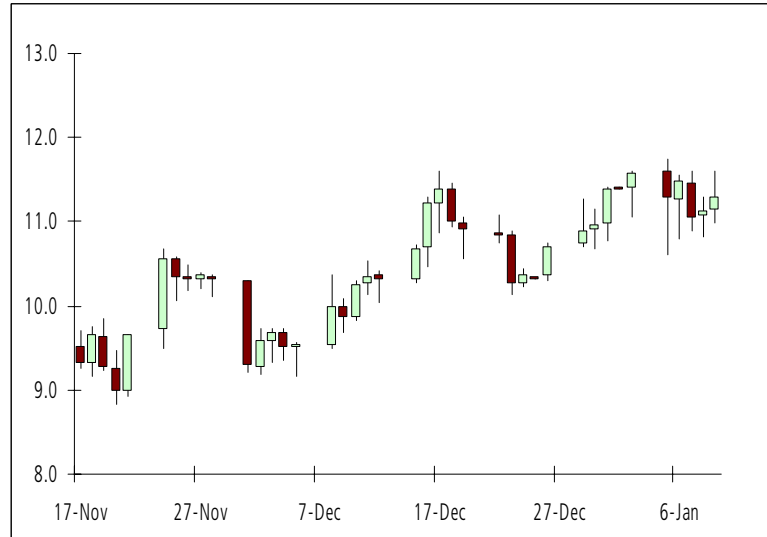
Gold: 2-Month Candlesticks



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	855.72	11.242	976	194.15
10 Day MA	866.95	11.242	949	190.05
20 Day MA	858.88	11.005	899	182.91
30 Day MA	834.34	10.613	873	180.83
60 Day MA	794.86	10.200	855	189.46
100 Day MA	811.27	10.918	987	209.45
200 Day MA	854.55	13.968	1,455	315.65

FX Majors

CAD	1.1876
EUR	1.3432
GBP	1.5142
CHF	1.1151
AUD	0.7049
ZAR	9.7746
JYP	90.36
as of:	1/9/2009 15:18

Markets

CRB	228.67
DJAIG	118.27
Crude (fut)	40.93
S&P 500	895.44
US 10 Yr	2.40
US 30 Yr	3.06
CDN 10 Yr	2.81
as of:	1/9/2009 15:18

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