

Market Commentary

Gold opened at 819.00/821.00 and quickly dipped to an intraday low of 815.00/817.00. It recovered on the back of rallying oil prices, and despite a stronger USD, the metal continued to tick higher to peak at 830.75/832.75. Gold quickly retreated from its highs as dealers took profit and oil prices lost steam. Support was established near 820.00 and the metal traded lightly until the session unwound, settling at 820.00/822.00.

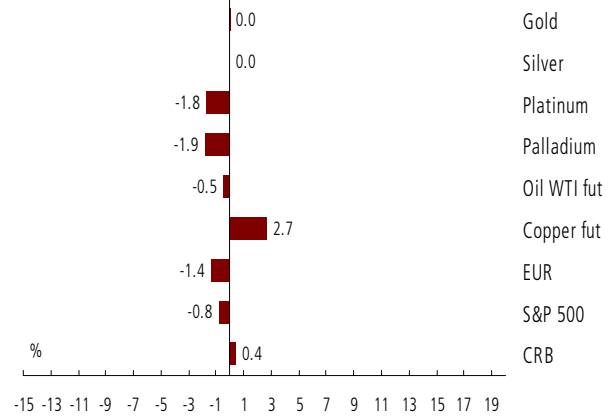
Silver opened at 1060.00/1065.00 and tumbled as dealers sold, reacting to a stronger dollar and slumping base metals, reaching an intraday low of 1040.00/1045.00. This move reversed as silver followed stronger oil prices, with good fund buying helping the metal rally to a high of 1082.00/1087.00. Profit taking near the latter end of the day dragged silver from its highs to close at 1068.00/1073.00.

Technical Commentary

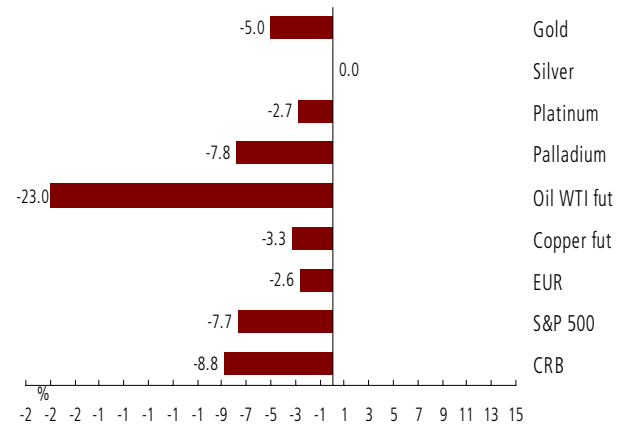
Gold consolidated yesterday's losses, closing unchanged near 822. The 830 level proved the top today after providing huge support in the December to January period. The price action over the past month appears as a small Head and Shoulders pattern. The neckline broke yesterday at 837. We are bearish gold while the unit holds below 830/837, with a short term measured move objective of 784.

Silver is closing higher today at 10.73 after an initial test toward 10.46. Yesterday's large dark candle still overhangs the market. We still like silver, but a better way to express that view is versus gold. The gold/silver ratio should move lower while gold holds below 837. The ratio is currently sitting at 76.50 from yesterday's 77.27 close. The view is for a move to the January low of 75.50.

1-Day Commodity Moves



5-Day Commodity Moves

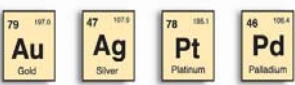


1/13/09 13:57 - Time above charts last updated - Source: Bloomberg

Gold, Silver, Platinum & Palladium				
	Gold	Silver	Platinum	Palladium
Open	819.00/821.00	10.60/10.65	957	188.50
High	830.75/832.75	10.82/10.87	969	190.00
Low	815.00/817.00	10.40/10.45	923	181.50
Close / Last Mid*	820.00/822.00	10.68/10.73	942	183.50
London Fix AM	815.50	10.620	940	183.00
London Fix PM	826.50	10.620	931	183.00
Handy Harman (Base)	826.50	10.815	931	183.00
Gold / Silver Ratio	77.8	NA	NA	NA
Open Interest	Gold OI		Silver OI	
COMEX	318,348		87,193	
CBOT	<u>4,250</u>		<u>2,121</u>	
Total	322,598		89,314	

Technical Levels, etc.				
	Gold	Silver	Platinum	Palladium
Pivot	830.83	10.817	956	187.50
Primary Support (Buy)	804.67	10.343	908	177.00
Primary Resistance (Sell)	847.01	11.183	989	193.50
HBOP	889.35	12.023	1,070	210.00
LBOP	762.33	9.503	827	160.50
Bollinger Band Upper	891.66	11.737	1,014	200.18
Bollinger Band Mid	856.12	10.976	911	183.83
Bollinger Band Lower	820.58	10.215	809	167.47
Relative Strength 14 Day	44	49	58	47

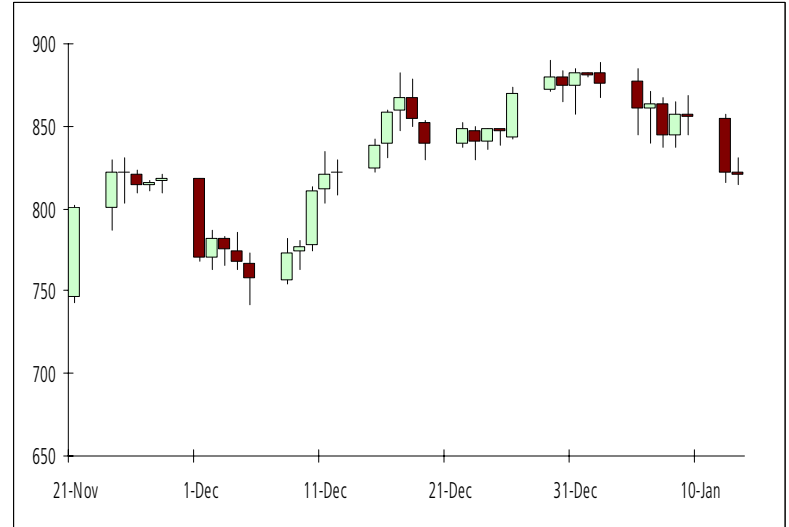
Close/last mid refers to the spot closing floor price in gold and silver, and spot's last mid price as provided by Bloomberg in platinum & palladium spot
All other data provided by Bloomberg. Actual market levels may have differed.



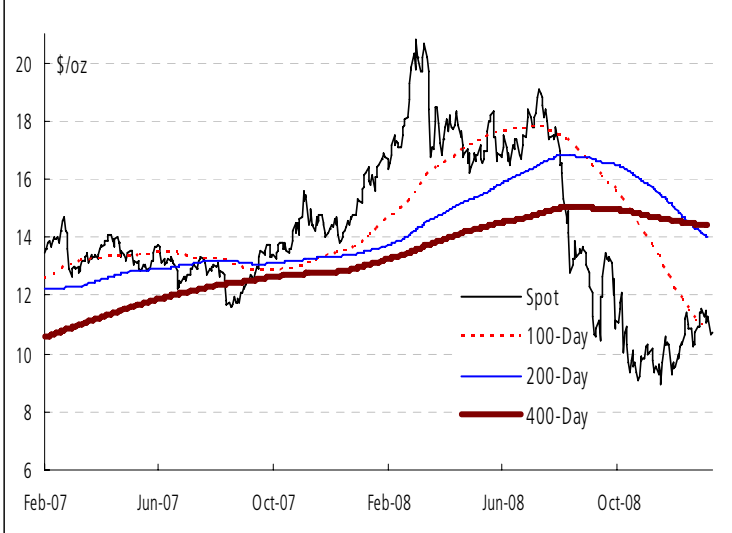
Gold: 2-Year Close with Moving Averages



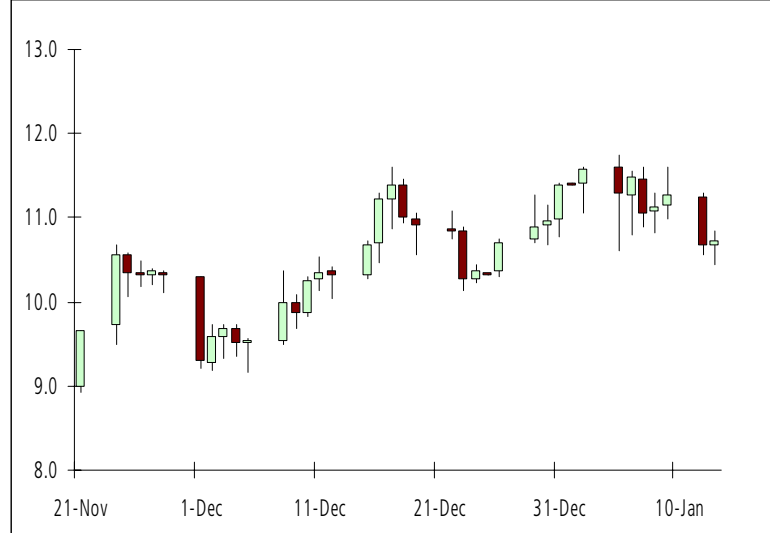
Gold: 2-Month Candlesticks



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	839.29	10.962	972	191.20
10 Day MA	855.68	11.190	957	190.38
20 Day MA	856.12	10.976	911	183.83
30 Day MA	837.34	10.696	880	180.89
60 Day MA	796.08	10.225	857	189.64
100 Day MA	811.22	10.861	977	207.37
200 Day MA	853.59	13.896	1,444	313.02

FX Majors

CAD	1.2290
EUR	1.3179
GBP	1.4487
CHF	1.1191
AUD	0.6602
ZAR	10.0263
JYP	89.07
as of:	1/13/2009 13:57

Markets

CRB	221.45
DJAIG	113.49
Crude (fut)	37.54
S&P 500	862.77
US 10 Yr	2.30
US 30 Yr	3.01
CDN 10 Yr	2.73
as of:	1/13/2009 13:57

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