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Market Commentary

Gold opened at 867.50/868.50 in New York. The USD rallied mainly on the back of weaker than expected European data and a hawkish Fed Hoenig, who sounded alarm bells about inflation pressures. Accordingly a strong USD helped to push gold down to a low of 862.70/863.70. It was fairly range bound for most of the session, however during the tail-end of the day the metal climbed on the back of rallying oil prices and a slightly weaker USD. Gold closed at 869.50/870.50.

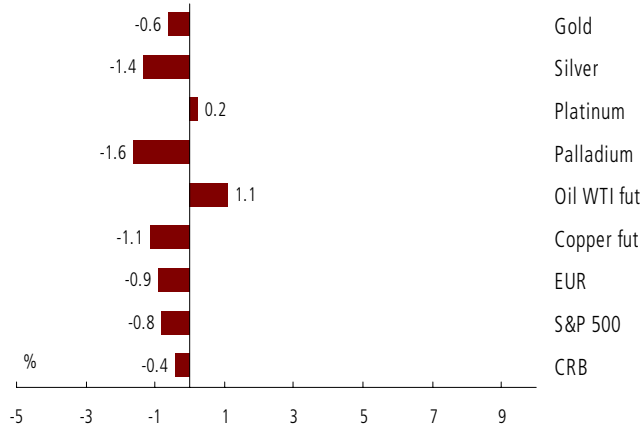
Silver opened at 1665.00/1669.00 and slipped to a low of 1646.00/1650.00 as funds sold reacting to a stronger USD. Similar to gold the metal fell within a range and traded very lightly during much of the day. A late day rally inspired by surging oil prices pushed the metal higher to finally settle at 1662.00/1666.00.

Technical Commentary

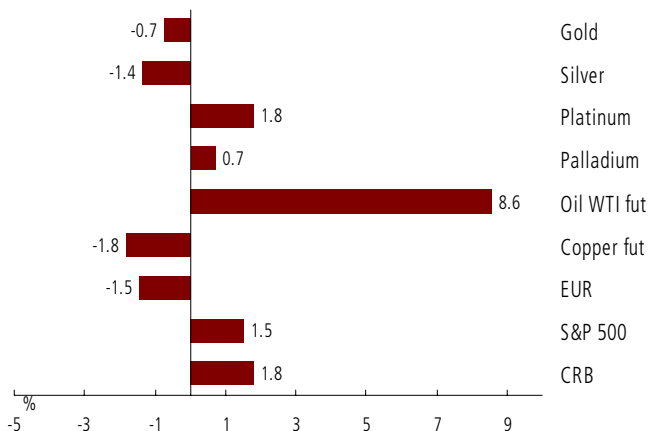
Gold - Today's price action confirmed that the charts are leaning towards further near-term downside. Resistance of 881.94 (see chart on page two) continued to hold well and the market was generally weaker than yesterday. As noted yesterday, the 4 and 9-day trading moving averages have yet to make a cross above the 18-day (869.85, 873.30 and 896.42, respectively); the near-term trend is still downwards; and though price action has turned marginally more bullish over the last four sessions it has yet to create any significant buy signals. The metal seems quite comfortable trading between the 100 and 200-day moving average (909.62 and 827.13, respectively). However overall technicals are still somewhat clouded, but seem to remain biased for further downside. Support comes in at intraday congestion of 862.66, followed by 848.80, while resistance lies first at 881.94 followed by the recent intraday high of 883.45.

Silver - Price action today hints at further near-term downside for silver. Similar to the outlook for gold, technicals are somewhat clouded for silver, but generally warn of further downside. Yesterday's support from the 9-day moving average (16.68) was broken. Accordingly near-term support now lies at today's low of 16.46; while resistance comes in at the recent high of 17.01.

1-Day Commodity Moves



5-Day Commodity Moves



5/7/08 14:30 - Time above charts last updated - Source: Bloomberg

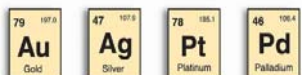
Gold, Silver, Platinum & Palladium

	Gold	Silver	Platinum	Palladium
Open	867.50/868.50	16.65/16.69	1,956	426.25
High	870.00/871.00	16.70/16.74	1,963	432.00
Low	862.70/863.70	16.46/16.50	1,929	417.00
Close / Last Mid*	869.50/870.50	16.62/16.66	1,963	424.50
London Fix AM	874.00	16.690	1,945	427.00
London Fix PM	868.25	-	1,930	418.00
Handy Harman (Base)	868.25	16.570	1,930	418.00
Gold / Silver Ratio	52.0	NA	NA	NA
Open Interest	Gold OI	One day ch	Silver OI	One day ch
COMEX	433,741	1,438	121,057	434
CBOT	<u>11,212</u>	<u>(242)</u>	<u>2,958</u>	<u>(7)</u>
Total	444,953	1,196	124,015	427

Technical Levels, etc.

	Gold	Silver	Platinum	Palladium
Pivot	872.57	16.705	1,946	424.75
Primary Support (Buy)	862.00	16.405	1,930	417.00
Primary Resistance (Sell)	880.83	16.940	1,976	432.50
HBOP	899.66	17.475	2,023	448.00
LBOP	843.17	15.870	1,883	401.50
Bollinger Band Upper	954.53	18.493	2,071	475.08
Bollinger Band Mid	899.43	17.244	1,974	441.00
Bollinger Band Lower	844.33	15.995	1,877	406.92
Relative Strength 14 Day	40	42	49	41

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	866.17	16.560	1,922	420.60
10 Day MA	874.46	16.690	1,935	425.88
20 Day MA	899.43	17.240	1,974	441.00
30 Day MA	905.21	17.390	1,983	442.29
60 Day MA	930.16	18.130	2,027	469.03
100 Day MA	909.61	17.240	1,871	434.87
200 Day MA	827.13	15.370	1,622	393.40

FX Majors

CAD	1.0068
EUR	1.5403
GBP	1.9533
CHF	1.0550
AUD	0.9429
ZAR	7.5675
JYP	104.89
as of: 5/7/2008 15:06	

Markets

CRB	418.91
DJAIG	213.64
Crude (fut)	123.62
S&P 500	1,397.90
US 10 Yr	3.86
US 30 Yr	4.62
CDN 10 Yr	3.69
as of: 5/7/2008 15:06	

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