

# Gold & Silver Marketwatch

## Daily Update

### Strategist Contact Information

Russell Browne - russell\_browne@scotiacapital.com

### Trading Contacts

Reuters MMCN or (212)225-6200

Stephen Abbriano - stephen\_abbriano@scotiacapital.com

Robert Lockwood - robert\_lockwood@scotiacapital.com

Monday, November 02, 2009

### Market Commentary

Gold opened on its lows at 1053.00/1054.00 and quickly rallied as the session started, finding resistance near 1057.00. Construction spending and pending home sales surpassed expectations causing equity markets to rally and gold quickly followed. Good buying carried the metal to an intraday high of 1062.80/1063.80. Profit taking took it lower and the selling was persistent, finally closing just above its lows at 1053.25/1054.25.

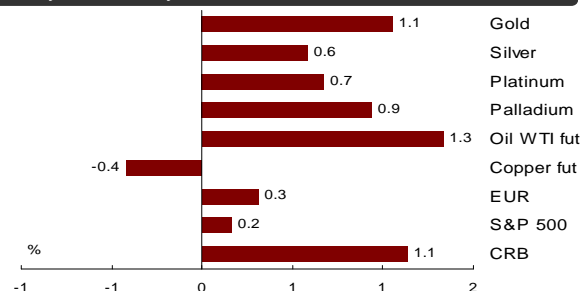
Silver opened at 1648.00/1651.00 in New York. Investor selling dragged the metal lower, finding support near 1645.00. It became range bound until positive housing data caused equity markets, oil and base metals to quickly rally and silver spiked, peaking at 1671.00/1673.00. It retreated from its highs on the back of profit taking and continued to give back ground as the session unwound, closing on its lows at 1639.00/1642.00.

### Technical Commentary

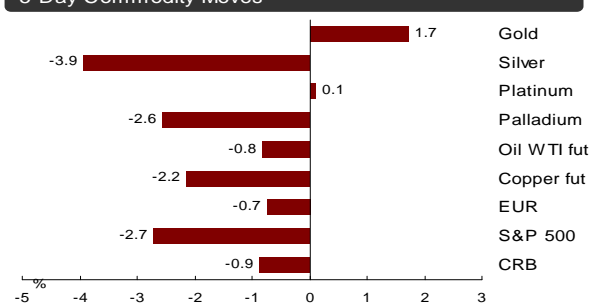
Gold made a nice move up today to current 1055 from Fridays 1043 close. We turned bearish Gold on the weekly chart Friday but hold a Neutral view on the Daily chart. Topside resistance levels show 1067 and 1070. A close above 1070 will bring in stop loss buying of the metal. Down side support is seen at 1043 and 1027. Our view is that Gold stays within the 1027 to 1070 range this week with a downward bias (i.e. a down week).

Silver held a top side bounce to 16.71 and is ending the day close to 16.40. Silver remains weak, especially on the North America only chart. 16.12 offers initial support but we believe the risk is for a test on former major support 15.94. The Gold Silver ratio continues to push to fresh highs 64.41. Our next target is 65.16 which is the 50% retracement of the 71.91 to 58.41 down move.

### 1-Day Commodity Moves

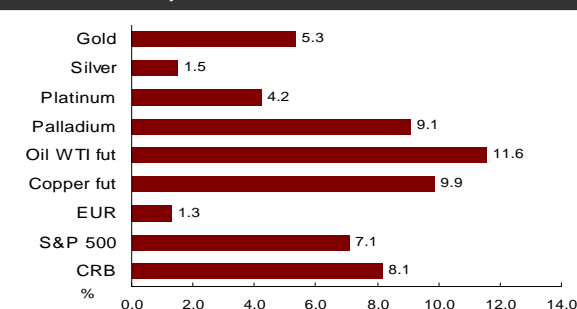


### 5-Day Commodity Moves



11/2/09 14:58 - Time above charts last updated - Source: Bloomberg

### 1 Month Commodity Moves



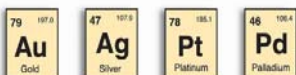
### Gold, Silver, Platinum & Palladium

	Gold	Silver	Platinum	Palladium
Open	1053.00/1054.00	16.48/16.51	1,319	321
High	1062.80/1063.80	16.71/16.73	1,341	327
Low	1053.00/1054.00	16.39/16.42	1,314	321
Close / Last Mid*	1053.25/1054.25	16.39/16.42	1,335	324
London Fix AM	1,052.00	16.580	1,334	326.00
London Fix PM	1,062.00	NA	1,330	324.00
Handy Harman (Base)	1,062.00	15.700	1,330	324.00
Gold / Silver Ratio	64.1	NA	NA	NA
Open Interest	Gold OI		Silver OI	
COMEX	379,199		104,594	
CBOT	<u>4,314</u>		<u>1,664</u>	
Total	383,513		106,258	

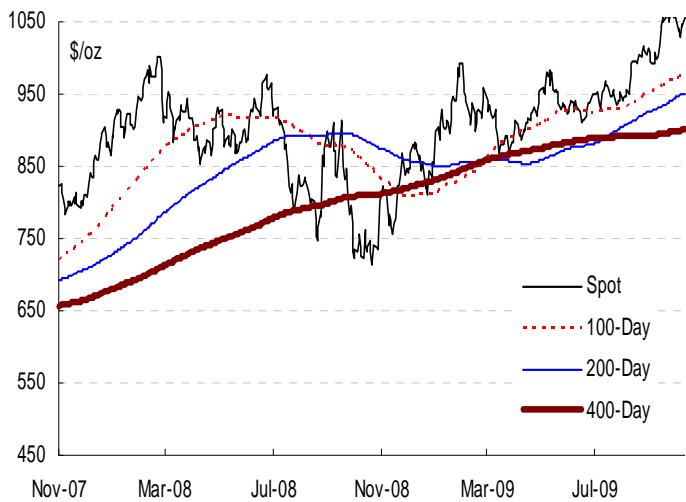
### Technical Levels, etc.

	Gold	Silver	Platinum	Palladium
Pivot	1,053.39	16.462	1,330	325.17
Primary Support (Buy)	1,043.86	16.183	1,319	318.58
Primary Resistance (Sell)	1,064.92	16.653	1,346	330.08
HBOP	1,085.98	17.123	1,373	341.58
LBOP	1,022.80	15.713	1,291	307.08
Bollinger Band Upper	1,069.98	18.401	1,376	342.56
Bollinger Band Mid	1,051.38	17.315	1,341	326.56
Bollinger Band Lower	1,032.78	16.229	1,307	310.56
Relative Strength 14 Day	59	43	52	54

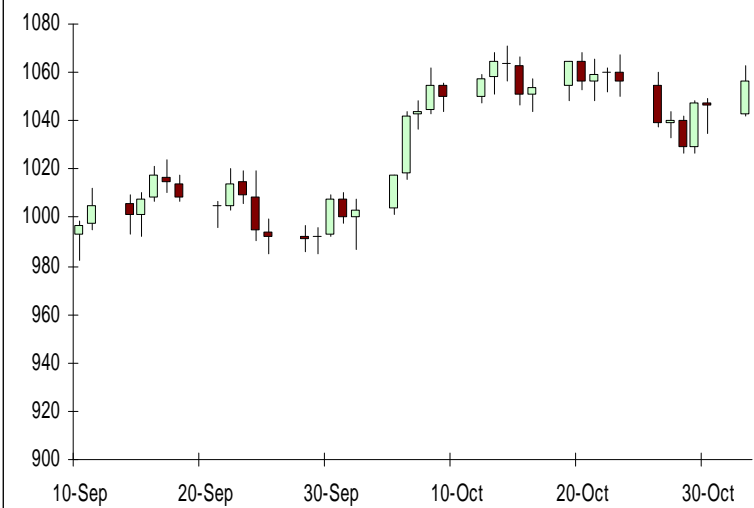
Close/last mid refers to the spot closing floor price in gold and silver, and spot's last mid price as provided by Bloomberg in platinum & palladium spot. All other data provided by Bloomberg. Actual market levels may have differed.



Gold: 2-Year Close with Moving Averages



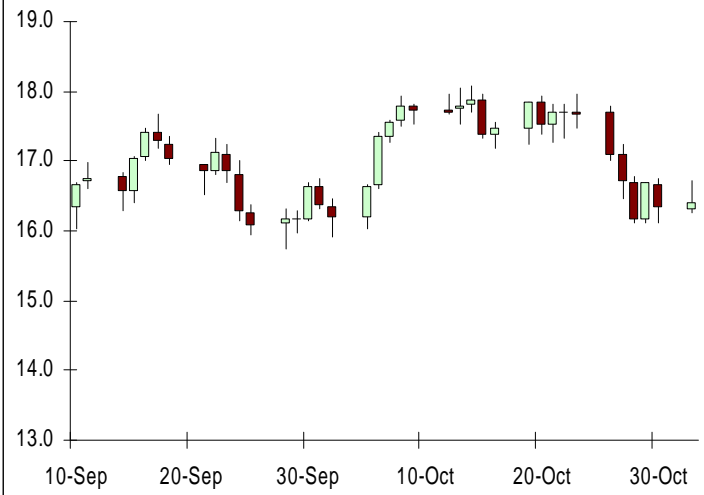
Gold: 2-Month Candlesticks



Silver: 2-Year Close with Moving Averages



Silver: 2-Month Candlesticks



Moving Averages

	Gold	Silver	Platinum	Palladium
5 Day MA	1,043.39	16.450	1,324	323.35
10 Day MA	1,048.52	16.986	1,339	329.45
20 Day MA	1,051.38	17.315	1,341	326.56
30 Day MA	1,034.87	17.023	1,325	315.83
60 Day MA	1,003.24	16.222	1,296	301.33
100 Day MA	977.16	15.226	1,252	281.51
200 Day MA	951.20	14.351	1,186	250.89
400 Day MA	891.67	14.159	-	-

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

FX Majors

CAD	1.0789
EUR	1.4753
GBP	1.6382
CHF	1.0234
AUD	0.9013
ZAR	7.9873
JPY	90.3500
as of:	11/2/2009 14:58

Markets

CRB	273.51
DJAIG	133.09
Crude (fut)	77.92
S&P 500	1,036.36
US 10 Yr	3.41
US 30 Yr	4.26
CDN 10 Yr	3.43
as of:	11/2/2009 14:58

*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.*

