

Market Commentary

Gold opened at 1053.75/1054.75 in New York and retreated as the session got started, finding support near 1052.00. The metal later turned bid and began to climb on good investor demand, peaking at 1060.00/1061.00. It traded near its highs until equity markets tumbled and the dollar advanced. It was an orderly descent, briefly finding support before more fund selling took it to new lows, finally reaching 1040.00/1041.00. It recovered marginally as the day unwound, settling at 1041.75/1042.75.

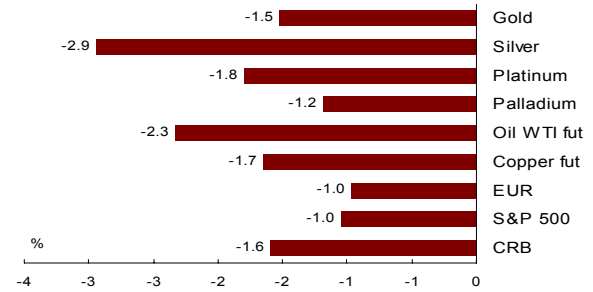
Silver opened at 1761.00/1764.00 and rallied on the back of stronger oil and copper, reaching an intraday high of 1777.00/1780.00. However this move quickly reversed as oil lost ground, the dollar went on the offensive and equity markets slumped. The selling was persistent throughout the session, pulling silver to a low of 1700.00/1703.00. Light buying carried it higher and it later traded within a narrow range, finally closing at 1703.00/1706.00.

Technical Commentary

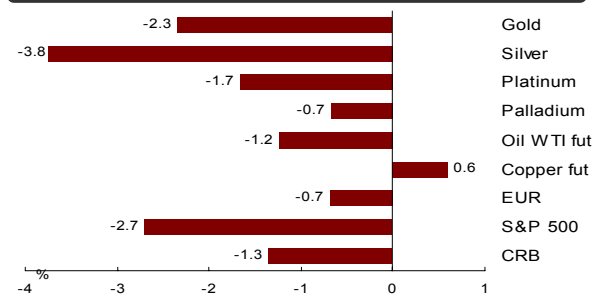
Gold has broken lower today to current 1039 (down \$16). Price action over the past two weeks has formed into a small triple top on the daily NY chart. This pattern was confirmed on a break of 1044. Initial measured move is 1025. Note we had been looking for this move all last week considering the trend reversal warning on the weekly chart (Double Doji Inside week as of Friday close). It is too early to say whether the move will be deeper than 1025. 1044 will likely hold any retracement.

Silver has dropped down to current 17.12. On the premise that metals have rolled over bearish, we look for a deeper correction in Silver to September lows 15.75. The Gold Silver ratio should move much higher in the negative metal environment. The ratio has jumped to 60.67 from Fridays close at 59.79. Short term we expect a test to October high 62.02.

1-Day Commodity Moves

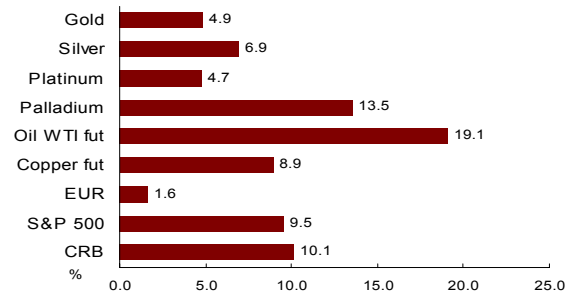


5-Day Commodity Moves



10/26/09 15:50 - Time above charts last updated - Source: Bloomberg

1 Month Commodity Moves



Gold, Silver, Platinum & Palladium

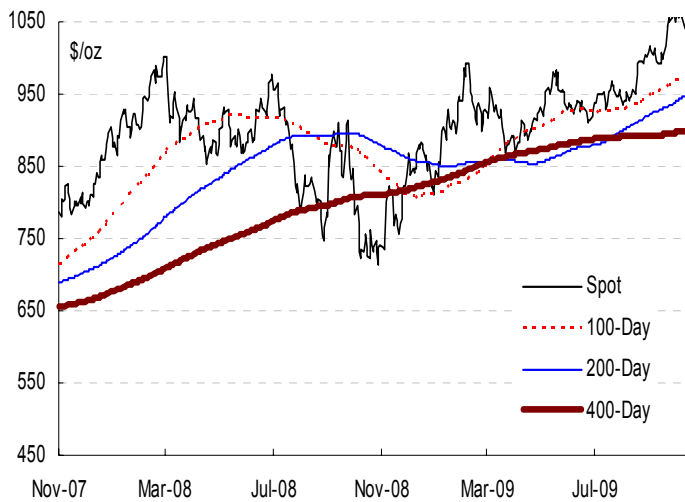
	Gold	Silver	Platinum	Palladium
Open	1053.75/1054.75	17.61/17.64	1,361	338
High	1060.00/1061.00	17.77/17.80	1,368	338
Low	1040.00/1041.00	17.00/17.03	1,332	331
Close / Last Mid*	1041.75/1042.75	17.03/17.06	1,336	332
London Fix AM	1,055.00	17.610	1,359	335.00
London Fix PM	1,054.00	NA	1,364	336.00
Handy Harman (Base)	1,054.00	17.495	1,364	336.00
Gold / Silver Ratio	59.9	NA	NA	NA
Open Interest	Gold OI		Silver OI	
COMEX	379,199		104,594	
CBOT	<u>4,128</u>		<u>1,652</u>	
Total	383,327		106,246	

Technical Levels, etc.

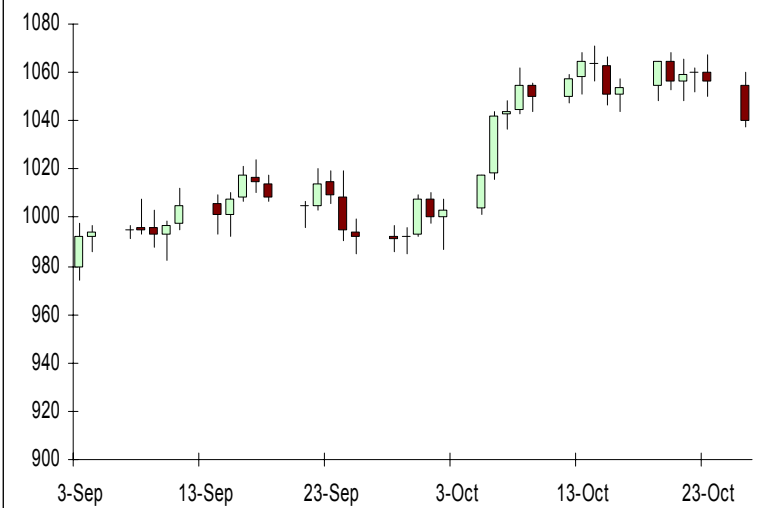
	Gold	Silver	Platinum	Palladium
Pivot	1,048.41	17.374	1,348	334.00
Primary Support (Buy)	1,029.19	16.781	1,319	329.00
Primary Resistance (Sell)	1,059.02	17.743	1,365	337.00
HBOP	1,088.84	18.706	1,411	345.00
LBOP	999.37	15.818	1,273	321.00
Bollinger Band Upper	1,087.70	18.435	1,393	351.98
Bollinger Band Mid	1,041.54	17.305	1,332	319.30
Bollinger Band Lower	995.38	16.174	1,271	286.62
Relative Strength 14 Day	53	51	52	67

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	1,053.80	17.540	1,355	335.45
10 Day MA	1,056.37	17.602	1,355	332.38
20 Day MA	1,041.54	17.305	1,332	319.30
30 Day MA	1,029.32	17.136	1,327	311.76
60 Day MA	996.22	16.068	1,291	297.30
100 Day MA	972.31	15.152	1,249	277.98
200 Day MA	946.98	14.230	1,176	247.52
400 Day MA	891.28	14.192	-	-

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

FX Majors

CAD	1.0660
EUR	1.4867
GBP	1.6326
CHF	1.0184
AUD	0.9153
ZAR	7.5775
JPY	92.2300
as of:	10/26/2009 15:50

Markets

CRB	275.88
DJAIG	135.14
Crude (fut)	78.73
S&P 500	1,070.05
US 10 Yr	3.57
US 30 Yr	4.38
CDN 10 Yr	3.55
as of:	10/26/2009 15:50

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