

April 25th 2008

Precious Metals Daily

Metals remain on the back foot

Investor support for precious metals kept dwindling yesterday as the dollar continued its latest rally and crude oil traded lower.

The US dollar has strengthened to below \$1.5700 against the euro — a far cry from the \$1.6000 level through which it briefly broke on Tuesday. The latest currency movements come as German and French business confidence seems to be sliding, resulting in speculation of slower economic growth in the EU. This sentiment, combined with major US equity indices that ended in positive territory while European equities remained flat or negative, pushed the euro lower against the dollar.

Although global risk sentiment has improved recently, investors will remain wary of further credit-related turmoil. In this regard, Credit Suisse reported yesterday that credit write-downs had swelled to \$5.2bn. Although more write-downs could be expected generally, it seems that markets have largely priced in these expectations.

Gold opened at \$904 in Asia and once again traded fairly range-bound. Volatile conditions crept into the markets when Europe joined trading, pushing the yellow metal briefly below \$900 before the AM fix. \$900 proved to provide some resistance until after the PM fix when selling quickly pushed the metal towards \$890 as stop-losses were triggered. Gold closed at \$886.70 in New York. We see support for gold at \$880, with \$870 and \$847 as near-term possibilities. Primary resistance is seen at \$903, and secondary resistance at \$917. A break higher might see gold test \$940.

Silver tracked gold lower in both Europe and New York. However, the movements lower were sharper, pushing silver 2.91% down on the day to close at \$16.69. Support for silver is seen at \$16.54, with \$16.33 and \$15.80 as possibilities. Primary resistance is seen at \$17.07, with secondary resistance at \$17.39. A break higher might see silver test \$17.92.

Platinum also came under some selling pressure as the greenback strengthened. After trading between \$2,010 and \$1,990 in Asia, the metal fell sharply when US markets

Prices (US\$)							
Metal	AM Fix	PM Fix	High bid	Low offer	Close bid	Daily change	EFP's
Gold	900.75	895.50	906.80	883.80	886.70	-19.30	2/2.3
Silver	-	17.090	17.260	16.67	16.69	-0.50	-2.5/-1
Platinum	1,993.00	1,994.00	1,996.00	1,965.00	1,961.00	-39.00	5/9
Palladium	444.00	440.00	442.00	437.00	436.00	-8.00	2.0/4.0

Forwards (%)					
Metal	1 month	2 months	3 months	6 months	12 months
Gold	2.6717	2.6783	2.6767	2.6183	2.5767
Silver	2.9750	2.9333	2.8583	2.8000	2.6900
USD Libor	2.8863	2.8963	2.9069	3.0281	3.0775

Technical indicators							
Metal	30-day-RSI	10-day MA	20-day MA	100-day MA	200-day MA	Support	Resistance
Gold	45.31	922.83	918.02	904.40	818.79	880.00	903.00
Silver	45.76	17.72	17.66	17.06	15.24	16.54	17.07
Platinum	50.24	2,003.45	1,997.63	1,830.18	1,595.03	1,931	1,989
Palladium	47.06	452.49	449.81	428.48	390.75	433	442

Active Month Futures*							
	Comex GLD Jun'08	Comex SLV May'08	NYMEX PAL Jun'08	NYMEX PLAT Jul'08	DGCX GLD Jun'08	TOCOM GLD Feb'09	CBOT GLD Jun'08
Settlement	889.40	16.7680	446.45	1,970.70	889.10	3,032.00	889.50
Open Interest	427,861	153,293	19,666	14,098	4,113	177,064	12,691
Change in OI	3,643	59	-20	217	227	-1,708	593
Date:	24-Apr-08						

* Open interest

opened, pushing towards \$1,950. Once again, this level provided good support, and platinum seems comfortable trading around \$1,950 for now. The metal closed at a bid of \$1,961.

Palladium was on a downward slide for most of yesterday, leading the platinum and gold declines. The metal saw selling start before European markets opened and remained on the back foot for the rest of the day. The metal closed at \$436 — \$8 down from its opening value in Asia.

Rhodium broke the trend of precious metals and fixed higher — at \$9,120.

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Date/GMT +2		Data/Event	Consensus	Previous
21-Apr				
01:01	GBP	House prices (Apr)	—	5.0% y/y
01:50	JPY	Industry index (Feb)	-0.5% m/m	0.7% m/m
07:00	JPY	Economic index (Feb)	54.5%	50.0%
07:00	JPY	Coincident index (Feb)	70.0%	44.4%
08:30	EUR	ECB's Liebscher speaks	—	—
09:30	EUR	ECB's Liebscher speaks	—	—
15:00	USD	Fed's Evans speaks	—	—
19:30	USD	Fed's Krosner speaks	—	—
22-Apr				
09:45	EUR	ECB's Garganas speaks	—	—
13:00	GBP	BOE's Besley speaks	—	—
16:00	USD	Existing home sales (Mar)	-1.6% m/m	2.9% m/m
16:00	USD	House price index (Feb)	—	-1.1% m/m
16:00	USD	Richmond Fed manfact. index (Apr)	—	6
23:00	USD	ABC consumer conf. (Apr)	—	-39
23-Apr				
01:50	JPY	Total trade balance (Mar)	¥1,410.0bn	¥966.2bn
10:00	EUR	PMI Manufact. (Apr)	51.7	52.0
10:00	EUR	PMI Services (Apr)	51.4	51.6
10:00	EUR	PMI Composite (Apr)	—	51.8
10:30	GBP	BOE meeting mins (Apr)	—	—
10:30	ZAR	Vehicle sales conf. index	—	—
11:00	EUR	Industrial new orders (Feb)	—	7.3% y/y
11:30	ZAR	CPI (Mar)	10.2% y/y	9.8% y/y
11:30	ZAR	CPIX (Mar)	9.8% y/y	9.4% y/y
11:30	ZAR	Core CPI	9.3% y/y	8.9% y/y
13:00	USD	MBA mortgage apps (Apr)	—	2.5%
24-Apr				
01:50	JPY	Industry activity ind. (Feb)	-0.5% m/m	0.0% m/m
09:30	ZAR	Insolvencies (Feb)	—	8.9% y/y
09:30	ZAR	Liquidations (Mar)	—	-9.9% y/y
10:00	EUR	Eurozone C/A (Feb)	—	-€10.6bn
10:30	GBP	Retail sales (Mar)	4.5% y/y	5.5% y/y
11:30	ZAR	PPI (Mar)	11.0% y/y	11.2% y/y
14:30	EUR	ECB conference	—	—
14:30	USD	Durable goods orders (Mar)	0.1% m/m	-1.1% m/m
14:30	USD	Initial jobless claims (Apr)	375K	372K
14:30	USD	Continuing claims (Apr)	—	2,984K
16:00	USD	New home sales (Mar)	-0.8% m/m	-1.8% m/m
25-Apr				
01:30	JPY	CPI (Mar)	1.2% y/y	1.0% y/y
09:30	EUR	ECB's Weber speaks	—	—
10:00	EUR	Eurozone M3 (Mar)	10.8% y/y	11.3% y/y
10:30	GBP	GDP (1Q)	2.5% y/y	2.8% y/y
16:00	USD	UoM confidence (Apr)	63.5	63.2



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