

November 28th 2008

Precious metals daily update

Calm settles over the markets

With the US on holiday, the precious metals market has barely moved. Gold traded between \$811.50 and \$816 yesterday, probably one of its narrowest trading ranges this year. The driver was the euro/dollar exchange rate; today might see more of the same.

Japan has released data with bearish implications for platinum and palladium. Vehicle production figures for October contracted 6.8% in October (down from a 4.2% expansion in September). Likewise, industrial production in October contracted 7.1%. We believe these releases only confirm what the market has already priced in.

Perhaps a few quiet sessions will serve market participants well ahead of a busy week. Next week, manufacturing indices for all major economies will be released. This should indicate the speed at which manufacturing is contracting globally. On Tuesday, US auto sales follow, and on Friday, US non-farm payrolls. In Japan, November auto sales data will be released on Monday. In the Eurozone, the data releases could have a greater impact on currencies and therefore gold and silver. We'll also have Eurozone retail sales, Q3 GDP and the ECB interest rate decision.

While the dollar has found support at \$1.29330 against the euro, the greenback is struggling to break below \$1.2870. In these markets, resistance and support levels do not hold long. Standard Bank forecasts a dollar strengthening towards \$1.20 on a three-month horizon — but it could show signs of weakness towards \$1.35 in the interim.

Gold found early support in Tokyo, pushing as high as \$816. But with buying interest low, support faded and the metal fell back to \$813 in Europe. It then bounced between \$812 and \$816. Gold fixed at **\$814** in the afternoon. There was no trading in New York yesterday. Primary support is at \$811, with secondary support at \$807 and \$800. Resistance is at \$818, \$821 and \$829.

Silver was slightly more volatile than gold. The metal pushed to the \$10.30 level in Asia, but lost support before London markets opened and dropped to \$10.20. Support returned, pushing silver to \$10.32. Silver fixed slightly

Prices (US\$)							
Metal	AM Fix	PM Fix	High bid	Low offer	Close bid*	Daily change	EFP's
Gold	813.50	814.00	817.00	812.50	814.00	3.75	0.7/1.1
Silver	-	10.260	10.320	10.23	10.26	0.03	-1.0/1.0
Platinum	862.00	860.00	865.00	864.00	860.00	0.00	3/6
Palladium	191.00	187.00	194.00	195.00	187.00	-8.00	-1/2

* Closing bids reflect the London PM fix for all metals, as there was no trading in New York.

Forwards (%)					
Metal	1 month	2 months	3 months	6 months	12 months
Gold	0.2383	0.2386	-0.0743	0.5043	0.9571
Silver	0.1886	0.2243	0.2343	0.4286	0.4686
USD Libor	2.4638	2.6713	2.8038	3.0938	3.2406

Technical indicators							
Metal	30-day-RSI	10-day MA	20-day MA	100-day MA	200-day MA	Support	Resistance
Gold	52.14	778.75	757.87	828.80	873.19	809	817
Silver	46.08	9.83	9.90	12.71	15.26	10.21	10.38
Platinum	40.91	839.90	841.00	1,219.92	1,626.54	853	869
Palladium	41.32	198.48	207.39	264.02	361.38	186	194

Active Month Futures							
	Comex GLD Dec'08	Comex SLV Dec'08	NYMEX PAL Dec'08	NYMEX PLAT Oct'08	DGCX GLD Oct'08	TOCOM GLD Jun'09	CBOT GLD Dec'08
Settle- ment	811.30	10.2690	191.65	869.70	825	2,483.00	811.00
Open Interest	276,563	86,878	13,294	17,358	859	72,095	5,459
Change in OI*	0	0	0	0	6	-595	0
Date:	27-Nov-08		* Open interest				

lower, at **\$10.26**. The \$10.32 – \$10.35 range is providing good resistance, while support is at \$10.20 – \$10.24.

Platinum and palladium markets remain quiet. **Platinum** barely moved in Tokyo, finding support at \$855 and resistance at \$870. The metal fixed at **\$860** at the London pm fix.

Palladium bounced between \$190 and \$195. In the afternoon in Europe, palladium was bid at **\$187**.

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Date/Time (GMT+2)	FX	Data/Event	Consensus	Previous
24-Nov				
11:00	EUR	Eurozone C/A (Sep)	—	-€7.9bn
12:00	EUR	Industrial new orders (Sep)	-1.3% y/y	-6.6% y/y
17:00	USD	Existing home sales (Oct)	-3.1% m/m	5.5% m/m
25-Nov				
09:00	ZAR	Liquidations (Oct)	—	-35.3% y/y
09:00	ZAR	Insolvencies (Oct)	—	-17.7% y/y
11:30	ZAR	GDP (Q3)	3.0% y/y	4.5% y/y
15:30	USD	GDP (Q3)	-0.5% q/q	-0.3% q/q
15:30	USD	Personal consumption (Q3)	—	-3.1% q/q
16:00	USD	S&P/CS composite-20 (Sep)	-16.9% y/y	-16.6% y/y
17:00	USD	Consumer conf (Nov)	39.0	38.0
17:00	USD	Richmond Fed (Nov)	—	-26
17:00	USD	House price index (Sep)	—	-0.6% m/m
26-Nov				
10:00	JPY	BOJ's Shirakawa speaks	—	—
11:30	GBP	GDP (Q3)	0.3% y/y	0.3% y/y
11:30	ZAR	CPI (Oct)	12.4% y/y	13.1% y/y
11:30	ZAR	CPIX (Oct)	12.5% y/y	13.0% y/y
11:30	ZAR	Core CPI (Oct)	13.5% y/y	13.9% y/y
12:00	ZAR	BER business conf (Q4)	—	34.0
15:30	USD	Durable goods (Oct)	-2.5% m/m	0.8% m/m
15:30	USD	PCE core (Oct)	2.3% y/y	2.4% y/y
15:30	USD	Initial jobless claims (Nov)	—	542K
15:30	USD	Continuing claims (Nov)	—	4,012K
16:45	USD	Chicago PMI (Nov)	38.0	37.8
17:00	USD	UoM confidence (Nov)	57.9	57.9
17:00	USD	New home sales (Oct)	-3.3% m/m	2.7% m/m
27-Nov				
—	ZAR	SARB's Mboweni speaks	—	—
11:00	EUR	Eurozone M3 (Oct)	8.1% y/y	8.6% y/y
11:30	ZAR	PPI (Oct)	14.5% y/y	16.0% y/y
12:00	EUR	Consumer conf (Nov)	-25	-24
12:00	EUR	Economic conf (Nov)	78.0	80.4
28-Nov				
01:15	JPY	Manufacturing PMI (Nov)	—	42.2
08:00	ZAR	M3 money supply (Oct)	15.00% y/y	15.23% y/y
08:00	ZAR	PSCE (Oct)	15.30% y/y	16.42% y/y
12:00	EUR	CPI estimate (Nov)	2.7% y/y	3.2% y/y
12:00	EUR	Unemployment rate (Oct)	7.6%	7.5%
14:00	ZAR	Trade balance (Oct)	-R5.7bn	-R7.1bn



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