

1 October 2007

### Precious metals end the week on a high

Precious metals ended last week on a high note, with silver the star performer, followed closely by gold and platinum.

After being bid higher in Asia on Friday morning, gold kept its momentum throughout the day, receiving support from the weaker US dollar. Gold saw a quick rally at the New York open, which resulted in the metal set at US\$743 during the London afternoon fix. The market then settled down, and remained so into the close. This morning, support continued, with gold trading at US\$746.50.

Silver gained 2.07% on Friday, to close the day at US\$13.79. Silver met resistance around the US\$13.85 level after receiving good support from gold and copper. Till now, any decent rally was kept at bay by selling and profit-taking; however, a break above US\$13.85 might signal a move closer to US\$14.

Platinum continued its good run, with palladium also gaining ground — but at a slower pace. Platinum followed gold on Friday, being bid higher at the New York open, with good support keeping the metal in positive territory for the rest of the day. At close on Friday, platinum was bid at US\$1,382, and palladium at US\$346. Upward momentum continues this morning, with platinum trading above the US\$1,390 level.

Equity markets remain buoyant despite small losses on Friday. The Dow closed down 0.12%, while the S&P lost 0.3%. The FTSE was down 0.3%. This morning, the Nikkei was already higher — at 0.36%.

The week ahead promises to be a busy one for precious metals. With the dollar continually on the back foot, precious metals should see continued support. The dollar has depreciated by over one cent against the euro since Friday morning, and is currently trading around the US\$1.4260 level.

Two major data releases due in the US this week might move the markets. The first is pending US home sale for September (due on Tuesday morning). This data is a leading indicator of actual home sales, and expectations are that sales will continue to decline. The second release is the US non-farm payroll data (due on Friday). The benchmark remains 100K new jobs for September, and anything less would be seen as bad news.

In between the US data releases, the ECB and BoE are set to announce their interest rate targets for the next two months on

Prices (USD)							
Metal	AM Fix	PM Fix	High bid	Low offer	Close bid	Daily change	EFP's
Gold	737.75	743.00	745.70	729.60	743.30	10.30	6.40/6.70
Silver	-	13.650	13.840	13.420	13.790	0.28	0.11/0.125
Platinum	1,361.00	1,377.00	1,386.00	1,366.00	1,382.00	22.00	9.00/11.00
Palladium	344.00	343.75	350.00	348.00	346.00	3.00	1.0/2.5

Forwards (%)					
Metal	1 month	2 months	3 months	6 months	12 months
Gold	4.9400	4.9433	4.9500	4.8117	4.5683
Silver	5.2700	5.2200	5.1600	4.9060	4.5840
US Libor	5.1238	5.1663	5.2288	5.1325	4.9013

Technical indicators							
Metal	30dayRSI	10-day MA	20-day MA	100day MA	200day MA	Support	Resist
Gold	70.64	732.45	717.27	673.15	665.58	725.00	748.95
Silver	63.00	13.42	12.97	12.84	13.10	13.09	13.98
Platinum	70.64	1,343.17	1,317.17	1,291.78	1,254.81	1,317	1,384
Palladium	52.49	340.13	336.50	355.42	353.14	317.00	347.00

Active Month Future							
	Comex GLD Dec'07	Comex SLV Dec'07	NYMEX PAL Dec'07	NYMEX PLAT Jan'08	DGCX GLD Oct'07	TOCOM GLD Aug'07	CBOT GLD Dec'07
Settlmnt	750.00	13.920	351.95	1,398.20	729.00	2,758	749.90
OI *	443,765	116,727	16,002	13,977	3,522	168,213	23,098
Chnge OI	878	-323	105	473	-67	-785	0
Date:	28-Sep-07						

\* Open interest

Thursday. Although no change by either central bank is expected, a surprise rate cut might see the US dollar regain some strength against the euro.

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Date	Country	Data/Event	GMR +2	Consensus	Previous
01Oct	EU	ECB's Trichet speaks	01:00		
	JP	Tankan manuf. (Q3)	01:50	21	23
	EU	PMI manuf. (Sep)	10:00	53.2	53.2
	UK	M4 money supply (Aug)	10:30	n/a	13.5% y/y
	UK	PMI manuf. (Sep)	10:30	55.6	56.3
	US	Alan Greenspan speaks	15:00		
	US	ISM manuf. (Sep)	16:00	52.5	52.9
	US	ISM prices (Sep)	16:00	62.0	63.0
02Oct	JP	Monetary base (Sep)	01:50	0.1% y/y	0.7% y/y
	US	Alan Greenspan speaks	09:00		
	EU	PPI (Aug)	11:00	1.8% y/y	1.8% y/y
	EU	Unemployment (Aug)	11:00	6.9%	6.9%
	US	Pending home sales (Sep)	16:00	-2.0%	-12.2%
	US	Fed's Fisher speaks	19:00		
03Oct	EU	PMI (Sep)	10:00	54.5	54.5
	UK	Reserves (Sep)	10:30	n/a	\$344m
	US	ABC cons conf. (Oct 1)	11:00	n/a	-11
	EU	Retail sales (Aug)	11:00	0.5% y/y	0.5% y/y
	US	MBA mortgages (Sep 28)	13:00	n/a	-2.8%
	US	ADP employment (Sep)	14:15	53k	38k
	US	ISM services (Sep)	16:00	55.0	55.8
04Oct	JP	BoJ's Iwata speaks	07:00		
	UK	BoE announces rate	13:00	5.75%	5.75%
	US	Fed's Mishkin speaks	13:20		
	EU	ECB announces rate	13:45	4.0%	4.0%
	US	Jobless claims (Sep 29)	14:30	n/a	298k
	US	Factory orders (Aug)	16:00	-2.3%	3.7%
	US	Fed's Fisher speaks	18:45		
05Oct	JP	Leading index (Aug)	07:00	30.0%	72.7%
	EU	OECD index (Aug)	12:00	n/a	107.9
	US	Non-farm payrolls (Sep)	14:30	113k	-4k
	US	Unemployment (Sep)	14:30	4.7%	4.6%
	US	Consumer credit (Aug)	21:00	\$9.7bn	\$7.5bn



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