

Daily | Gold and Silver Marketwatch Report

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THURSDAY 05.17.07
Market Commentary Thursday 5/17/07

Gold (London Spot)	Silver (London Spot)	Platinum (London Spot)
Open 661.50/662.00	Open 1285.00/1288.00	Open 1303.00/1308.00
High 663.10/663.60	High 1287.00/1290.00	High 1309.00/1314.00
Low 653.70/654.20	Low 1269.00/1272.00	Low 1296.00/1301.00
Close 656.50/657.00	Close 1281.00/1284.00	Close 1308.00/1313.00

Currencies: (3 PM EST)

Spot JY/\$	121.27	Ldn Gold AM Fix	663.20	PM Fix	656.75
RAND/\$	7.0035	Ldn Plat AM Fix	1317.00	PM Fix	1302.00
SF/\$	1.2267	Ldn Silver Fix	1290.00		
\$/BP	1.9743	Handy Harman	1286.00		
CD/\$	1.0985	30 yr. Treas. Bond	4.91		
AUD	0.8229	Crude	64.95		
EURO/\$	1.3497	CRB	313.15		

Market Comment

Gold initially moved higher trading from an open of 661.50/662.00 to 663.10/663.60 before running into resistance. The metal eventually reversed direction in part influenced by a stronger US dollar and further weakness in copper. Resting stop loss orders were triggered below 660.00 and this selling found enough follow through to push gold to a low of 653.70/654.20. Over the afternoon gold traders bought on back of a surge in the oil price lifting the metal to 656.50/657.00 at the close. The Comex/CBOT open interest fell by 3,386 contracts to a new total of 435,311.

Silver posted an early high of 1287.00/1290.00 but soon came under pressure on back of the stronger US dollar and weak copper prices. Funds were seen as sellers and their input helped silver fall as low as 1269.00/1272.00 where dealers appeared as buyers. Over the afternoon silver followed gold higher finally closing 1281.00/1284.00. The Comex/CBOT open interest was up 3,363 contracts to a new total of 119,638.

Technical Commentary

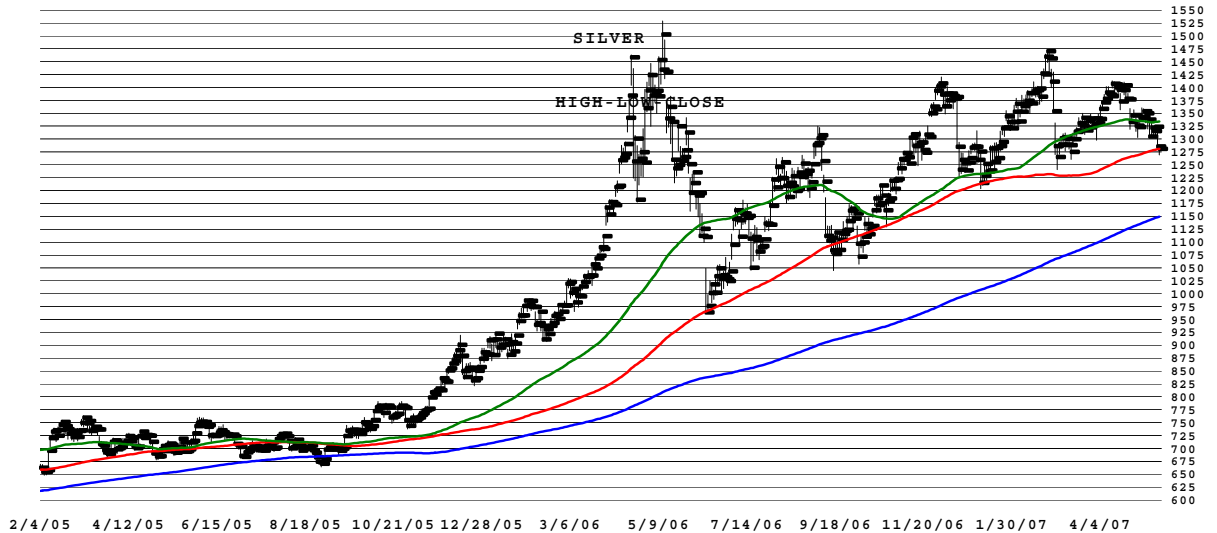
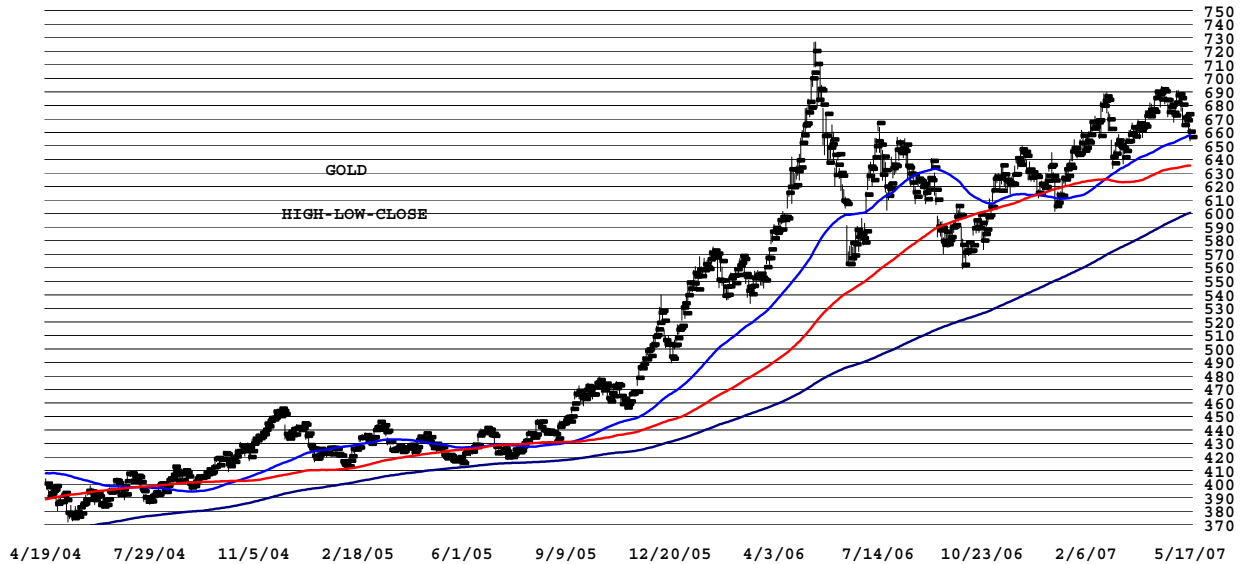
Gold: was unable to re-conquer the major ascending trend line (665.00) and settled below the 100-day moving average (657.90), which suggests continued lower prices. A break of today's low would suggest a move to the area of congestion around 650.00 with potential for even lower prices with an ultimate goal of the 200-day moving average at 635.80.

Silver: Silver traded near 1270.00 but recovered modestly to finish right at the 200-day moving average (1280.80). Overall this is not an encouraging move suggesting further weakness as the metal forms the right shoulder of the Head and Shoulders pattern. Failure to recover back above 1300.00 would suggest a retest of the lows with a goal of the 1260.00 to 1240.00 area.



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Expected Trading Range - May 18, 2007 - Friday

	Gold	Silver	Plat
MEAN	657.8	1279.1	1306.9
BUY	652.4	1271.4	1301.2
SELL	661.9	1288.9	1317.2
HBOP	671.4	1306.4	1333.2
LBOP	642.9	1253.9	1285.2
REL ST	37.3	35.0	52.9

Moving Averages

	Gold	Silver	Plat
4 DAY	664.9	1301.1	1321.7
7 DAY	668.1	1309.8	1324.2
9 DAY	672.2	1319.2	1327.6
14 DAY	674.8	1325.1	1317.8
18 DAY	676.1	1332.4	1313.9
30 DAY	678.8	1355.6	1301.3
60 DAY	669.4	1346.3	1263.4
100 DAY	657.9	1333.8	1222.6
200 DAY	635.8	1280.8	1193.0
400 DAY	600.8	1149.5	1136.3

G/S RATIO
G/P DIFF

51.1
\$654.9

