


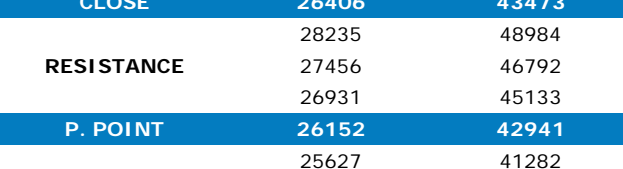


Weekly Market Update

Monday, May 27, 2013

Commodity	Closed	% Change	View
 Gold	26406	2.21	Bullion prices last week ended with gains but pressure seen on the prices as investors weighed the need for further stimulus in the U.S. following the release of better-than-expected data on durable goods orders. Despite Friday's modest decline, gold futures rose over 2% on the week, the biggest weekly advance in a month, due mostly to a broadly weaker U.S. dollar.
 Silver	43473	1.98	
 Crude	5268	-0.64	Crude oil last week ended with over half percent weakness on concern a weaker outlook for global economic growth will crimp demand for the commodity. Natural gas last week showed good gains as updated weather forecasting models pointed to a wider swath of above-normal temperatures across most parts of the U.S., boosting near-term cooling demand expectations
 Natural Gas	236.4	4.60	
 Copper	407.85	0.55	Base metals last week ended with gains after Fed officials' remarks that hint the Fed will not scale back asset purchases any time soon, supporting prices. Two US Fed officials expressed support for continuation of easing policy, at odds with views of other officials two weeks ago. Bullard said there is no reason to scale back asset purchasing amid low inflation.
 Zinc	102	1.64	
 Nickel	822.5	0.90	
 Aluminium	101.15	0.00	
Lead	115.50	4.38	

Weekly Market Level for Bullion, Basemetal & Energy

COMMODITIES	GOLD	SILVER	CRUDE	NAT.GAS	COPPER	ZINC	NICKEL	ALUMINUM	LEAD
CLOSE	26406	43473	5268	236.4	407.85	102.00	822.50	101.15	115.50
RESISTANCE	28235	48984	5596	256.6	439.0	107.9	880.0	106.5	124.0
	27456	46792	5490	247.8	429.7	105.6	864.0	105.0	120.0
	26931	45133	5379	242.1	418.8	103.8	843.4	103.1	117.0
P. POINT	26152	42941	5273	233.3	409.5	101.6	827.0	101.6	113.0
SUPPORT	25627	41282	5162	227.6	398.6	99.8	806.1	99.7	110.0
	24848	39090	5056	218.8	389.3	97.5	789.7	98.2	106.0
	24323	37431	4945	213.1	378.4	95.7	768.8	96.3	103.0
Trend	POSITIVE	POSITIVE	WEAK	POSITIVE	WEAK	POSITIVE	WEAK	WEAK	POSITIVE

Weekly Market Update

Bullion



Bullion prices last week ended with gains, gold gained most by +2.20% to settled at 26406, while silver followed gold and settled up by +2.00% at 43473 but pressure seen on the prices as investors weighed the need for further stimulus in the U.S. following the release of better-than-expected data on durable goods orders. Despite Friday's modest decline, gold futures rose over 2% on the week, the biggest weekly advance in a month, due mostly to a broadly weaker U.S. dollar. Moves in the bullion price this year have largely tracked shifting expectations as to whether the U.S. central bank would end its bond-buying program sooner-than-expected. Total durable goods orders, which include transportation items, increased by a seasonally adjusted 3.3% last month, above expectations for a gain of 1.5%. Any improvement in the U.S. economy could scale back expectations for further easing from the Federal Reserve, weighing on dollar-denominated commodities. On Wednesday, Fed Chairman Ben Bernanke said a decision to scale back the central bank's USD85 billion-dollar-a-month asset purchase program could be taken in the "next few meetings" depending on economic data. Meanwhile, Wednesday's minutes from the U.S. central bank's May meeting showed a "number" of policymakers were prepared to taper bonds purchases as soon as June. In the week ahead, gold traders will be focusing on a flurry of U.S. economic data, including reports on the housing sector, consumer confidence and initial jobless claims. Dollar weakness usually benefits gold, as it boosts the metal's appeal as an alternative asset and makes dollar-priced commodities cheaper for holders of other currencies. Fed Chairman Ben Bernanke raised the possibility of gradually reducing the Fed's bond purchases if the labor market improved in a sustainable way, and warned of risks to holding interest rates too low for too long. But he also said he needed to see more strength in the economy before making a decision on halting stimulus. Comments by St. Louis Fed President James Bullard that U.S. inflation would have to pick up before he voted to scale back stimulus have supported gold.

Weekly Market Update

Energy



Crude oil last week ended with over half percent weakness on concern a weaker outlook for global economic growth will crimp demand for the commodity. Natural gas last week showed good gains as updated weather forecasting models pointed to a wider swath of above-normal temperatures across most parts of the U.S., boosting near-term cooling demand expectations. Market sentiment was also dampened amid speculation over an earlier-than-expected end to the Federal Reserve's asset purchase program. On Thursday, oil prices fell to a three-week low of USD92.24 a barrel after data showed that manufacturing activity in China contracted for the first time in seven months in May. China's HSBC Flash Purchasing Managers Index, the earliest indicator of the country's industrial activity, fell to a seven-month low of 49.6 in May from a final reading of 50.4 in April. China is the world's second largest oil consumer after the U.S. and has been the engine of strengthening demand. Demand for natural gas tends to rise in the summer months as warmer temperatures increase the need for gas-fired electricity to power air conditioning. On Thursday, a report from the U.S. Energy Information Administration showed that natural gas supplies rose less-than-expected last week. The EIA data showed that natural gas storage in the U.S. rose by 89 billion cubic feet, below expectations for an increase of 91 billion cubic feet. Inventories rose by 75 billion cubic feet in the same week a year earlier, while the five-year average change for the week is a rise of 90 billion cubic feet. Total U.S. natural gas storage stood at 2.053 trillion cubic feet as of last week, 3.9% below the five-year average for this time of year. Early injection estimates for this week's storage data range from 80 billion cubic feet to 103 billion cubic feet, compared to a 72 billion cubic feet increase during the same week a year earlier.

Weekly Market Update

Base Metal



Base metals last week ended with gains after Fed officials' remarks that hint the Fed will not scale back asset purchases any time soon, supporting prices. Two US Fed officials expressed support for continuation of easing policy, at odds with views of other officials two weeks ago. Bullard said there is no reason to scale back asset purchasing amid low inflation. Dudley, also an advocate of QE3, claimed an uncertain economic outlook means it's still unclear whether asset purchases should remain in place or be curtailed. The US dollar index stayed at high levels and closed up, putting downward pressure on base metal prices. Investors will seek clues from Bernanke's testimony to the congress due tonight and the minutes of the latest policy meeting. Germany's monthly report indicates optimism over the country's economy in the second quarter. This is largely because factory orders have been upbeat and construction sector has begun to recover following negative impact from inclement weather earlier. Consumer Price Index (CPI) in the UK dipped to 2.4% in April, below expectations and previous reading. Discouraging figure suggests the country's economy remains weak, but also leaves room for the Bank of England (BOE) to expand easing policy. Better-than-expected European and US economic data released last Friday eased market risk aversion during the US trading session. US initial jobless claims dropped from 360,000 to 340,000 last week, below the estimate of 345,000. Continuing jobless claims also fell from 3.01 million to 2.91 million, lower than the forecasted 3 million. Markit flash US manufacturing PMI edged down from April's 52.1 to 51.9 in May, but did beat the 51.2 estimate. Pollard, a US Federal Reserve (Fed) official, said the Fed is not eager to bring accommodative monetary policy to an end. John C. Williams, another Fed official, said whether QE will be expanded or curtailed depends on future economic indicators. Manufacturing PMI in France climbed from 44.4 to 45.5 in May, while manufacturing PMI in Germany also inched up from 48.1 to 49.0. The euro zone's manufacturing PMI advanced from 46.7 to 47.8. The revised and preliminary Q1 GDP of the UK are the same, up 0.6% on a year-on-year basis, and 0.3% on a quarter-on-quarter basis.

Weekly Market Update

Commodity	View for the week
Gold	BUY GOLD JUNE @ 26200 SL 25950 TGT 26750.
Silver	BUY SILVER JULY @ 42650 SL 42100 TGT 44200.
Crude oil	SELL CRUDE OIL JUNE @ 5280 SL 5350 TGT 5140.
Natural Gas	BUY NAT.GAS JUNE @ 232 SL 225 TGT 245.
Copper	SELL COPPER JUNE @ 412 SL 416.50 TGT 402-398.
Zinc	BUY ZINC MAY @ 100.50 SL 98.50 TGT 104.50.
Nickel	BUY NICKEL MAY @ 810 SL 800 TGT 838.
Aluminium	BUY ALUMINIUM MAY @ 100 SL 98.50 TGT 103.50.
Lead	BUY LEAD MAY @ 112.50 SL 109.50 TGT 118.50.



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