

Metals & Energy

Pick of the Day

Commodity	Strategy	Levels	Target	Stop-Loss
Silver Mar	Sell	58,400	58,000	58,650
Natural Gas Feb	Sell	184	179	187.5

Market Commentary

- Gold prices inched higher amid thin volumes, while silver prices ended on a flat note. The focus remains accentuated on ECB rate decision and subsequent news conference today. Speculation is rife regarding the probability of an interest rate cut. Effectively, euro has lost ground ahead of the apex body meeting.
- We will not be astonished by ECB's move to cut interest rates, as recent surge in Euro has caused lot of woes for the region's exporters. We would also remain cautious on precious metals, as downward pressure in euro can have a cascading effect on gold and silver prices as well.
- LME base metals ended lower, as traders are avoiding aggressive positions ahead of the Chinese Lunar New Year holidays next week. Copper prices traded under pressure, weighed by persistent increase in LME warehouse stocks. Meanwhile, zinc spot premiums have declined marginally in Asian markets ahead of the Chinese New Year break.
- Crude oil futures managed impressive recovery, with prices bouncing back from the low of US\$95/bbl and settling at US\$96.6/bbl. Lower than expected increase in US crude oil stockpiles aided the recovery. EIA reported that U.S. crude-oil inventories rose 2.6mn barrels last week, below the 2.9mn barrels increase forecast. Interestingly, stockpiles at Cushing port, a strategic storage hub for WTI crude oil, fell by 300,000 barrels. This corroborates the fact the reversal and expansion of Seaway pipeline is mitigating the supply glut at the key transit hub and in the process providing ample supplies to the Gulf Coast refineries.

Precious metals

	High	Low	Close	%Chg	OI
MCX					
Gold(Apr) (Rs/10 gm)	30,767	30,565	30,711	1.9	14,883
Silver(Mar) (Rs/kg)	58,478	58,076	58,376	0.0	20,768
NCDEX					
Gold (Rs/10 gm)	30,719	30,719	30,719	0.0	2
Silver (Rs/kg)	63,350	62,527	62,527	0.0	60
COMEX (US\$/oz)					
Gold(Apr)	1,681	1,669	1,679	0.3	253,889
Silver(Mar)	31.9	31.6	31.9	0.0	71,967

Base metals

	High	Low	Close	%Chg	OI
MCX (Rs/kg)					
Alum.(Feb)	111.5	110.4	110.6	(0.8)	4,339.0
Copper(Feb)	443.4	439.3	439.7	(0.7)	25,739.0
Lead(Feb)	130.4	128.4	128.6	(1.3)	19,072.0
Nickel(Feb)	994.0	973.3	974.1	(2.0)	16,621.0
Zinc(Feb)	115.1	114.2	114.5	(0.6)	11,955.0
LME(3mths) (US\$/ton)					
Aluminum	2,120	2,091	2,099	(0.6)	4,431
Copper	8,322	8,207	8,245	(0.3)	2,050
Lead	2,464	2,415	2,422	(1.5)	1,266
Nickel	18,765	18,310	18,325	(2.0)	1,074
Tin	25,048	24,750	24,850	(0.3)	222
Zinc	2,184	2,155	2,168	(0.4)	2,492

Energy

	High	Low	Close	%Chg	OI
MCX					
Cr. oil(Feb) (Rs/bbl)	5,155	5,070	5,139	(0.1)	27,100
Nat.gas(Feb) (Rs/mmBtu)	185	180	184	2.8	19,774
NCDEX (Rs/bbl)					
Sweet Cr.oil	5,150	5,073	5,143	(0.1)	115
NYMEX					
Cr. oil(Feb) (US\$/bbl)	97.0	95.0	96.6	(0.0)	262,895
Nat.gas(Feb) (US\$/mmBtu)	3.5	3.4	3.4	0.6	303,355

Currency

	Close	Prev close	%Chg
INR/US\$	53.17	53.14	0.1
US\$/EUR	1.35	1.36	(0.4)
US\$/GBP	1.57	1.57	0.0
JPY/US\$	93.64	93.63	0.0

LME Inventory levels

('000 tons)	Close	Prev close	Chg
Aluminum	5,148	5,158	(10.5)
Copper	387	385	1.5
Lead	290	290	(0.1)
Nickel	151	151	(0.2)
Tin	13	13	(0.0)
Zinc	1,197	1,200	(2.6)

Pivot table

Commodity	MCX Levels					International Levels				
	R2	R1	Pivot	S1	S2	R2	R1	Pivot	S1	S2
Gold	30,913	30,857	30,711	30,655	30,509	1,691	1,689	1,679	1,677	1,667
Silver	58,778	58,676	58,376	58,274	57,974	32.2	32.2	31.9	31.9	31.6
Aluminum	112	111	111	110	110	2,128	2,108	2,099	2,078	2,070
Copper	444	440	440	436	436	8,360	8,283	8,245	8,168	8,130
Lead	131	129	129	127	127	2,471	2,429	2,422	2,381	2,374
Nickel	995	975	974	954	953	18,780	18,340	18,325	17,885	17,870
Zinc	115	115	114	114	114	2,197	2,181	2,168	2,153	2,140
Crude oil	5,224	5,208	5,139	5,123	5,054	98.6	98.2	96.6	96.3	94.7
Nat. Gas	189	188	184	183	179	3.5	3.4	3.4	3.4	3.4

A pivot is a level at which the market direction changes for the day. These points can be critical support and resistance levels for that day. Pivot levels are only broad indicators and not necessarily our view on the commodity.

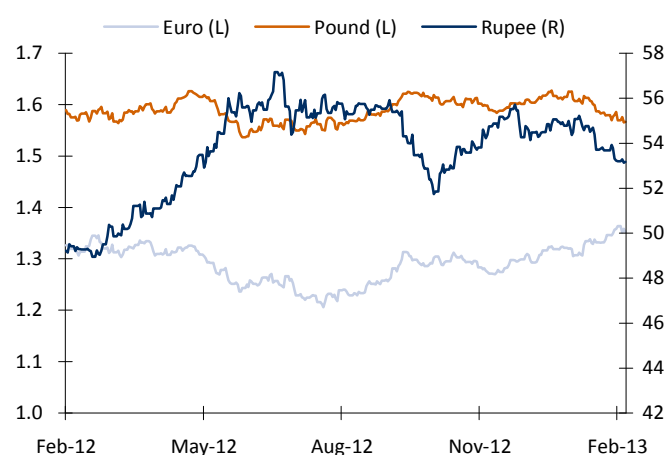
Important data to watch

Date	Country / Currency	Event	IST	Actual	Cons.	Previous
04-Feb	EUR	Sentix Investor Confidence	15:00	-3.9	-2.2	-7.0
	US	Factory Orders m/m	20:30	1.8%	2.3%	0.3%
06-Feb	EUR	German Factory Orders m/m	16:30	0.8%	0.8%	-1.8%
	US	Crude Oil Inventories	21:00	2.6M	2.9M	5.9M
08-Feb	US	Consumer Credit m/m	01:30		13.2B	16.0B
	EUR	Italian Industrial Production m/m	14:30		0.2%	-1.0%

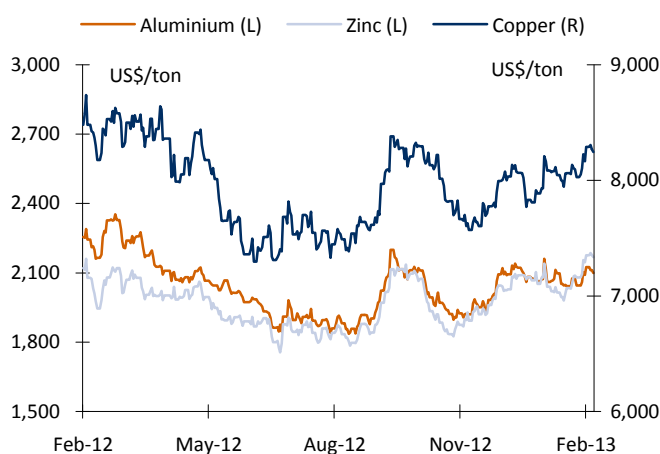
Precious metals



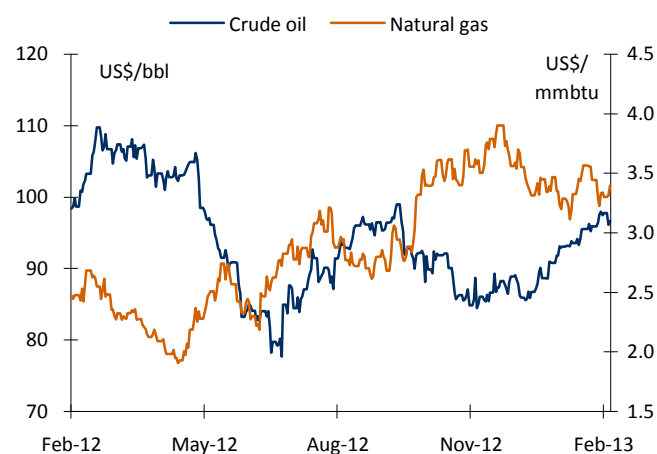
Currency



Base metals



Energy



Note: Ideas given under the 'Commodities' section are for intraday purpose or up to a period of three trading sessions. Recommendations under this heading are not necessarily part of our fundamental buy or sell list.

Agri-products

Pick of the Day

Commodity	Strategy	Levels	Target	Stop-Loss
Turmeric April	Sell	6,370	6,200	6,490
Soyabean March	Sell	3,270	3,200	3,320

Market Commentary

- Malaysian Palm oil futures inched lower, as traders awaited for further clues from upcoming industry data and avoided taking risky positions ahead of next week's Lunar New Year holidays. Concern that dry weather in South America could hurt soy crops has also eased after forecasts pointing to rains in parts of Argentina's grain belt this month. Meanwhile, markets will also be monitoring January stocks data from industry regulator the Malaysian Palm Oil Board due on February 13.
- Soybean futures were under selling pressure as traders took profits off the table ahead of the USDA report. Soybean export sales are projected to be between 800,000-1,300,000 tons. Last week they were reported at 1,253,000 tons. Soybean meal exports are projected to be between 75,000-225,000 MT, while bean oil sales are projected to be between 10,000-30,000 tons.
- In Indian markets, Cardamom tumbled for second day on short selling triggered by weak demand. As per the latest updates from the Spices Board of India, the average prices of cardamom in the auction held at The Cardamom Processing & Marketing Co-Operative Society Ltd, Kumily stood at Rs747.52/kg and maximum price was at Rs 1,131/kg. The arrivals and offtakes stood at 51,114kg and 49,186kg respectively. The average price in the previous auction was Rs 780.79/kg. The arrivals and offtakes stood at 43,859kg and 43,549kg respectively.

Spices

Commodity	High	Low	Close	%Chg	OI
Chilli (Rs/qntl)					
NCDEX Mar	7,022	6,800	6,828	(3.0)	6,855
Jeera (Rs/qntl)					
NCDEX Mar	13,548	13,395	13,488	(0.2)	10,746
Pepper (Rs/qntl)					
NCDEX Feb	39,475	38,900	38,965	(0.9)	731
NCDEX Mar	37,095	36,230	36,580	(1.3)	2,107
Turmeric (Rs/qntl)					
NCDEX Apr	6,424	6,218	6,356	1.2	26,895

Oil Seeds

Commodity	High	Low	Close	%Chg	OI
Soyabean (Rs/qntl)					
NCDEX Feb	3,335	3,299	3,310	(0.5)	37,360
NCDEX Mar	3,287	3,252	3,260	(0.8)	117,560
Soyoil (Rs/10kg)					
NCDEX Feb	738	724	725	(1.7)	63,550
NCDEX Mar	715	706	708	(1.1)	97,030
CPO (Rs/10kg)					
MCX Feb	451	448	450	(0.2)	4,335
MCX Mar	460	458	458	(0.4)	5,091

Others

Commodity	High	Low	Close	%Chg	OI
Mentha Oil (Rs/kg)					
MCX Feb	1,336	1,306	1,330	1.1	3,973
MCX Mar	1,274	1,249	1,269	0.9	2,381

Spot prices

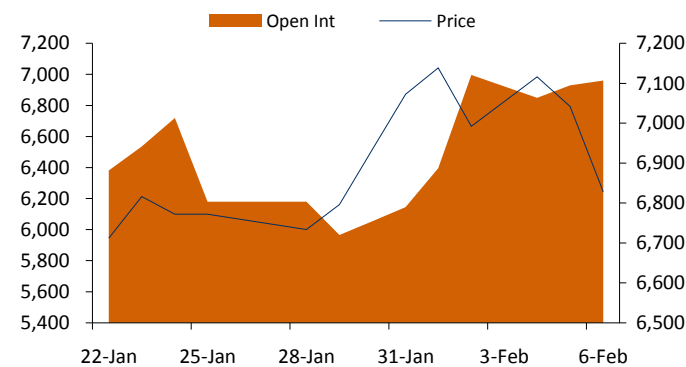
Commodity	Close	Pr. Close	% Chg
Pepper (Rs/qntl)	40,473	40,600	(0.3)
Jeera (Rs/qntl)	13,967	14,090	(0.9)
Turmeric (Rs/qntl)	5,411	5,430	(0.4)
Soyabean (Rs/qntl)	3,350	3,373	(0.7)
Soyaoil (Rs/kg)	740	756	(2.1)
Chana (Rs/qntl)	3,452	3,575	(3.5)
Mustard seed (Rs/qntl)	3,932	3,958	(0.7)

Pivot table

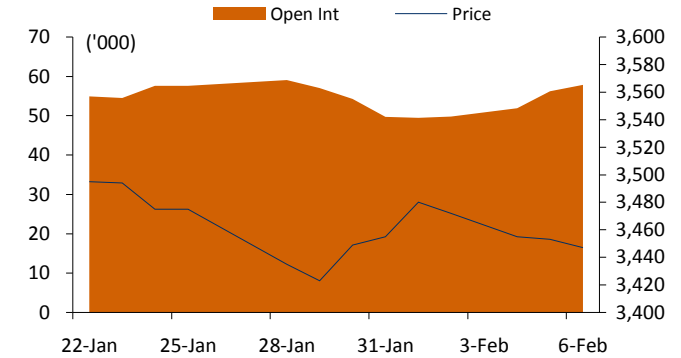
Commodity	R3	R2	R1	Pivot	S1	S2	S3
Chilli Dec	7,078	7,050	6,856	6,828	6,634	6,606	6,412
Jeera Dec	13,733	13,640	13,580	13,488	13,428	13,335	13,275
Pepper Dec	39,605	39,540	39,030	38,965	38,455	38,390	37,880
Turmeric Dec	6,700	6,562	6,494	6,356	6,288	6,150	6,082
Soya bean Dec	3,356	3,345	3,320	3,310	3,285	3,274	3,249
Soya oil Dec	740	739	727	725	713	711	699
CPO Nov	454	452	451	450	449	447	446
Mentha Oil Nov	1,384	1,360	1,354	1,330	1,324	1,300	1,293

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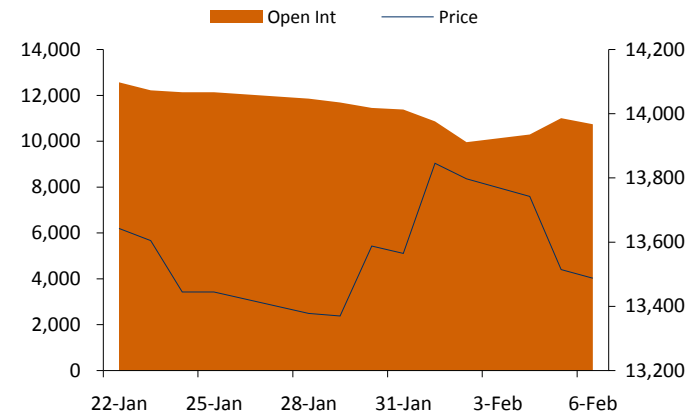
Chilli



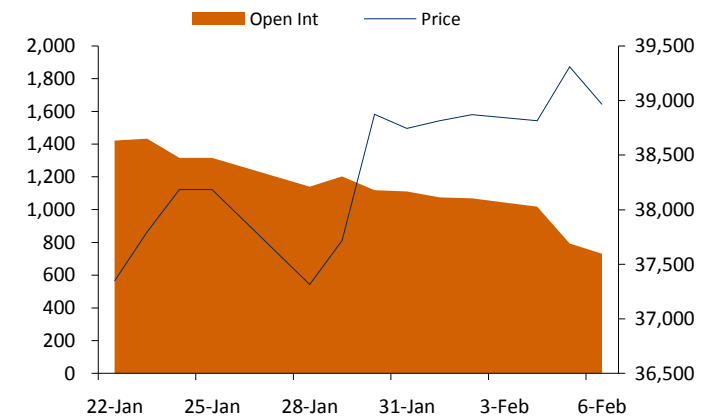
Mustard seed



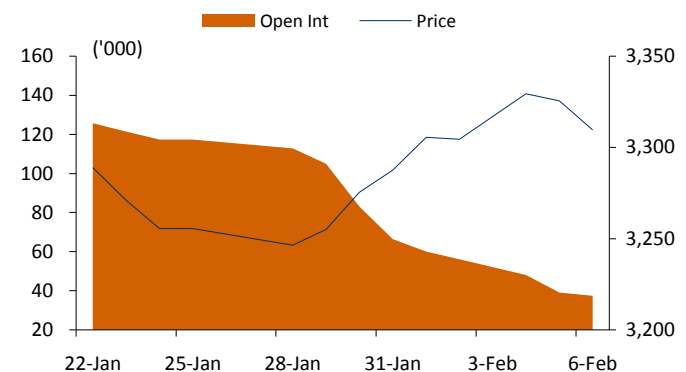
Jeera



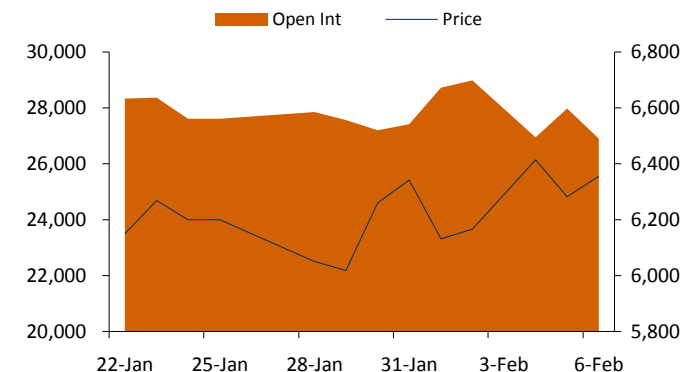
Pepper



Soya bean



Turmeric



After receiving two reputed awards for being the 'Best Broker' in 2011, IIFL has now bagged the Best Broking House with Global Presence in 2012.

'Best Equity Broker of the Year' – Bloomberg UTV, 2011

IIFL was awarded the 'Best Equity Broker of the Year' at the recently held Bloomberg UTV Financial Leadership Award, 2011. The award presented by the Hon'ble Finance Minister of India, Shri Pranab Mukherjee. The Bloomberg UTV Financial Leadership Awards acknowledge the extraordinary contribution of India's financial leaders and visionaries from January 2010 to January 2011.

'Best Broker in India' – Finance Asia, 2011

IIFL has been awarded the 'Best Broker in India' by Finance Asia. The award is the result of Finance Asia's annual quest for the best financial services firms across Asia, which culminated in the Country Awards 2011.

Other awards



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