

Metals & Energy

Pick of the Day

Commodity	Strategy	Levels	Target	Stop-Loss
Gold Feb	Buy	30,200	30,350	30,100
Silver Mar	Buy	57,850	58,350	57,540

Market Commentary

- Precious metals ended higher yesterday, with gold prices settling around US\$1,665/ounce. The recovery was aided by weaker US dollar and subdued US macroeconomic data. On US macroeconomic front, consumer confidence index dropped in January to the lowest level since November 2011. The Conference Board stated that its consumer-confidence index dropped to 58.6 in January, well short of market expectations of 64.3.
- Meanwhile, Gfk German Consumer Climate index ticked up to 5.8 for February from an upwardly revised 5.7 in January.
- Market focus will remain accentuated on the Federal Reserve policy statement today, wherein all eyes will be glued on the central bank stance on asset buying program and its outlook on economy going forward.
- Although LME base metals have been confined in an uneventful drift for the past few weeks, persistent flow of Chinese macroeconomic numbers is providing lot of encouragement for the bulls. Effectively, LME Copper prices have done well to sustain around the psychological level of US\$8,000/ton. On the domestic front, Rs434/kg is enacting as a good support as well.
- Crude oil futures moved higher well above US\$97/bbl. Multitude of factors have been aiding such upside. Improving US macroeconomic scenario, persistent Middle East tensions and a refinery shutdown in US is providing lot of impetus to the bulls. On supply front, Hess Corp will shut the 70,000bpd Port Reading, New Jersey plant in late February, as it is suffering from weak profits.

Precious metals

	High	Low	Close	%Chg	OI
MCX					
Gold(Feb) (Rs/10 gm)	30,381	30,215	30,234	(0.3)	16,407
Silver(Mar) (Rs/kg)	58,030	57,711	57,906	0.0	23,435
NCDEX					
Gold (Rs/10 gm)	30,231	30,150	30,231	0.0	1
Silver (Rs/kg)	63,350	62,527	62,527	0.0	60
COMEX (US\$/oz)					
Gold(Feb)	1,667	1,656	1,663	0.5	202,134
Silver(Mar)	31.5	30.9	31.2	1.3	77,954

Base metals

	High	Low	Close	%Chg	OI
MCX (Rs/kg)					
Alum.(Jan)	109.0	107.5	108.5	(0.4)	3,863
Copper(Feb)	438.7	435.2	438.0	(0.1)	35,707
Lead(Jan)	128.7	127.5	128.4	0.1	11,037
Nickel(Jan)	953.7	942.2	952.6	0.4	9,078
Zinc(Jan)	112.2	110.8	111.6	(0.2)	4,872
LME(3mths) (US\$/ton)					
Aluminum	2,065	2,033	2,060	0.5	2,621
Copper	8,122	8,036	8,103	0.7	1,684
Lead	2,413	2,375	2,405	1.1	1,868
Nickel	17,950	17,540	17,850	1.3	1,472
Tin	24,720	24,350	24,600	0.8	171
Zinc	2,104	2,078	2,095	0.7	1,613

Energy

	High	Low	Close	%Chg	OI
MCX					
Cr. oil(Feb) (Rs/bbl)	5,248	5,192	5,228	0.3	40,792
Nat.gas(Feb) (Rs/mmBtu)	182	175	176	(1.9)	21,739
NCDEX (Rs/bbl)					
Sweet Cr.oil	5,247	5,194	5,216	0.3	240
NYMEX					
Cr. oil(Mar) (US\$/bbl)	97.8	96.3	97.6	1.2	291,021
Nat.gas(Mar) (US\$/mmBtu)	3.3	3.2	3.2	(1.9)	7,984

Currency

	Close	Prev close	%Chg
INR/US\$	53.78	53.92	(0.3)
US\$/EUR	1.35	1.35	0.3
US\$/GBP	1.58	1.57	0.4
JPY/US\$	90.73	90.86	(0.1)

LME Inventory levels

('000 tons)	Close	Prev close	Chg
Aluminum	5,170	5,161	9.1
Copper	372	341	30.8
Lead	293	294	(1.1)
Nickel	150	149	0.4
Tin	13	13	0.1
Zinc	1,211	1,208	3.1

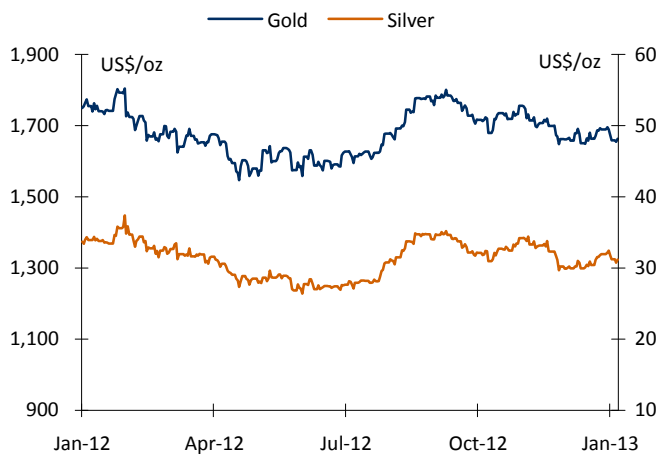
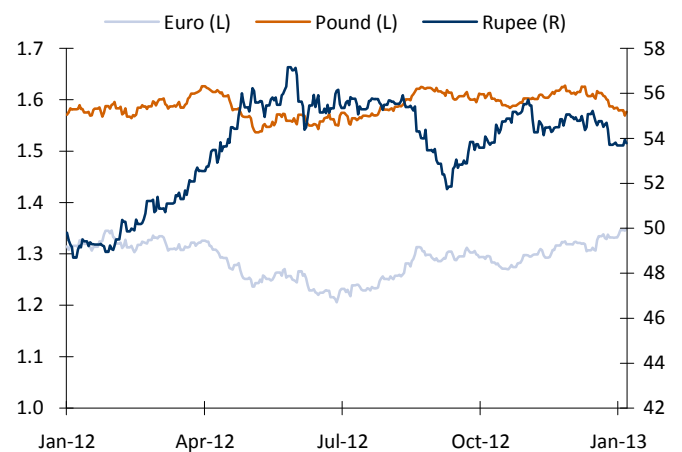
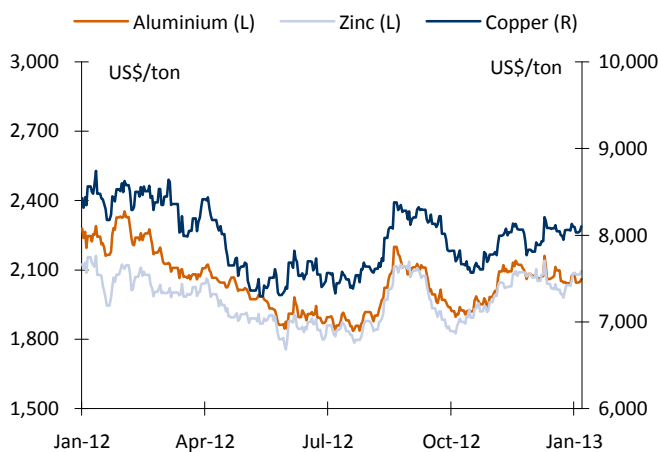
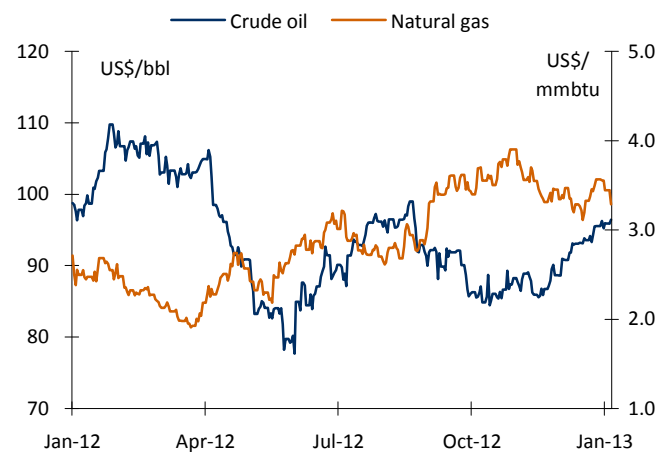
Pivot table

Commodity	MCX Levels					International Levels				
	R2	R1	Pivot	S1	S2	R2	R1	Pivot	S1	S2
Gold	30,400	30,253	30,234	30,087	30,068	1,674	1,670	1,663	1,658	1,651
Silver	58,225	58,101	57,906	57,782	57,587	31.8	31.5	31.2	30.9	30.6
Aluminum	110	110	109	108	107	2,092	2,087	2,060	2,055	2,028
Copper	442	441	438	437	434	8,189	8,170	8,103	8,084	8,017
Lead	130	129	128	128	127	2,443	2,435	2,405	2,397	2,367
Nickel	964	963	953	952	941	18,260	18,160	17,850	17,750	17,440
Zinc	113	112	112	111	110	2,121	2,112	2,095	2,086	2,069
Crude oil	5,284	5,264	5,228	5,208	5,172	99.1	98.9	97.6	97.3	96.0
Nat. Gas	182	176	176	169	169	3.3	3.2	3.2	3.2	3.2

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
28-Jan	EUR	M3 Money Supply y/y	14:30	3.3%	3.9%	3.8%
	US	Durable Goods Orders m/m	19:00	4.6%	1.8%	0.8%
29-Jan	EUR	Gfk German Consumer Climate	12:30	5.8	5.8	5.7
	US	CB Consumer Confidence	20:30	58.6	64.8	66.7
30-Jan	EUR	Spanish Flash GDP q/q	13:30		-0.6%	-0.3%
	US	Advance GDP q/q	17:00		1.3%	3.1%

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
Jeera Mar	Sell	13,420	13,100	13,625
Kapas Apr	Sell	915	900	925

Market Commentary

- Malaysian palm oil futures gained on expectations that Indonesia's higher crude palm oil export tax may shift some buyers to rival Malaysia, although gains were limited by persisting concerns over record stocks. The world's top palm oil producer will increase its export tax for crude palm oil to 9% for February from 7.5% in the previous month, while Malaysia's crude palm oil export tax will remain at zero percent for February.
- Soybean futures headed higher, with March contract posting a high of US\$14.58. Futures retreated from those highs and were unable to return to those levels for the remainder of the trading session. Market sources reported that 800 barges are backed up in the southern portion of the Mississippi River due its closure, of those 298 were headed north. Soybean exports may be the most affected by the closure of the Mississippi, as they witnessed 27.582mn bushels being exported for the marketing week ending last Thursday through the Gulf. In total, 56.475mn bushels were shipped out of the Gulf of Mexico or 66% of all US export inspections.
- In Indian markets, spot prices of Mentha oil in Sambhal Mandi, Uttar Pradesh were quoting at Rs1,455/kg, down by Rs49/kg. Meanwhile, the spot prices were quoting at Rs1,454/kg, down by Rs 50 per kg in the Chandausi Mandi. The total arrivals stood at 450-500 drums.

Spices

Commodity	High	Low	Close	%Chg	OI
Chilli (Rs/qntl)					
NCDEX Mar	6,846	6,752	6,796	0.9	6,055
Jeera (Rs/qntl)					
NCDEX Mar	13,418	13,285	13,370	(0.1)	11,694
Pepper (Rs/qntl)					
NCDEX Feb	38,000	36,910	37,715	1.1	1,202
NCDEX Mar	36,785	36,220	36,645	0.3	1,527
Turmeric (Rs/qntl)					
NCDEX Apr	6,090	5,980	6,018	(0.5)	27,565

Oil Seeds

Commodity	High	Low	Close	%Chg	OI
Soyabean (Rs/qntl)					
NCDEX Feb	3,262	3,235	3,255	0.3	105,060
NCDEX Mar	3,173	3,146	3,160	0.2	113,420
Soyoil (Rs/10kg)					
NCDEX Feb	727	722	726	0.0	77,510
NCDEX Mar	705	699	703	(0.1)	68,780
CPO (Rs/10kg)					
MCX Jan	438	434	435	(0.5)	1,047
MCX Feb	444	440	441	(0.5)	4,784

Others

Commodity	High	Low	Close	%Chg	OI
Mentha Oil (Rs/kg)					
MCX Jan	1,274	1,256	1,264	0.3	1,604
MCX Feb	1,285	1,268	1,274	0.1	3,351

Spot prices

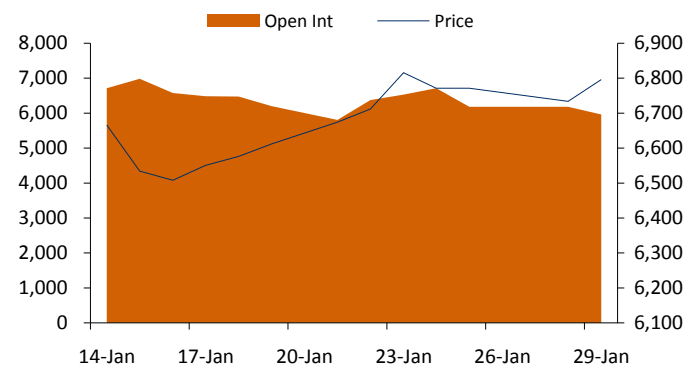
Commodity	Close	Pr. Close	% Chg
Pepper (Rs/qntl)	39,766	39,779	(0.0)
Jeera (Rs/qntl)	13,899	14,095	(1.4)
Turmeric (Rs/qntl)	5,398	5,452	(1.0)
Soyabean (Rs/qntl)	3,311	3,332	(0.6)
Soyaoil (Rs/kg)	754	756	(0.2)
Chana (Rs/qntl)	3,921	3,950	(0.7)
Mustard seed (Rs/qntl)	3,842	4,061	(5.4)

Pivot table

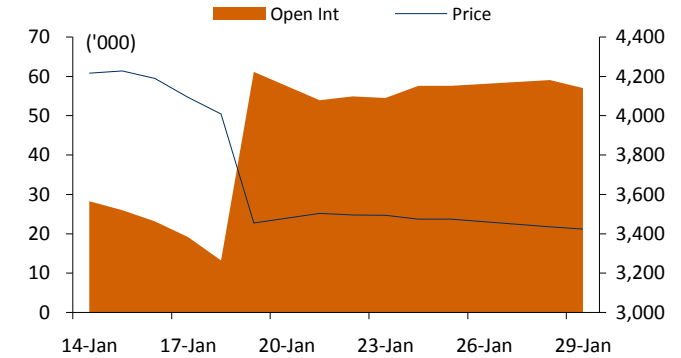
Commodity	R3	R2	R1	Pivot	S1	S2	S3
Chilli Dec	6,934	6,890	6,840	6,796	6,746	6,702	6,652
Jeera Dec	13,588	13,503	13,455	13,370	13,323	13,238	13,190
Pepper Dec	39,610	38,805	38,520	37,715	37,430	36,625	36,340
Turmeric Dec	6,166	6,128	6,056	6,018	5,946	5,908	5,836
Soya bean Dec	3,302	3,282	3,275	3,255	3,248	3,228	3,221
Soya oil Dec	734	731	729	726	724	720	718
CPO Nov	439	439	435	435	431	431	427
Mentha Oil Nov	1,291	1,283	1,273	1,264	1,255	1,246	1,237

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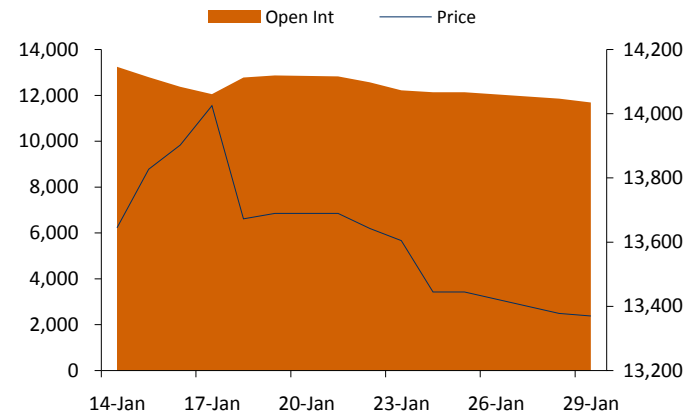
Chilli



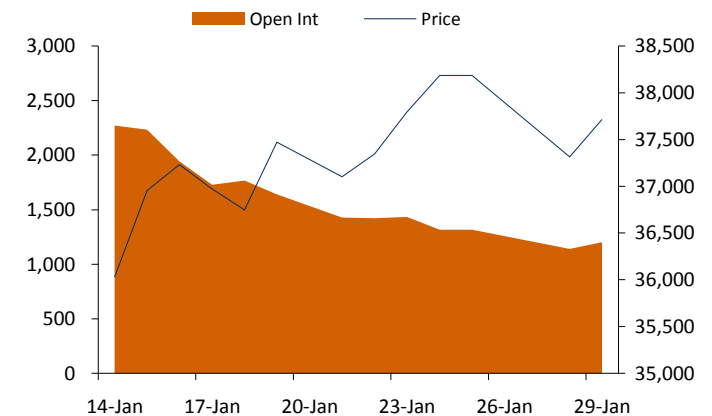
Mustard seed



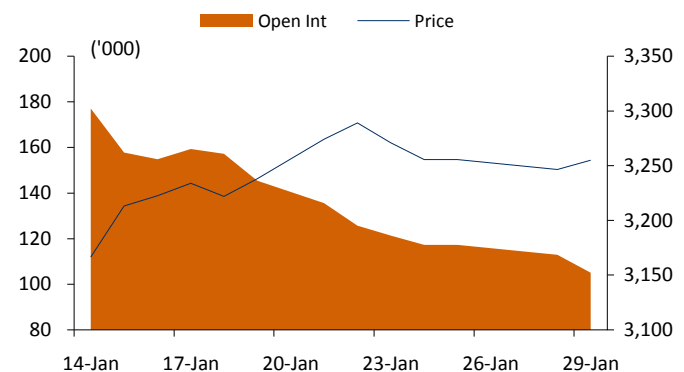
Jeera



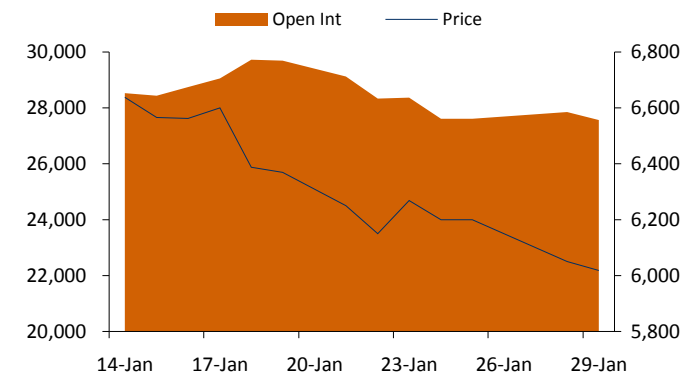
Pepper



Soya bean



Turmeric



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'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

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Other awards



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