

2009 is belonged to Metals, bullion, equity, foreign currencies, bonds and the emerging markets. Just about everything else posted a decline over this stretch or failed to produce a meaningful gain adjusted for inflation. Bullion shined brightest in terms of cost during 2009, in part due to Reserve Bank of India buying bullion from IMF, but as investment tools they were way behind the benchmark stock index Sensex that gave returns of over 80%. Standard gold crossed the Rs 18K-mark for the first time to a new intra-day trading peak of Rs 18,255 on December 3. Year-on-year, it was up by nearly Rs 3,500 or over 26% ten grams as on December 30 to close at Rs 16,910.

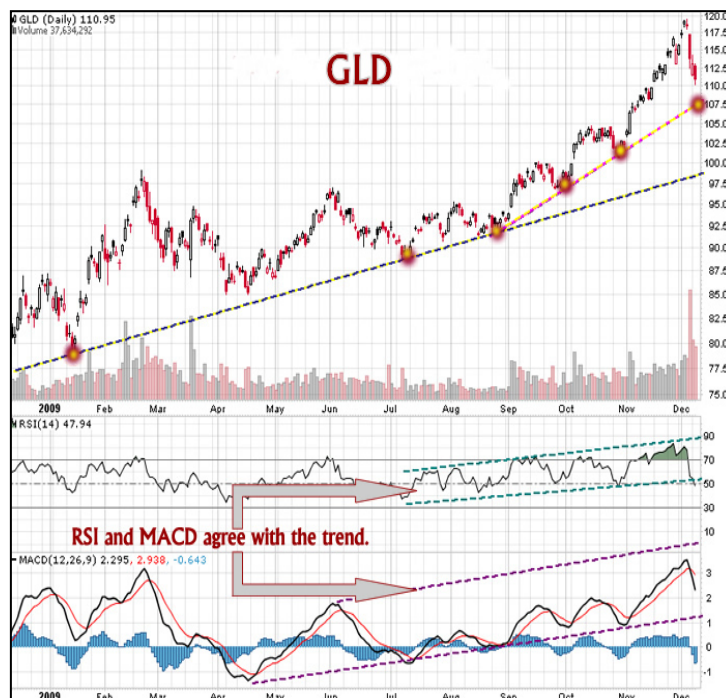
Central banks played a key role in aiding the rally during a year in which China revealed that it had secretly increased its reserves over the past five years to the world's fifth-largest by buying up domestic production, while India nearly doubled its holdings by buying half of the IMF's stockpile slated for sale. The tone for the precious metals market in early 2010 will now hinge on whether the U.S. dollar will continue its year-end rally, and if the central banks will keep interest rates at record lows to boost economic growth. The major gold ETFs show that cumulative daily investment flows over the year netted out at \$16.9 billion. The value of the gold content in the funds was approximately \$61.3 billion, a gain of 84% over the year, reflecting an increase of 565 tonnes and a net price rise of \$213/ounce.

In domestic market gold prices were sharply influenced by global markets as stockists continued their buying spree throughout the year, especially after good buying enquiries by central banks from International Monetary Fund (IMF) like RBI. RBI purchased nearly 200 metric tons of gold from IMF in October. Good demand from consumers in view of marriage season also was another factor behind sharp rise in gold prices. Some investors were seen shifting their funds in gold from high volatile equity markets, boosting the gold prices to some extent. Rise in inflation figure too influenced gold prices as some investors preferred gold as safe haven investment in the current economic conditions. Gold prices have shot up to record highs during the year, helped by some investors' predictions the US Federal Reserve will take too long to remove the trillions of dollars it's pumped into the financial system, paving the way for higher inflation and weaker dollar which would make gold valuable.

The dollar extended losses during the year, falling to its lowest in 14 years against the yen and hitting a 15-month low against a basket of six major currencies. The low interest rate environment globally assists the rise in gold prices. Holding for gold exchange-traded funds also hit to its record level during the year. Inflation worries and recession worries bring gold buyers as low interest rates made it a good alternative to short term fixed income.

In domestic market, standard gold (99.5 purity) moved the year in a range of Rs 18,255 and Rs 12,905 before ending at Rs 16,935 on December 30 as against last year's closing of Rs 13,435, disclosing a sharp rise of Rs 3,525 or 26.24% per ten grams. Silver ready (.999 fineness) moved in a wide range of Rs 30,270 and 17,910 before concluding at Rs 27,895 on December 19, a rise of Rs 9,795 or 54.12% per kilo over its last year end's level of Rs 18,100.

BULLION PROJECTION CHART



Contact Details:

KEDIA COMMODITIES

Mumbai, INDIA. Mobile: 09323406035 / 09819296333 Email: info@kediacommodity.com, URL: www.kediacommodity.com

Note:

Buy at supports and sell at target. Support broken becomes resistance and a resistance broken becomes support. Always use Stop-loss never average loss making positions. This report is based on previous closing. levels may change based on next day's opening price. Please register on the site for daily levels. Yahoo messenger id is for getting latest levels on your messenger. The call expires once the target is achieved or the stop-loss is hit. The calls given in this report are valid only for the current day. A trader should understand that, he/she should not carry forward the trade, unless explicitly stated. Date Source: MCX, NCDEX, COMEX, NYMEX, and other Exchange.

Disclaimer: The calls made herein are for informational purpose and report contains only the viewpoints. We make no representation or warranty regarding the correctness, accuracy or completeness of any information, and is not responsible for errors of any kind though the information obtained from the sources, which is believed to be reliable. The information contained herein is strictly confidential and is meant for the intended recipients. Any alteration, transmission, photocopied distribution in part or in whole or reproduction of any form of the information without prior consent of Kedia Commodities is prohibited. The information and data are derived from the source that are deemed to be reliable the above calls are based on the theory of Technical Analysis. Neither the company nor its employee is responsible for the Profit (es) & loss (es) arising due to the trader(s). The commodities and derivatives discussed and opinions expressed in this report may not be suitable for all investors falling under different jurisdictions. All futures entail significant risk, which should be fully understood prior to trading. Consult your Investment Advisor / Broker before making any investment. www.kediacommodity.com