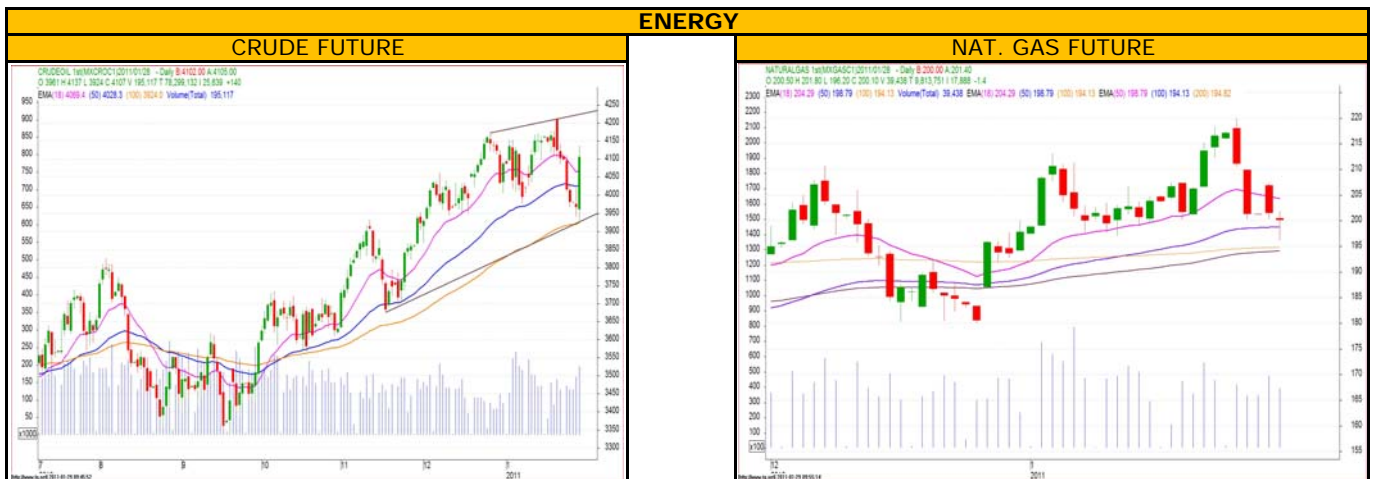


Last week saw bullion futures rebound from a four-month low on Friday as escalating tensions in Egypt boosted the safe haven appeal of the precious metal. On Friday, gold prices jumped 1.9% & Silver moved almost 3.50%, rebounding from the lowest price since October 1 as increasingly violent protests in Egypt threatened President Hosni Mubarak's 30-year rule and raised fears of the crisis spreading to neighboring Arab countries. Gold is often considered a haven against political turmoil or economic downturns in part because it is not as linked to industrial production as are other commodities and equities. Meanwhile, gold prices plunged 2.4% to USD1,310.35 on Thursday amid receding concerns over the euro zone debt crisis after French President Nicolas Sarkozy told the World Economic Forum in Davos that France and Germany would take new steps in European economic integration in the coming weeks. Also Thursday, easing physical demand from China weighed on prices, as the Chinese Lunar New Year was set to begin on February 3. The Chinese New Year is a traditional time to buy gold, however physical buying usually slows a week before the New Year holiday. China is the world's second largest consumer of gold jewelry after India. Meanwhile, silver for March delivery traded at a one-week high of USD27.96 a troy ounce by close of trade on Friday, jumping 1.6% over the week. Technically gold now getting weekly support on MCX is at 19580 and below could see a test of 19236 and resistance is now likely to be seen at 20204, a move above could see prices testing 20484. Whereas silver now weekly support for the silver is seen at 41736 and below could see a test of 40473. Resistance is now likely to be seen at 43806, a move above could see prices testing 44613.



Last week saw crude oil futures jump to a one-week high on Friday as concerns that political unrest in Egypt would spread to major oil-producing countries in the Middle East boosted prices. Crude oil prices surged 4.7% on Friday, the biggest one-day gain since September 2009, as increasingly violent protests in Egypt threatened President Hosni Mubarak's 30-year rule and raised fears of the crisis spreading to neighboring oil-producing countries. Markets were also concerned that the escalating tensions would lead to the closure of the Suez Canal, which transports approximately 2 million barrels of crude oil a day from northern Africa to the U.S., U.S. EIA identified the Suez Canal as one of seven "world oil transit chokepoints" and an "important transit corridor for world oil markets" in its 2011 Energy Outlook report released earlier in January. Also Friday, official data showed that the U.S. economy grew by 3.2% in the fourth quarter. The increase was driven by the biggest rise in consumer spending in more than four years. Also last week we have seen natural gas futures drop to a one-month low on Friday as ongoing concerns about a U.S. inventory surplus and the view that the end of winter's high gas-heating demand was approaching pressured prices. On Thursday, natural gas prices tumbled 3.4% after the U.S. EIA said in its weekly report that natural gas storage in the U.S. fell only slightly more-than-expected in the week ended January 21, declining by 174 billion cubic feet, after declining by 243 billion cubic feet in the preceding week. Technically now support for the crude is seen at 3982 and below could see a test of 3846. Resistance is now likely to be seen at 4195, a move above could see prices testing 4272 & support for the Natural Gas is seen at 192.5 and below could see a test of 182.5. Resistance is now likely to be seen at 216.3, a move above could see prices testing 230.1.

**BASEMETAL**

**COPPER FUTURE**



**NICKEL FUTURE**



Last week basemetal counter was mixed to supportive were we have seen copper moved 3.25% up with lead gained by almost 1.40% only nickel was the most outperforming metal which had jumped by 22.40% leaving zinc which had dropped by 0.30%. As we have been talking about the direct correlation between the euro and the base metals which has been declining post the recent northward move in all the metals, we witnessed a good correction in the first half of the week. The euro continued its upward trend and crossed \$1.37, ending on a firm note as the problems in the U.S., still persist, compelling its currency to weaken against other currencies. The weakening dollar should ideally help the metals move higher but to our surprise, the metals were lagging behind, rather correcting from the higher levels during the initial part of the last week, playing a spoilsport, and triggering stop losses in our weekly buy calls. However, the rally in metals came in, though late, in the latter half of the week and prices moved higher. The red metal turned green and closed well above the crucial support level of \$9500 on the LME. Nickel also crossed the \$26,000 on LME. After the sell-off, the market is re-adjusting itself on concerns about tightening by the Bank of China. With the tightening to date, one could expect Chinese growth would slow further in coming months, perhaps to 9.5%; combined with data in the U.S. that continues to pick up and strong figures out of Germany, the outlook for metals is good. In the long run, sustained high copper prices would result in some potential substitution. This should take the edge off copper prices. However given the size of the aluminium market around double that of copper, the impact on aluminium is likely to be fairly subdued. China will be on a week long holiday from mid week so trading would be subdued.

**ECONOMICAL DATA**

DATE	TIME	CURRENCY	DATA	Forecast	Previous
MON	2:30pm	USD	Core PCE Price Index m/m	0.001	0.001
	2:30pm	USD	Personal Spending m/m	0.006	0.004
	2:30pm	USD	Personal Income m/m	0.005	0.003
	3:45pm	USD	Chicago PMI	65.5	66.8
	Tentative	USD	Treasury Currency Report		
TUE	4:00pm	USD	ISM Manufacturing PMI	57.6	58.5
	4:00pm	USD	Construction Spending m/m	0.001	0.004
	4:00pm	USD	ISM Manufacturing Prices	73.9	72.5
	All Day	USD	Total Vehicle Sales	12.8M	12.6M
	Tentative	USD	Loan Officer Survey		
WED	1:30pm	USD	Challenger Job Cuts y/y		-0.29
	2:15pm	USD	ADP Non-Farm Employment Change	150K	297K
	4:30pm	USD	Crude Oil Inventories		4.8M
	11:30pm	USD	FOMC Member Duke Speaks		
THU	1:45pm	EUR	Minimum Bid Rate	0.01	0.01
	2:30pm	EUR	ECB Press Conference		
	2:30pm	USD	Unemployment Claims	420K	454K
	2:30pm	USD	Prelim Nonfarm Productivity q/q	0.021	0.023
	2:30pm	USD	Prelim Unit Labor Costs q/q	0.005	-0.001
	4:00pm	USD	ISM Non-Manufacturing PMI	57.2	57.1
	4:00pm	USD	Factory Orders m/m	0.013	0.007
	4:30pm	USD	Natural Gas Storage		-174B
	7:00pm	USD	Fed Chairman Bernanke Speaks		
Fri	2:00am	USD	FOMC Member Kocherlakota Speaks		
	2:30pm	USD	Non-Farm Employment Change	133K	103K
	2:30pm	USD	Unemployment Rate	0.095	0.094
	2:30pm	USD	Average Hourly Earnings m/m	0.002	0.001

## MARKET STRATEGY

Exchange	Commodity	Action	Stop Loss	Target 1	Target 2	Target 3	REMARKS
MCX	SILVER MAR	SELL @ 43600	44100	42852	42450	-	OVERALL RANGE IS 42500-44500 RANGE
MCX	GOLD FEB	SELL @ 20000	20080	19820	19680	-	BELOW 20K WEAK
MCX	CRUDE FEB	EYE ON EGYPT UPDATE					ABV 90\$ LOOK FIRM TILL 92.50\$ ELSE WE LOOK TILL 85\$ AGAIN
MCX	COPPER FEB	SELL BELOW 440	446	434.5	430	426.5	SELL BELOW 440
MCX	ZINC FEB	BUY @ 104.50	102.5	106.5	108	-	RANGE WILL 102-108
MCX	NAT.GAS FEB	BUY ABV 205	198	212	216	-	BUY ABV 205
MCX	NICKEL FEB	SELL BELOW 1200	1238	1174	1156	1140	PROFIT BOOKING CAN BE SEEN
NCDEX	PEPPER FEB	SELL @ 22600	23100	22200	21850	-	BELOW 23K LOOK WEAK TO TEST 21850 LEVEL

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### 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.

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