

# Commodity Outlook

Monday July 13, 2009

## Gold closes lower for a second week

Gold traded lower in a narrow USD 910-915 band before closing at USD 913 an ounce in the international markets on Friday. With the week kicking off to a watchful stance on Gold, most trades confined to a narrow but higher band of USD 920-925 as market participants awaited direction of the USD ahead of G8 meeting, later outcome of which strengthened USD's position as global reserve currency. Gold futures closed at USD 909 against previous week's close of 931. Meanwhile domestic bullion stood 0.7% lower WoW closing at PKR 28,335/tola and PKR 24,291/10g.

## USD higher against most currencies

In FX earlier EUR/USD trades initiated at USD 1.39 with most highs well above 1.400 but below 1.41 mark. While trades fell in succession on closing basis midway through the week, a short rebound in stocks curbed USD's advance with EUR closing above USD 1.400. It however reverted to close at USD 1.39 level on Friday. Transactions in GBP depicted a similar trend with trades initiating from USD 1.6286 and closing down to 1.6211. The week's high was at USD 1.6349, however much lower than the 1.6743 that it touched on June30, its highest this year. JPY on the other hand depicted a trend reversal, with each successive trade higher against the USD after initiating from 95.35 JPY till closing the week at 92.54.

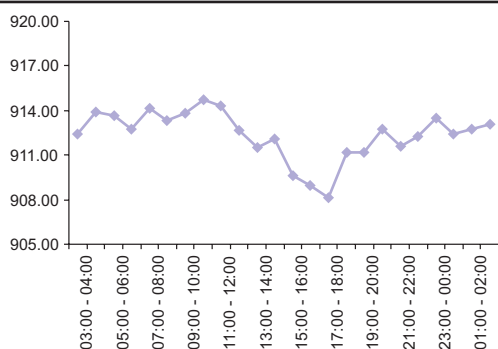
## WTI crude slips below USD 60/bbl

Bearish economic outlook weighed heavily on stocks which in turn proved to be a major drag on crude pulling the benchmark WTI crude's weekly average down to USD 61/bbl from USD 69 a week ago. After initiating lower at USD 64, it lost on each successive trade before closing at USD 59.89 on Friday. A decline by USD 6.84 or 10% WoW. Brent crude's discount narrowed to just USD 0.43 closing at USD 59.40.

## Outlook

With current economic outlook weighing on most investments alternatives, market participants may continue to be on defensive on the bullion with USD being the major driver determining direction of Gold in the short run.

### Intraday Graph (USD/oz)



Source: Bloomberg & IGI Research

### Karachi Bullion Rate (PKR)

	Jul 11'09	Jul 03'09
Gold per Tola	28,335	28,535
Gold per 10gms	24,291	24,462

Source: www.vdealu.com

### Gold Spot Price (USD/oz)

Previous Closing	932.25
Open	912.25
High	915.42
Low	907.28
Close	913.05

\*Prices as of Jul 10'09

Source: Bloomberg

### Pivot Table

Resistance 1	928.22
Resistance 2	920.07
Resistance 3	916.56
PIVOT POINT	911.92
Support 1	908.41
Support 2	903.77
Support 3	895.62

\*Prices as of Jul 10'09

Source: Bloomberg

### Crude Oil Price (USD/bbl)

	Jul 10'09	Jul 03'09
WTI Cushing Spot	59.89	66.73
Dated Brent Spot	59.40	64.86

Source: Bloomberg

### Currency

	Jul 10'09	Jul 03'09
EUR/USD	1.3491	1.3428
PKR/USD	81.93	81.56

Source: Bloomberg

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