

Weekly Round Up



National Commodity Exchange Limited

01/06/09 – 05/06/09

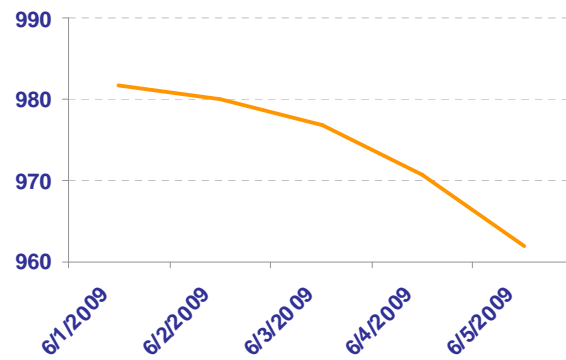
US GOLD Spot Price \$/oz

GOLD (US \$/oz)

A continuous downward trend has been witnessed for the whole week. Gold futures dropped more than 2 percent in heavy trading on Friday as the dollar rebounded sharply after a report showed that U.S. job losses in May were far less than expected, dampening bullion's appeal as a safe-haven investment. Gold remained in a wide spectrum of US \$ 981.75 & US \$ 962 during the week.

NCEL Mini Gold (10 gms): Max. price of Rs. 26,648 was observed on Tuesday whereas Min. price of Rs. 25,918 was on Friday.

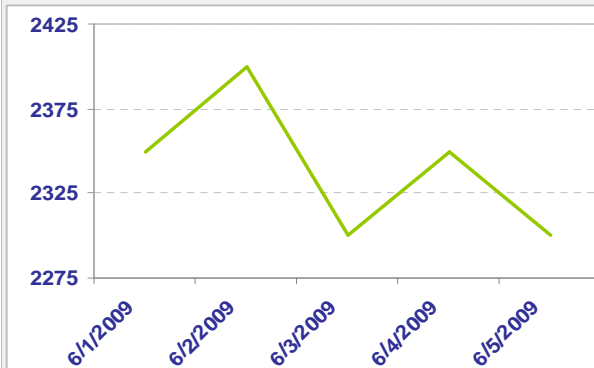
NCEL Gold Futures (Near Month): Max. price of Rs. 25,921 was observed on Tuesday whereas Min. price of Rs. 25,169 was on Friday.



IRRI-6

IRRI-6 (Rs/100 kg)

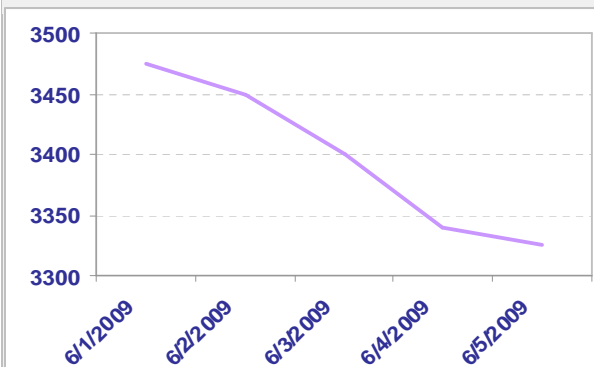
In domestic markets a mixed trend has been witnessed for IRRI-6 prices. Max. price of Rs. 2400 was observed on Tuesday and Min. price of Rs. 2300 was on Friday.



PALM OLEIN

PALM OLEIN (PKRS/Maund)

In domestic markets a downward trend has been observed for Olein prices. Max. price of Rs. 3475 was observed on Monday and Min. price of Rs. 3325 was on Friday.



Traded Volume at NCEL (No. of Contracts)

Kilo Gold: 42
Gold Futures: 2401
Mini Gold: 20

Gold falls as dollar firms after U.S. jobs report

Gold prices slipped 2 percent in choppy trade on Friday, as the euro gave up initial gains against the dollar after U.S. non-farm payrolls data, amid fears the single currency's move higher had been overdone.

Bullion hit session highs of \$982.45 an ounce in the immediate wake of the data as the dollar dipped versus the euro, but swiftly turned lower as the U.S. unit changed direction.

Spot gold touched a one-week low of \$955.35 an ounce, and was bid at \$956.00 an ounce at 1323 GMT, against \$979.10 an ounce late in New York on Thursday.

U.S. gold futures for June delivery on the COMEX division of the New York Mercantile Exchange fell \$25.90 to \$955.30 an ounce.

Standard Bank analyst Walter de Wet said in the medium term the payrolls numbers, along with other better-than-forecast data released recently, may reassure investors the economy is no longer worsening, and could fuel fears of future inflation.

"But in the short term, the dollar is going to drive prices," he said. "People will follow the dollar."

U.S. employers cut 345,000 jobs last month, the fewest since September and far less than forecast, a government report showed on Friday.

The euro initially strengthened after the report but quickly gave up gains as traders took profits on the currency.

Crude prices, strength in which helped fuel a run higher in gold on Thursday, dipped, while most industrial metals such as copper and nickel also declined. Oil is often seen as a good indicator of interest in commodities as an asset class.

[Reuters]

US rice futures ends steady

US rice futures on the Chicago Board of Trade closed steady to weaker on Wednesday as the firmer dollar spurred selling in commodities, traders said. Rice along with other commodities fell as the dollar rebounded after monetary sources in Asia said they would keep buying US Treasuries even if the US credit rating were to be cut.

A firmer dollar increases the price of US exportable commodities to overseas buyers. Volume was light/moderate estimated at 791 futures and 65 options. Thai rice prices up on firmer baht, demand thin. USDA weekly world market prices for long grain rough rice unchanged at \$11.30 per cwt.

[Reuters]

News Channel

Oil hits seven-month high

Oil prices hit a seven-month high on Thursday after US data showed a drop in jobless claims, boosting expectations of an economic recovery that could revive ailing energy demand. US crude for July delivery rose \$2.69 to settle at \$68.81 a barrel after peaking at \$69.60 earlier in the day - the highest level since early November. London Brent gained \$2.83 to \$68.71.

"There is a hell of a lot of momentum in these markets right now," said Addison Armstrong, director of market research at Tradition Energy in Stamford, Connecticut. US investment bank Goldman Sachs said a potential economic rebound alongside production cuts by the Opec cartel could propel crude to \$85 a barrel by the end of the year and to \$95 a barrel by the end of 2010.

Oil's gains Thursday came after a US report showing the number of US workers filing new claims for jobless benefits fell for a third straight week, indicating some loss of force in the pace of the job market's deterioration. The data contributed to a rally on Wall Street of about 1 percent.

[Reuters]

Malaysian palm oil ends little changed

Malaysian palm oil futures ended little changed on Thursday as a rebound in crude oil prices provided support amid expectations for higher stocks, traders said. The benchmark August contract on the Bursa Malaysia's Derivatives Exchange closed down 6 ringgit at 2,569 ringgit (\$736.10) per tonne. Overall volume was 7,837 lots of 25 tonnes each.

"The market has been riding on crude oil in the past days. But other than that, the market will be sensitive on demand," a trader at a Kuala Lumpur-based brokerage said, pointing to a slew of palm oil data which is expected next week. Crude oil rose above \$67 a barrel on Thursday after a 3.5 percent decline the previous day, boosted by increased oil price forecast from US investment bank Goldman Sachs.

Crude for July delivery rose \$1.19 cents to \$67.31 a barrel by 0945 GMT. The crude oil market gives some direction to palm oil prices as rival vegetable oils like soyoil and rapeseed oil are increasingly diverted into the biodiesel sector in Europe and the United States, leaving palm oil to satisfy much of food demand. Another factor affecting the market was rising stocks: production has started climbing as palm oil trees are now entering the higher production season, another trader said.

Traders estimate production in June could reach 1.5 million tonnes, up from an estimated 1.4 million tonnes in May. The Malaysian Palm Oil Board will announce palm oil production in May next week. US soyoil for July delivery was up 1.1 percent in Asian trade.

[Reuters]

Mill's demand active on cotton market

Active mill demand was again witnessed on the cotton market on Thursday ahead of the Trading Corporation of Pakistan (TCP) tender, dealers said. The official spot rate was unchanged at Rs 3,600, they said. In the ready business, nearly 7,000 bales of cotton changed between Rs 3,450-3,600, dealers said.

According to the market sources, one factor was interesting to note that the two roles of buyers and sellers were played by the mills. The ginners were also in the arena to dispose off the unsold stock, most of them unwillingly, finalised the deals, mainly because of the arrival of new crop, analysts said. Volume in the July contract stood at 14,405 lots, versus Tuesday's 9,280 lots. Futures for new-crop December closed down 2.59 cents, or 4.1 percent, at 59.93 cents. Total volume in ICE cotton at Tuesday's settlement stood at 14,353 contracts, versus Monday's 18,114 contracts, exchange data showed. Open interest rose by 3,325 lots to 135,433.

[Business Recorder]