

Short Term Opportunities in Metals & Energy

Presented By:
KCTL Research

Q3 Report Performance

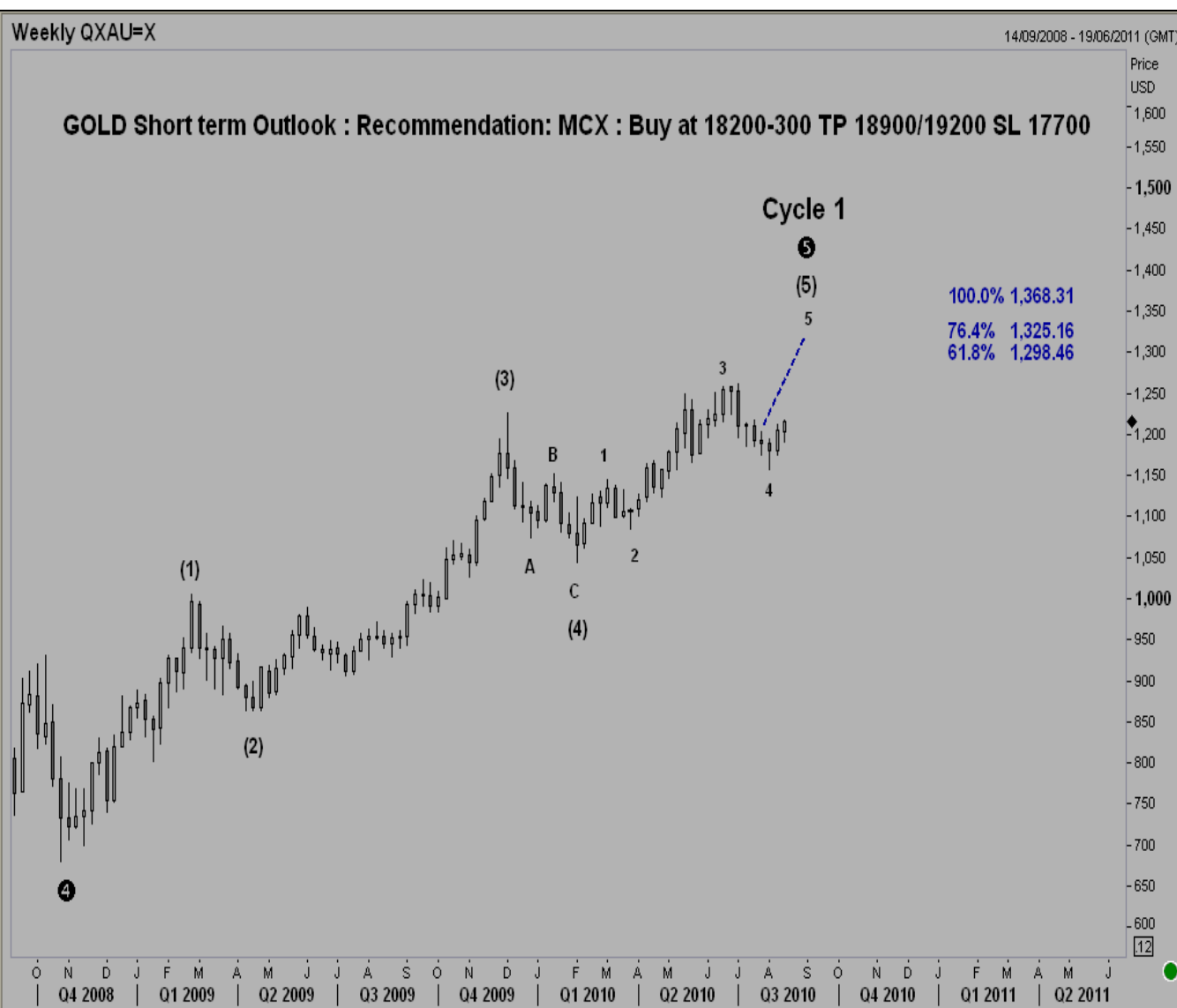
Commodity	Recommendation	Status
Gold	Buy at 18100-18200 TP 18900-19400 SL 17300	Achieved
Silver	Buy at 27000- 27300 TP 30000-31400 SL 25200	Achieved
Crude Oil	Sell at 3600-3700 TP 3150 -2800 SL 3900	Partially Achieved
Copper	Buy at 274-280 TP 320-340 SL 256	Not Initiated, view correct
Lead	Buy at 78-80 TP 92-105 SL 68	Achieved
Zinc	Buy at 78-81 TP 94-108 SL 72	Achieved
Nickel	Buy at 870-880 TP 960-1000 Strict SL 830	Achieved
Aluminium	Buy at 85-87 TP 98-104 SL 78	Not Initiated, view correct

What Next ???

Metals & Energy: Short Term Recommendations

Commodity	Recommendation
Gold	Buy at 18300-400 TP 19200-19500 SL 17700
Crude Oil	Sell at 3550-80 TP 3050 SL 3840
Copper	Buy at 323-325 TP 345-360 SL 300
Lead	Buy at 92-94 TP 112 SL 83
Zinc	Buy at 90-93 TP 108 SL 80
Nickel	Buy at 970-990 TP 1080-1160 SL 890
Aluminium	Buy at 92-94 TP 110-118 SL 85

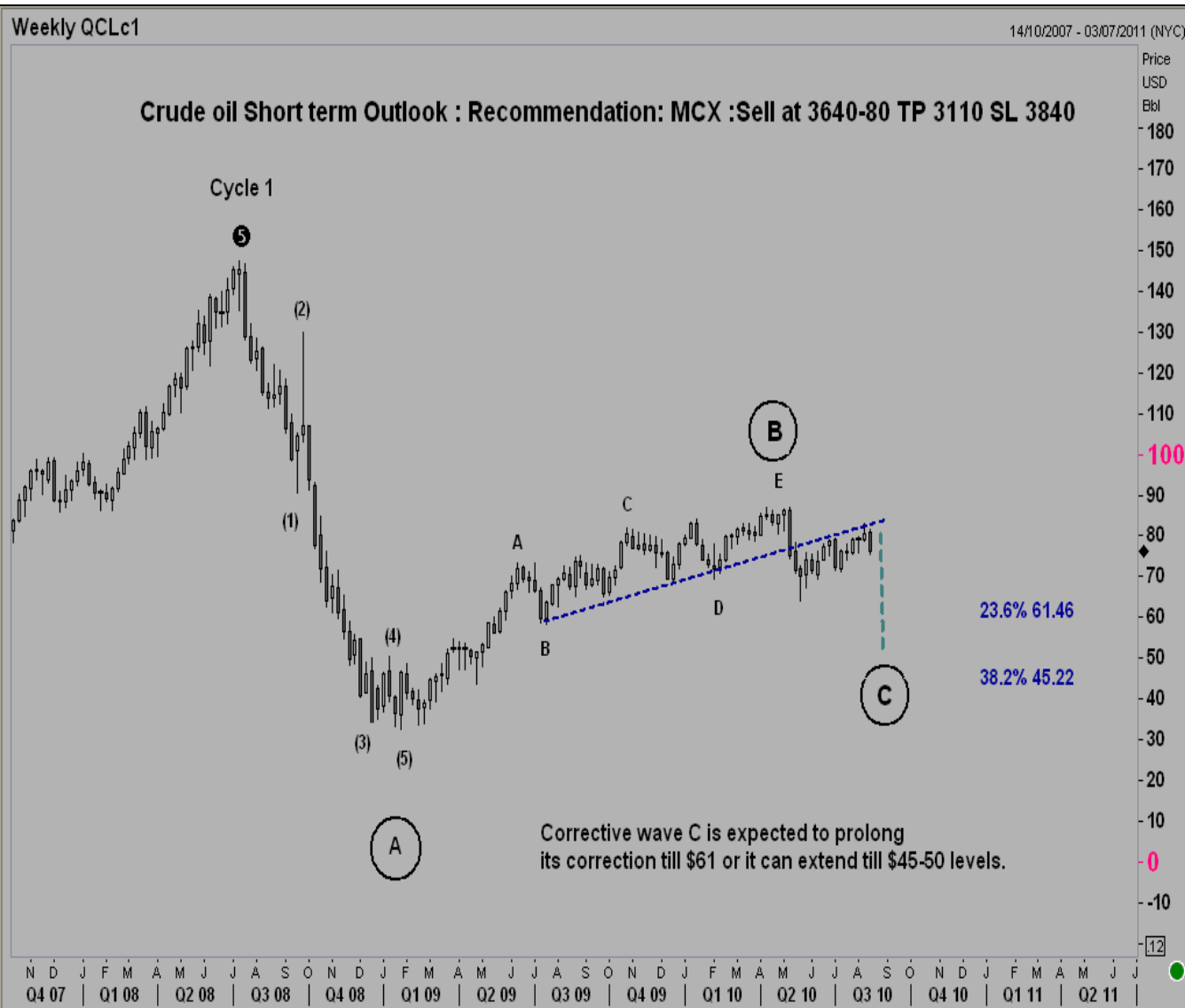
Gold: Buy at 18300-400 TP 19200-19500 SL 17700



- ❖ Prevailing economic uncertainties will stoke gold's safe haven demand
- ❖ Indian gold demand is likely to perk up ahead of festive and wedding season
- ❖ Historically, September being positive for gold
- ❖ Developed nations start buying gold from September to gear up for the year end festivities
- ❖ Investment Demand: 15% up so far in 2010



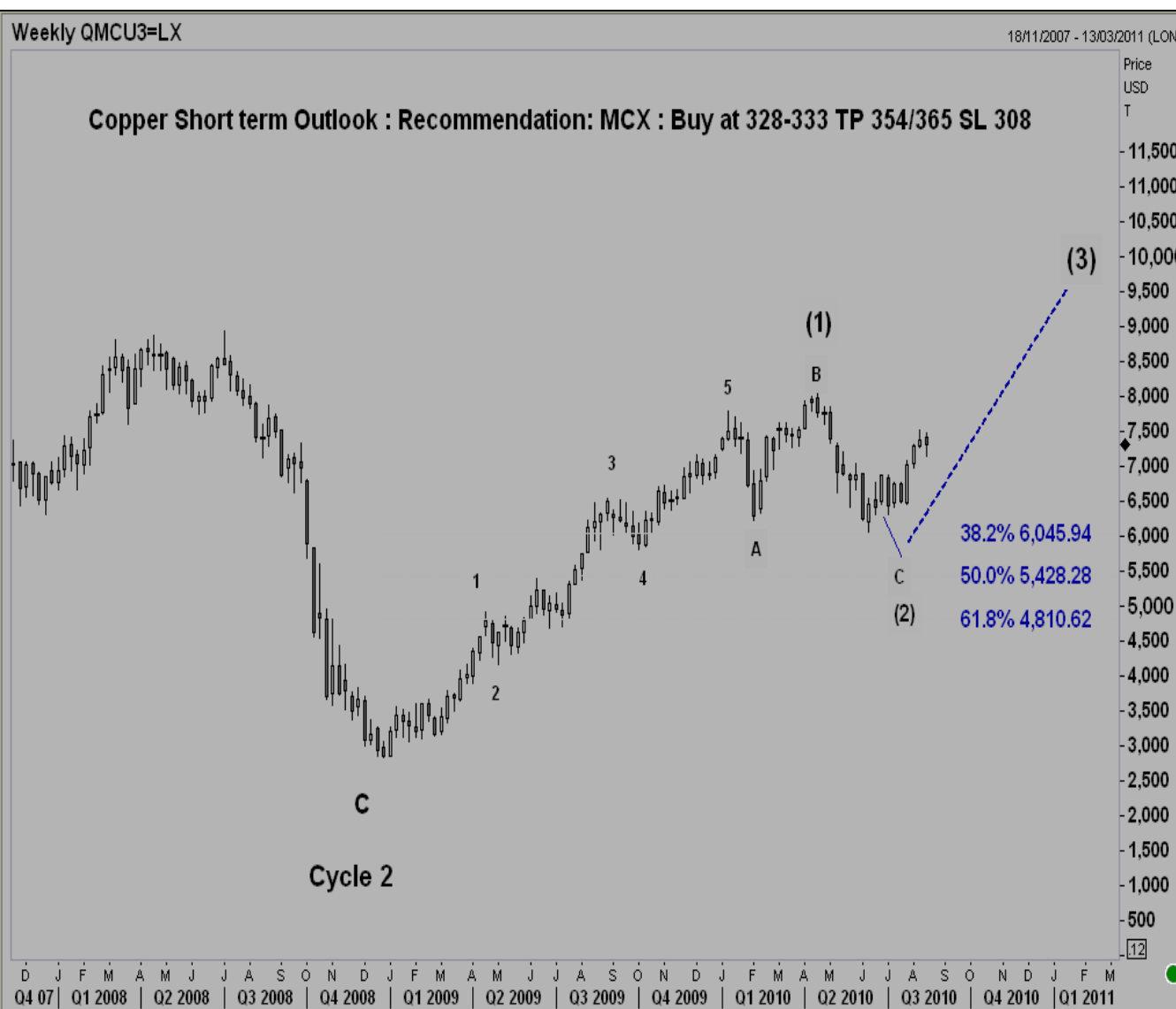
Crude Oil: Sell at 3550-80 TP 3050 SL 3840



- ❖ Oil prices are expected to trade lower in the course of inventory piling up. Total Crude oil inventories in the current year have increased more than five year average
- ❖ Demand may wane further as summer driving season will end soon in the US. Ending refineries maintenance period will also boost crude oil supply
- ❖ Slow growth of economy recovery may lower demand in the short term



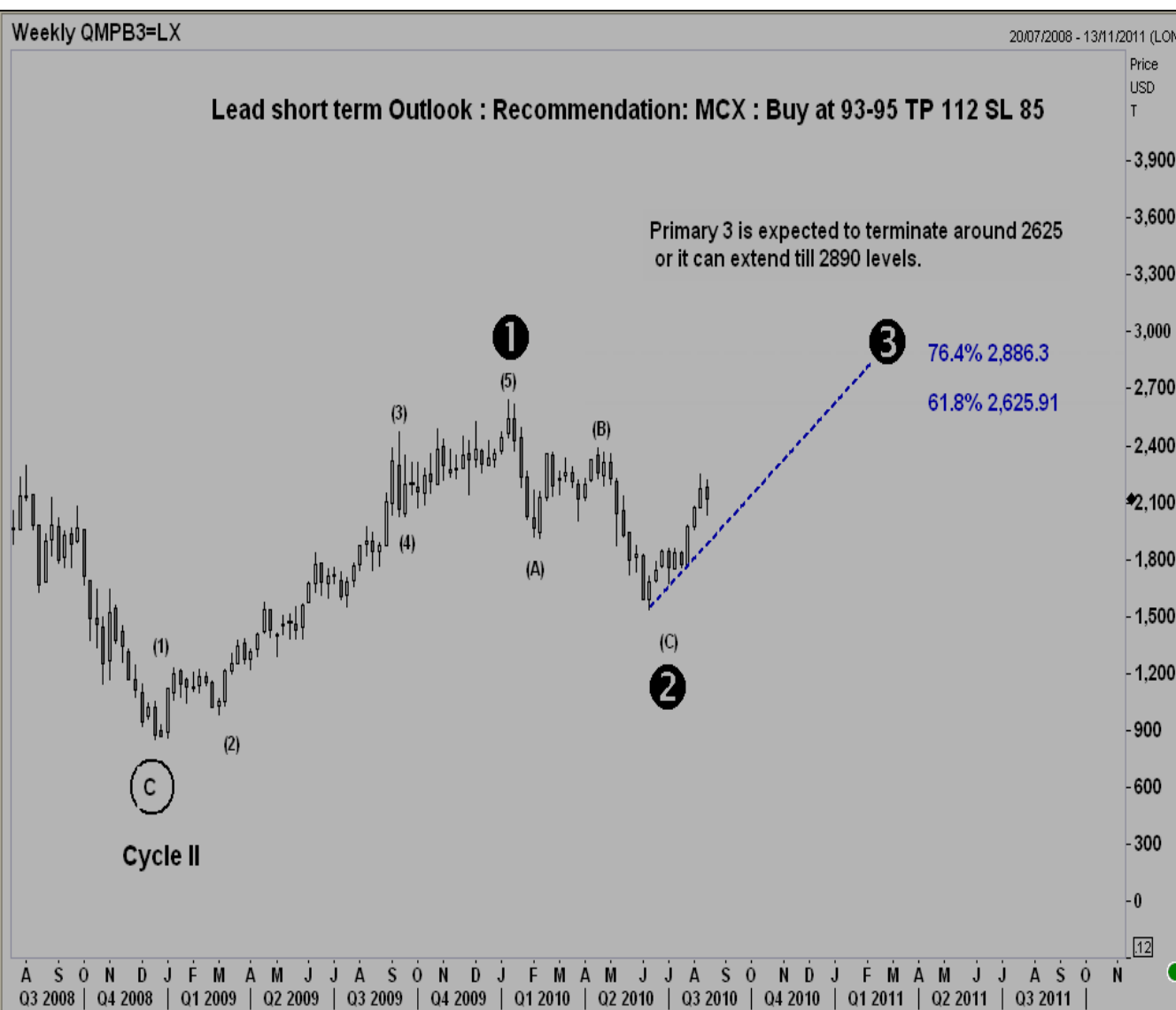
Copper: Buy at 323-325 TP 345-360 SL 300



- ❖ Operational constraints and lower ore grades are putting a cap on supply growth
- ❖ Xstrata's reported 3% dip in copper output where as BHP Billiton and Rio Tinto reported 18% and 5% weaker output of the metal in the second quarter respectively.
- ❖ Declining Inventories on LME



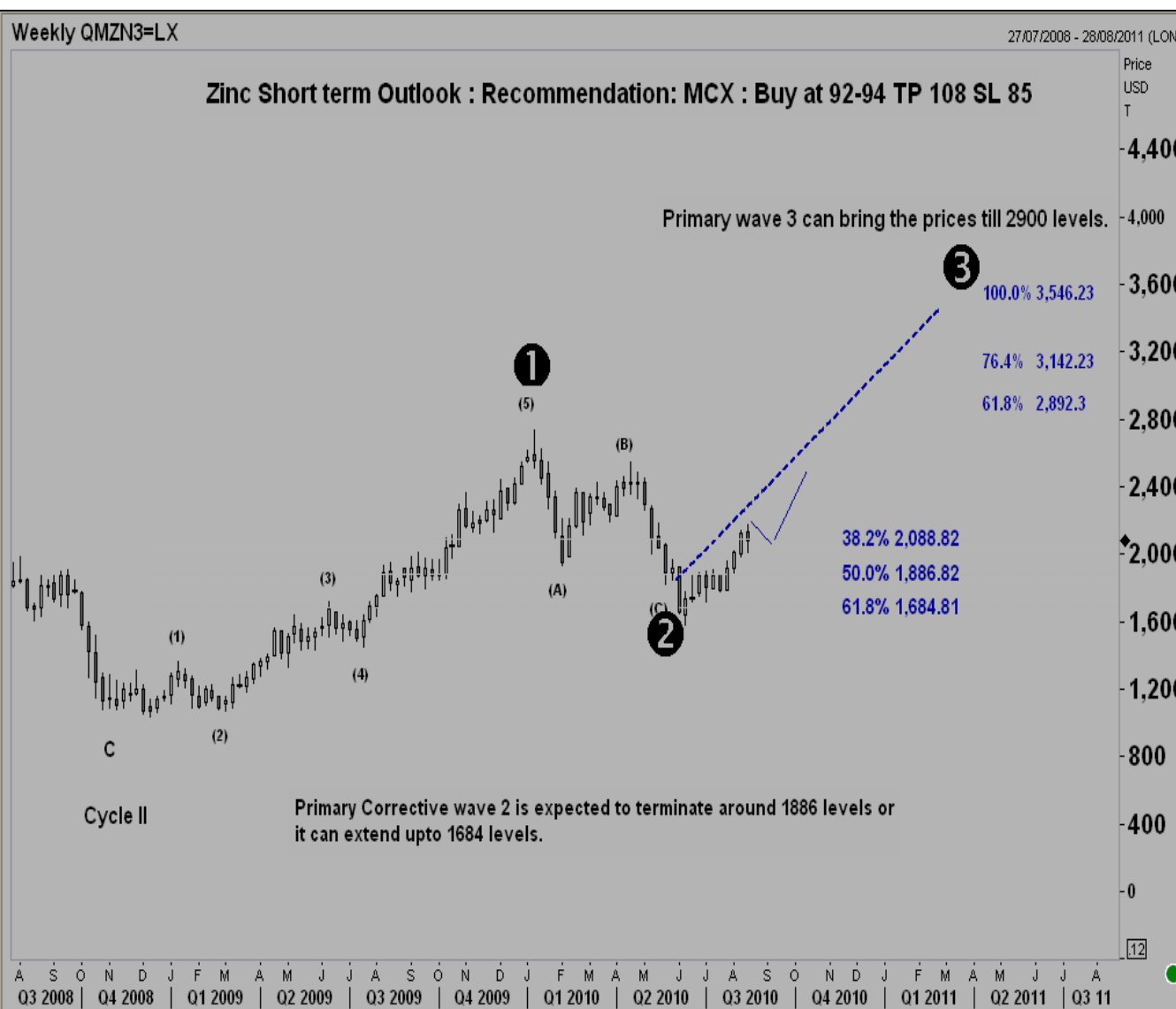
Lead: Buy at 92-94 TP 112 SL 83



- ❖ Automobile sales, especially in EM's, continue to be robust
- ❖ In July, they grew by 38% in India, 13.6% in China and about 7% in US
- ❖ Demand for automobiles likely to surge on the back of festive demand



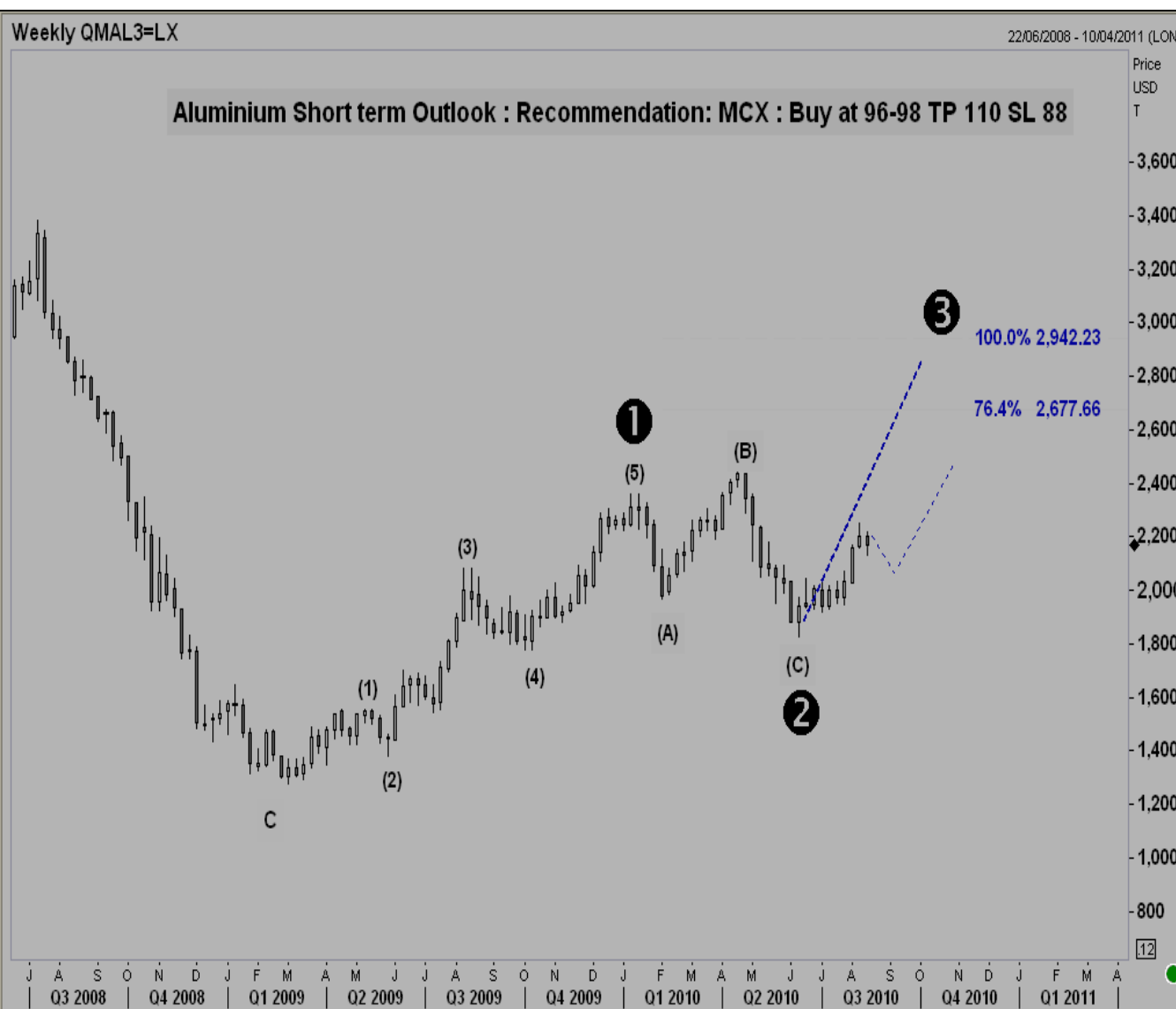
Zinc: Buy at 90-93 TP 108 SL 80



- ❖ Demand for steel, the major user industry of Zinc, in countries like India and China is strong as they continue to invest large amounts in building infrastructure
- ❖ Reports of smelters cutting production may further supplement the gains



Aluminium: Buy at 92-94 TP 110-118 SL 85



- ❖ On LME, the difference between 3-month forward and cash has declined from nearly \$30/tonne to \$2/tonne, indicating strong physical demand in the near term
- ❖ Concerns of over-supply in the long-run seem to be overdone in recent price levels



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