

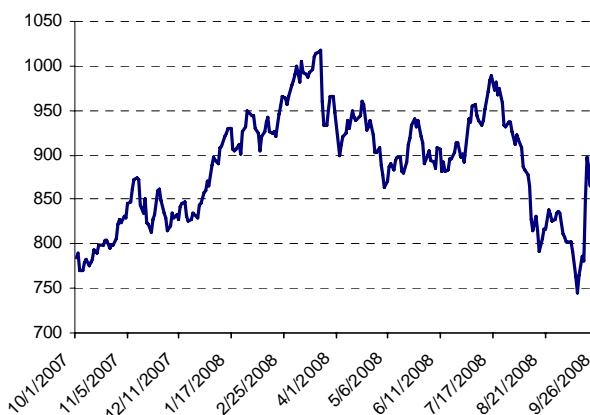
Metals Insights

Base Metals	26 Sep 08	Change	%
Aluminium H.G.	2490.00	-45.00	-1.78
Copper	6775.00	-285.00	-4.04
Lead	1960.00	60.00	3.16
Nickel	17000.00	50.00	0.29
Tin	18105.00	1155.00	6.81
Zinc	1770.00	-9.00	-0.51
Copper, COMEX	307.45	-10.20	-3.21

Precious Metals	26 Sep 08	Change	%
Gold	888.50	23.80	2.75
Silver	13.50	1.02	8.20
Platinum	1123.10	-23.90	-2.08
Palladium	225.50	-11.45	-4.83

Market Commentaries

- Spotlight:** Commodities ended the week firmer on a weaker dollar and uncertainty over the outcome of the U.S. government bailout plan to aid the deteriorating financial crisis. According to the S&P Goldman Sachs Commodity Index, the energy complex gained the most, up by almost 3.5 percent while precious metals came in at a close second, up 3.3 percent as the dollar weakened against a basket of currencies. Crude oil recorded a historic jump in early week after the expiring October contract soared more than 24 percent or \$25.45 to a high of \$130 a barrel as shorts scrambled to cover their positions. According to a weekly MasterCard report, U.S. retail gasoline demand plunged last week in the wake of Hurricane Ike, with demand down more than 5 percent from the previous week. American motorists pumped an average of 8.726 million barrels per day in the week that ended Sept 19.
- Base Metals:** Base metals ended the week mixed as Lead and Nickel rallied while Aluminum and Copper dipped as rising stockpiles and worries that China smelters would continue to churn out metal despite weak demand. Aluminum output in China remains strong as most aluminum smelters were still maintaining normal production in hopes that high-cost smelters would shut-down and that may eventually push up prices. Lead gained more than 3 percent last week after China's top Lead producer, Yuguang Gold & Lead said it will shut down more than a third of its 310,000 tonnes of lead production capacity for repairs.
- Precious Metals:** Platinum and palladium ended lower in a dismal week on concerns over the credit crisis and data last week indicating global output at Toyota, the largest automaker in Japan, declined by 17 percent in August. Gold and silver remain supported by safe-haven buying as investors flee from riskier assets. Gold holdings at the SPDR Gold Trust reached a record of 724.94 tonnes as of September 24, up 15.32 tonnes or 2.2 percent from 709.62 tonnes on September 22.

COMEX Gold (US \$/ounce)


Source: Bloomberg/Phillip Futures


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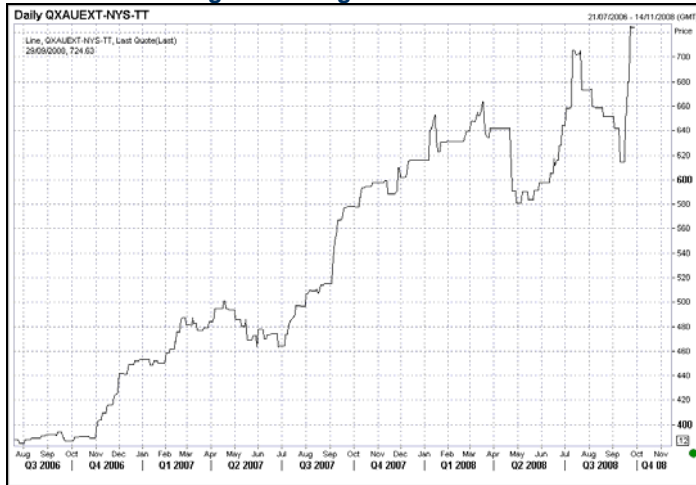
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The attention is shifting back towards Europe

As U.S. lawmakers prepare to vote on the United State's \$700 billion bailout plan, their European counterparts were busy with its own set of problems as British mortgage lender Bradford & Bingley became the second British bank to be nationalized after the troubled bank's shares tumbled to a record low on Friday on concerns that the mortgage crisis have affected the bank. In other news, Belgian-Dutch group Fortis became the first Eurozone bank to tumble under the credit crisis as governments of Belgium, the Netherlands and Luxembourg agreed to inject 11.2 billion euros in the banking and insurance company. According to a Reuters news report, Fortis will sell parts of Dutch bank ABN AMRO it bought last year to Dutch rival ING in a deal expected to be finalized later.

The frenzy in the European markets and emergency measures by central banks to help troubled banks in the region are indications that the financial turmoil have spread to regions outside the United States and the Eurozone is beginning to show signs of vulnerability as regulators work towards calming the financial markets and prevent the credit markets from deteriorating further.

SPDR Gold Trust gold holdings



Source: Thomson Reuters

Spot Gold Chart

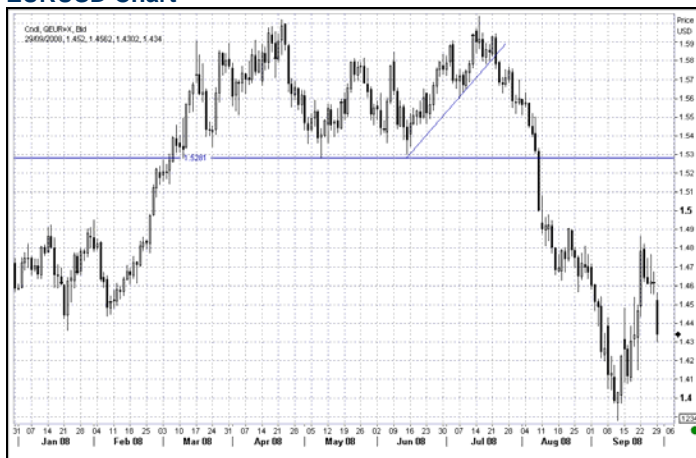


Source: Thomson Reuters

SPDR Gold Trust gold holdings at record

Gold holdings at the SPDR Gold Trust reached a record of 724.94 tonnes as of September 24, up 15.32 tonnes or 2.2 percent from 709.62 tonnes on September 22. Bullion holdings reached a low of 614.35 tonnes on September 10 as spot gold traded below the \$750 regions.

EURUSD Chart



Source: Thomson Reuters/Phillip Futures

The euro has declined while the dollar holds ground

The weakness in the European banking sector has placed immense pressure on the euro and the pound in early week and the dollar is very much higher at the time of writing. Gold, in dollar terms, has retraced quite a bit on the dollar's rise and if the European markets continue to be under pressure, gold is likely to follow suit as the dollar gains ground.

The euro remains supported around 1.43 against the dollar and a continued move below these levels could see further euro sales towards previous lows around the 1.40 regions.

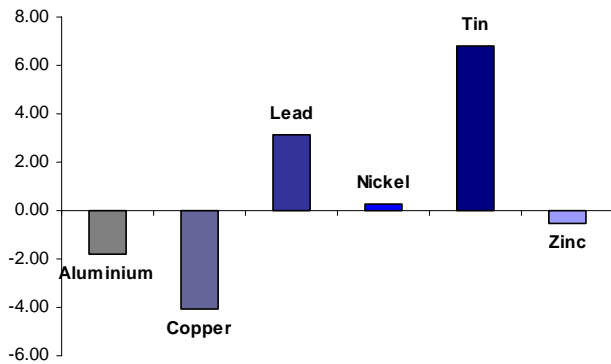
Gold, on the other hand, will likely come under pressure if the euro were to extend its losses against the dollar. The regions around 910-915 will provide strong resistance while the 862 regions will come in as near-term support, and if these levels are breached, the next supports at 845 supports will come into play again.

Weekly Metals Price Changes

Commodity	Exchange	Units	Price 26 Sep 08	Net Change 1 week	% Change 1 week	Net Change 1 month	% Change 1 month
Base Metals							
Aluminium H.G. (3mth)	LME	US \$/tonne	2490.00	-45.00	-1.78	-278.00	-10.04
Copper (3mth)	LME	US \$/tonne	6775.00	-285.00	-4.04	-805.00	-10.62
Lead (3mth)	LME	US \$/tonne	1960.00	60.00	3.16	105.00	5.66
Nickel (3mth)	LME	US \$/tonne	17000.00	50.00	0.29	-3030.00	-15.13
Tin (3mth)	LME	US \$/tonne	18105.00	1155.00	6.81	-2595.00	-12.54
Zinc (3mth)	LME	US \$/tonne	1770.00	-9.00	-0.51	-19.00	-1.06
Copper	COMEX	US cents/tonne	307.45	-10.20	-3.21	-34.90	-10.30
Precious Metals							
Gold	COMEX	\$/ounce	888.50	23.80	2.75	45.10	5.40
Silver	COMEX	\$/ounce	13.50	1.02	8.20	-0.45	-3.30
Platinum	NYMEX	\$/ounce	1123.10	-23.90	-2.08	-377.80	-25.19
Palladium	NYMEX	\$/ounce	225.50	-11.45	-4.83	-82.30	-26.83

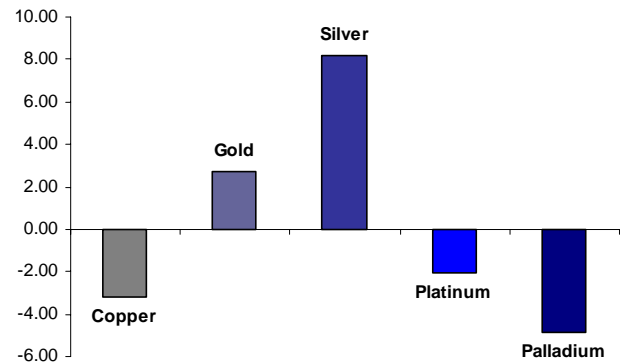
Source: Bloomberg/Phillip Futures

Base Metals Weekly Performance



Source: Bloomberg/Phillip Futures

Precious Metals and COMEX Copper Weekly Performance



Source: Bloomberg/Phillip Futures

Base Metals Charts

LME Aluminium (US \$/tonne)



Source: Bloomberg/Phillip Futures

LME Copper (US \$/tonne)



Source: Bloomberg/Phillip Futures

LME Lead (US \$/tonne)



Source: Bloomberg/Phillip Futures

LME Nickel (US \$/tonne)



Source: Bloomberg/Phillip Futures

LME Tin (US \$/tonne)



Source: Bloomberg/Phillip Futures

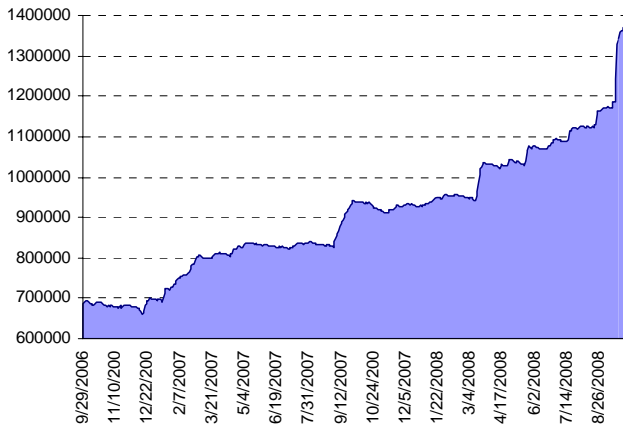
LME Zinc (US \$/tonne)



Source: Bloomberg/Phillip Futures

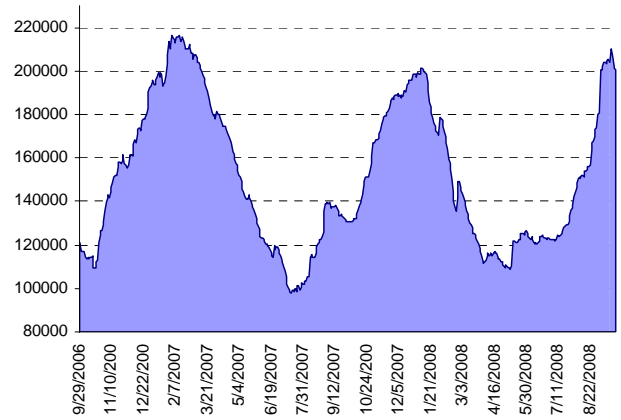
Base Metals Stocks

LME Aluminium H.G. (tonnes)



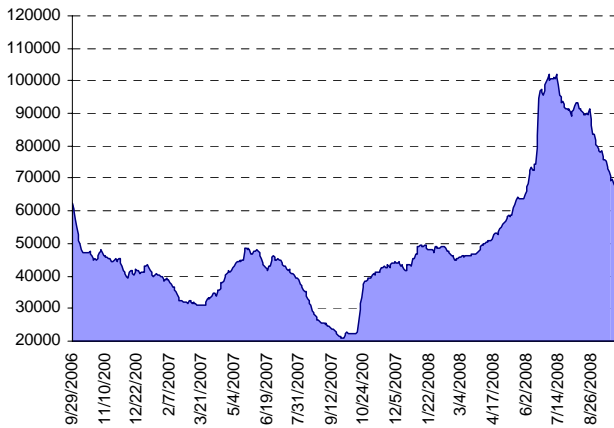
Source: Bloomberg/Phillip Futures

LME Copper (tonnes)



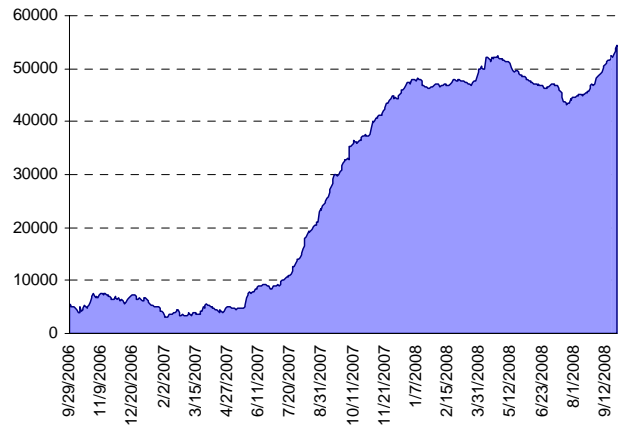
Source: Bloomberg/Phillip Futures

LME Lead (tonnes)



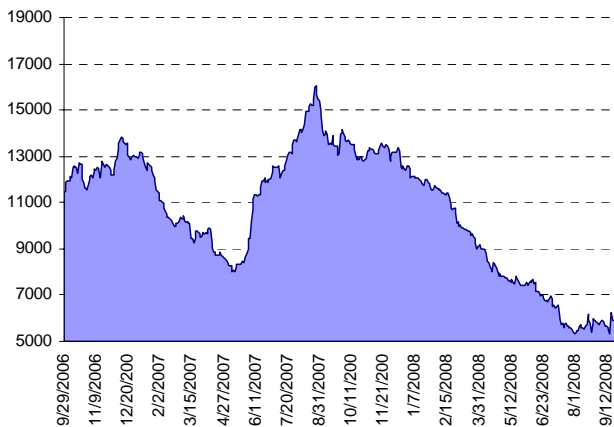
Source: Bloomberg/Phillip Futures

LME Nickel (tonnes)



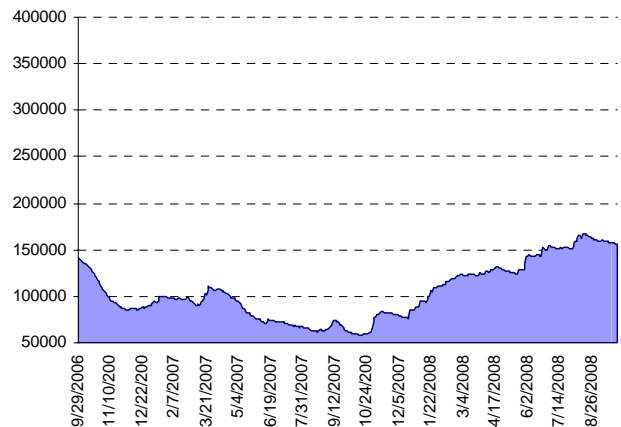
Source: Bloomberg/Phillip Futures

LME Tin (tonnes)



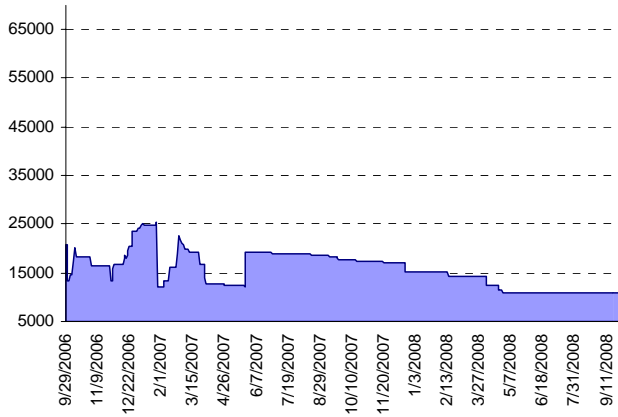
Source: Bloomberg/Phillip Futures

LME Zinc (tonnes)



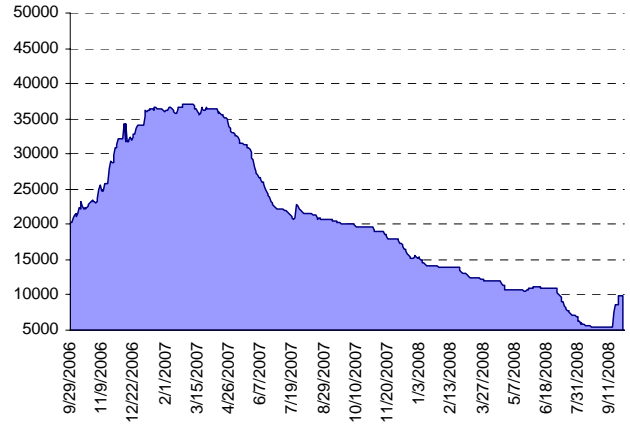
Source: Bloomberg/Phillip Futures

COMEX Aluminium H.G. (tonnes)



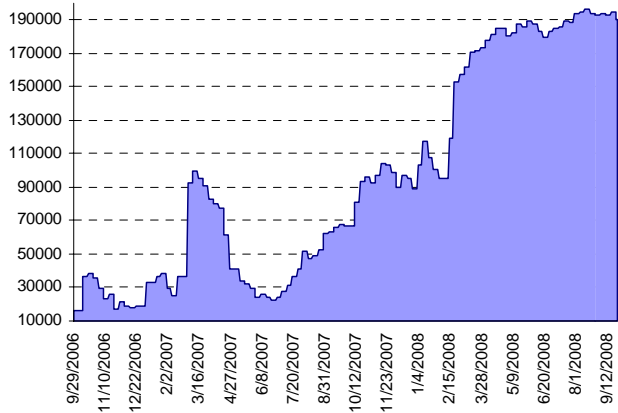
Source: Bloomberg/Phillip Futures

COMEX Copper (tonnes)



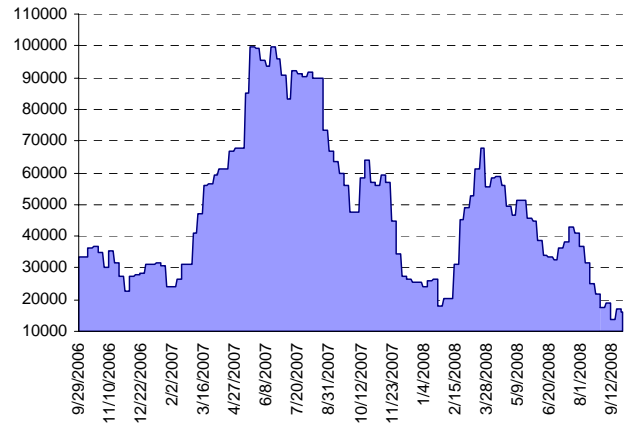
Source: Bloomberg/Phillip Futures

SHFE Aluminium (tonnes)



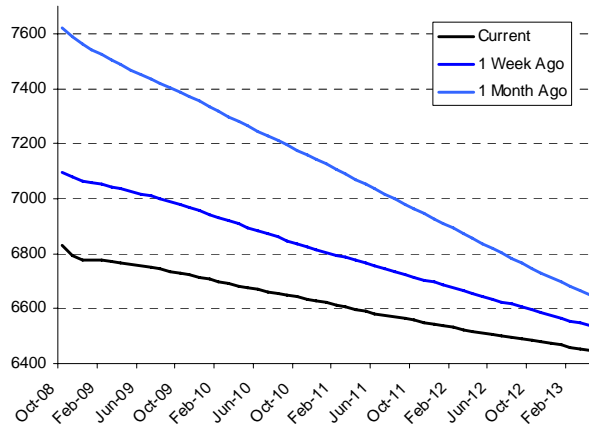
Source: Bloomberg/Phillip Futures

SHFE Copper (tonnes)



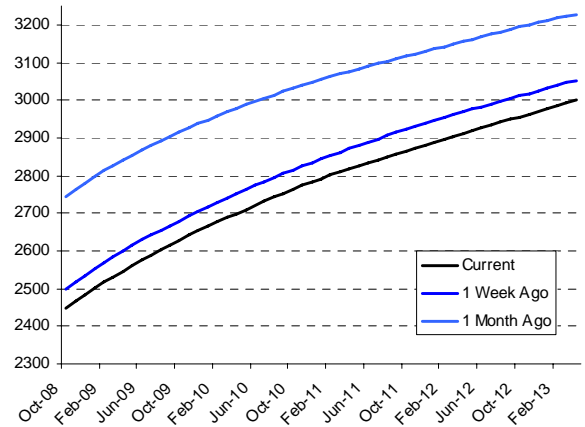
Source: Bloomberg/Phillip Futures

LME Copper Forward Curve



Source: Bloomberg/Phillip Futures

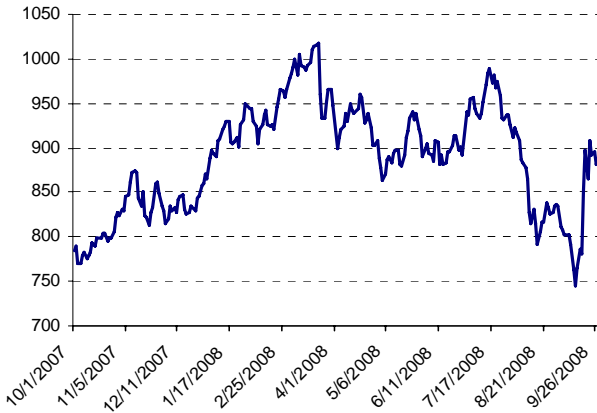
LME Aluminium Forward Curve



Source: Bloomberg/Phillip Futures

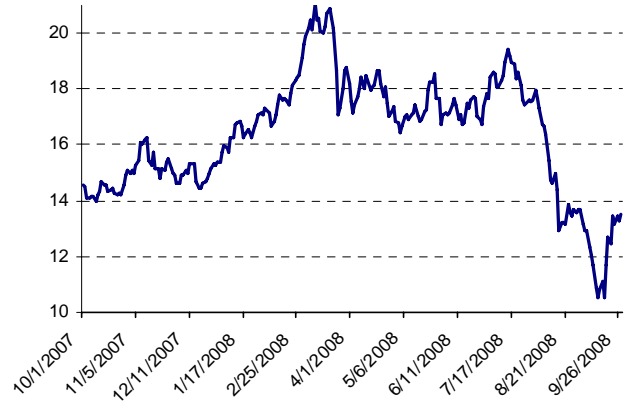
Precious Metals Charts

COMEX Gold (US \$/ounce)



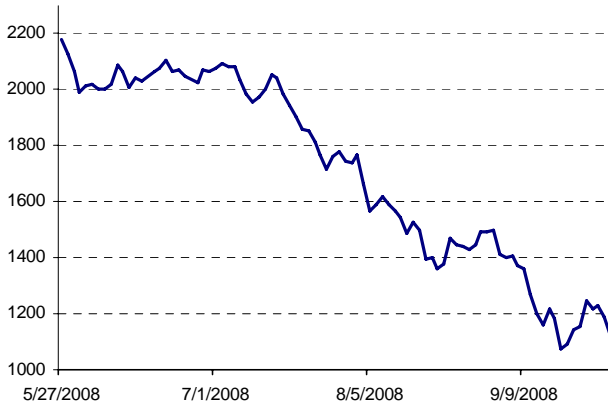
Source: Bloomberg/Phillip Futures

COMEX Silver (US \$/ounce)



Source: Bloomberg/Phillip Futures

NYMEX Platinum (US \$/ounce)



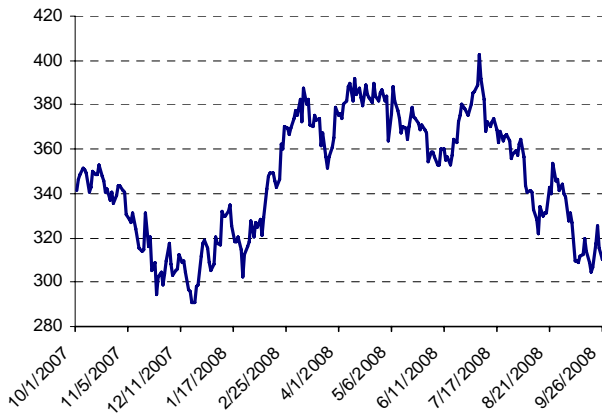
Source: Bloomberg/Phillip Futures

NYMEX Palladium (US \$/ounce)



Source: Bloomberg/Phillip Futures

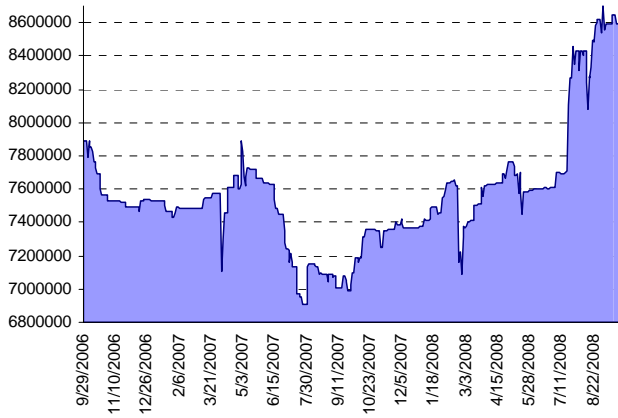
COMEX Copper (US cents/pound)



Source: Bloomberg/Phillip Futures

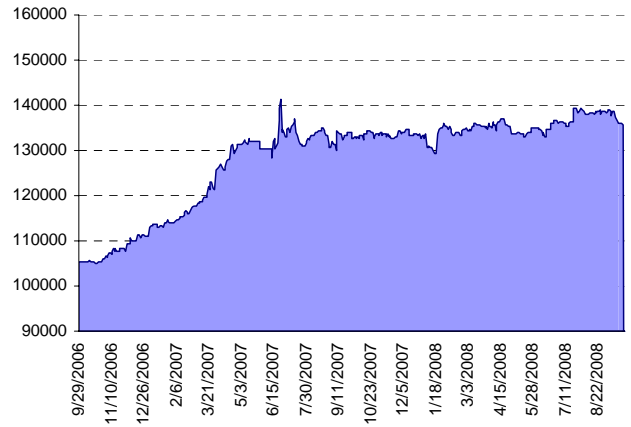
Precious Metals Stocks

COMEX Gold Stocks (tonnes)



Source: Bloomberg/Phillip Futures

COMEX Silver Stocks (tonnes)



Source: Bloomberg/Phillip Futures

COMMODITIES REPORT

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