

Market Roundup

Financial markets this week were characterized by a broad-based commodities sell-off as strength in the US dollar exerted heavy selling pressure across the precious metals and agro-commodity segment. Meanwhile, the euro came under pressure as the Swiss banking giant, UBS, announced a further write-down of \$19 billion from the credit crisis. This raised concerns about European exposure to the US sub-prime mortgage crisis which in turn boosted the dollar. However, worries about the broader economic outlook returned to the fore after the Federal Reserve Chairman Ben Bernanke warned that the outlook for US economic growth has worsened since January and the possibility of a recession cannot be ruled out. This was further highlighted by a sharp increase in the unemployment rate, which jumped by 0.3% to 5.1%, it's highest since September 2005.

Gold futures posted a loss of \$18.70 or 2% for the week from last Friday's close as a pullback in the US dollar prompted investors towards profit-taking across the commodities sector. In the forex market, the US dollar reversed last week's losses and roped in gains against the Euro, Japanese Yen and the Indian Rupee but ended lower versus the British Pound. During the week, DGCX recorded a total volume of 21,515 contracts valued at 976 million.

DGCX **June'08 gold** opened on Monday at \$937.70/troy oz, showing an upward gap of \$1/troy oz from its weekend close. Prices initially inched to an intraweek high of \$945.20 before profit-taking pulled the contract below the \$900-mark to \$878. However, the contract recovered towards the end of the week and settled at \$918/troy, registering a loss of \$18.70/troy oz or 2%. **August'08 gold** posted a decline of \$18.60 and rounded up the week at \$922.10/troy oz. Open interest for gold slipped further by 194 contracts and stood at 1710 on Friday of which June'08 gold contributed 1521 contracts while the remaining 189 were churned in by the August'08 contract. **July'08 silver** mirrored the weakness in the yellow metal and dropped

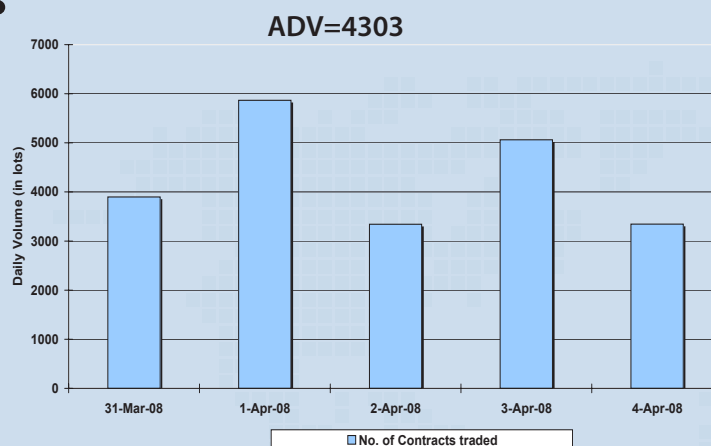
by 6.5 cents/troy oz to finish at \$17.935/troy oz.

May'08 Steel Rebar began the week on a stronger note at \$1031.5/mt and slid to an intra-week low of \$1010 before rising to reach a high of \$1034.9 during the week. The contract finally concluded at \$1034.8/mt, realizing a substantial gain of \$28.30 or 2.81%.

Oil markets endured another volatile week, with a sliding dollar and low US inventories on the one hand and weak economic data on the other contended to pull future prices in opposite directions. Prices initially dropped \$3-4 a barrel in New York and London, as Iraqi exports were relatively unaffected by damage to a southern pipeline during the previous week. Bearish jobs data from the US also raised the prospect of slowing the growth of oil demand, although the subsequent fall in the dollar helped lift prices. Inventory draws in gasoline and distillate fuels and glitches at several US refineries further aided the price recovery, with WTI crude futures in New York ending the week lower by \$2 a barrel at \$103.83 and Brent crude in London finishing nearly \$1 a barrel lower at \$102.52. Fuel oil prices in Asia slipped slightly in line with crude oil futures, but strong short-term demand from the Chinese market helped limit losses. Fujairah bunker prices remained robust, although concerns that ship owners would cut back demand if prices remained at such levels tempered bullish sentiment towards the end of the week.

In the currency market, **June'08 Euro** started trading on Monday at \$1.5719/Euro and reached a high of \$1.5832 before plummeting to a low of \$1.5467. Prices settled for the week at \$1.5687, recording a loss of 0.38%. DGCX **June'08 GBP** opened at \$1.9809/GBP and rallied to a high of \$1.9820 before declining sharply to a weekly low of \$1.9619. The contract concluded the week higher at \$1.9837, tallying a gain of 0.12%. **June'08 JPY** ended lower with a substantial loss of 2.40% and settled at an exchange rate of \$0.9870 for 100 yen. **April'08 INR** depreciated by 0.41% and ended the week at \$2.4997 for 100 rupees.

Weekly Volumes



Xchange Snapshot

Market	Previous Week close	Current Week close	% Change
DGCX Jun'08 Gold futures-(\$/ounce)	931.20	918.00	-2.00%
DGCX Aug'08 Gold futures-(\$/ounce)	936.70	922.10	-1.98%
DGCX Jul'08 Silver Futures - (\$/ounce)	18.000	17.935	-0.36%
DGCX Jun'08 Euro Futures - (\$/Euro)	1.5747	1.5747	-0.38%
DGCX Jun'08 GBP Futures - (\$/GBP)	1.9813	1.9837	0.12%
DGCX Jun'08 JPY Futures - (\$/100 Yen)	1.0107	0.9870	-2.40%
DGCX Apr'08 INR Futures - (\$/100 INY)	2.5010	2.4997	-0.41%
DGCX May'08 Steel Futures - (\$/mt)	1012.20	1034.80	2.81%

World Gold Council and Dubai Multi Commodities Centre to launch Shariah-compliant Dubai Gold Shares – “GOLD”

In a landmark move for the Islamic investment industry, the World Gold Council (WGC) and Dubai Multi Commodities Centre (DMCC) today announced their partnership to launch fully Shariah-compliant Dubai Gold Shares with the intent to list them on the Dubai International Financial Exchange (DIFX), subject to the Dubai Financial Services Authority's (DFSA) approval, under the trading symbol “GOLD.” DMCC aims to operate and manage this initiative through Dubai Commodities Asset Management (DCAM), a 100% DMCC-owned UAE-based Investment Company set up last month. DCAM has been established with the objective to develop and seed commodity-linked investment products for distribution in the UAE and other markets. DCAM and the WGC will establish a joint venture company (Dubai Gold Investments - DMCC) ahead of launching the Dubai Gold Shares.

Dubai Gold Shares will provide investors with secure, low-cost access to owning gold bullion without the additional costs normally associated with insuring, storing and transacting in physical gold. Each security will allow investors to gain exposure to precise amounts of specifically identified and exclusively-owned gold bullion, and provides investors, for the first time, with the opportunity to trade holdings in gold bullion on the DIFX in a Shariah-compliant manner.

Dubai Gold Shares will form an integral part of the Exchange Traded Gold (ETG) family of products, established as a result of an initiative by the World Gold Council, the marketing organisation funded by the world's leading gold mining companies. Gold held by products in the Exchange Traded Gold stable now exceeds US\$23bn, or 805 tonnes, and represents more than 90% share of the market for this category of security. Securities within the ETG family are currently listed on the London, New York, Johannesburg and Australian stock exchanges, with secondary listings in Mexico, Singapore, Euronext Paris, Deutsche Boerse and on Borsa Italiana.

James Burton, Chief Executive Officer, World Gold Council, said: “It is the long-term mission of Exchange Traded Gold, supported by the World Gold Council, to remove the barriers to investing in gold across the globe. Our partnership with the DMCC brings together our collective strengths to allow institutions and

individuals seeking Shariah-compliant financial products a simple, secure and efficient method of accessing physical gold without having to compromise on their Islamic principles.” Ahmed Bin Sulayem, Executive Chairman, DMCC commented: “Dubai Gold Shares will bring about increased transparency in Dubai's gold markets, and will give a significant boost to Dubai's position as a leading financial centre. More importantly, it will ensure greater integration between the physical and financial markets and will meet the increased investor appetite for gold.”

The introduction of Dubai Gold Shares is a milestone for the product class, as it is the first dollar-priced security of its kind to be fully Shariah compliant. The physical gold bars backing the product will be of Dubai and London Good Delivery Standard, and held in the vaults of the custodian, DMCC, and sub-custodian, HSBC. To ensure that Dubai Gold Shares are wholly Shariah compliant, WGC and DMCC have retained Shariah Capital as Shariah advisor. Shaykh Yusuf Talal DeLorenzo, Chief Shariah Officer of Shariah Capital, will enlist a dedicated board of Shariah scholars whose role will be to review contracts and agreements relating to the Dubai Gold Shares and ensure that these are consistent with the principles of Islamic jurisprudence.

Moaz Barakat, WGC's Managing Director for the Middle East, Turkey and Pakistan, added: «Dubai is well known as a major hub and a strong local physical gold market. The total gold imports for the year 2007 reached 559 tonnes. We believe that this product will attract investors from all over the world and specifically from Islamic countries.»

Ian MacDonald, Executive Director -Gold and Precious Metals, DMCC elaborated that: “DMCC has always kept track of investor interest and worked closely with all stakeholders to grow and enhance the trade in all commodities, including gold. Having streamlined the physical and market infrastructure for the trade, we are now focusing on developing the financial infrastructure that will enable investors to buy, hold or sell physical gold conveniently through an exchange instrument, backed by allocated gold held in a vault.”