

## Market Roundup

In the United States the specter of sub prime lending refused to lie down as new casualties came to the fore last week. Mortgage bank IndyMac Bank was taken over by the Fed authorities as operations were shut down and some speculate it could be the costliest bank failure to date. IndyMac Bank with an asset base of \$32.1 billion is the 5th bank to fail this year. The mortgage meltdown claimed 2 more victims as shares of mortgage giants Fannie Mae & Freddie Mac plunged amidst fears that the government may need to bail them out. These firms guarantee roughly half of the \$12 trillion US mortgage market. It may be recalled that in 2004, then Fed Chairman, Alan Greenspan warned, "Fannie & Freddie's growth needed to be curbed as their expansion threatened financial markets." The ramifications were felt globally and the US stock markets as stocks sank bringing the Dow Jones Index down. As equities slumped, Gold rose to a 4 month high and Silver followed suit. Crude Oil futures were boosted by geo-political tensions and the possibility of oil disruptions in Nigeria. The week witnessed record oil prices as WTI futures posted a high of \$147.27/bbl on the New York Mercantile Exchange. The dollar weakened against major currencies as falling financial markets pulled the greenback lower. The economic data released in the United States have accelerated the fall in dollar values as US import prices rose for the fourth consecutive month, which is up 20.5% over the previous year. This is the largest annual rise since data was first assimilated in 1982. Since the interest rate hike last week, Euro has gained momentum and with the interest differentials between the two currencies widening, the dollar seems at a large disadvantage. During the week, The Bank of England chose to keep their interest rates on hold with the threat of inflation looming large. The Housing numbers in UK painted a grim picture as prices have dropped to 15-year lows.

During the week, DGCX recorded its highest daily volume of 14,066 contracts valuing over \$978 million. The total weekly volume was 58,858 contracts carrying a value of \$3.94 billion. The total Open Interest on all contracts rose by 1,338 to touch 4,647 contracts.

Opening the week at \$933.00/troy oz, August Gold futures touched a low of \$913.30/troy oz before closing on Friday at \$963.60/troy oz. During the week, August Gold futures touched a high of \$968.70 and the net change during the week registered was \$28.9 or 3.09%. The weekly volume on Gold futures was 34,654 contracts valued at \$1.03 billion. Open Interest on Gold futures climbed by 1,601 contracts to touch 3,362 at the end of the week. Silver futures mirrored the movements in Gold and ended the week with a positive gain of 0.68 cents or 3.74%. Opening the week at \$17.980/troy oz, September Silver touched a high of \$18.880/troy oz and closed on Friday at \$18.875/troy oz. The weekly volume on Silver futures was 116 contracts valued at \$2.12 million. The Open Interest in Silver futures rose by 78 lots to end at 84 for the week.

WTI futures set another record on DGCX with an all-time high of \$147.21/bbl. Opening the week at \$144.45, July WTI touched a low of \$135.26/bbl before bouncing back and closing at \$145.08/bbl. The weekly volume on WTI futures was 15,437 contracts valued at \$2.16

billion. The Open Interest on WTI was 234 contracts. The Fujairah Bunker Oil contract was settled at \$728.50/bbl.

The weekly volumes on DGCX currency contracts were 8,553 lots valued at \$741.15 million. Opening the week at \$1.5602 September Euro touched a high of \$1.5887 before closing a shade lower at \$1.5880. During the week, September Euro made a low of \$1.5558. The weekly volume on Euro was 4,439 valued at \$348.09 million. The Open Interest on Euro was 281 lots. September GBP opened lower at \$1.9690 and touched a high of \$1.9862 before closing at \$1.9780. The Open Interest on GBP was 200 contracts with a weekly volume of 3,893 lots valued at \$382.73 million. Yen contracts churned in a weekly volume of 206 contracts whilst the Indian Rupee witnessed volume of 15 lots.

The weekly volume on Steel futures was 92 contracts bearing a value of \$1.43 million. Opening the week lower at \$1544.50/MT, August Steel futures touched a high of \$1572/MT before settling for the week at \$1551.50/MT. There was a net negative change of \$18 over the previous week.

## Weekly Volumes

Market	Previous Week close	Current Week close	% Change
Aug'08 Gold Futures - (\$/ounce)	934.70	963.60	3.09
Sep'08 Silver Futures - (\$/ounce)	18.195	18.875	3.74
Sep'08 Euro Futures - (\$/Euro)	1.5640	1.5880	4.53
Sep'08 GBP Futures - (\$/GBP)	1.9725	1.9780	0.28
Sep'08 JPY Futures - (\$/100Yen)	0.9401	0.9437	0.38
Jul'08 INR Futures - (\$/100INR)	2.3060	2.3319	1.12
Aug'08 Steel Futures - (\$/mt)	1569.50	1551.50	1.15
Jul'08 DBRC Futures - (\$/b)	144.42	144.49	0.05
Jul'08 DWTI Futures - (\$/b)	144.06	145.08	0.71
Aug'08 DWTI Futures - (\$/b)	144.63	145.66	0.71

## DGCX daily Crude Oil volumes achieves record new high

DUBAI, July 9, 2008: Total WTI volumes on Dubai Gold & Commodities Exchange (DGCX) reached record new highs on Tuesday 8th July trading 3,727 contracts equivalent to a value of almost \$513 million. This record surpasses previous WTI highs transacted on June 19th of 3,500 contracts by 6%.

Average daily volume (AVD) since inception of the WTI contract stood at almost 1,900 with WTI month to date ADV standing at 2,261 contracts. Total volumes on the exchange reached almost 12,400 contracts on July 8th recording the highest ever daily value of \$864 million.

Elaborating on the record daily volumes achieved by the WTI contracts, Malcolm Wall Morris, Chief Executive Officer of DGCX, said: "The volumes seen on our WTI contract on July 8th continues to demonstrate the unparalleled success of our crude oil contracts. Considering the increasing demand by market participants for hedging tools to manage their oil price exposure, we are confident that the demand for DGCX crude oil contracts is set to escalate even further"

## Xchange Snapshot

