

Market Roundup

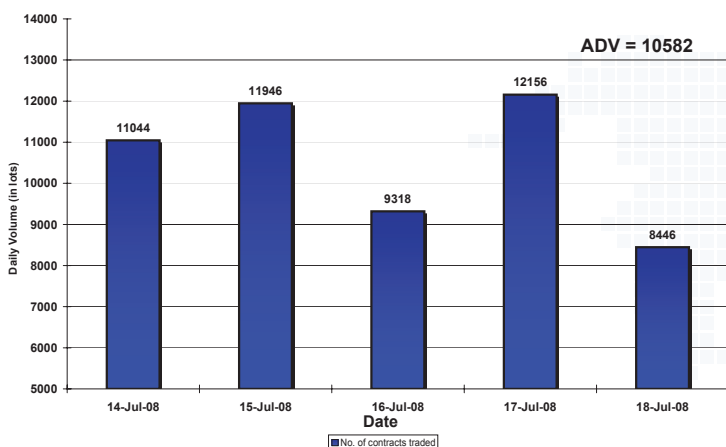
Inundated by exploding inflation and rampant financial woes, investors sought refuge in commodities and as the speculative froth in commodities mounted, stock markets around the world slumped. In a somber address, the US Federal Reserve Chairman Ben Bernanke articulated that the housing crisis and escalating energy costs continue to hurt the economy and as the US economy continues its downward spiral, world economies follow suit. The quarterly results from major financial giants Citigroup and Merrill Lynch epitomized the sagging economy as bottom lines of both firms were deep in red. The risk of double-digit inflation in the United States looms large as Bloomberg survey shows US Producer prices increased 8.7% from June '07, the most since 1981. An example of raging inflation was exemplified in Zimbabwe as it recorded 2.2 million percent inflation; the highest in the world. The Central Bank of Zimbabwe introduced \$100 billion bank notes, which "are not enough to buy a loaf of bread". It was a week characterized by wild gyrations as Gold and Oil swayed to the vagaries of the US Dollar. The beleaguered greenback suffered on the back of sub-prime losses to its principal mortgage firms - Freddie Mac & Fannie Mae. The dollar declined to \$1.6038 against Euro in Spot markets, the lowest since Euro's inception in 1999 while it touched a 25-year low versus the Aussie dollar. Metal markets seesawed with gold continuing to show resilience as it notched a weekly high of \$989/troy oz while Silver scaled a high of \$19.490/troy oz. There has been a fall in demand for physical gold in India, which normally sees an off take of 800 MT annually. According to the Bombay Bullion Association, the imports of Gold into India have almost halved to 101 MT in the first quarter against 193 MT during the same period last year. Analysts infer that due to the falling dollar and rising inflation, investment in ETF's and paper gold has increased leading to rise in prices in Gold. Crude oil printed yet another record with WTI prices touching \$146.63/bbl on DGCX. Oil disruptions in Nigeria & geo-political tensions in the Middle East were the major catalysts for the price rise. However, as Fed Chairman Ben Bernanke pointed out lesser oil consumption in United States due to an ailing economy, WTI lost \$18.02 to touch a weekly low of \$128.61/bbl.

During the week, the total volumes on DGCX touched almost 53,000 lots carrying a value of \$3.4 billion. The daily average for the week was 10,582 contracts and the Open Interest was 4,055 lots.

Opening the week at \$965/troy oz, August Gold futures touched a high of \$989/troy oz before closing the week at \$956.70. Gold futures ended the week lower than the previous week with the net change of \$6.90 or (0.72)%. The net volume for the week was 31,191 contracts valued at \$966.20 million. The total volume on Gold Options was 130 contracts valued at \$0.11 million. The Open Interest on Gold was 2,657 contracts. September Silver futures opened the week at \$19.115/troy oz and touched a high of \$19.490/troy oz before settling the week at \$18.225/troy oz. The loss in value over the previous week was 0.65 cents or (3.44)%. The weekly volume on Silver futures was 90 contracts carrying a value of \$1.72 million. The Open Interest on Silver was 71 contracts.

WTI touched an all-time DGCX high as July WTI futures touched \$146.63/bbl during the week. Opening at \$145/bbl, July WTI futures touched a weekly low of \$128.61/bbl before closing on Friday at \$128.88.

Weekly Volumes



The weekly volume on WTI futures was 11,398 carrying a value of \$1.57 billion. The Open Interest on WTI futures increased by 55 lots to end at 339. The net change over the previous week was \$16.20 or (11.17)%. The Fujairah Bunker Oil contract was settled at \$ 715.5/MT.

The weekly volume on DGCX currency contracts was 10,022 contracts valued at 865.5 million. Euro futures notched the highest single day volume on 17th July as 1,748 contracts were traded on DGCX. Opening the week at \$1.5855, September Euro futures touched a high of \$1.5987 before settling at \$1.5795. The weekly volumes in Euro were 5,491 contracts valued at \$435.09 million. The Open Interest on Euro futures was 303 lots. September GBP opened the week at \$1.9762 and touched a high of \$2.0065 before closing the week at \$1.9895. The weekly volume in Cable was 4,127 contracts valued at \$411.13 million. The Open Interest in GBP was 257 lots. The weekly volume in Japanese Yen was 384 lots while the Indian Rupee churned out 20 lots.

August Steel futures opened at \$1550/MT touched a low of \$1526.50/MT before settling the week at \$1554/MT. The weekly volume on Steel futures was 79 lots carrying a value of \$1.24 million. The Open Interest on Steel futures was 165 lots.

Xchange Snapshot

Market	Previous Week close	Current Week close	% Change
Aug'08 Gold Futures - (\$/ounce)	963.60	956.70	0.72
Sep'08 Silver Futures - (\$/ounce)	18.875	18.225	3.44
Sep'08 Euro Futures - (\$/Euro)	1.5880	1.5795	0.54
Sep'08 GBP Futures - (\$/GBP)	1.9780	1.9895	0.58
Sep'08 JPY Futures - (\$/100Yen)	0.9437	0.9383	0.57
Jul'08 INR Futures - (\$/100INR)	2.3319	2.3421	0.44
Aug'08 Steel Futures - (\$/mt)	1551.50	1554.00	0.16
Jul'08 DBRC Futures - (\$/b)	144.49	130.19	9.90
Jul'08 DWTI Futures - (\$/b)	145.08	128.88	11.17
Aug'08 DWTI Futures - (\$/b)	145.66	128.02	11.42

DGCX Sets new daily Volume Record

DUBAI, July 13, 2008: Total trading volumes on Dubai Gold and Commodities Exchange (DGCX), the region's leading commodities derivatives exchange, touched a record new high of 14,066 contracts on Friday July 11th registering the exchange's highest overall daily value of above US\$978 million.

The recently launched and highly successful crude oil contract, the West Texas Intermediate (WTI), set new records with 3,871 contracts traded equivalent to over US\$562 million, the highest daily WTI value.

Gold volumes reached 8,274 contracts recording the highest daily Gold value of over US \$253 million.

Considering the price escalation in major commodities, the trading volumes on DGCX are set to increase even further in the coming months.

DGCX offers huge advantages to traders in the commodities markets in the region, with its wide range of futures contracts. It also offers many options to the region's burgeoning investment community, which is increasingly considering alternatives to stocks and real estate.