

Dear member/customer,

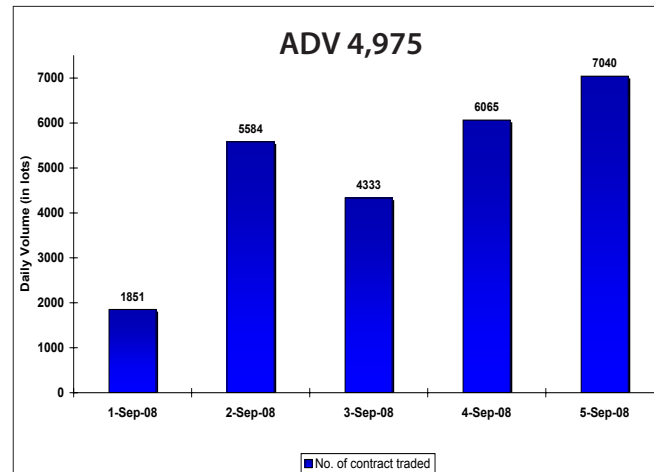
Welcome to this week's Xchange update from DGCX. This week's update includes a snapshot of DGCX volumes and news, as well as guest market commentary from JRG Metals & Commodities DMCC.

Please note that the observations expressed in the guest commentary do not reflect the views of DGCX and are solely the view of the writer. We welcome guest commentary on the commodity markets from all of our members.

DGCX Market Close

Market	Previous Week close	Current Week close	% Change
DGCX Oct'08 Gold futures - (\$/ounce)	832.20	803.20	-3.48%
DGCX Sep'08 Silver futures - (\$/ounce)	13.600	12.720	-6.47%
DGCX Sep'08 Euro Futures - (\$/Euro)	1.4657	1.4237	-2.87%
DGCX Sep'08 GBP Futures - (\$/GBP)	1.8200	1.7622	-3.18%
DGCX Sep'08 INR Futures - (\$/100 INR)	2.2780	2.2390	-1.71%
DGCX Sep'08 JPY Futures - (\$/100 Yen)	0.9193	0.9338	1.58%
DGCX Sep'08 Steel Futures - (\$/mt)	1151.00	1135.00	0.00%
DGCX Sep'08 DBRC Futures - (\$/b)	114.05	104.09	-8.73%
DGCX Sep'08 DWTI Futures - (\$/b)	115.46	106.23	-7.99%

DGCX Daily Volumes



Market commentary

by JRG Metals & Commodities DMCC

Crude Oil

Crude oil prices fell 8% to a fresh five month low last week on declining demand in the U.S. and other consumer nations. Prices fell due to pressure from the dollar which rallied to its highest level against the euro this year after the European Central Bank cut its growth outlook for the euro zone last week.

Hurricane Gustav left energy facilities in the Gulf of Mexico reasonably safe and pledges from the International Energy Agency and the U.S. government to release crude stockpiles if Gustav hits the Gulf of Mexico also influenced prices.

The U.S. Energy Information Administration said that for the week to 29 August, domestic crude stocks fell 1.9 million barrels to 303.9 million, against a Reuters poll forecast of a 200,000 barrel increase. Gasoline stocks fell 1 million barrels to 194.4 million barrels, less than the forecast of 1.4 million barrels. Distillate stocks dropped 400,000 barrels to 131.7 million barrels.

Crude has fallen sharply from the all-time high of \$147.27 a barrel on 11 July, as growing economic problems and high fuel prices have cut demand in the United States as well as Europe. Light, sweet crude oil for September delivery on DGCX traded in the range \$117.15- \$105.33, before settling at \$106.23 a barrel last week.

Outlook:

Expecting below \$105 a barrel. Supports are \$98.50, \$87. Resistances are \$110.40, \$115.60 and \$122.

Gold:

Gold futures fell last week due to a higher dollar in response to a strong U.S. services sector report and a drop in crude oil prices.

The Institute for Supply Management said its non-manufacturing index came in at 50.6 for August compared with July's 49.5. Economists had expected an unchanged result of 49.5 and a reading above 50 signals expansion. Simultaneously, the U.S. Labour Department, reported an increase of 15,000 in jobless claims to 444,000. Unemployment increased from 5.7% to 6.1% in August, the highest level since 2003 and non-farm payrolls were down 84,000 in August.

A further drop in oil prices also benefited the U.S. currency and adversely affected the precious metals movements. According to the World Gold Council, demand for gold dropped 19% year-on-year to 735.6 tonnes in the second quarter of 2008 as higher prices and increased volatility weakened jewelry buying.

Gold for October delivery in Dubai Gold and Commodities exchange traded in the range \$836.10 - \$790 before settling at \$803.20 an ounce in the last week.

Outlook:

If the price falls below \$789.30, more pressure to sell. Resistances are \$798, \$811, \$820. Supports are \$779, \$772.20, and \$745. If Gold exceeds \$820, more uptrend expected.

Euro v Dollar:

The Dollar recovered and touched an 11 month high of 1.4195 due to strong U.S. economic data and the European Central Bank cutting its growth outlook. The Euro fell after Jean-Claude Juncker's comment that the currency was overvalued and this also supported the dollar increase. Most of the data released last week in the U.S. helped the dollar.

The Dollar has strengthened in recent weeks as oil has lost more than \$40. In addition, the economies of the United States and Europe are weakening and people realize that the growth in the economies of China, India and Brazil are not enough to offset the contraction.

Outlook:

Strong movements expected below 141.80. Resistances are 140.10, 138.43, and 137.50. Supports are 143.35, 144.20, 145.35 and 147.20.

Sterling v Dollar:

Sterling continued to fall against the dollar last week and touched a two year low of 1.7535 amid renewed worries about

the UK economy, recovery of the dollar and the European Central Bank cutting its growth outlook. The Bank of England kept interest rates on hold at 5% last Thursday.

According to the Halifax, there was a 1.8% m/m drop in house prices in August, after a 1.7% m/m drop in July. The 3mth/3mth rate plunges further to -10.9% in the 3 months to August, from -8.8% in the 3 months to July, and vs -10.7% y/y.

Sterling has been under selling pressure due to the concern about a slowing British economy that could force the Bank of England to cut interest rates and a surprisingly weak reading of German business confidence. The Chancellor of the Exchequer, Alistair Darling said that the country was facing its most challenging time in 60 years. Data supported the view that Europe, including the UK, is in economic trouble.

Outlook:

Sterling remains below 175.30. Resistances are 176.80, 178.35, 181.30. Supports are 174.00, 172.60 and 170. If sustains above 178.55 expect an uptrend.

DGCX News in Brief**DGCX ranks well in "Futures & Options Week " Survey:**

- DGCX featured in first place for relationship management and fourth place overall (ahead of leading exchanges such as Eurex, CBOT and ICE) in a global survey of exchanges last week.
- The survey was compiled by the global derivatives magazine, "Futures & Options Week (FOW)" and asked a wide selection of Funds and proprietary trading houses for their views on the exchanges they trade on.
- The survey featured eight global exchanges and DGCX ranked first for relationship management, price & transparency and fourth overall.

DGCX surpasses total 2007 volume in eight months:

- Year to date trading activity for 2008 has now surpassed the total 2007 volume at DGCX, with an annual volume growth of 54%.
- Almost 930,000 contracts, valued at US\$ 48 billion, traded during January-August 2008, with 4 months remaining to end of 2008

Full details on all of our products and DGCX news can be found at www.dgcx.ae

Alternatively, if you would like to speak with a Relationship Manager, please contact us on the details below.

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Dubai Gold and Commodities Exchange

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