Dear member/customer,

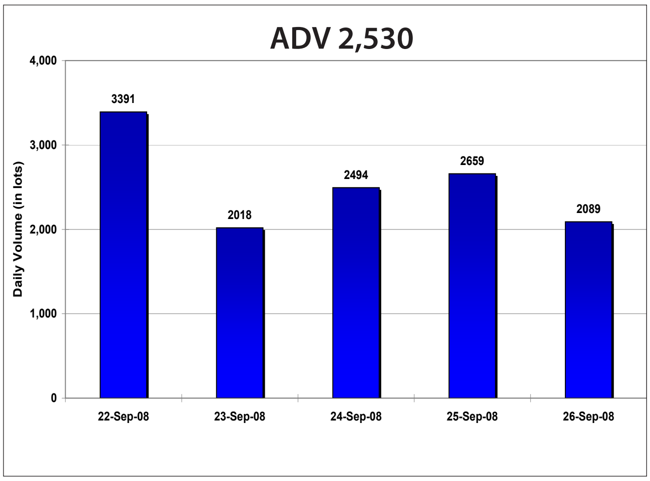
Welcome to this week's Xchange update from DGCX. This week's update includes a snapshot of DGCX volumes and news, as well as guest market commentary from SMC Comex International DMCC.

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 - ($/ounce)	873.80	886.30	1.43
DGCX Dec'08 Silver futures - ($/ounce)	12.620	13.490	6.89
DGCX Dec'08 Euro Futures - ($/Euro)	1.4450	1.4619	1.17
DGCX Dec'08 GBP Futures - ($/GBP)	1.8272	1.8375	0.56
DGCX Oct'08 INR Futures - ($/100 INR)	2.1629	2.1427	-0.93
DGCX Dec'08 JPY Futures - ($/100 Yen)	0.9412	0.9494	0.87
DGCX Sep'08 Steel Futures - ($/mt)	1060.00	980.00	-7.55
DGCX Oct'08 DBRC Futures - ($/b)	99.61	103.54	3.95
DGCX Oct'08 DWTI Futures - ($/b)	104.55	106.89	4.03

DGCX Daily Volumes



Market commentary

by SMC Comex International DMCC

Crude Oil (November Contract)

Bulls and Bears failed to overpower each other in energy on the back drop of financial turmoil in the US. Crude oil prices witnessed volatility last week due to uncertainty over the US bail out package, but this concern eased as the governments $700 billion bailout plan moved closer to approval. The bailout plan supported crude oil prices on expectations that the economy and oil demand will improve. According to the Energy Department, U.S. supplies of crude oil fell 1.52 million barrels to 290.2 million in the week ending 19 September. Oil production in Russia, the largest exporter after Saudi Arabia, is declining for the first time in a decade as companies struggle with costs and maturing fields.

Outlook:

Energy prices are affected by the financial crisis and the US bailout package. The hurricane season can also affect oil prices. The Tropical storm Kyle which could become a hurricane this week. Central banks continue to plough liquidity into the market.

Technical Recommendation:

Prices could move in the range of $106-$112

Gold (December Contract)

Last weeks events in Gold trading were influenced by the financial turmoil in the US. Gold witnessed high volatility last week following the world's financial markets. America's sixth largest bank, Washington Mutual, was seized by the US government due to «insufficient liquidity to meet its obligations» which further pressurised the dollar and supported gold. Treasury's Congress leaders agreed to an emergency measure, a day after President Bush urged swift action in order to avoid a deepening of credit market turmoil. But the Budget Office forecast a record shortfall of about $438 billion for the next fiscal year, excluding the cost of the bailout which will worsen the ailing US economy.

Outlook:

Gold prices will follow the financial crises and rescue operations. "Safe haven" buying will keep prices well supported in near term. High-net worth investors in the US continue to quit paper for physical Gold Bullion, which is safer compared with other asset classes. In the coming week, the European interest rate decision and non farm payroll data in US should be watched.

Technical Recommendation:

Prices need to sustain above $910 in order to increase further. Overall prices could remain in the range of $870-$920 this week.

Euro v Dollar (December Contract)

The Euro was volatile on Monday, but failed to sustain upside movement later in the week. The Euro traded less volume, indicating less confidence over future Euro market moves. Bearish economic data dimmed the outlook for the euro zone last week. The weakness in the Dollar supported the Euro. German IFO consumer confidence fell again and Ireland became the first EMU economy to enter two consecutive quarters of negative GDP growth.

Outlook:

This week is crucial for the Euro due to the interest rate decision on Thursday. It is anticipated that ECB will keep the interest rate unchanged. However, slow domestic growth prospects are increasing pressure on the ECB to cut borrowing costs. The development of the US economy and the US bail-out package is also important for the Euro this week. A delay in the bail out package could temporarily strengthen the Euro.

Technical Recommendation:

Bearish outlook for December contract. 150 will be a good resistance and 143 is a good support.

Sterling v Dollar (December Contract)

After a strong start on Monday and Tuesday, the Pound erased its gain to some extent. The trend was not clear, so traders remained cautious - reflected in lower volume. UK house prices fell another -1.0% in September. Mortgage approvals in the UK slipped to a record low of 21,086 in August. British retail sales fell for a sixth consecutive month in September, erasing the previous gain of the Pound.

Outlook:

The outlook for the Pound is not so buoyant. The US bailout plan will affect the UK economy and currency. The UK is also suffering from its own credit crunch. The coming week will be eventful. Consumer health will be measured via the GfK consumer confidence survey released on Monday. If GDP data on Tuesday show weakness, then the Pound may see some downside and some lower level buying in between.

Technical Recommendation:

The Pound is likely to trade in a range. If it is able to sustain above the level of 187, then it could see more upside in near term. 179 is a good support.

Further Information

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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