

Dear member/customer,

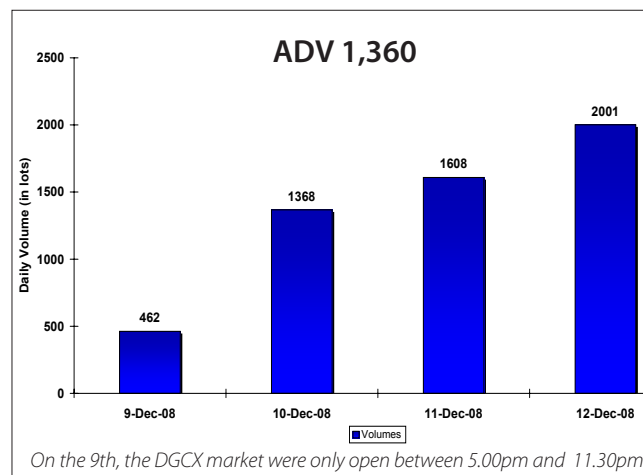
Welcome to this week's Xchange update from DGCX. This week's update includes a snapshot of DGCX volumes and news, as well as guest market commentary from SMC Comex International DMCC.

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 Feb'09 Gold futures - (\$/ounce)	753.60	820.20	8.84
DGCX Mar'09 Silver futures - (\$/ounce)	9.420	110.225	8.55
DGCX Dec'08 Euro Futures - (\$/Euro)	1.2652	1.3370	5.67
DGCX Dec'08 GBP Futures - (\$/GBP)	1.4662	1.4946	1.94
DGCX Dec'08 INR Futures - (\$/100 INR)	2.0100	2.0638	2.68
DGCX Dec'08 JPY Futures - (\$/100 Yen)	1.0782	1.0995	1.98
DGCX Dec'08 Steel Futures - (\$/mt)	482.00	482.00	0.00
DGCX Dec'08 DBRC Futures - (\$/b)	39.74	46.41	16.78
DGCX Nov'08 DWTI Futures - (\$/b)	40.81	46.28	13.40

DGCX Daily Volumes



Market commentary

SMC Comex International DMCC

Crude Oil

Crude oil witnessed some upside rally early last week but it couldn't sustain the gains in the latter part of the week. According to the IEA, worldwide consumption could shrink by 200,000 barrels a day, or 0.2%, in 2008 and next year's growth could be wiped out if the economic slump deepens. China's growth may also slow more sharply in the first quarter of 2009 before stabilising and then recovering.

Weekly outlook: The fall in crude oil witnessed a pause last week as prices recovered in anticipation of a production cut at the next OPEC meeting on 17 December in Algeria and on short covering because prices were technically oversold. The U.S. Senate rejected a \$14 billion bailout plan for automakers, which raised concerns of a prolonged recession and reduction in fuel demand.

Technical Recommendation

Crude oil has a first resistance at \$50 and a second resistance at \$55 while its first support is \$45 and second is \$40

Gold

Gold witnessed a strong buoyant rally last week due to

the decline in the greenback. There are already signs of deflation and so there is less scope for a further rate cut. At 5.25% in July 2007, the FOMC responded to the financial crisis and by lowering the benchmark to 1%. Negative economic news from the US is relentless as jobless claims rose by the largest amount since November 1982.

Weekly Outlook: A The greenback broke the recent sideways pattern and moved downwards to the level of 81 - 80 and the euro is set to touch 1.35 - 1.40 which will support the upside rally in gold prices. The Federal Reserve's next interest rate decision will be on 16 December and could take rates to historically low levels. Negative real interest rates in the US and further cheap money policies could cause inflation and thus support gold prices.

Technical Recommendation

Gold has a first resistance at \$840 and a second at \$860 and its first initial support at \$800 and second at \$780.

Euro v Dollar

The Euro continued its upwards trend last week. On

Wednesday, the euro closed up after Germany reported a decline in WPI numbers which increased the expectation of an ECB interest rate cut. Furthermore, an improvement in the November Swiss ZEW investor confidence survey from -88.5 to -76.2, an interest rate cut by the SNB by 0.50 basis points and a €2 billion Belgian package boosted the euro on Thursday. However, the euro fell on Friday after weaker than expected industrial production in October. The drop in industrial numbers was the largest in 15 years and dragged the annualised reading down to -5.3% from -2.7%. The region also saw French business confidence fall to a 28 year low of 68 from 75 the previous month.

Outlook

The euro is expected to remain in a range bound direction ahead of the Fed interest rate decision on Tuesday. The euro zone will also report its Consumer Price Index numbers, which are expected to be in-line with the ECB's 2% target.

Technical Recommendation

The euro has first resistance at 1.36 and second resistance at 1.40 while first support is at 1.30 and second at 1.28

Sterling v Dollar

The pound traded in a range bound direction last week on

the back of mixed data from the UK. On Wednesday, the NIESR GDP estimate showed that the British economy may have contracted by 1%, which may lead the Bank of England to consider further easing of interest rates. An unexpected improvement in U.K. CBI industrial trends provided a further boost to the pound, as per data total orders increased to -35 from -38 in November. However, a deeper look into the report showed that export orders slipped to a five-year low of -32 from -31 in the previous month, while the stock of finished goods slipped to 21 from 25. After two days of gains, the pound tumbled and closed lower against the dollar after the auto bailout plan in the U.S. was rejected, sparking risk aversion, which may have been a supportive factor for the dollar.

Outlook

The British Pound is expected to move upwards as the next Bank of England meeting may reveal that the bank plans to continue their easing policy for interest rates, while consumer prices, employment and retail sales are all expected to weaken.

Technical Recommendation

The pound has first resistance at 1.54 and second crucial resistance at 1.60 while first support is at 1.46 and second support at 1.40

DGCX News

- DGCX announced plans to launch Plastics Futures in February 2009 at a cocktail event well attended by members and industry participants on 4 December.
- The new contracts will launch on 5 February 2009 and support DGCX's objective of launching the right products in the right place and at the right time.
- As a sophisticated hedging tool, plastics futures will enable participants to lock-in future margins – a first for the Middle East region.
- DGCX will offer plastic futures contracts on Linear Low Density Polyethylene (LLDPE) and Polypropylene (PP), based on two regions – the Middle East and South East Asia.
- Leading warehouses and Delivery Point Operators have been approved ahead of the launch next year.

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.

Tel: +971 (0)4 361 1616 Email: info@dgcx.ae

Dubai Gold and Commodities Exchange

P.O. Box 37736, Dubai, United Arab Emirates

DGCX refers to "Dubai Gold and Commodities Exchange" and any company which is an owned subsidiary of DGCX. All proprietary rights and interests in this publication shall be vested in DGCX and all other rights including, but without limitation, patent, registered design, copyright, trademark, service mark, connected with this publication shall also be vested in DGCX. No part of this publication may be redistributed or reproduced without written permission from DGCX.

DGCX shall not be liable for the use of the information contained in this publication, connected with actual trading or otherwise. DGCX shall not be responsible for any errors or omissions contained in this publication. DGCX, nor its affiliates, associates, representatives, directors or employees, shall be responsible for any loss or damage that may arise to any person due to any action taken on the basis of this publication. This publication is for information only and does not constitute an offer, solicitation or recommendation to acquire or dispose of any investment or to engage in any other transaction. All information, descriptions, examples and calculations contained in this publication are for guidance purposes only and should not be treated as definitive.

Those wishing either to trade futures and options contracts on DGCX, or to offer and sell them to others should establish their regulatory position before doing so.

DGCX is regulated by the Emirates Securities and Commodities Authority (ESCA). ESCA is a member of the International Organisation of Securities Commissions (IOSCO).