

Gold & Silver Marketwatch

Daily Update

Strategist Contact Information

Russell Browne - russell_browne@scotiacapital.com

Trading Contacts

Reuters MMCN or (212)225-6200

Stephen Abbriano - stephen_abbriano@scotiacapital.com

Robert Lockwood - robert_lockwood@scotiacapital.com

Wednesday, March 10, 2010

Market Commentary

Gold opened at 1124.00/1125.00 and ticked sideways on light trading. Weekly inventories fell short of expectation causing oil prices to rally and gold followed, reaching an intraday high of 1127.75/1128.75. This move quickly reversed as heavy selling entered the market. Resting stops were triggered on the way down, causing gold to plunge to an intraday low of 1102.50/1103.50. The metal recovered only marginally off its lows and later settled at 1107.00/1108.00.

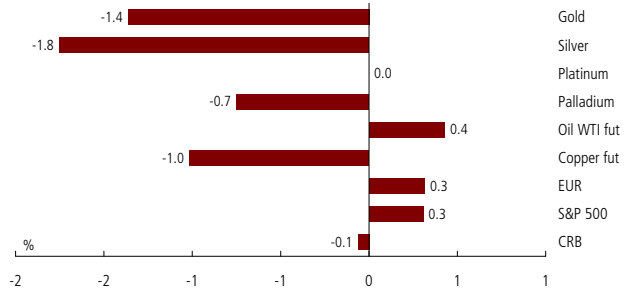
Silver opened at 1735.00/1738.00 and as the morning progressed the metal turned bid, climbing on the back of stronger oil prices and a softening USD, peaking at 1764.00/1767.00. Investors later dumped the metal, quickly pulling silver off its highs. It stayed well offered for the remainder of the session, falling to a low of 1696.00/1699.00 and later closed just above its lows at 1698.00/1701.00.

Technical Commentary

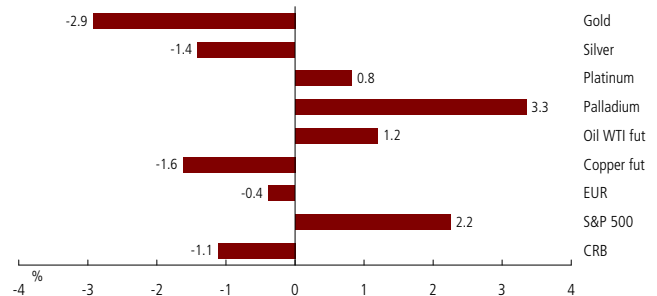
Gold broke our key support today at 1110, triggering stop losses down to 1104. The metal has rebounded to its current level of 1111 but price action remains weak. The inability for Gold to get back above 1131 and its downside break of 1110 has shifted our view from Bullish to Neutral. We see 1088 as an initial support and 1131 as major resistance.

Silver achieved fresh highs today rallying to 17.64 before dropping back to close lower on the day at its current level of 17.08. We are cautiously bullish Silver. We would liquidate any long metal position on a lower close tomorrow (reversal day confirmed) or a break of 16.76 (50% Fib of 18.85 to 14.68 move). The Gold Silver ratio is showing as small down at 64.86. The ratio has been falling the past two weeks with a low on the move seen today at 63.92. The trend lower remains the risk in Gold Silver but we are neutral near this 61.8% Fib of 64.62.

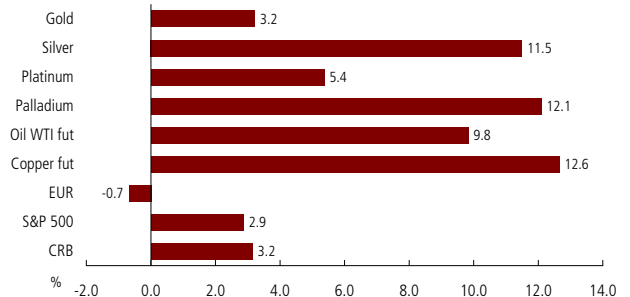
1-Day Commodity Moves



5-Day Commodity Moves



1 Month Commodity Moves



3/10/10 15:46 - Time above charts last updated - Source: Bloomberg

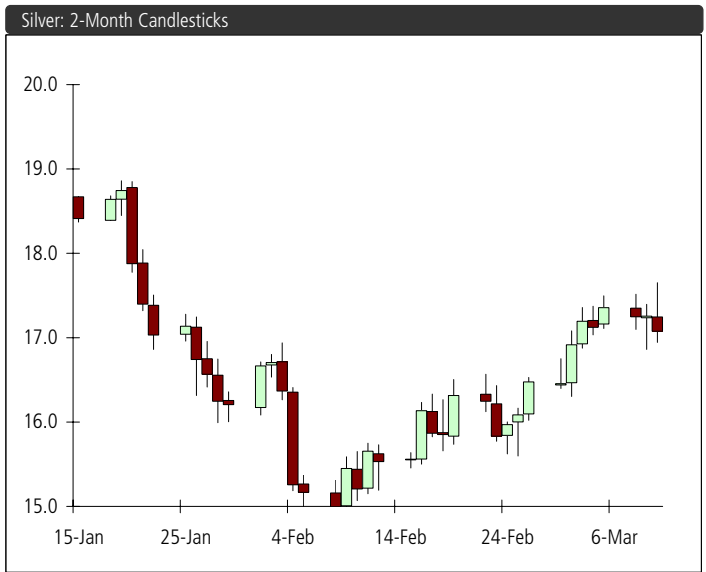
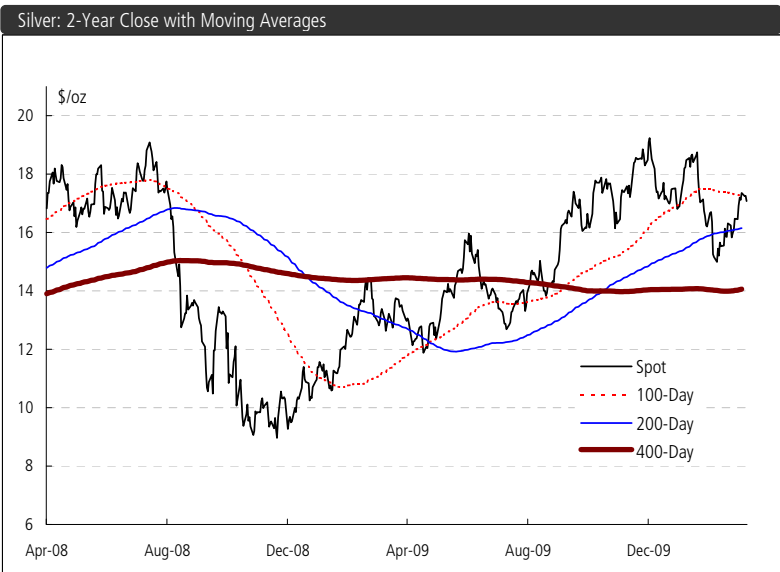
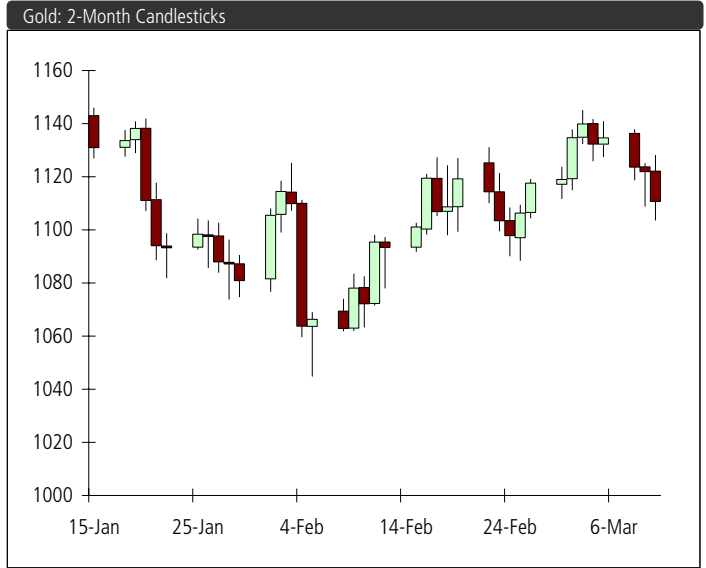
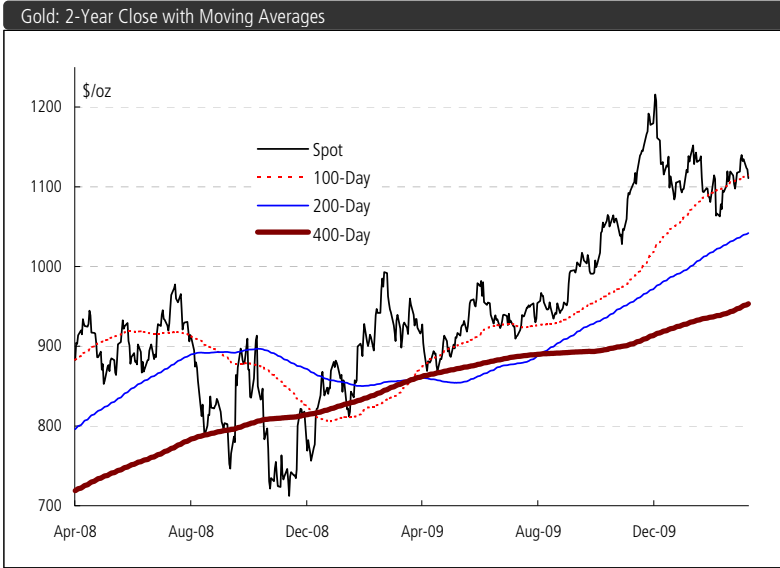
Technical Levels, etc. Gold, Silver, Platinum & Palladium

	Gold	Silver	Platinum	Palladium
Open	1124.00/1125.00	17.35/17.38	1,593.00	468.50
High	1127.75/1128.75	17.64/17.67	1,616.75	476.38
Low	1102.50/1103.50	16.96/16.99	1,580.25	460.25
Close / Last Mid*	1107.00/1108.00	16.98/17.01	1,591.50	463.75
London Fix AM	1,124.50	17.47	1,614.00	473.00
London Fix PM	1,120.50	NA	1,605.00	471.00
Handy Harman (Base)	1,120.50	17.30	1,605.00	471.00
Gold / Silver Ratio	64.14	NA	NA	NA
Open Interest	Gold OI	Silver OI		
COMEX	379,199		104,594	
CBOT	<u>2,850</u>		<u>1,534</u>	
Total	382,049		106,128	

Technical Levels, etc.

	Gold	Silver	Platinum	Palladium
Pivot	1,112.54	17.181	1,592	464.01
Primary Support (Buy)	1,096.99	16.709	1,568	451.64
Primary Resistance (Sell)	1,121.38	17.427	1,617	475.87
HBOP	1,145.77	18.144	1,666	500.09
LBOP	1,072.60	15.992	1,519	427.42
Bollinger Band Upper	1,141.62	17.618	1,606	476.60
Bollinger Band Mid	1,114.79	16.400	1,547	440.95
Bollinger Band Lower	1,087.96	15.182	1,488	405.30
Relative Strength 9 Day	43	57	69	63
Relative Strength 14 Day	47	55	63	61

Close/last mid refers to the spot closing floor price in gold and silver, and spot's last mid price as provided by Bloomberg in platinum & palladium spot
All other data provided by Bloomberg. Actual market levels may have differed.



Source: Bloomberg - which can differ slightly from market spot prices

Moving Averages				
	Gold	Silver	Platinum	Palladium
5 Day MA	1,123.76	17.186	1,588	468.30
10 Day MA	1,123.63	16.905	1,571	452.10
20 Day MA	1,114.79	16.400	1,547	440.95
30 Day MA	1,104.55	16.208	1,538	434.00
60 Day MA	1,108.49	16.914	1,530	424.16
100 Day MA	1,114.22	17.259	1,481	396.37
200 Day MA	1,041.93	16.174	1,364	335.98
400 Day MA	927.24	14.066	-	-

FX Majors		Markets	
CAD	1.0263	CRB	274.62
EUR	1.3646	DJAIG	133.61
GBP	1.4961	Crude (fut)	81.84
CHF	1.0710	S&P 500	1144.59
AUD	0.9146	US 10 Yr	3.72
ZAR	7.4090	US 30 Yr	4.69
JPY	90.5400	CDN 10 Yr	3.53
as of:	3/10/2010 15:46	as of:	3/10/2010 15:46

This report has been prepared by ScotiaMocatta and is not intended for use by private individuals. The ScotiaMocatta trademark represents the precious metals business of The Bank of Nova Scotia. The Bank of Nova Scotia, a Canadian chartered bank, is incorporated in Canada with limited liability. Opinions, estimates and projections contained herein are subject to change without notice. The information and opinions contained herein have been compiled or arrived at from sources believed reliable but no representation or warranty, express or implied, is made as to their accuracy or completeness. Neither the Bank of Nova Scotia, its affiliates, employees or agents accepts any liability whatsoever for any loss arising from the use of this report or its contents. The Bank of Nova Scotia, its affiliates, employees or agents may hold a position in the products contained herein. This report is not a direct offer financial promotion, and is not to be construed as, an offer to sell or solicitation of an offer to buy any products whatsoever. The Bank of Nova Scotia is authorized and regulated by The Financial Services Authority.

