

TRADER TALK

Global Markets

The Dollar continues to weaken with the Euro gaining 2.5 cents against the greenback this week, adding fuel to the ever rising price of gold. Gold hit the talismanic price of \$1,000 yesterday. In percentage terms platinum, silver and their ilk have risen even more than gold!

Indices made slight recoveries this week with no significant economic figures straying too far away from forecasts. The DOW is currently trading 300 points to the good compared to the close last Friday. One of the main drivers of equity markets looking to end the week in positive territory is the manipulation by a number of central banks. They coordinated an injection of cash into the capital markets to counter the credit crunch initially caused by the sub prime losses worldwide.

With gold surge and the Dollar decline grabbing the headlines, we might expect a reversal of both trends in the medium term. Can the Dollar regain the other side of 1.5 against the Euro or even 2 to 1 against the Sterling? Only time will tell, but we suspect there are worse trades out there than buying the Dollar and selling gold.

SA Markets

With the above mentioned commodity prices dominating the headlines, it is no surprise that Arcelor Mittal and African Rainbow Minerals are the top gainers this week. ACL has increased the steel price for the second time this year prompting further speculation of another

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Competition Commission investigation. Patrice Motsepe the CEO of ARM became the first black South African billionaire (per Forbes) and has amassed a fortune of R14 Bil on the back of his mining interests.

It is no surprise however that the big counters such as Anglo American and BHP have pulled back after reaching all time highs last week and are down 5% and 2% respectively. Despite gold reaching all time highs, Anglogold is the biggest loser this week (down 7%) as Anglo American continue to offload their stake in the company.

Kind Regards,
The Global Trader Team

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