



Prime Futures, Options & Forex  
brokerage and advisory services

New York :+ 1 914 459 0550

Beirut : +961 324 5599

info@adfincorp.com

www.adfincorp.com

Jipfa bldg-Main road-Road town-Tortola-BVI

# Market Outlook



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## Platinum

NYMEX Platinum reached this week 1507 down from 1607.50 high posted last week.

The big stories over the last few weeks that stimulated rally were the 2 fatal accidents at SA mines and the shutting of some shafts, the directive out of the South African government's department of mines about the pillar mining technique and the strike threat by the National Union of Mineworkers at Impala Platinum.

The auto-sector demand still account around the half of the total demand while jewellery sector demand is around 40% and 10% for investment demand from ETFs.

On the demand side, there is some uncertainty over the global economy as to whether we are likely to experience a double-dip recession which affect the industrial demand and also the Chinese tightening of domestic monetary policy had raised some concerns over the Chinese economy and could pose some threat to the jewellery sector where China is the biggest market by far.

Technically speaking, the market tested twice the 50% level of the previous downward swing and failed to form a bullish structure resulting of double mountains structure within a consolidation wing which we believe is the right shoulder of the head and shoulders formation. The above structure indicates that platinum will try to challenge the 1440 key medium term point where a clear close below this level will open the path for a sharp drop toward 1250. In the upside, 1610 is a key resistance.

