

Rand Refinery Daily Gold Update



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| Gold | Today | Change | Week Ago | Month Ago | Year Ago |
|------|------------|---------|------------|------------|----------|
| | \$1,197.60 | +\$2.70 | \$1,168.70 | \$1,210.75 | \$960.50 |

On Thursday, the European Central Bank (ECB) left rates unchanged at 1% for the 16th consecutive month as widely expected. President Trichet said in the press conference that current rates are "appropriate" and expects "price developments to remain moderate". Economic data in Q3 were so far "better than expected" but Trichet warned again that recovery will be "moderate and uneven." The euro has rebounded 10 percent since June when the debt crisis in the Eurozone threatened the future of the currency. During the same time the price of gold has retreated by a little more than 5%.

The BoE left ranges unchanged at 0.5%. The statement was brief with no details. Focus will turn to the quarterly Inflation Report to be released on August 11 and minutes to be released on August 18.

Gold trading was a lackluster affair for most of yesterday, although there was a short lived rally that occurred ahead of the Comex opening. The gold price traded as high as \$1,202.80/oz and as low as \$1,194.70/oz. The US dollar index slipped 0.16% to \$80.82 while the euro rallied 0.55% to \$1.32 vs. the dollar.

Wednesday's ADP report, which measures job growth in the private sector, said that the private sector added 42,000 jobs in July. But, the Labor Department said Thursday that initial jobless claims for the week ending July 31 actually rose 19,000 to 479,000 while analysts were looking for a decline.

The conflicting data points to a slow and questionable economic recovery, which leads investors to look to gold to help protect their wealth in times of economic uncertainty.

Spot gold was trading at \$1195.40/oz at 12.00 noon Singapore time. In early morning trading in London, spot gold was trading at \$1197.60/oz. The yellow metal is expected to remain in a tight trading band ahead of the employment report due out in the US later today. The non-farm pay rolls will be watched closely



About the author: David Levenstein is an independent precious metals market commentator with more than 30 years experience.

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