

# Rand Refinery Daily Gold Update



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Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,228.80	-\$0.50	\$1,200.00	\$1,190.25	\$943.50

On Wednesday, sterling erased its recent losses and surged to 1.5654 against the dollar (from a 3-week low of 1.55) as risks of further easing lowered in the near-term. In the BOE's minutes for the August meeting, committee members voted 8-1 to maintain the bank rate unchanged at 0.5%. And, although inflation has overshoot the central bank's upper threshold, it is expected to drop below the 2% target in 2 years' time, thereby reducing the urgency to tighten monetary policies

Earlier this week SEC filings showed that Eton Park Capital Management LP has joined a list of hedge funds that own SPDR Gold Shares, an ETF backed by about 1,300 metric tons of gold. Eton revealed that it had approximately \$800 million invested in the ETF. The filings also show that Paulson's firm kept its stake in the gold ETF steady at 31.5 million shares, meaning its position was close to \$4 billion at the end of the second quarter. And, the Soros Fund Management had about \$600 million in the gold fund.

Gold prices were somewhat volatile going into the opening of the New York market yesterday. The price of the yellow metal dropped on some profit taking selling early in the session, but by around mid morning, as the dip was met with steady buying, prices rallied sharply sending December gold over \$1,230/oz at the Comex division of the New York Mercantile Exchange. The US dollar index lost around 0.05% to \$82.18 while the euro was slipped to \$1.28 vs. the dollar. The session ended with Comex gold futures prices up on Wednesday's close. December

gold closed up \$3.60 an ounce at \$1,231.90/oz. Spot gold was last quoted up \$5.20 at \$1,230.50/oz.

Traders will be eyeing the price of the yellow metal since it has now held above the \$1220/oz level for two days. If the price can continue to hold above this key resistance level traders will look for gold to continue its upward momentum and to re-test the \$1260/oz historic high.

Gold prices in India held steady today at Rs. 18,900 per 10 grams at 12 noon New Delhi time. Indications of the early morning gold trade in Europe puts the price of spot gold at \$1228/oz.



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

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