

Rand Refinery Daily Gold Update



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Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,230.70	-\$1.70	\$1,215.90	\$1,181.50	\$941,50

Thursday morning's U.S. weekly jobless claims report showed a 12,000 rise in claims, which was much weaker than the 4,000 decline in claims expected by the market place. The U.S. Labor Department reported initial claims for state jobless benefits rose to 500,000 in the latest week. Markets were expecting claims of 476,000. Earlier in the day, the dollar fell against the yen, but the greenback's gains were quickly reversed after the jobless report was released.

Also, the Philadelphia Federal Reserve business index, released at mid-morning Thursday, showed an unexpected decline. The August reading was the lowest and also the first contraction since July 2009. The Philadelphia Federal Reserve business index is a key measure of manufacturing in the Mid-Atlantic region. The index fell to minus 7.7 in August from 5.1 in July. Any reading below zero indicates a shrinking in the regions manufacturing.

U.S. stocks fell sharply on Thursday as the latest batch of data cast fresh doubts about the economic recovery. After slipping nearly 200 points, the Dow Jones Industrial Average (DJIA) recovered slightly and was trading down 139 points towards the close.

Gold prices rallied on the weak U.S. economic data and during the morning session the price of the yellow metal was flirting with \$1238/oz.

The euro had a modest recovery after the Bundesbank raised Germany's growth forecast for this year from 1.9% to 3.0% after the recent strong

second quarter GDP figure. Bundesbank said that "fundamental economic situation in Germany is very favorable at the moment."

According to Iran's state run news agency, Fars, Iran imported 23 tons of gold in the four months ending July 22. Imports of the yellow metal totaled \$855 million and came from Turkey, the United Arab Emirates, Russia and Switzerland, Fars said.

Today, in an article by Reuters, India's gold merchants are expecting a sustained pick-up in sales for the second round of festivals, as a reviving economy and stable prices may aid sentiment, triggering a reversal in declining trend in imports.

Even though the price of gold has retreated a few dollars from the highs it made during the week, it is still trading above the key support level of \$1220/oz.



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

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