

Rand Refinery Daily Gold Update



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Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,218.90	-\$7.00	\$1,126.50	\$1,198.00	\$947.50

Gold prices remained in a tight range for most of yesterday. The price of the yellow metal peaked at just over \$1230 an ounce at 9am London time. Thereafter they drifted sideways to lower making an intra day low of \$1222 an ounce at around 11 am New York time.

European stocks edged higher with the European DJ Stoxx 50 up +0.90% and Sep S&Ps up +5.50 points. An increase in M&A activity boosted European and US stocks yesterday with Old Mutual Plc up over 4% after it said it might sell 70% of its Nedbank Group Ltd. banking unit to HSBC Holdings. Metals producers were also slightly higher with gains of 2% for Rio Tinto Group and BHP Billiton Ltd. amid speculation that a proposed mining tax in Australia might be scrapped or diluted after Australia's general election failed to deliver a majority government for the first time in 70 years.

The Asian markets closed mostly lower with Japan down -0.68%, Hong Kong -0.44%, China -0.07%, Taiwan +0.61%, Australia -0.04%, Singapore -0.36%, South Korea -0.42%, India +0.04%.

The Indian festival season had begun with the southern state of Kerala, which is the largest consumer of yellow metal in India, celebrating Onam on August 23. India will celebrate Raksha Bandhan today, August 24. Although, traders said that there was some good buying last week, this week got off to a slow start. And, the market in Singapore was very quiet yesterday. "All is dead here. Gold is still stuck in the range which fails to spark any interest for both

sides," said a physical dealer in Singapore. "Some light selling continues. I think market looks to test lower this week."

Eurozone PMI manufacturing dropped more than expected from 56.7 to 55 in August but services PMI was just mildly off from 55.8 to 55.6. Most notably, export growth showed sharp decline which suggests that the Eurozone economy is starting to be dragged down by US.

Gold prices dipped in Asian trading today as there is no fresh economic data to provide any stimulus to the market. Spot gold traded at \$1220.50/oz at 12.00 noon Singapore time while December gold futures were around \$1,222.40/oz. The price of the yellow metal eased further in early morning European trading.



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

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