

Rand Refinery Daily Gold Update



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Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,210.50	-\$30.00	\$1,246.00	\$1,221.00	\$936.00

Almost as soon as the futures markets in the USA opened on Thursday, gold was sold off in what appeared to be a broad market sell-off that included equities, silver, platinum, palladium, crude oil and gasoline. August gold dropped sharply and closed down at \$1,208.00 an ounce. And, by mid-day spot gold was trading at \$1198.60. It was gold's biggest one-day drop since February 4, when it lost 4.4%.

On the currency market the euro rose sharply causing the gold price to drop below EUR 1000 for the first time since June 17. The Euro rebounded strongly on news that the ECB is going to grant 78 banks EUR 111.2 billion of funds for six days to assist them with the expiry of its 12-month loans in which banks needed to repay 442 billion euros worth of debt by July 01. The euro extended the previous day's advance to reach a 1.2526. In turn, the U.S. dollar lost ground against most major currencies, and U.S. Treasuries gained after a batch of weak U.S. economic data was released earlier in the day. Weekly U.S. jobless claims were higher than what the market expected.

During the month of June, the US gold exchange traded fund (GLD) added some 52 tons or 1,678,316 ounces to its holdings.

Gold prices rebounded in Asian trade this morning and the price of spot gold is up nearly \$12 per ounce. Analysts maintain that this was due to some bargain buying and euro's recovery against the dollar. The price of spot gold was trading at \$1206 an ounce at

12.00 noon, Singapore time.

Today, and as expected Australia slashed a super tax on mining profits from 40 percent to 30 percent to end a row which led to the down fall of the government. The resources tax will apply from July 2, 2010.

The gold markets in Zurich and London are expected to remain relatively flat as all eyes await the release of a U.S. employment report due out later today. The markets are expecting a decline of around 110,000 in the US non-farm payrolls.



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

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