

Rand Refinery Daily Gold Update



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Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,167.20	+\$3.90	\$1,188.50	\$1,236.00	\$935.50

Comex gold futures closed near unchanged levels on Wednesday, after remaining mainly flat for most of the day. December gold closed up \$0.80 an ounce at \$1,162.40/oz. Spot gold was last quoted up \$2.20 at \$1,164.25/oz which was up from the London P.M. fixing of \$1,157.00/oz.

While the fundamentals driving the gold price remain in tact, technical traders might be inclined to trade gold from the short side in the near term. The key support level of \$1180/oz was breached on Tuesday and now gold is testing the next key support level of \$1160/oz. Traders may be eyeing the major 200 day moving average which is currently at around \$1140/oz as the next downside target.

Gold has recently been the safe haven as investors sought shelter away from the Euro when it was having the sovereign debt issues. Now that investors believe that those issues have been resolved, they have backed off from gold. However, the price of the yellow metal has now reached an oversold condition and if it declines further dealers of the physical will enter the market offering major support.

In a note from UBS, the bank mentioned that its gold sales to India on Tuesday matched the second highest this year. "Indian and physical demand from wider hubs has helped to provide a price floor in July," the Swiss bank said. "UBS sales to India in July are five times greater than June and with the expectation that physical demand will persist until

the end of the month, July will post the best month for Indian physical demand this year," it added.

Prices of the yellow metal in Indian rupees hit its lowest level in 10 weeks on Wednesday. It encouraged physical buying as traders snapped up the metal at the lower prices to stock up for upcoming festivals. The demand for gold, in India, is set to pick up for the busy festival season, starting with Raksha Bandhan on Aug 24, and extending through until Dhanteras in November, the single-biggest gold buying day.

The price of gold has remained mostly flat in Asian trading today with a light bias to the upside. Spot gold was trading at \$1167.20/oz 16:15 Hong Kong time.



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

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