

Rand Refinery Daily Gold Update



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Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,181.70	+\$0.30	\$1,190.80	\$1,240.00	\$936.50

Gold was relatively flat on Friday until the US markets opened. When the latest US GDP figures were released, gold began a move to the upside, and by the end of Comex trading the price of gold was up almost \$15 per ounce. From there it basically traded sideways for the rest of the day.

Economic growth in the U.S. during the second quarter slowed to 2.4%, slightly less than the 2.6% that the market was expecting and well below the average 4.4% increase over the past six months. While the 2.4% increase in GDP was close to the 2.6% expansion expected by market analysts, the rate of expansion in the first quarter was revised up to a 3.7% rise compared with the prior estimate of a 2.7% increase. The data reflected slowing consumer spending, which dropped from 1.9% to 1.6% in Q2, as well as widened trade deficit from \$338 billion to \$426 billion.

The euro headed for the first monthly gain against the dollar since November, and the US dollar was back under pressure shortly after the GDP report was released, but it managed to close slightly above the lows of the day.

Moody's said that Spain's triple-A sovereign debt rating is under review and would likely be downgraded within the three-month study period. Moody's also warned that US government is needed to provide a credible plan to address its rising debt to maintain the triple-A rating too.

Gold futures for December delivery rose \$12.70, or 1.1 percent, to settle at \$1,183.90/oz on Comex; the biggest gain since July 13. Gold rose for a third day after a 5 percent price drop in July.

Gold prices edged up in Asian trade Monday. Spot gold was trading at \$1183.40/oz at 12.00 noon Singapore time, while gold futures for December delivery was at \$1,185.40/oz.

At 12:30 pm Dubai time, the price of spot gold had eased off slightly and was trading at \$1181.70/oz.



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

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