

Rand Refinery Daily Gold Update



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Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,248.10	+\$3.70	\$1,234.80	\$1,178.00	\$955.00

Yesterday the Asian markets closed mostly higher with Japan up +1.17%, Hong Kong +0.43%, China - 0.66%, Taiwan +0.68%, Australia +2.08%, Singapore +1.10%, South Korea +1.15%, India +1.31%. China's Purchasing Managers' Index rose to 51.7 in August from 51.2 in the previous month, the Federation of Logistics and Purchasing said yesterday. The median forecast of 17 economists in a Bloomberg News survey was for an increase to 51.5. The China Automotive Technology & Research Center reported August China passenger-car sales surged by 59% year-on-year; more than 3 times July's pace.

The U.S. stock indexes posted solid gains on Wednesday following a better-than-expected ISM reading on the U.S. manufacturing sector. The DJIA was up more than 250 points as investors put some money back into equities.

Sterling was noticeably lower against the Euro yesterday after the release of much weaker than expected PMI manufacturing. The PMI data dropped sharply from a revised 56.9 to 54.3 in August versus consensus of 54.3. The data suggests that manufacturing sector in UK is slowing much quicker than the market thought and dampens the outlook for recovery in the second half. This is also in contrast to Eurozone PMI which was revised slightly up to 55.1 in August.

The International Monetary Fund's gold reserves fell by 16.85 metric tons in July as Russia added 16.2 tons to its holdings, according to figures from the Washington-based lender. Reserves of gold at the IMF were 2,917.07 tons at the end of July, compared with 2,933.92 tons a month earlier, data

on the IMF's website show. Russia increased holdings to 726.02 tons last month from 709.81 tons, according to the figures.

Comex gold futures closed slightly lower Wednesday after hitting another fresh two-month high of \$1255/oz. December gold traded down \$3.90 an ounce at \$1,246.40. Spot gold was last quoted down \$2.90 at \$1,245.25.

Gold prices were slightly firmer in Asian trade on Thursday and spot gold gained a tad to \$1,246 an ounce by 12 noon Singapore time. According to dealers in Singapore, the physical market is quiet with some selling from Indonesia and a mix of buying and selling from Thailand.

The markets will be waiting for US initial jobless claims due out later today and the unemployment figures due out tomorrow.



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

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