



July 9, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,162.10	+\$4.10	\$1165.50	\$1,176.80	\$1322.50

Gold prices were marginally firmer on Wednesday as some traders looked to buy the metal at current low prices as global equities dropped. August gold closed up \$9.60 an ounce at \$1,162.30 an ounce and spot gold ended the day at \$1158.00 per ounce.

In China, stocks continued to fall and the benchmark stock index tumbled to a three-month low as another round of government support measures failed to allay concern that margin trades will keep unwinding at a record pace.

The Shanghai Composite Index slid 5.9% to settle at 3,507. With at least 1,331 companies halted on mainland exchanges and another 747 falling by the 10% daily limit, sellers were locked out of 72% of the Chinese market. They turned to everything from government bonds to Hong Kong shares and commodity futures to raise cash, sending China's one-year note yield up by the most on record and sparking a 5.8% loss in the Hang Seng Index.

China's stock market is down by more than 30% in three weeks.

Traders unloaded 98.3 billion yuan (\$15.8 billion) of shares purchased with borrowed money on the Shanghai exchange Tuesday, the 12th straight day of declines. A five-fold surge in margin debt over the 12 months through June 12 had helped propel the Shanghai index to a more than 150% gain.

On the Shanghai exchange, 365 companies suspended trading, equivalent to 33% of all listings.

A further 992 were halted in Shenzhen, or 56% of the total.

Despite saying that Greece would not require another bailout, Greek prime minister Alexis Tsipras has requested an addition bailout demanding a three year bailout from Eurozone's rescue fund and promised to start implementing some of the reforms as soon as early next week.

The letter noted that "we trust Member States appreciate the urgency of our Loan request at this time given the fragility of our banking system, our shortage of available liquidity, our upcoming obligations, our buildup of internal arrears, and our expressed desire to clear our outstanding arrears with the IMF and the Bank of Greece."



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

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