



July 14, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,154.00	-\$3.50	\$1168.20	\$1,182.50	\$1321.25

Gold prices sank for a third straight day after Greece and the European Union/International Monetary Fund on Monday came to an agreement on a debt restructuring and financial aid. August gold closed down \$2.60 an ounce at \$1,155.20 an ounce and spot gold ended the day at \$1157.50 per ounce.

The terms imposed by international lenders led by Germany contains harsh austerity programs for Greece and could even cause an outcry in Greece. The deal must still be passed by the Greek parliament, which votes on the matter this Wednesday.

Before it can get 85 billion euros (\$95.07 billion) in bailout cash and support for its banks to reopen, the Greek government will have to pass a raft of austerity measures that include sales tax increases, reforms to pensions, and labour market reforms.

According to an article published on Bloomberg, Greece will be on a tight timetable to implement its reforms — a reflection of how little its creditors trust the government to honour a deal.

Greek Prime Minister Alexis Tsipras infuriated his European partners last month when he called for a popular vote against economic reforms the creditors has proposed.

The Greek people voted against those proposals, but will be horrified to see that they now face even tougher measures.

"Trust needs to be rebuilt," said German Chancellor

Angela Merkel, adding that with the deal, "Greece has a chance to return to the path of growth."

Measures include an increase in the sales tax and reform of the pension system. In later weeks, Greece will have to open to competition industries that have long been protected, such as the energy sector. Labour laws will be made more flexible.

If it meets these requirements, Greece will get a three-year rescue program and a commitment to restructure its debt, which is unsustainably high at around 320 billion euros, or around 180% of annual GDP.



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

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