



July 17, 2015

| Gold | Today | Change | Week Ago | Month Ago | Year Ago |
|------|------------|---------|-----------|------------|-----------|
| | \$1,144.60 | -\$0.10 | \$1161.90 | \$1,184.00 | \$1302.50 |

Gold prices slumped on Thursday, but held at an eight-month low as the euro remained weak against the dollar, yen and sterling. August gold closed down \$3.60 an ounce at \$1,143.80 an ounce and spot gold ended the day at \$1144.60 per ounce.

Europe moved to re-open funding to Greece's stricken economy on Thursday after the parliament in Athens approved a new bailout program in a fractious vote that left the government without a majority.

The European Central Bank (ECB) will provide emergency funding for Greek lenders, although capital controls will have to remain to avoid a bank run when they reopen on Monday.

European Union finance ministers also approved 7 billion euros (\$7.6 billion) in bridging loans to keep Greece afloat, allowing it to make a bond payment to the ECB next Monday and clear its arrears with the International Monetary Fund.

Greek banks are due to reopen on Monday - three weeks after they were shut when Athens imposed capital controls. However, cash withdrawals, limited to 60 euros a day, are likely to remain rationed.

As widely expected, the ECB left monetary policies unchanged. President Mario Draghi said that asset purchase program will continue as planned and results showed that inflation expectations recovered since June. Draghi expressed his belief that the program will bring inflation back to the 2% target.

Initial jobless claims in the U.S dropped 15,000 to 281,000 in the week ended July 11, slightly lower than expectation of 282,000.

Continued economic weakness and lower commodity exports has once again forced the Bank of Canada to cut interest rates by a quarter of a percent, bringing its overnight interest rates down to 0.50%.

The bank added, in its monetary policy statement, that the Bank Rate is at 0.75% and its deposit rate is at 0.25%.

Along with its rate cut, the central bank has revised down its economic projects, now expecting the nation's gross domestic product (GDP) to expand by 1% this year and 2.5% in 2016.



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

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