



July 20, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,116.20	-\$17.10	\$1160.10	\$1,200.30	\$1310.25

Gold prices continued to slide on Friday and hit a fresh eight-month low in late-morning dealings during the U.S session on Comex. Prices fell further in Asian trading on Monday.

The U.S dollar held firm in Asia on Monday as investors looked ahead to higher interest rates from the Federal Reserve, while gold slumped to five-year lows. The price of the yellow metal ran into a wave of selling in Asia that drove it down almost 4% at one stage to as deep as \$1,088.05 an ounce. It was last at \$1,107.70

The German parliament voted in favour of starting negotiations on Greece's €86bn (£60bn) bailout deal.

On Thursday, the European Central Bank (ECB) raised the level of emergency funding available. This will allow Greek banks to reopen on Monday, but credit controls limiting cash withdrawals to €60 a day will only be eased gradually, officials say.

Separately on Friday, the European Council approved a €7bn bridging loan for Greece from an EU-wide emergency fund. The loan was approved in principle by Eurozone ministers on Thursday.

It means Greece will now be able to repay debts to two of its creditors, the ECB and International Monetary Fund (IMF), due on Monday.

China's gold reserves stood at 1,658 tons at the end of June, the central bank said on Friday, up 57%

from the last time it adjusted its reserve figures more than six years ago.

The figures make China the world's sixth largest official sector gold holder after the United States, Germany, the International Monetary Fund (IMF), Italy and France.

It last adjusted its reserve figures in April 2009, when the level was lifted to 1,054.1 tons from 600 tons.

In a statement, the People's Bank of China said investment in gold would be beneficial for risk management.

"On the basis of our assessment of the value of gold assets and our analysis of price changes, and on the premise of not creating disturbances in the market, we steadily accumulated gold reserves through a number of international and domestic channels," it said.



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

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