



July 22, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,093.20	-\$7.80	\$1154.30	\$1,196.80	\$1307.00

Gold prices were slightly softer on Tuesday, after the sharp drop in prices that took place on Monday. August gold closed down \$4.10 an ounce at \$1,102.70 an ounce and spot gold ended the day at \$1101.00 per ounce.

On Tuesday the Swiss Customs Administration released gold export data for June, which showed that total outflows from the European nation totalled 98.5 tons.

Chinese gold demand remains an important component for the overall market, despite data showing lack-lustre demand last month.

China imported 14 tons of gold from Switzerland via Hong Kong, a decline of 25% compared to May. Despite the monthly drop, China saw a significant increase in gold shipments on an annual basis. Swiss exports to China were up 368% compared to June 2014.

Credit Suisse has been a long-time bear of gold and in a note stated that they expect the price to fall to \$956 an ounce.

"The metal broke sharply below the November 2014 \$1131 low. This confirmed what appears to be a bearish "triangular" pattern, and has seen a test of the 50% retracement of the 1999/2011 rise at \$1087," CS notes.

"While it is unable to follow through below here directly, we stay bearish and expect it to be removed

in due course, to then challenge price support at \$1044/33 next, ahead of price/psychological levels at \$1006/00," CS projects.

"We would expect an effort to bounce here, but if removed would then look on to pattern targets at \$956 with scope to the 61.8% retracement level at \$890," CS adds.

Goldman Sachs Group Inc.'s Jeffrey Currie says the worst is yet to come for gold and that prices could fall below \$1,000 an ounce for the first time since 2009.

Currie isn't alone in predicting more declines. ABN Amro Bank NV's Georgette Boele and Robin Bhar of Societe Generale AG say bullion will approach \$1,000 by December. Money managers are holding the smallest net-bullish bet on gold since the U.S. government data begins in 2006. The metal has led a retreat among raw materials, as the Bloomberg Commodity Index this week fell to a 13-year low.



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

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