



July 23, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,096.80	+\$2.80	\$1145.80	\$1,186.10	\$1307.50

After falling to a five-year low on Wednesday the price of gold pared some of its earlier losses. August gold closed down \$11.40 an ounce at \$1,092.00 an ounce and spot gold ended the day at \$1094.00 per ounce.

The dollar gained against other major currencies after its biggest fall in a month in the previous session, while sterling gained in response to minutes from the Bank of England's last meeting that suggested some policymakers support higher interest rates.

News home resales in the U.S jumped to a 8-1/2 year peak and propelled the greenback to session highs.

The British pound was firmer after the minutes for the July meeting unveiled that policymakers voted unanimously (9-0) to keep the Bank rate unchanged at 0.5% and the asset purchase program at 375 billion pound.

Holdings in the world's biggest gold-backed exchange-traded fund, SPDR Gold Shares fell for a fourth day on Tuesday by another 4.8 tons, hitting their lowest since 2008. Its reserves have nearly halved from their 2012 peak.

Russia continues to add to its gold reserves and added another 800,000 ounces in June or another 25 metric ton.

Its total gold reserves now amount to 41 million

ounces or around 1,275 metric tons, with a current value of just \$48 billion. Russia's total FX reserves are \$362 billion and their gold allocation is now 13% of their total reserves.

This ranks Russia in sixth place globally in terms of gold reserves behind the U.S., Germany, Italy, France and China after their PBOC announcement last Friday.

In 2014, Russia bought more gold in than in any year since the break-up of the Soviet Union. The country acquired over 173 metric tons according to World Gold Council figures. Reserve diversification intensified after April -- averaging almost 20 tons per month.

Much of the gold bought may have come from Russian gold production which is currently at about 25 metric tons per month. In 2014, Russia was the third largest gold miner in the world at 266.2 tons, just six tons short of Australia in second place and China in first place.



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

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