



July 31, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,081.50	-\$6.40	\$1081.50	\$1,177.00	\$1297.50

Gold prices drifted lower on Thursday, as the dollar jumped ahead of U.S. economic data that is likely to strengthen expectations for an interest rate hike by the Federal Reserve in September. December gold closed down \$3.90 an ounce at \$1,089.40 an ounce and spot gold ended the day at \$1088.30 per ounce.

Spot gold dropped 1% to \$1,084.46 an ounce by 0659 GMT yesterday, after hitting a low of \$1,081.85.

Bullion sank to \$1,077 last week, its lowest level since February 2010, after a selloff in New York and Shanghai and has since struggled to recover above \$1,100.

The Bureau of Economic Analysis reported that the U.S. economy grew 2.3% in the last three months, and that first quarter growth was revised slightly higher to show positive growth between January to March.

According to the report, real GDP increased 0.6% in the first quarter, up from a negative 0.2% reading in the final report.

Economists were fairly optimistic heading into the report as consensus forecasts were calling for growth of 2.6% in the last three months.

In contrast to the first quarter, the report noted that the increase in second-quarter GDP reflected higher exports and lower imports. The data also showed increased personal consumption expenditures.

The South African rand slid to a near 14-year low on mounting fears of a hike in US interest rates.

The currency fell to a low of R12.7532 to the dollar - its lowest level against the greenback since December 2001 -and triggered inflation fears that could force the Reserve Bank to raise rates further after a 25-basis point hike last Thursday.

At 3.37pm the rand was at R12.7262 to the dollar from a previous close of R12.5446. The rand was at R13.8937 against the euro from a previous close of R13.7831 and at R19.8718 to the British pound from R19.5713 previously. The euro was at \$1.0917 from its previous close of \$1.0986.

Holdings of the largest gold-backed exchange-traded-fund, New York's SPDR Gold Trust, were unchanged at 21.87 million ounces for a second day on Tuesday. That level is the lowest since September 2008.



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

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