Dg Daily Gold Update 2013

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Gold	Today	Change	Week Ago	Month Ago	Year Ago
	$1,086.60	-$0.90	$1097.10	$1,168.40	$1293.50

Gold prices were a tad higher on Tuesday, in a lack-lustre market amid ongoing expectations for a September U.S. rate hike. December gold closed down $3.40 an ounce at $1,085.90 an ounce and spot gold ended the day at $1087.50 per ounce.

Gold has been under heavy selling pressure in recent weeks amid speculation the Federal Reserve will raise interest rates for the first time in nine years in the coming months. The central bank sounded more upbeat about the economy following its policy meeting last week, leaving the door open for an interest-rate hike as soon as September.

The U.S. Mint reported a 469% increase in July coin sales, compared to last year.

According to the U.S. Mint's sales data, 202,000 ounces of gold, representing a variety of denominations of American Eagle and Buffalo gold coins, were sold last month, compared to 35,500 ounce of gold sold in July 2014. In fact last month's sales presented the strong pace for the year.

In total, the U.S. mint has sold 571,500 ounces of gold in the first seven months of this year, up 38% compared to same time period last year.

While investors are taking advantage of the lower prices to buy physical gold, they have been liquidating holdings in exchange traded funds. According to data compiled by GLD, gold held in trust fell 38.74 tons to end July at 672.7 tons. The ETF's gold reserves are at their lowest level since March 2008.

Not only are reserves near seven-year lows, but this was the worst month of investor ETF redemptions this year since December 2014, when GLD reserves fell by almost 45 tons.

Redemptions in the ETF market have picked up substantial momentum since a positive the start of the year, when reserves rose by 49.35 tons in January. However, investor flows are now considerably negative, down 69.54 tons on the year.

The Australian dollar was marginally firmer after the RBA left the cash rate unchanged at 2.00% as expected and maintained a neutral stance.

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