



August 7, 2015

| Gold | Today | Change | Week Ago | Month Ago | Year Ago |
|------|------------|---------|-----------|------------|-----------|
| | \$1,095.00 | +\$5.50 | \$1097.10 | \$1,167.40 | \$1288.50 |

Gold prices were marginally higher on Thursday. December gold closed up \$4.20 an ounce at \$1,089.80 an ounce and spot gold ended the day at \$1088.50 per ounce.

The Bank of England (BoE) voted 8-1 to leave the bank rate unchanged at 0.5% and voted unanimously to leave the asset purchase program at 375 billion pounds. It downgraded the inflation outlook and reiterated that the future path of rates remained highly data dependent

The minutes suggested that the near-term outlook for inflation is "muted" while the decline in energy prices would weigh on inflation at least until mid-2016. The information was viewed more dovish than previously expected and as a result the British pound slipped.

The rand which weakened to R20 to the pound for the first time ever on Wednesday strengthened slightly on Thursday. At 3.33pm the rand was at R19.8153 against the pound from R19.9498. It earlier reached a best intraday level of R19.7330.

The rand was R12.7480 to the dollar from a previous close of R12.7859. On Wednesday afternoon the local unit weakened as far as R12.80 to the dollar.

Against the euro the rand was at R13.9028 from a previous close of R13.9433.

The Eurozone retail PMI rose to 54.2 in July and data provided by the Economy Ministry in Berlin showed that German factory orders surged in June. Orders,

adjusted for seasonal swings and inflation, rose 2% after sliding a revised 0.3% in May.

Germany, Europe's largest economy, is benefiting from the lowest unemployment rates since the country's reunification and a euro area that is being reinvigorated by European Central Bank stimulus and low oil prices. While the stand-off between Greece and its creditors caused a drag on some segments of the economy, the Bundesbank predicts "quite robust" growth for this year.

In other economic news, U.S initial jobless claims rose by 3,000 to 270,000 in the week ended August 1, versus expectations of 269,000. Market participants will now focus on the non-farm payroll report due out later today. It is expected to show 225,000 growth in July.



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

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