



August 14, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,116.50	+\$1.80	\$1095.00	\$1,154.00	\$1309.25

Gold prices slipped slightly on Thursday, after July U.S. retail sales data was seen leaving the Federal Reserve on track to raise interest rates as early as September. December gold closed down \$8.60 an ounce at \$1,115.00 an ounce and spot gold ended the day at \$1114.70 per ounce.

During July sales at U.S. retailers increased on growing demand for everything from cars to clothing. According to the U.S Commerce Department, retail sales rose 0.6% in July, just below the consensus forecast for a 0.7% rise, while sales for May and June were revised higher.

More people sought U.S. unemployment aid last week, but the average for the past month fell to the lowest level in 15 years, a sign that few employers are cutting jobs.

The U.S Labour Department reported that applications for jobless benefits increased by 5,000 to a seasonally adjusted 274,000 last week. Yet the four-week average, a less volatile measure, dropped 1,750 to 266,250, the lowest since April 15, 2000.

In their latest Gold Demand Trends, the World Gold Council (WGC) reported that global demand for gold fell to a six-year low in the second quarter, partly due to cooling consumer markets in India and China. Total demand for physical gold, including jewellery, investment, industrial and central bank buys, in the April-June period fell 12% year on year to 915 tons, the World Gold Council showed in their report.

Demand in the first three months fell 1% year on year.

Demand for jewellery in the second quarter fell 14% year on year to 513 tons, while investment demand dropped 11% to 179 tons.

In India, jewellery consumption fell 23% to 118 tons, while in China it dropped 5% to 174 tons.

The dip in China was due to its slowing economic growth and strong stock market in the first half, while in India there was a dearth of auspicious days for marriages, the report said.

Sentiment was also hit by cooling prices in the quarter, which fell from US\$1,134 to US\$1,086 an ounce.

In investment terms, gold demand in India fell 30% year on year, but rose 6% in China.



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

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