



August 18, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,118.70	+\$1.30	\$1106.10	\$1,114.80	\$1313.60

Gold prices were marginally higher on Monday as they held onto their biggest weekly gain in three months. December gold closed up \$5.50 an ounce at \$1,118.20 an ounce and spot gold ended the day at \$1117.40 per ounce.

In the U.S the manufacturing sector in New York lost significant momentum in August, falling sharply into negative territory, according to the latest data from the New York Federal Reserve.

The Empire State manufacturing survey fell 19 points to a reading of -14.9 in August, compared to July's reading of 3.9. According to consensus estimates, economists were expecting to see a rise in the region's manufacturing sector, forecasting a reading around 5.0.

According to the report, this is the lowest reading in the survey since 2009.

Japanese GDP dropped by 0.4% quarter-on-quarter in the second quarter this year, down from the 1.0% growth recorded in the first quarter.

The Greek Parliament approved the third Memorandum of Understanding with its European creditors last week. The government has called for a confidence vote after August 20.

The IMF has once again stated that without any debt relief, the Greek debt would become unsustainable. However, German finance minister Wolfgang Schaeuble stressed that "outright debt forgiveness doesn't work at all under European law".

Even though most of the world's gold supply continues to flow to the East, recent data shows that the demand for physical gold investment remains the highest in the West. This is mainly due to solid demand coming from German investors who are not happy with the current financial system of the European Union, including the ongoing situation in Greece.

According to the World Gold Council's Q2 2015 Demand Trend Report, German gold bar and coin demand was 24.1 metric tons for the second quarter. Thus, German physical gold investment during Q2 was 40% of the total in the West at 59.6 tons.

Data showed that Germany was in first place at 24.1 tons, with the U.S. ranked second at 12.5 tons. Switzerland came in third at 11 tons followed by other European countries.



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

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