



August 25, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,147.90	-\$7.00	\$1117.00	\$1,103.80	\$1281.00

The price of gold slipped slightly amidst a massive sell-off in global equities. December gold closed down \$5.30 an ounce at \$1,154.30 an ounce and spot gold ended the day at \$1154.90 per ounce.

The Shanghai Composite fell by some 300 points or by 8.5% and is pressing 3200. In Tokyo, the benchmark Nikkei Stock Average closed down 4.6% and the HK HSI was down over 1000 pts, or 4.5%.

The Chinese State Council announced that the USD 550 billion of pension funds are now allowed to invest as much as 30% of the net assets by the end of 2014. However such move was seen as inadequate to halt the market crash. There were expectations that China would opt for another cut in required reserve ratio (RRR), or any larger measures.

The dollar dropped against the euro and the Japanese yen as investors worried that signs of slowing growth in China will prevent the Federal Reserve from raising interest rates at its next meeting.

Investors generally regard the Japanese currency as a haven asset that retains its value during periods of geopolitical or financial instability.

The Dow Jones Industrial Average fell more than 1000 points—its biggest ever one-day point decline on an intraday basis—before paring some of the earlier losses to end down around 500 points or 3.5%.

Fears that China’s economy is slowing dramatically

sparked the heavy selling around the globe in recent days. Beijing’s unexpected move to devalue the yuan raised the alarm that the world’s second-largest economy may be in worse shape than many had thought. Since then, weak economic data has caused concerns that a decline in Chinese growth could cause a global slowdown.

According to the International Monetary Fund (IMF), Kazakhstan increased its gold reserves for a 34th month in July as Malaysia bought more bullion. Colombia reduced holdings.

Kazakhstan purchased about 2.49 metric tons to increase its holdings to about 208.14 tons, while Malaysia added 0.62 tons to 37.9 tons.

At the same time, Colombia sold 64% of its gold reserves to own 3.76 tons.



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

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