

Rand Refinery Daily Gold Update



Rand Refinery Limited | Tel: (+27) (11) 418 9000
E-mail: gold@gold.co.za | www.randrefinery.com



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Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,209	-\$3.00	\$1,211.60	\$1,220.00	\$910.00

Gold rose the most in three weeks on Friday and ended the week close to the highs of the week. A rally began in New York around 8 am New York time and continued for the next three hours. Gold futures for August delivery rose US\$13.70, or 1.1%, to US\$1,209.80 on Comex in New York, the biggest gain since June 17. On July 7, the metal touched US\$1,185, the lowest level for the most-active contract since May 24. The metal gained 0.2% this week and has climbed 10% this year.

And, in a research report Friday, Deutsche Bank said concerns about gold being overbought would only be justified if prices rose about \$1,400 an ounce. "We believe gold prices will continue to benefit from strong investment demand from both private and public sectors. We expect a resumption in U.S. dollar weakness and the possibility of regulatory action will be the catalyst for even higher gold prices going forward," they told clients.

The Canadian dollar surged on Friday in the early US session after release of much stronger than expected employment data. The job market in Canada added 93,200 jobs in June, more than four times expectation of 20,000. Unemployment rate dropped from 8.1% to 7.9%, lowest level since January 2009. Also, the Canadian economy has added more than 400,000 jobs since July 2009 and has recouped almost all the lost since recession began in second half of 2008. The US dollar as measured by the Dollar Index Dollar index is now trading at 83.94 which is down 5.3% since June 07 when it was at

88.70.

Speaking to reporters in Istanbul on Friday The President of the World Gold Council office in Turkey, said "World markets have maintained a steady growth in demand for gold, and such a trend is expected to continue in the months to come," noting that gold still remains one of the safest investment tools in markets and that such confidence is expected to increase. "We cannot say anything for certain on a possible change in gold prices; however, we all know that demand will continue to grow," he said.

In Asia today, gold prices failed to move upwards and spot gold was trading at \$1208.80/oz at 11.30 a.m Singapore time while U.S. gold futures for August delivery was seen unmoved at \$1209 an ounce.



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

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