

Rand Refinery Daily Gold Update



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Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,186.00	+\$3.90	\$1,182.40	\$1,242.50	\$956.00

Gold traded sideways to down for most of the trading day, yesterday. In India the price of the yellow metal was down for the sixth consecutive week.

August gold on the Multi Commodity Exchange (MCX) was trading 0.12 percent lower at 18,236 rupees per 10 grams at 5:30 p.m., after hitting a low of 18,216 rupees earlier. The contract has lost around 3 percent in the last five weeks. However, the lower prices are attracting dealers and traders, especially those who need to replenish stocks ahead of the upcoming festivals that continue through to November. India will celebrate the Hindu festival of Raksha Bandhan on Aug. 24, and Janmashami and Ganesh Chaturthi in September.

Several analysts believe that demand for gold bullion from India may be up more than 10 % this year compared to 2009.

Global markets were generally flat yesterday after the release of the European stress test on Friday. Positive new home sales in the USA did little to move the US stock market. New home sales rose more than expected to 330,000 annualized rate in June, compared to an expectation of 320,000. However new home sales for the prior month was revised sharply down from 300,000 to 267,000.

The U.S Dollar Index has been slipping over the last few weeks, and based on the November 2009 to June 2010 trading range of 75.03 to 89.22, this market is now testing a major 50% retracement level at 82.12. If it does not hold at these levels, a break through this level is likely to trigger a sharp move to the next

retracement level at 80 which is a psychological level as well as 61.8% retracement. A weaker US dollar combined with seasonal lows in the gold market, could be the impetus the gold market needs to resume its upward trend.

Trading in Asia was mainly dull today and spot gold traded at \$1184.90/oz at 12.00 noon Singapore time, and at 2:00 pm the price had edged up to \$1,186.00/oz. The price of gold was unchanged in early morning European trade.



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

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