

# Rand Refinery Daily Gold Update



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Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,161.00	-\$20.50	\$1,188.50	\$1,256.00	\$955.00

After trading in a fairly thin range between \$1180/oz and \$1185/oz for most of the day in Asia and Europe yesterday, prices dropped almost as soon as trading began on Comex. August gold futures hit a fresh nine-week low on Tuesday morning, and spot gold was down by more than \$20 per ounce, making a low for the day of around \$1157/oz. Part of the sell-off in Comex could be attributed to COMEX August option expiration and first-notice day on Friday.

On Tuesday the S&P Case-Shiller May housing report was released. According to the report the prices of homes rose 5.4% year-on-year. The U.S. dollar index moved higher on the news, while gold prices declined.

Technically, the drop has caused some technical damage to the current sideways consolidation pattern. The price of the yellow metal dropped below what was solid technical support at around \$1180/oz level. Comex gold futures closed near the session low. Investor buying in gold has begun to decline as investor risk appetite for US and European stocks appears to be on the upswing.

December gold closed down \$25.20 an ounce at \$1,161.80. Spot gold last traded down \$21.60 at \$1,161.00. The next level that may be tested for support could be \$1155/oz as this represents a 50% retracement from the highs of the move that began in February and peaked in June when the yellow metal hit an all time high of \$1265/oz.

The Euro struggled to stay above the \$1.30 handle

for the second time in a week, pushing the price of gold in euros back down to last Monday's 3-month low beneath €893 per ounce. All major currencies except the Japanese Yen rose versus the US dollar. The British Pound hit a new 6-month high against the US dollar and gold in sterling was down to fresh 13-week low near £745 an ounce. Gold prices held steady today in Asian trade after yesterday's plunge of nearly two percent. At 12 noon Singapore time, spot gold was trading at \$1163.50/oz. Spot gold in Zurich and London remains flat and prices are unchanged at 10:30 am Zurich time.



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

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