

# Rand Refinery Daily Gold Update



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16 August, 2010

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,221.10	+\$5.70	\$1,207.00	\$1,212.75	\$937.50

The German economy exhibited signs of a strong recovery as latest figures released showed that the Gross Domestic Products (GDP) grew 2.2 percent on the quarter, the fastest rate since the reunification twenty three years ago. However, this positive news did not have much effect on the EUR/USD perhaps due to overall eurozone Q2 GDP that showed growth of only 1.0%. Greece was still in recession with a -1.5% contraction, while the 0.2% growth in Spain and 0.4% in Italy were only modest.

Crude oil prices slumped below \$80 a barrel again this week as the Federal Reserve and other official forecasters took a dimmer view of the economic recovery. Friday's closing price for the benchmark West Texas Intermediate (WTI) futures contract of \$75.39 a barrel marked a retreat from the contract's short-lived foray outside the \$70 to \$80 a barrel range it has been trapped in for months. Prices fell nearly 7% from last Friday's close of \$80.70 a barrel.

Worries about the recovery and the possibility of a double-dip recession hit equities and commodities markets alike in the wake of the Fed statement. The Dow Jones Industrial Average lost nearly 4% on the week, closing at 10,303.

Gold prices took a breather Friday as investors sat on the sidelines after the previous day's \$17 rally. Prices stalled at around \$1215/oz pressured by a stronger dollar and the day's round of mixed economic data.

However, the yellow metal posted gains of nearly 1% on the week making it the second weekly gain for gold. Gold has gained in four out of the eight past weeks. Gold hit a six-week high on Thursday, December gold settled down 10 cents to \$1,216.60/oz at the Comex division of the New York Mercantile Exchange.

Gold prices extended their gains in Asian trade today and climbed towards \$1220 an ounce. Spot gold was trading at \$1219/oz at 12.00 noon Singapore time while December gold was quoted at \$1,221/oz. Spot gold traded at \$1220/oz in early morning European trade today.



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

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