

Rand Refinery Daily Gold Update



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



27 August, 2010

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,235.40	-\$0.90	\$1,230.70	\$1,242.50	\$941.00

Gold remained relatively flat on Thursday and traded in a range between \$1233/oz and \$1245/oz.

European stocks were fractionally higher with the European DJ Stoxx 50 up +0.45%. The Asian markets closed mixed with Japan up +0.69%, Hong Kong -0.11%, China +0.25%, Taiwan -0.61%, Australia +0.83%, Singapore -0.02%, South Korea -0.27%, India +0.26%. Japanese exporters rallied and led Japanese stocks higher as the yen weakened against the dollar.

The US dollar gained slightly after slightly better than expected job data. Initial jobless claims improved to 473,000 versus expectation of 488,000 after jumping to above 500,000 for the first time since November in the prior week. One of the main reasons for a lackluster day in the currencies is that traders are awaiting an up-date on the outlook on the economy following a symposium that is currently taking place in Wyoming where ECB Trichet and BoJ Shirakawa, plus other central bank officials are attending. Bernanke will deliver a speech later today.

Crude oil rose the most in more than three weeks and jumped as much as 2 percent after the Labor Department in Washington reported initial jobless claims for the week ended Aug. 21.

According to the World Gold Council's updated supply and demand statistics, total gold demand in Q2 2010 rose by 36% to 1,050 tons, largely reflecting strong gold investment demand compared to the second quarter of 2009. In US\$ value terms, demand

increased 77% to \$40.4 billion. Investment demand was the strongest performing segment during the second quarter, posting a rise of 118% to 534.4 tons compared with 245.4 tons in Q2 2009. The largest contribution to this rise came from the ETF segment of investment demand, which grew by 414% to 291.3 tons, the second highest quarter on record. Physical gold bar demand, which largely covers the non-western markets, rose 29% from Q2 2009 to 96.3 tons.

December gold slipped \$3.60 to \$1,237.70 an ounce on the Comex division of the New York Mercantile Exchange after peaking at \$1,246, its strongest level since July 1. Shortly after the Comex closed, spot gold was down \$5.60 to \$1,234.40. Gold prices have remained unchanged today and spot prices in Singapore were \$1234.60/oz at 12.00 noon Singapore time.



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

© 2010 all rights reserved.

Information contained herein has been obtained from sources believed to be reliable, but its accuracy cannot be guaranteed. Any opinions expressed herein reflect judgements at this date and are subject to change without notice.