

Rand Refinery Daily Gold Update



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11 August, 2010

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,198.50	-\$5.00	\$1,194.50	\$1,196.25	\$943.50

On Tuesday, the Asian markets closed lower with Japan down -0.22%. Hong Kong -1.50%, China -2.83%, Taiwan -0.72%, Australia -1.18%, Singapore -0.36%, South Korea -0.47%, India -0.37%. China's Shanghai Stock Index closed sharply lower yesterday on evidence that Chinese economic growth is slowing after July China imports rose 22.7% year-on-year, below market expectations of a 30.0% gain and the slowest pace of import growth in 9 months. July property prices in 70 major Chinese cities climbed +10.3% year-on-year, the slowest pace of gains in 6 months. The BOJ left its benchmark interest rate at 0.10%, as expected, following its policy meeting today and kept their assessment of the economy unchanged.

The FOMC monetary policy meeting statement that was released yesterday did not contain any surprises, but it did say the U.S. economy's growth track will be more modest than the Fed had expected in recent months.

"The pace of economic recovery is likely to be more modest in the near term than had been anticipated," the Federal Open Market Committee said in a statement after meeting today in Washington. "To help support the economic recovery in a context of price stability, the Committee will keep constant the Federal Reserve's holdings of securities at their current level." The Fed retained a commitment to keep its benchmark interest rate close to zero for an "extended period."

The dollar fell against the yen and erased most of its

gains versus the euro after the Federal Reserve said it will reinvest principal on its mortgage holdings into long-term Treasury securities to bolster the economy. The dollar weakened 0.8 percent to 85.26 yen at 3:00 p.m. in New York. The greenback rose 0.2 percent to \$1.3194 per euro, after earlier gaining as much as 1.1 percent.

After making a low of \$1190/oz, at 8:00 am New York time, the price of gold recovered and rallied above the \$1200/oz soon after the statement released by the FOMC. The most active contract, December gold, hit a high for the day of \$1,209.90 an ounce on the Comex division of the New York Mercantile Exchange. Spot prices for gold dipped below \$1200/oz mid afternoon Hong Kong time today and at 10 am Zurich time, spot was trading at \$1198/oz.



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

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