

Rand Refinery Daily Gold Update



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Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,222.30	-\$2.40	\$1,198.80	\$1,204.75	\$934.00

Gold touched its highest level in nearly two months on Tuesday, boosted by a weaker dollar and expectations of further buying by investors concerned about financial stability and looking for perceived safe haven assets. During the London session spot gold hit \$1,228.45/oz -- its highest level since July 1,

The euro rebounded against Sterling and the Swiss Franc on the back of solid bond sales. Ireland sold its 2014 and 2010 bonds at bid-to-cover ratios above 3 times with yield on the 10 year paper also lower comparing to last month's tender. Spain sold EUR 5.15 billion of 12- and 18-month T-bills, slightly exceed target of EUR 5.5 billion. The solid results eased recent concern on Eurozone funding markets.

US housing starts rose slightly from revised 537,000 to 546,000. PPI jumped sharply from 2.8% year-on-year to 4.2% year-on-year as expected while core CPI rose to 1.5% year-on year.

U.S. stocks broke a five-day losing streak and jumped more than 1% on the back of Potash Corp. of Saskatchewan Inc.'s rejection of suitor BHP Billiton Ltd. , and retailing giant Wal-Mart Stores Inc.'s earnings topped estimates. The DJIA was up around 1.4% and the S&P 500 Index rose 19.18 points, or 1.8%, to 1,098.56.

Gold futures prices on Comex closed firmer and hit another fresh six-week high Tuesday. December gold last traded up \$1.30 an ounce at \$1,227.50/oz Spot

gold was last quoted up \$0.10 at \$1,226.00/oz.

Spot gold was trading at \$1225. 81/oz ounce at 12.00 noon Singapore time today, while U.S. gold futures for December delivery were steady at \$1,227.50/oz. Although the current prices attracted selling of gold scrap from holders in Indonesia and Hong Kong, volume was small.

The world's largest gold-backed exchange-traded fund, SPDR Gold Trust, said its holdings rose to 1,294.604 tons by Aug. 17 from 1,286.699 tons on Aug. 12. The holdings hit a record at 1,320.436 tons on June 29.



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

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