

# Weekly Gold Market Update

by SPDR® Gold Strategy Team

## **This Week's Highlights: US jobs data boosts outlook for Fed tightening**

- Gold prices fell by 0.6% to US\$1,258/oz for the week ending August 4 (YTD: 9.8%) as US jobs data boosts outlook for Fed tightening.
- Macroeconomic growth in the US was positive for the week due to better-than-expected job numbers, however, wage and labor participation rates need to significantly rise in the months ahead for another rate increase in 2017.
- US non-farm payrolls rose by 209,000 for July which was higher than the Bloomberg estimate of 180,000 while labor force participation improved to 62.9% for July from 62.8% in June. Average hourly earnings increased by 0.3% for July from 0.2% in June.
- According to the World Gold Council, Q217 global gold demand of 953.4t was 10% lower than 1,055.6t in Q216, while 1H demand slowed 14% to 2,003.8t.
- Gold COMEX positions show a 4.0moz increase in net speculative long positions to 14.3moz for the week ending August 1 from 10.3moz for the prior week. Long and short positions increased by 1.8moz and 2.2moz respectively.
- Gold ETFs saw an outflow of 0.1moz, or US\$149m, for the week ending August 4 for total holdings of 66.2moz, or US\$83.2bn, according to Bloomberg data.
- Bullion continues to look technically bullish in the near term as it remains over the technical 50-, 100- and 200-day moving average.

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