

Weekly Gold Market Update

by SPDR® Gold Strategy Team

This Week's Highlights: Gold fell as US 10-year Treasury yield rose to the highest level in more than two months

- Gold prices fell by 1.1% to USD1,242/oz (YTD: 8.4%) for the week ending June 30 as market participants positioned ahead of the US holiday on July, 4 and US 10-year Treasury yield climbing 16bps last week to 2.30%, dampening demand for non-yielding assets.
- However, bullion investors may find relief in crude oil's recent price gains a week after WTI crude oil fell to the year's low of US\$42/bbl given the historical positive correlation between gold and crude oil.
- While gold price in US dollar terms fell 1.9% during the month of June, gold was able to post an 8.2% gain in the first half of 2017.
- India's latest Goods and Services Tax (GST) came into effect on July 1 with gold currently taxed at 3%, nearly 1% higher than what it was prior to the GST.
- COMEX gold futures showed a 2.9moz decrease in net long positions held by money managers to 7.7moz for the week ending June 27 from 10.5moz for the prior week. Gross long positions decreased, while short positions increased.
- Gold ETFs saw an inflow of 0.5moz, or US\$650m, for the week ending June 30 for total holdings of 60.7moz, or US\$75.4bn, according to Bloomberg data.
- Gold remains stuck in a tight technical trading range between the 50-day moving average of US\$1,254/oz and the 200-day moving average of US\$1,236/oz.

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