

Gold, silver, copper prices fall

ADELLA HARDING Mining Editor | Posted: Thursday, September 22, 2011 6:03 pm

ELKO - Gold prices were on a downward spiral today as economic fears grew, and investors were selling gold to cover other losses in the markets.

The Associated Press reported the price of silver fell 9.6 percent. And gold fell 3.7 percent after earlier in the summer setting one record after another.

Investors wanted gold both as a safe place for their money and to cash in on what seemed an unstoppable run. Gold, which was as high as \$1,907 two weeks ago, finished at \$1,741.70 on the futures market.

The spot gold price on the New York Mercantile Exchange closed today at \$1,736 an ounce, down \$44.30. The London afternoon fix price was at \$1,722 an ounce, compared with \$1,793 an ounce on Wednesday.

Investors began giving in to fears today that a global recession is already under way, and stock markets shuddered around the world., AP reported.

Selling started in Asia, picked up speed in Europe and sent Wall Street near its worst finish of the year.

The Dow Jones industrial average lost 391 points and at one point was down more than 500, a return to the volatility that gripped the market this summer.

One financial indicator after another showed that investors are losing hope that the global economy can keep growing. The price of oil and metals such as copper, which depend on economic demand, fell sharply. Traders bought Treasury bonds and the dollar for safety, according to AP.

Richard Baker, who writes the Eureka Miner blog stated early today before later gold selling prices: "A day when COMEX gold drops \$71.10 an ounce is bad enough until you realize that gold is actually doing quite well compared to copper, oil and silver."

"We are witnessing a 'crash' in copper prices nearly touching the \$3.50 per pound level at \$3.5180 a pound, a drop of nearly 7 percent in one day," he wrote.

Gold producers saw their prices drop, with Barrick Gold Corp. shares at \$48.76, down \$4.56, Newmont Mining corp. shares at \$65.24, down \$2.44, Goldcorp Inc. shares at \$47.69, down \$3.59 and Kinross Gold Corp. shares at \$15.75, down \$1.25.

The latest slippage in gold prices came a day after the Denver Gold Forum ended in Colorado Springs, Colo., where mining executives expressed optimism that the gold price climb.

"I think there is a lot of optimism on the gold price as hanging in at \$1,800," said Tom Winmill, the portfolio manager of the Midas Fund.

"Generally speaking, it was a very upbeat tone."

He said there was talk about dividends that usually isn't the case at the forum.

Newmont announced an enhanced dividend based on the price of gold, new for the industry.

Winmill said there was also a lot of interest in Barrick Gold Corp.'s announcement on two new gold finds near the Cortez Hills operations in Nevada.

"It could be really exciting," he said in a telephone interview Wednesday.

Winmill also said he was impressed with Victoria Gold's holdings in the area of the Barrick discoveries.

Barrick announced earlier this month that the Red Hill and Goldrush discoveries in Eureka County near Cortez Hills show promise and have the potential to become world-class deposits.

Newmont Mining Corp.'s Long Canyon Project also is "one of the more exciting projects," Winmill said.

Long Canyon is in Elko County, and Newmont is planning to begin the mine-permitting process early next year.