

## Recession fear grips markets: silver, gold tumble

27<sup>th</sup> September 2011



Gold and silver prices tumbled today as the dollar gained more strength amid lingering recession fear. Spot gold dropped by more than 4 per cent to \$1,582.69 an ounce, bringing losses so far this month to 13 per cent, the biggest decline since the financial crisis in October 2008. Cash silver lost 14 per cent to an eight-month low of \$26.65, on course for the biggest daily drop in almost three years.

Gold for immediate delivery was seen trading at \$1609.89 an ounce after hitting as low as \$1604.29 an ounce in early trade. US gold for December delivery was at \$1608.41 an ounce on the comex division of Nymex after dropped to a low of \$1607.2 an ounce in early trade.

The bullion suffered a decline of 8.6 per cent last week, its sharpest such drop in more than 28 years as US gold declined to its biggest daily drop in more than five years.

Analysts said the precious metals are likely to extend losses during the day after greenbacks safe haven appeal increased as it gains more strength against a basket of currencies including euro.

Silver prices declined by a whopping 36 per cent below their previous week's close of \$40.78 per ounce and closed the week ended Friday, September 23, 2011, at \$30.05 per ounce, down almost 40 per cent from their all-time peak of \$49.79 per ounce made on April 25 this year. Spot silver fell another \$4, or 11 per cent, this morning and traded at a seven-month low of \$26.05 per ounce today. This was silver's steepest daily plunge in nearly three years, analysts maintain.