

**MEDIA ALERT**

**NOT FOR IMMEDIATE RELEASE**  
**EMBARGOED UNTIL APRIL 22, 2008, AT 8:30 AM ET**

**GOLD PRICE REACHES ALL-TIME HIGH AS CREDIT CRISIS  
CONTINUES TO WEIGH ON MARKETS**

*Investors move to gold looking for a safe haven and dollar hedge*

**April 22, 2008** – The continued fallout from the credit crisis and depreciation of the dollar led to increased purchases of gold as a safe-haven asset and dollar hedge during the first quarter, pushing the price to an all-time high of \$1011/0z (on the London PM fix) on March 17, according to the World Gold Council's latest *Gold Investment Digest*.

Increased volatility continued to be a common theme across the financial markets as news of sub-prime related write downs, aggressive interest rate cuts and weak economic data hit home. Gold navigated these perilous waters well and proved to be slightly less volatile than equities and significantly less volatile than other commodities. Price volatility rose to a quarterly peak of 28% on March 20, while silver and palladium volatilities jumped to 70% in late March, and the S&P 500 index volatility rose to 29%.

“The ongoing credit crisis and increased market volatility in the first quarter caused investors to seek safe haven investments, pushing the price of gold to a new all-time high,” said Natalie Dempster, investment research manager, World Gold Council. “Although the gold price did not escape the volatility of the markets entirely, it did remain less volatile than other asset classes.”

*Gold Investment Digest* is a concise and comprehensive analysis of investment trends and economic indicators that influence investment interest in and the demand for gold.

Highlights from *Gold Investment Digest* for the first quarter include the following:

**Investment trends**

- The gold price reached a new record of \$1011/0z (on the London PM fix) on March 17, 2008.

# WORLD GOLD COUNCIL

www.gold.org

- Investors bought 72 tonnes of gold in exchange-traded funds in Q1, taking total holdings to 943 tonnes (\$28 billion) at the end of March.
- Gold price volatility rose to a quarterly peak of 28% on March 20; however, equities and other commodities volatile spiked even higher during the quarter.

## **Market trends**

- Gold – and commodities in general – continue to outperform bond and equity markets throughout the quarter.
- The US dollar fell to another record low on a trade-weighted basis in Q1.
- The Fed was the most aggressive of the world's central banks, lowering interest rates by a total of 200 basis points over the quarter.

## **Key economic indicators**

- The Institute for Supply Management reported that activity has been contracting both in the manufacturing and services sector since February.
- More than a quarter of a million people lost their jobs in the US during the first quarter.
- Retail sales in the US declined by 0.6% month-over-month in February, as households spent less money on items such as cars and eating out.

\*\*\*The following statistics reflect trends established in the Q4, the most recent data available at this time. Comprehensive first quarter supply and demand statistics and analysis will be released by the World Gold Council in mid-May in the *Gold Demand Trends* report.\*\*\*

## **Gold market trends**

- The value of gold jewelry spending reached a record \$54 billion last year, a rise of 21% over the previous year.
- Industrial demand rose 1% in 2007 in tonnage terms setting a new annual record at 461 tonnes. This was equivalent to a 16% increase in dollar terms.
- Last year, South Africa lost its position as the world's leading gold mining country, with output slipping to just 270 tonnes, well short of the 700-800 tonnes a year it was extracting in 1970s.

The *Gold Investment Digest* can be downloaded at [www.gold.org](http://www.gold.org). Users will need to register, which is free of charge. At the same address, users can access a range of investment statistics, which we have completely overhauled to extend the country coverage and make the materials easier to download.



# WORLD GOLD COUNCIL

[www.gold.org](http://www.gold.org)

For further information, or should you like to learn more about investment in gold, please contact:

US Contact  
Lauren Carmody  
203.378.1152 ext 106  
[lcarmody@cjpc.com](mailto:lcarmody@cjpc.com)

UK Contact  
Matt Graydon  
+ 44 207 826 4716  
[matthew.graydon@gold.org](mailto:matthew.graydon@gold.org)

Notes to Editors:

To extend and enhance the reach of the World Gold Council's investment research programme, French, German, Italian, Dutch and Flemish language versions of the Investing in Gold web site have been launched. This will allow the investment case for gold to be communicated more clearly and effectively across Western Europe and beyond. Additional language versions are likely to follow to serve the investment community in Asia and the Far East. [www.invest.gold.org](http://www.invest.gold.org)

## **World Gold Council**

The World Gold Council (WGC), a commercially-driven marketing organization, is funded by the world's leading gold mining companies. A global advocate for gold, the WGC aims to promote the demand for gold in all its forms through marketing activities in major international markets. For further information visit [www.gold.org](http://www.gold.org).

###

