



January 7, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,213.20	-\$6.10	\$1190.50	\$1,195.00	\$1237.50

Gold prices continued to advance on Tuesday despite a stronger U.S. dollar and lower crude oil prices. February gold closed up \$12.10 an ounce at \$1,216.10 an ounce and spot gold ended the day at \$1,219.30 per ounce.

U.S. stocks dropped sharply on Tuesday, with the S&P 500 falling below 2,000 for the first time in nearly four weeks while crude prices fell further, with U.S. oil down 4.6% and below \$48 a barrel.

The U.S. dollar climbed against the currencies of major U.S. trading partners and the 10-year Treasury yield fell 9 basis points to 1.9446%.

The price of gold rallied to the highest in three weeks as concerns on Europe's economy mounted, spurring demand for haven assets. On Monday, gold priced in euros soared through technical resistance at €1,000 an ounce and is currently holding on to those gains, trading around €1,020 an ounce.

Not only is Europe on the brink of an economic recession, Greece is once again a threat as speculation rises that it might leave the Eurozone, following the results of its Jan. 25 election.

According to, George Gero, precious metals strategist and vice president at RBC Capital Markets Global Futures, most of the safe haven demand is coming from Eastern Europe but it wouldn't take much to attract Western investors.

"Gold has become noticeable again," he said. "Until

yesterday, you had four safe havens, oil, stocks U.S. dollar and gold. Now you only have two the U.S. dollar and gold

Meanwhile the price of oil futures for February delivery dipped \$2.28, or 4.6%, to \$47.76 a barrel on the New York Mercantile Exchange.

And, in other economic news the U.S Institute for Supply Management's non-manufacturing index declined to 56.2 last month from 59.3 in November

UK PMI services dropped sharply to 55.8 in December versus expectation of 58.5. That's the lowest level since May 2003.

Also released from Europe, Eurozone PMI services were revised down to 51.6 in December. Italy PMI services dropped sharply to 49.4 in December.



About the author: David Levenstein is an independent precious metals market commentator with more than 30 years experience.

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