Dg | Daily Gold Update | 2013

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Gold	Today	Change	Week Ago	Month Ago	Year Ago
	$1,227.60	+$4.20	$1193.60	$1,228.25	$1232.25

Gold prices rallied on Friday despite the release of a positive employment report from the U.S. The price of gold spiked during mid-morning New York time after the release of the latest non-farm payroll report and after a small correction continued to advance. February gold closed up $32.10 an ounce at $1216.10 an ounce and spot gold ended the day at $1223.40 per ounce.

The price of the yellow metal gained after a government report showed American earnings unexpectedly declined in December, even as payrolls increased.

According to the U.S. Labour Department, 252,000 jobs were created last month, slightly higher than consensus estimates of around 245,000 jobs. . The unemployment rate dropped to 5.6 percent from 5.8 percent in November. The rate is at its lowest point since 2008.

Nearly 3 million more people are earning pay checks than at the start of 2014. That's the largest annual job gain since 1999. Gas prices have also fallen sharply, which will give consumers a further boost in the coming months.

Most economists forecast the U.S. economy will expand more than 3% this year, which would mark the first time in a decade for growth to reach that level.

The demand for physical gold increased from China last week as banks and retailers stocked up for the upcoming Lunar New Year holiday, pushing up local premiums.

Chinese premiums, as seen on the Shanghai Gold Exchange, the platform for all physical trade in the mainland, rose to a high of $7 an ounce last week compared to around $4 an ounce a few weeks ago.

The buying from China has helped the global bullion price stay above $1,200 an ounce, traders said.

"We saw consistently strong buying this week," said a trader in Shanghai. "Premiums and volumes are better than what we saw in the last month."

The strong purchases are likely to continue until the New Year holiday in February, he said.

Premiums in Singapore and Hong Kong remained mostly steady while Tokyo prices were at a discount.

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