



January 13, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,238.50	+\$5.10	\$1208.70	\$1,218.00	\$1246.00

Gold prices continued their advance to score a four-week high on Monday mainly due to safe-haven demand caused about concerns about the European Union's economic and financial health. February gold closed up \$18.30 an ounce at \$1,234.50 an ounce and spot gold ended the day at \$1,233.40 per ounce.

The price of spot gold hit 4-week highs peaking at \$1236.90 per ounce while the price in euros reached new 16-month highs to trade at slightly above 1045 euros an ounce.

U.S. Treasury bonds and other major government debt prices held flat as Greece's borrowing costs eased back on the market and Eurozone equities rose more than 1.2%.

Oil prices slumped more than 5% to hit a fresh 5.5-year low. Brent crude was down \$2.36 to \$47.75 a barrel by 1:44 p.m. EST, after dropping to \$47.16, its lowest since April 2009 and WTI was down \$2.07 at \$46.30 after earlier hitting \$45.90, also near a six-year low.

The sharp drop in prices occurred after Goldman Sachs slashed its outlook, saying oil could tumble to the low \$40s.

Goldman said that despite declining investments in U.S. shale oil, production will take longer to fall. The bank cut its three-month forecasts for Brent to \$42 a barrel from \$80 and for the U.S. futures contract to \$41 from \$70.

The unrelenting fall that has wiped nearly 60% off prices since June shows no sign of letting up, with many traders giving up attempts to predict a bottom even amid growing signs that U.S. shale drillers are hitting the brakes.

Saudi Arabia, the world's biggest oil exporter, has said it will not support prices by cutting production and ignored calls from smaller OPEC members, including Venezuela, to react to falling oil prices at the cartel's November meeting.

The U.S. dollar index is higher and is near last week's 10-year high. Gold's resilience in the face of the stronger greenback and falling oil prices is also an encouraging signal for gold market bulls.



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

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