



January 15, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,228.70	-\$0.40	\$1208.40	\$1,210.75	\$1238.00

Gold prices rallied in early U.S. trading Wednesday, after the release of a downbeat U.S. economic report. February gold closed up \$2.40 an ounce at \$1,236.80 an ounce and spot gold ended the day at \$1,229.10 per ounce.

The price of the yellow metal jumped after the U.S. Department of Commerce showed that retail sales in the U.S. slumped in December by the most in almost a year.

The 0.9%, the biggest since January 2014, followed a 0.4% gain in November that was smaller than previously estimated.

Global stock markets came under some selling pressure due to some negative trader sentiment on account of world economic growth worries. Late Tuesday the World Bank lowered global growth forecast in 2015 to 3.0%, down from June projection of 3.0%. For 2016, global growth was projected to be 3.3%, down from prior 3.5%. It noted that risks to the global economy are "significant and tilted to the downside," including increasing volatility in the markets, intensifying geopolitical tensions and stagnation in Eurozone and Japan.

Nonetheless, for 2015, US growth forecast was set to rise to 3.2%, up from June forecast of 3.0%. Eurozone growth projection was lowered to 1.1%, down from prior 1.8%. Japan growth forecast was lowered slightly to 1.2%, down from prior 1.3%.

China growth forecast was also lowered to 7.1%, down from June's forecast of 7.5%.

During 2014, gold transactions at the Shanghai Gold Exchange increased by nearly 60% when compared with transactions in 2013.

A total of 18,500 tons of gold were traded last year, a rise of 59.17% from 2013, according to data from the exchange.

The CME Group announced the launch of physically delivered Gold Kilo Futures contracts to begin trading on January 26, 2015, pending all regulatory review periods.



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

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