



January 19, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,275.70	-\$4.60	\$1192.40	\$1,210.75	\$1241.00

Gold prices jumped to the highest since September on Friday with the price of the yellow metal hitting an intra-day high of \$1283.40 an ounce. Spot gold ended the day at \$1280.30 an ounce, up \$17.70 on the day.

The price of gold priced in euros also jumped sharply, hitting 20-month highs above €1000 per ounce as the euro sank to new 10-year lows against the U.S. dollar. Gold priced in Sterling jumped to £840 per ounce, gaining 4.3% for the week to reach 16-month highs.

Gold prices gained by around 5% last week as the yellow metal continued to show its safe-haven appeal after the Swiss National Bank (SNB) unleashed total carnage in the marketplace especially for those traders who were short the Swiss franc against the euro in anticipation of continued support of the peg.

The euro fell 14% against the franc after the announcement, in an unprecedented move for a major currency.

There have already been major casualties following the SNB's announcement, including Interactive Brokers which lost \$120 million, and Deutsche Bank which lost \$150 million.

Even the SNB itself saw 12% of its reserves – about 60 billion francs – walk out the door. FXCM, the largest US currency broker, fell 90% in pre-market trading before being halted in anticipation of news related to yesterday's event.

The continual lack of any real economic growth in Europe also boosted speculation that policy makers at the European Central Bank (ECB) will introduce a full-scale quantitative easing program, and announce that they will purchase about €500 billion in sovereign bonds at the Jan. 22 monetary policy meeting has increased demand for a store of value.

It seems that investors are scrambling for a safe haven after the surprise move by the SNB to remove the franc's peg against the euro and in anticipation of looser monetary policy from the European Central Bank.

The dollar rose to the strongest level in 11 years against the euro which headed for its biggest weekly loss since May 2011 versus the yen.



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

© 2013 all rights reserved.

Information contained herein has been obtained from sources believed to be reliable, but its accuracy cannot be guaranteed. Any opinions expressed herein reflect judgements at this date and are subject to change without notice.