Dg | Daily Gold Update | 2013

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Gold	Today	Change	Week Ago	Month Ago	Year Ago
	$1,292.40	-$1.70	$1275.70	$1,177.00	$1259.25

Although gold prices ended in negative territory on Friday, they ended another week with gains. After breaking through the key resistance level of $1,300-level, hitting a five-month high on Thursday, the price of the yellow metal slipped back below this level to end the $1294.10 an ounce down $8 an ounce on the day.

Russia, the fifth-biggest holder of gold boosted reserves for a ninth month. The Central Bank of the Russian Federation added another 600,000 troy ounces of gold to their official reserves---and these reserves now stand at 38.8 million ounces up from 38.2 million ounces in December.

Russia has more than tripled its gold holdings since 2005 and holds the most since at least 1993. With the huge fall in the Russian ruble against the U.S. dollar, due to the drastic drop in the oil price and economic sanctions over the annexation of Crimea and disputed military involvement in Donbass in the Ukraine, the gold price has hit huge new all-time highs in the Russian currency – trading close to 85,000 rubles per ounce. The ruble has fallen by almost 50% in the past 12 months.

The latest purchase equals about 18.7 metric tons, similar to amounts bought in November and October, and compares with 37.3 tons added in September.

The euro dropped to an eleven year low against dollar and a seven year low against Sterling after the ECB announced its quantitative easing program. The currency has also come under additional pressure due to the uncertainties over Greek election.

The Bank of Canada (BOC) cut its overnight rate to 0.75% from 1% in January so as to insure against the risks of further decline in oil prices on inflation and financial stability. Policymakers saw downward pressure on headline inflation from lower energy prices while upward pressure could come from the depreciation of Canadian dollar.

The BOC also revised lower its growth and inflation outlook, suggesting further easing cannot be ruled out in coming months.

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