



February 5, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,279.90	-\$1.80	\$1276.00	\$1,193.70	\$1257.00

Gold prices were choppy on Wednesday but edged slightly higher as China took steps to shore up economic growth amid signs of a deepening slowdown, boosting demand for the metal as a store of value. April gold closed up \$4.90 an ounce at \$1,268.90 per ounce.

China reduced the amount of cash lenders must set aside as reserves in a bid to increase liquidity, after capital outflows and weaker manufacturing. The PBoC lowered the reserve requirement ratio for banks by 50 bps to 19.5%, effective today. Another 0.5% cut would also be implemented targeting some city commercial banks and rural banks. It's reported that after having the biggest capital outflow since 1998 during last quarter, today's act is a counter measure. Also, some noted that it also signals a shift to growth policy in the country.

Volumes for the Shanghai Gold Exchange's benchmark spot contract climbed to a the highest in almost seven weeks before a week-long break starting later this month.

According to government data released this week, Switzerland exported gold worth 65 billion Swiss Francs last year.

The report showed that Switzerland shipped 1,747.17 tons of gold worth 65 billion Swiss Francs (CHF). The average price per ounce was EUR 965.18. The largest buyers were India (471 tons), Hong Kong (377 tons) and China (213 tons). Germany was ranked 5th with a total of 88.54 tons worth 3.3 billion CHF (2.75 bn.

EUR).

Swiss gold imports amounted to 2,205.95 tons worth 64.85 billion CHF last year. Most of the gold came from England. London shipped 652 tons of gold worth 23.9 billion CHF. That was the equivalent of 36,673 CHF (30,561 EUR) per kilo, or 950 Euros per ounce converted. Other major suppliers were the USA (211.57 tons) and Russia (58.25 tons).

Traders and investors are now awaiting Friday's January U.S. jobs report, which is arguably the most important U.S. economic data point of the month. Forecasts call for the key non-farm payrolls number to be up 237,000 in January.

The January ADP national employment report released on Wednesday was up 213,000. That number was just a bit less than the 225,000 rise expected.



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

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