



February 9, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,241.00	+\$7.70	\$1278.80	\$1,211.00	\$1260.00

Gold prices fell sharply on Friday after U.S. Labour Department released a better-than-expected nonfarm payrolls report for January. The price of spot gold ended the week at \$1233.30 an ounce, down \$31.20 an ounce on the day.

The price of the yellow metal dropped by more than 3% to settle at their lowest level since mid-January after an encouraging U.S. jobs report provided support for the dollar, drawing investors' attention away from the haven metal.

The Bureau of Labour Statistics said 257,000 jobs were created in January, down from December's revised level of 329,000; December's initial report said 252,000 jobs were created. November's employment data was also revised higher to 423,000, from 353,000.

According to consensus reports, economists expected to see about 236,000 jobs created last month.

The unemployment rate for January was 5.7%, slightly up from December's reading of 5.6%; economists were expecting an unchanged reading. Economists noted that the rise in the unemployment rate was probably the result of an increase in the participation rate, which ticked higher to 62.9% from the previous level of 62.7%.

Some analysts believe that the solid jobs number has hawkish implications with regard to Fed policy as investors speculate that strong U.S. data increases the likelihood of a rate hike sooner than later, which

is bearish for gold.

Canada added 35,400 jobs in January, far surpassing the slight gain that economists had been expecting. Although, most of the jobs were part time, the strong figure was enough to tick the jobless rate down by one-tenth of a percentage point, to 6.6%.

The economy added almost 50,000 part-time jobs in the month, but that was partly offset by a loss of more than 11,000 full-time jobs.

According to data from the Shanghai Gold Exchange (SGE), nearly 54 tons were withdrawn in week 4 (January 26 – 30), which means that a staggering 255 tons has been withdrawn in January.



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

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