



February 17, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,223.70	-\$4.20	\$1242.80	\$1,261.00	\$1231.75

Gold prices were a tad higher on Monday on low volumes traded on Comex as trading of precious metals was restricted to the morning due to Presidents Day in the United States. The price of spot gold ended the day \$1227.90 per ounce.

Talks between Greece and Eurozone finance ministers over the country's debt crisis broke down on Monday when Athens rejected a proposal to request a six-month extension of its international bailout package as "unacceptable".

The unexpectedly rapid collapse raised doubts about Greece's future in the single currency area after a new leftist-led government vowed to scrap the 240 billion euro (\$272.4 billion) bailout, reverse austerity policies and end cooperation with EU/IMF inspectors.

The European Central Bank will decide on Wednesday whether to maintain emergency lending to Greek banks that are bleeding deposits at an estimated rate of 2 billion euros (\$2.27 billion) a week. The state faces some heavy loan repayments in March.

Economic news from Japan showed that the country's GDP grew an annualized 2.2% in the last quarter of 2014. However, the recovery from six months of contraction was weaker than forecast.

Economists had mostly forecast growth at an annualized rate of about 4.0% for the last quarter, following two straight quarters of contraction after the sales tax rose on April 1 to 8% from 5%.

For much of 2014, the world's third largest economy stagnated, neither shrinking nor expanding as the recession, which was triggered by a sales tax hike in April, cancelled out the growth that occurred at the beginning and end of the year.

Japanese Prime Minister, Abe, has attempted to spur growth by pumping massive amounts of money into the economy, primarily through central bank asset purchases similar to those used in the U.S. under the Federal Reserve's quantitative easing policy.

However, while the ultra-loose monetary policy is meant to spur inflation and keep credit costs low, Japan still remains far short of the government and central bank's inflation target of 2%.



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

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