



February 18, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,207.50	-\$2.30	\$1237.70	\$1,270.50	\$1314.00

Gold prices plunged on Tuesday, breaking below key support at the 100-day moving average and dropping near 6-week lows at \$1213 per ounce despite the breakdown of Greek bail-out talks, and reports that the ceasefire in eastern Ukraine has failed to hold, with pro-Russian separatists seizing the town of Debaltseve. April gold closed down \$19.70 an ounce at \$1,207.30 an ounce and spot gold ended the day at \$1209.80 per ounce.

Gold snapped a three-day rally on Tuesday, losing as much as 1% as investors remained cautious after a breakdown of debt talks between Greece and Eurozone finance ministers, while demand from China decreased ahead of the Lunar New Year holiday.

Greece may request an extension of its loan agreement for six months, and it appears that Prime Minister Alexis Tsipras's government intends to make the request today in Brussels.

Greece and euro-area members have been at odds over the formula used to extend the country's 240 billion-euro (\$274 billion) rescue beyond its end of February expiry. Finance-minister level talks broke up on Monday evening in Brussels without another round being scheduled.

It would appear from the reaction in gold prices, that Greece and the Troika will come to some kind of agreement and that there will not be any Greek exit from the Eurozone.

Investors typically seek safety in bullion during times of uncertainty.

Large futures traders and gold speculators sharply cut back on their overall bullish bets last week as positions decreased for a second straight week, according to the latest Commitment of Traders (COT) data released by the Commodity Futures Trading Commission (CFTC) on Friday.

The non-commercial futures contracts of Comex gold futures, traded by large speculators and hedge funds, totalled a net position of +155,274 contracts in the data reported through February 10th. This was a weekly change of -29,741 contracts from the previous week's total of +185,015 net contracts that was registered on February 3rd.



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

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