



February 20, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,208.00	+\$0.80	\$1230.00	\$1,277.60	\$1313.75

Gold edged lower on Thursday as the dollar rebounded versus the euro as traders assessed the latest standoff over the financial crisis in Greece.

April gold closed up \$8.20 an ounce at \$1,208.40 an ounce and spot gold ended the day at \$12017.20 per ounce.

Gold prices traded higher most of the day on Thursday as traders were still digesting Wednesday afternoon's release of the minutes from the latest Federal Open Market Committee (FOMC) meeting of the Federal Reserve. But, later most of the price gains were erased.

The price of gold fell to a six-week low of \$1,197.56 on Wednesday, when investors believed that there was a chance of a successful resolution to Greece's debt talk. Then, on Thursday, the German finance ministry rejected a new proposal from Athens for an extension of its bailout programme, saying it fell short of the conditions set out by Greece's Eurozone partners.

Failure to reach an agreement could trigger a bank run and a move into gold as a safe-haven asset.

Gold imports into India are set to jump in coming months after the central bank eased gold import curbs.

The Reserve Bank of India (RBI) has lifted the ban on imports of gold coins and medallions by banks and trading houses.

The RBI in a notification also said banks are permitted to import gold on consignment basis. Domestic sales will be, however, permitted against upfront payment only.

"While the import of gold coins and medallions will no longer be prohibited, pending further review, the restrictions on banks in selling gold coins and medallions are not being removed."

In an attempt to curb the widening current account deficit (CAD), in August 2013, the central bank prohibited imports of gold coins and medallions besides restricting inbound shipments of the metal.

According to the notification, "banks are free to grant gold metal loans," and that Star and Premier Trading Houses (STH/PTH) can import the metal as per entitlement without any end use restrictions.



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

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