



February 26, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,211.30	+7.10	\$1215.30	\$1,292.50	\$1340.00

Gold prices inched higher on Wednesday after data showed that U.S. new home sales fell less than expected in January, easing concerns over the health of the housing sector. April gold closed up \$4.60 an ounce at \$1,201.90 an ounce and spot gold ended the day at \$1204.20 per ounce.

The U.S. Commerce Department said new home sales fell by 0.2% to 481,000 units last month, compared to expectations for a decline of 1.3% to 475,000.

New home sales in December were revised up to 482,000 units from a previously reported 481,000 units.

There was upbeat economic data coming out of China, the world's second-largest economy, on Wednesday. China's flash manufacturing purchasing managers index came in at 50.1 in February from 49.7 in January. A reading above 50.0 suggests growth. The February reading was the highest in four months.

In the US, Federal Reserve chief Janet Yellen continued a second day of testimony in Congress.

Greece's list of economic reforms was accepted by the country's creditors on Tuesday, paving the way for an extension of the bailout for another four months. The Greek government has promised to continue with privatization plans and to meet budget targets.

German Chancellor Angela Merkel welcomed the

agreement but admitted that there remains "a lot of work."

Key creditor Germany has insisted that aid must come with strings attached, and other European countries have provisionally backed a list of reforms proposed by Athens. Germany's Parliament is expected to give its approval on Friday.

Merkel said that "we must continue along this road" but it "will of course remain challenging, I have no illusions about that."

According to data from the International Monetary Fund (IMF) the Eurozone increased its gold holdings by 7.437 tons to 10,791.885 tons in January.

Although the increase in gold holdings was small in terms of tonnage and in percentage terms, it does show that ECB continues to view gold as an important monetary asset.



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

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