



February 27, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,209.00	-\$0.20	\$1208.00	\$1,280.80	\$1331.00

After spiking to \$1221.40 per ounce during the London session, on Thursday, the price of spot gold pared earlier gains after stronger-than-expected U.S. data lifted the dollar. Gold prices ended the day a tad higher but well down from its intra-day highs. April gold closed up \$7.00 an ounce at \$1,208.50 an ounce and spot gold ended the day at \$1209.20 per ounce.

The U.S. dollar climbed to a one-month high against a basket of currencies as data on U.S. inflation and business orders revived confidence in the world's biggest economy and supported bets the Federal Reserve will raise interest rates in the middle of the year.

The greenback also got support from remarks by St Louis Federal Reserve chief James Bullard, who said the strong dollar was having only a marginal impact on U.S. monetary policy and the economy.

According to the Bureau of Labour Statistics, its consumer price index dropped 0.7% on a seasonally adjusted basis last month, compared to December's decline of 0.4%. On an annual basis the report said that headline inflation decreased 0.1%, the first negative reading since October 2009.

The dollar index was up by 1% at 95.224. At the same time, the euro tumbled 1.4% against the greenback, slumping to a one-month low at \$1.1198 on the EBS trading system. It slipped to three-week lows versus the yen, last down 0.9 percent at 133.70 yen.

Data released from the Hong Kong Census and Statistics Department showed that China's gold imports from Hong Kong increased in January from the previous month, reflecting increased demand ahead of the Lunar New Year. Net gold imports from Hong Kong climbed to 76.118 tons last month from a three-month low of 71.381 tons in December.

China's gold imports via Hong Kong dropped to 813.13 tons last year from a record 1,158.16 tons in 2013.

The Hong Kong data, however, might not provide a full picture of Chinese purchases as there are imports shipped directly through Shanghai and Beijing for which no official figures are available.



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

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