Dg Daily Gold Update 2013

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Gold	Today	Change	Week Ago	Month Ago	Year Ago
	$1,207.70	+$1.80	$1199.40	$1,283.10	$1334.25

Gold prices pared earlier gains on Monday after hitting the highest in almost two weeks as gains for equities cut demand for haven assets. April gold closed down $5.00 an ounce at $1,208.10 an ounce and spot gold ended the day at $1205.90 per ounce.

In a surprise move, the People's Bank of China (PBoC) lowered the benchmark one-year loan rate by 0.25% to 5.35%. The one-year deposit rate was also cut by 0.25% to 2.50%. A central bank official noted that the two main reasons for the cut are deflationary risks and slowdown in property markets. The cut was also a follow up to last November's rate cut, which was first in two years, and measures of lowering the bank reserve ratio.

According to the latest data from the Institute for Supply Management (ISM), the U.S. manufacturing sector continued to lose momentum.

The ISM's Purchasing Managers Index showed a reading of 52.9% in February, down from January's reading of 53.5%. According to consensus reports, economists expected to see a relatively small decline to 53.4%.

U.S. equities rallied on Monday, with the Nasdaq composite crossing 5,000 for the first time in 15 years, while the dollar touched an 11-year high on expectations the Federal Reserve will raise interest rates later this year.

The Dow Jones industrial average jumped 155 points to 18,288, the S&P 500 gained 12 points to 2,117 and the Nasdaq Composite finished up at 5,008.

Brent crude futures fell nearly 5% in London to below $60 a barrel after Iran said a deal on its nuclear program could be reached this week if the West lifts sanctions, which could boost the country's oil exports.

The U.S. dollar climbed to its strongest level since September 2003 against a basket of currencies. The dollar index was 0.2% higher in late trading at 95.478.

In the bond market, Spanish, Italian and Portuguese yields fell to record lows as investors looked forward to the start of the European Central Bank's quantitative easing program later this month.

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