



March 5, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,200.50	+\$0.30	\$1211.30	\$1,270.70	\$1333.50

Gold prices slipped slightly on Wednesday extending the previous day's losses, as the U.S. dollar index that posted an 11.5-year high. April gold closed down \$3.90 an ounce at \$1,200.50 an ounce and spot gold ended the day at \$1200.20 per ounce.

According to the U.S Federal Reserve, the U.S. economy has been growing at a moderate pace through mid-February despite severe winter storms that had disrupted activity in some regions.

The Fed says that six of its 12 regions had reported moderate growth with modest gains seen in most other areas. The Boston district said businesses in its area remained upbeat despite a series of huge snowstorms.

The Fed survey found that consumer spending was up in most districts, travel and tourism was increasing and manufacturing had shown solid gains with aerospace companies in the San Francisco region forecasting a record year.

The latest ADP employment report for February showed an increase of 212,000, which was in line with expectations that were for a rise of around 215,000. Traders and investors are starting to look ahead to Friday's U.S. jobs report, which is arguably the most important economic report of the month. The key non-farm jobs number is expected to be up 240,000 in February.

The Indian Union Budget 2015 disappointed jewellers

and the bullion trade as the expected cut in import duty on gold from 10% did not happen. The high rate has been responsible for elevated levels of gold smuggling, they say.

"For the gem and jewellery industry, the only reaction is disappointment," Vipul Shah, chairman, Gem Jewellery Export Promotion Council, said. "The budget overlooked a significant area to curb black money and a long-pending demand from the industry to reduce the gold import duty."

India's central bank unexpectedly cut a key interest rate by a quarter percentage point, the second such reduction this year.

The latest cut lowers the policy repo rate, at which commercial banks can borrow from the Reserve Bank of India, to 7.5%. The Reserve Bank of India cut the rate by a quarter point in January.



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

© 2013 all rights reserved.

Information contained herein has been obtained from sources believed to be reliable, but its accuracy cannot be guaranteed. Any opinions expressed herein reflect judgements at this date and are subject to change without notice.