



March 6, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,197.50	-\$0.50	\$1208.90	\$1,266.90	\$1334.25

The price of gold remained in a very tight trading range on Thursday as prices continued to hover around the \$1200 an ounce level. April gold closed down \$3.50 an ounce at \$1,197.40 an ounce and spot gold ended the day at \$1198.00 per ounce.

In the U.S, initial jobless claims jumped to 320,000 in the week ended February 28, slightly above expectations and also hitting the level in 5 months.

The European Central Bank (ECB) has become a little bit more optimistic about the Eurozone's economic growth. As widely expected the ECB left policies unchanged. ECB president, Mario Draghi, unveiled more details of his €1.1 trillion quantitative easing programme, saying Europe's central bank would start to buy bonds from 9 March.

During the press conference, following the monetary policy meeting, Draghi presented updated staff projections. The central bank now expects Eurozone GDP to increase by 1.5% this year, up from December's forecast of 1.0%. Economic growth is also expected to expand by 1.9% in 2016, up from the previous forecast of 1.5%, and for 2017 the central bank expects to see growth of 2.1%.

The Bank of England (BoE) left the bank rate unchanged at 0.50% and held the asset purchase target at GBP 375 billion as widely expected. Only a brief statement was released and focus will turn to meeting minutes to be published on March 18.

The London Bullion Market Association (LBMA) believes the gold industry is ready for wholesale

reform, including a tailor-made mechanism to report daily turnover and potential clearing following 2014's shake-up of benchmarks.

The transparency of financial markets has been a focus of global regulators after evidence of price manipulation in lending rates between banks with the LIBOR scandal in 2012.

Both gold and silver were included in a list of seven benchmarks that will be regulated by Britain's watchdog Financial Conduct Authority (FCA) from April.

More than \$5 trillion worth of gold transactions are made over the counter in London every year. The OTC market, where trades are executed via dealer networks as opposed to a centralized exchange, exceeds the trading of gold futures.



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

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