



March 9, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,172.20	+\$3.50	\$1218.00	\$1,241.00	\$1348.25

Gold prices fell sharply on Friday in one of the largest one-day falls in two weeks on the release of the latest employment report from the U.S. April gold dropped \$31.90 an ounce, or 2.7%, to settle at \$1,164.30 an ounce on Comex while spot gold ended the week at \$1168.70 per ounce, down \$29.30 on the day.

The U.S. Labour Department reported that non-farm payrolls increased by 295,000 in February, topping forecasts for a rise of 238,000. And, the unemployment rate fell to 5.5% from 5.7%.

A very strong U.S. dollar mixed with low inflation expectations and policy makers intent on stimulating economic have put some pressure on gold as a store of value. The latest jobs report has also stoked fears about a rise in the Fed's interest rates.

The Dow Jones Industrial lost almost 300 points and the yield on the U.S. 10-year bond increased.

The overall picture for gold isn't as bad as it seems. Priced in non-US dollar currencies, gold has still been a very good trade this year. Priced in euros, gold is up 11.37% year-to-date while gold in JPY and GBP is holding on to much-smaller gains.

The jobs report pushed the U.S. dollar higher against a basket of currencies, as the U.S. dollar Index soared 1.36% or 1.31 to 97.71. The euro also reached an 11-year low against the dollar for the third consecutive day, dropping 1.62% or 0.178 to 1.0850. The euro is down more than 10% against the U.S. dollar this year.

In South Africa, the local currency the Rand fell below 12 to the U.S. dollar. At 4.58pm on Friday, the rand was trading at R12.04 against the dollar, a level last reached in December 2001, from Thursday's close of R11.83.

Against the euro the rand was at R13.08 from a previous close of R13.05 and at R18.16 against the British pound from Thursday's close of R18.03.



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

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