



March 10, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,160.80	-\$6.00	\$1207.70	\$1,242.80	\$1334.25

Gold continued to trade near a three-month low on Monday, amid growing expectations for higher interest rates in the U.S. as early as June. April gold closed up \$2.90 an ounce at \$1,167.20 an ounce and spot gold ended the day at \$1166.90 per ounce.

The robust jobs report released on Friday in the U.S. has fuelled expectations that the Federal Reserve will start raising interest rates as early as June.

The euro was relatively steady against the greenback as the European Central Bank (ECB) began its purchases of government bonds under its new stimulus program. Apparently, the ECB bought German, Italian, French and Belgian bonds.

Meanwhile, European yields were mostly lower in response to the purchases.

The financial woes of Greece have once again come under focus. Eurozone finance ministers met in Brussels to discuss the next disbursement of financial aid for Greece. But it's reported that Eurogroup chief Jeroen Dijsselbloem said that the Greek proposals weren't complete and that the country wasn't likely to receive an aid tranche this month.

Greek finance minister Yanis Varoufakis warned that Greece may hold a referendum on whether to accept financial-aid terms demanded by its international creditors, according to several news reports.

In a note, UBS downgraded its one and three month forecasts for precious metals.

"Within a three-month time-frame, we expect the precious metals complex to come under pressure mainly on the back of gold, as market participants anticipate the first Fed rate hike," the bank said.

The one-month gold price forecast was revised to \$1,200 per ounce, from a previous \$1,240, while the three-month estimate was altered to \$1,170 from \$1,200.

"Seasonality suggests that gold may be vulnerable to the downside up ahead. According to historical patterns, physical demand tends to be slow during this period, but some restocking in China and the anticipation of the Akshaya Tritiya festival in India in late April could offer some support to the market in the weeks ahead, limiting further downside," it added.



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

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