



March 13, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,158.80	+\$6.10	\$1197.50	\$1,230.00	\$1371.00

Gold prices were flat on Thursday as the U.S. dollar softened marginally after hitting multi-year highs on Wednesday. April gold closed up \$2.80 an ounce at \$1,153.40 an ounce and spot gold ended the day at \$1152.70 per ounce.

The U.S. dollar seemed to face resistance at around the 100 handle on the dollar index after trading at 100.060, a level not seen since April 2003. However, the dollar index is still on track to end the week up more than 2%, extending last week's 2.5% rally.

An unexpected fall in U.S. retail sales gave the market an excuse to sell the dollar, which promptly retreated from a 12-year high against a basket of major currencies.

Retail sales were down 0.6% from January and up 1.7% year-on-year. A rise of 0.3% was expected.

Initial jobless claims dropped by 36,000 to 289,000 in the week ended March 7, better than expectations of 306,000.

With no major market-moving economic data due out today, the dollar could continue to consolidate ahead of next week's meeting of the Federal Reserve's Open Market Committee (FOMC) to determine U.S. monetary policy actions.

The Reserve Bank of New Zealand left interest rates unchanged and indicated that rates are likely to remain at current levels till around 2017.

At the same time, the Bank of Korea's (BoK)

monetary policy board cut the nation's benchmark interest rate by 25 basis points to a record low 1.75% - defying expectations for a fifth straight month of no change at 2.00%.

In October the BoK trimmed rates by 25 basis points following no change in September. The BoK also pared the rate by 25 basis points from 2.50% in August.

Prior to that, the central bank had kept the rate unchanged for 14 straight meetings - since May 2013, when it trimmed rates by 25 basis points from 2.75% to 2.50%.



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

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