



March 16, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,161.30	+\$2.70	\$1172.20	\$1,222.50	\$1370.00

Gold prices were rather choppy on Friday as prices tended to drift lower, hitting an intra-day low of \$1150.50 an ounce at around mid-morning New York time. Afterwards, the price pared some of its earlier losses to end marginally higher on the day. The price of spot gold ended the week at \$1158.60 an ounce, up \$5.90 per ounce on the day.

According to various news reports, Venezuela's central bank is in talks with Wall Street banks to create a gold swap that would allow it to monetize some \$1.5 billion of the metal held as international reserves.

The move would help the government of President Nicolas Maduro boost its hard currency position as the OPEC nation struggles with soaring consumer prices, chronic product shortages and a shrinking economy caused by low oil prices.

Under the swap, the central bank would provide 1.4 million troy ounces in exchange for cash, said a central bank source. After four years, it would have right of first refusal to buy the gold back, added the source, who asked not to be identified.

The ongoing talks involve at least two institutions, Bank of America and Credit Suisse, the source told Reuters.

The banks and Venezuela's central bank did not immediately respond to requests for comment.

Russia's central bank cut its key interest rate on Friday by one percentage point to 14% in an attempt to stimulate the flagging economy.

It is the second interest rate cut in as many months as the Central Bank reverses some of the sharp rate increases it made in December — when it hiked them from 10.5% to 17% — to support the then-collapsing rouble.

In a statement, the Central Bank explained the rate cut was because "the balance of risks has shifted in the direction of a more significant cooling of the economy." It said it was careful not to exacerbate inflation, which hit an annual rate of 16.7% in February.

The bank predicts Russia's economy will shrink by between 3.5% and 4% this year, while the Economic Development Ministry forecasts a 3% drop.



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.