



March 20, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,171.10	+\$0.10	\$1158.80	\$1,208.00	\$1327.00

Gold prices managed to hold onto recent gains on Thursday as the U.S. dollar rebounded broadly after posting steep losses the previous session following a much more cautious Federal Reserve statement on interest rates than expected. April gold closed up \$17.00 an ounce at \$1,168.20 an ounce and spot gold ended the day at \$1171.00 per ounce.

Following the Fed's statement on Wednesday, the dollar suffered its biggest one-day fall against the euro and sterling in six years. Against the Swiss franc, it posted its worst daily performance since Jan. 15, when the Swiss National Bank removed a peg on the Swiss franc against the euro. Against the yen, the dollar had its weakest day since December.

However, the dollar managed to recover much of the post FOMC losses as investors seem to remain bullish on the greenback.

In the statement the Fed issued after its policy meeting on Wednesday, the U.S. central bank removed reference to being "patient" on rate rises but downgraded its views on the economy and inflation and lowered its interest rate trajectory.

Switzerland's central bank has left rates unchanged driving the franc up 0.4% against the euro to 1.0583 francs. The dollar was up by 1.5% versus the franc.

A handful of banks will start setting gold prices electronically today as the Intercontinental Exchange dispenses with the century-old gold "fix".

Since 1919, representatives from four or five banks have agreed a twice-daily price on which their customers - producers, consumers and investors - could trade and value gold.

ICE Benchmark Administration (IBA), a subsidiary of ICE, was chosen to provide a physically settled, electronic and tradeable auction for what will become the LBMA (London Bullion Market Association) Gold Price.

Current providers of the gold "fix", Barclays, HSBC, Bank of Nova Scotia and Societe Generale, declined to comment on whether they will participate.

According to sources, the Industrial and Commercial Bank of China, Bank of China International and China Construction Bank, which are ordinary members of the LBMA, were unlikely to be in the list of new participants at this stage.



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

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