



March 24, 2015

| Gold | Today | Change | Week Ago | Month Ago | Year Ago |
|------|------------|---------|-----------|------------|-----------|
| | \$1,187.80 | -\$1.50 | \$1155.60 | \$1,199.40 | \$1322.00 |

Gold prices extended last weeks' gains as the U.S dollar fell further against a basket of currencies. April gold closed up \$3.10 an ounce at \$1,187.80 an ounce and spot gold ended the day at \$1189.30 per ounce.

The newly launched gold price fix mechanism - The LBMA Gold Price - ran without a hitch on Friday. In a press release issued Monday, the association's chief executive, Ruth Crowell, said. "I'm delighted that Friday's launch went smoothly and that now all four precious metals prices have been successfully transitioned to independently administered, electronic auctions." Like its predecessor, the new fix runs twice daily at 10:30am and 3:00pm London time. "Within the process, aggregated gold bids and offers are updated in real-time with the imbalance calculated and the price updated every 45 seconds," the release explains.

Participants include Barclays Bank, Goldman Sachs International, HSBC Bank USA NA, Societe Generale, The Bank of Nova Scotia - ScotiaMocatta and UBS, the LBMA notes.

The latest report from the Shanghai Gold Exchange showed that 51.456 tons was withdrawn for the week ending March 13.

It appears that Q1 withdrawals could be as much as 600 tons plus or minus. This compares with around 564 tons in Q1 2014 – the highest Q1 figure recorded to date. In 2013, which turned out to be a record full year for SGE withdrawals, the Q1 figure was only 463

tons.

Meanwhile dealers in India say that they expect to see an increase in demand on the back of festival related buying ahead of Akshaya Tritiya, which falls April 21. And, according to reliable sources, In February, India imported 35 metric tons of gold. And according to reliable sources, in the first 10 days of March, 25 metric tons had already been imported into the country.

However, gold smuggling remains rife with the number of seizures reported as having risen to 3,412 for the first 10 months of the 2014-15 fiscal year, versus 2,450 for the previous year.

Data from the Central Bank of the Russian Federation showed that for the second month in a row the Russian central bank didn't add any gold to their reserves.



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

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