



March 27, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,200.50	-\$3.60	\$1171.10	\$1,208.90	\$1295.00

Gold prices pushed above \$1200 an ounce on Thursday, hitting a four week high as escalating tensions in the Middle East prompted some new safe haven buying. April gold closed up \$7.30 an ounce at \$1,204.40 an ounce and spot gold ended the day at \$1204.10 per ounce.

Saudi Arabia and its allies' air strikes against Iran-backed rebels in Yemen have created a new region of geopolitical tension.

U.S. stocks fell and oil prices leapt after Saudi Arabia and its Gulf Arab allies launched air strikes in Yemen to counter Iran-allied forces besieging the southern city of Aden.

The price of spot gold made an intra-day high of \$1220 an ounce.

"If the situation in the Middle East did not improve, prices could continue to rise, but otherwise they are likely to fall back below \$1,200," Commerzbank commodity analyst Daniel Briesemann said.

Earlier this month gold prices fell to a four month low of \$1142 an ounce on expectations that the Federal Reserve may raise interest rates for the first time in nearly a decade. However, prices bounced from that low, after the U.S. central bank sounded caution over economic growth and the pace of any rate increases after its policy meeting last week.

According to the U.S. Labour Department, initial jobless claims in the U.S. fell by 9,000 to a

seasonally adjusted 282,000 during the week to Saturday.

Indian consumers' appetite for gold continues to increase with imports in 2014-15 rising to a four-year high, close to levels seen before import restrictions were imposed. Gold smuggled into the country, which has increased in the past two years due to a high 10 per cent import duty, is estimated at 200 tons a year by the World Gold Council.

Gold imports for 2014-2015 financial year is estimated at 945 tons which is 48% more than 2013-14. The import bill, however, is estimated to have increased only 16% to \$33.28 billion, owing to lower prices globally.



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

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