



March 30, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,188.00	-\$10.40	\$1183.20	\$1,205.00	\$1294.00

Gold prices were slightly weaker on Friday despite escalating tensions in the Middle East. The price of spot gold ended the week at \$1198.40 an ounce, down \$5.70 an ounce on the day.

The price of gold received a small boost last week on news that Saudi Arabia began a military intervention in Yemen. However, after the price rallied strongly, the upward momentum failed to continue as prices hit strong resistance at around the \$1200 an ounce. Nevertheless, gold is likely to remain sensitive to Middle East developments.

Yemen's embattled president on Saturday called Shiite rebels who forced him to flee the country "puppets of Iran," directly blaming the Islamic Republic for the chaos there and demanding airstrikes against rebel positions continue until they surrender.

Meanwhile, Saudi Arabia says military intervention in Yemen will continue until the country is "stable and safe". The Saudi-led Operation Decisive Storm has the support of several Arab League members. It was sparked by Wednesday's rebel advance towards Aden.

The latest report from the U.S. Department of Commerce showed that the U.S. economy ended 2014 slightly weaker than economists were expecting. .

According to the report, fourth-quarter GDP rose 2.2% on a seasonally adjusted basis, unchanged

compared to the preliminary report. The report also showed that for the entire year GDP increased by 2.4%, up from 2.2% in 2013.

The global gold producer hedge book grew in the fourth quarter of 2014 by 1.45 million oz., or 45 metric tons (mt), a trend that is likely to continue in 2015, Societe Generale said on Friday.

For full-year 2014, net hedging totalled 3.33 million oz. (103 mt), the largest annual volume of net hedging since 1999, the Swiss bank said in conjunction with analytics firm GFMS.

"This meant that total supply from the mining industry in 2014 rose to an all-time high, at 104.06 million oz. (3,237 mt) and left the global producer hedge book at end-December standing at 6.26 million oz. (195 mt)," the Global Gold Hedge Book Analysis 2014 Q4 said.



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

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