



April 2, 2015

| Gold | Today | Change | Week Ago | Month Ago | Year Ago |
|------|------------|---------|-----------|------------|-----------|
| | \$1,202.80 | -\$0.30 | \$1204.10 | \$1,218.00 | \$1284.00 |

Gold prices surged on Wednesday, breaking back above \$1200 an ounce again after disappointing U.S. employment data raised speculation that the Federal Reserve would delay raising interest rates. June gold closed up \$21.70 an ounce at \$1,204.90 an ounce and spot gold ended the day at \$1203.10 per ounce.

Gold's rally started early in the U.S. session after private payrolls processor ADP reported that the March ADP national employment report, a precursor to governments, non-farm payroll report showed net hiring at 189,000 in March, which was significantly below market expectations of around 225,000.

According to the report, this is the lowest job growth since January 2014.

Gold prices received a further boost driving prices above \$1,200 an ounce, following disappointing manufacturing data from the Institute for Supply Management (ISM).

ISM said its Purchasing Managers Index showed a reading of 51.2% in March, below the consensus of 52.5%. The data shows that the manufacturing sector has been steadily losing momentum since the start of the year.

Investor demand for gold ended the first quarter of 2015 in positive territory, despite significant declines in March, according to the latest data from SPRD Gold Shares, the world's biggest gold-backed exchange-traded product (ETP).

Data compiled by the ETP shows that, as of Tuesday, investor inflows boosted its gold reserves by 28.22 tons to 737.24 tons in the first three months of the year. The quarterly rise is an increase of almost 53% compared to the first quarter of 2014, which saw positive flows of 18.46 tons. However, most of the gains made so far this year came in January.

The GLD data shows that investor flows were negative in March as its gold reserves declined by 26.25 tons, the biggest monthly decline since December 2013.

January inflows saw GLD's reserves jump by 49.35 tons to 758.37 tons the highest monthly increase since July 2011. February was relatively neutral as GLD's gold reserves increased by 4.5 tons.



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

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