



April 9, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,194.80	-\$7.40	\$1203.10	\$1,172.20	\$1299.00

Gold prices fell on Wednesday, but managed to hold above the \$1200 an ounce level as trader sentiment turned negative after the release of the latest Federal Open Market Committee (FOMC) minutes. June gold closed down \$12.40 an ounce at \$1,198.10 an ounce and spot gold ended the day at \$1202.20 per ounce.

The latest Federal Open Market Committee (FOMC) minutes from last month's meeting showed that FOMC members disagreed widely on when they might begin lifting interest rates from record lows.

Minutes of the March 17-18 meeting showed that several policymakers predicted a rate hike in June, while others concerned about low inflation didn't think a rate hike would be warranted until later this year. Still others said the economy wouldn't be strong enough for an increase until 2016.

Policymakers signalled in a statement after their March meeting that rates might rise later than many investors had anticipated, and some Fed officials have noted that the dollar's rally does affect the economy

The Fed's benchmark interest rate has been near zero since December 2008.

The dollar index traded up 0.22% at 98.03 after trading down at 97.80 for the day, while the euro hit a session low of \$1.0763, down nearly 0.5% against the greenback.

The yen also lost ground against the greenback following the release of the minutes. The dollar last traded at 120.30 yen after trading at 119.82 shortly

ahead of the release.

The dollar has strengthened in recent months, in part due to the performance of the U.S. economy against the rest of the world, and anticipation of tighter U.S. policy.

At the moment the Fed is the only central bank in the world talking about tightening policy while other central banks are talking about easing.

As expected, the Bank of Japan (BoJ) did not change its current monetary policy. The BoJ maintained the pledge to increase its monetary base at annual pace of JPY 80 trillion and hold the interest rate near zero.



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

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