



April 13, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,200.30	-\$7.00	\$1214.00	\$1,158.90	\$1309.75

Gold prices advanced for the first time in four days on Friday, after holdings in exchange-traded products backed by bullion posted the largest increase in more than six weeks. The price of spot gold ended the week \$1207.30 an ounce, up \$13.80 an ounce on the day.

According to data compiled by Bloomberg On Thursday, gold-backed ETP holdings increased by 3.9 metric tons, the most since Feb. 23, to 1,620.1 tons. Holdings in the SPDR Gold Trust, the top bullion ETP, had the biggest jump in two months.

ETP holdings have increased by 21.7 tons so far this year after declining 164.4 tons in 2014, a second annual drop.

Gold prices quoted in euros jumped towards their second-best weekly close in two years, rising 3.9% from before Easter as the single currency sank and spot gold jumped back above \$1200 per ounce in Dollar terms.

Gold priced in euros touched €1140 as the single currency fell below \$1.06. And, in sterling the price of gold was up 1.4% to reach 9-week highs above £825 per ounce – a record high when first touched on the day of the 2010 ballot.

Hong Kong's de facto central bank stepped in for a second day to prevent the currency from rising against the US dollar as demand surged for the city's stocks.

The Hong Kong Monetary Authority bought US\$1.7

billion (RM6.23 billion) during the Hong Kong day yesterday at HK\$7.75 (RM3.66) a dollar, the upper limit of a convertibility range that triggers intervention. It bought an additional US\$1.46 billion during New York hours. On Thursday, it had added US\$400 million, in the first injection since August 2014.

Hong Kong's 32-year-old peg came under pressure as the city's benchmark Hang Seng Index jumped 7.9%.

Hong Kong pegged its currency to the US dollar in 1983 when negotiations between China and the UK over the city's return to Chinese rule spurred capital outflows. In 2005, policy makers committed to limiting the currency's decline to HK\$7.85 per dollar and capping gains at HK\$7.75.



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

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