



April 15, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,191.10	-\$0.80	\$1211.00	\$1,163.50	\$1317.25

Gold prices were softer on Tuesday, but managed to rebound from the daily lows. June gold closed down \$6.90 an ounce at \$1,192.50 an ounce and spot gold ended the day at \$1191.90 per ounce.

The euro rallied against major currencies on Tuesday after the release of U.S. retail sales and the producer price index for the month of March.

According to the U.S Department of Commerce, retail sales increased 0.9%. That was the largest gain since March last year and snapped three straight months of declines that had been blamed on harsh winter weather.

The US dollar came under some selling pressure after the IMF lowered its growth forecast for the US economy in its world economic outlook update. For 2015, US growth forecast was revised down to 3.1%, compared to its previous estimate of 3.6%.

Growth projections for the U.S. in 2016, was also lowered from 3.3% to 3.1%.

At the same time, the IMF forecast that the 18 European countries that use the euro currency collectively will expand by 1.5% in 2015 and 1.6% in 2016, up from a January forecast of 1.2% growth this year and 1.4% next. The Eurozone grew just 0.9% last year.

The fund expects Japan to grow 1% this year and 1.2% next year, versus an earlier forecast of 0.6% this year and 0.8% in 2016. The Japanese economy shrank 0.1% in 2014.

The IMF did not change its forecast for China and still maintains that the Chinese economy will grow 6.8% this year and 6.3% in 2016. That marks a sharp deceleration from last year's 7.4% expansion, already the slowest for China in two decades.

India will overtake China as the fastest growing emerging economy in 2015-16 by hitting a growth rate of 7.5%, the IMF reported on Tuesday. IMF's growth projection of India, however, is lower than the estimates of the Finance Ministry and the RBI. The Finance Ministry expects GDP growth to be 8-8.5% in 2015-16, while the Reserve Bank of India (RBI) has estimated it at 7.8%.

Global growth projection for 2015 was left unchanged at 3.5% while that for 2016 was raised by 0.1% to 3.8%.



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

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