



April 16, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,207.40	+\$5.90	\$1194.80	\$1,161.30	\$1324.50

Gold prices rallied back above the \$1200 an ounce level on Wednesday after some weaker-than-expected U.S. economic data released prompted some short-covering. June gold closed up \$4.20 an ounce at \$1,196.80 per ounce and spot gold ended the day at \$1201.50 per ounce.

U.S. Industrial production fell short of expectations, while the Empire State manufacturing survey was also downbeat. U.S industrial production dropped more than expected by 0.6% in March versus expectation of 0.2%. And the Empire State Manufacturing index dropped sharply to -1.2 in April. The figure is lowest level since December.

The negative reading for the New York Federal Reserve Bank's index added to recent signs of slow U.S. expansion and eased concerns that the economy is strong enough for policy makers to start raising interest rates.

As widely expected, the ECB left monetary policies unchanged. The ECB has no plans to curb or curtail its money-printing program, although it expects the Eurozone economic recovery to broaden and strengthen.

In the post meeting press conference, ECB president, Mario Draghi said that "there's clear evidence that the monetary policy measures we've put in place are effective." And, he expressed optimism for "the economic recovery to broaden and strengthen gradually." Draghi also promised to maintain the current quantitative easing program until September

2016 or until there is "sustained adjustment" in inflation.

The BoC left the Bank Rate unchanged at 0.75%. The central bank noted in the statement that recent drop in CPI was "temporary effects of sector specific factors and pass-through of the lower Canadian dollar have offset the disinflationary forces from slack in the economy."

Economic news from China shows that Chinese GDP growth slowed to 7% year-on-year in 1Q15, the slowest pace since 4Q09 and down from 7.3% in the previous quarter.

According to the latest Beige Book account, the Fed's 12 districts did report strength in real estate and housing. However, manufacturing in recent days has been "weak" and retail sales "mixed."



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

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