



May 5, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,188.60	+\$0.80	\$1201.20	\$1,210.00	\$1283.00

Gold prices bounced off the previous session's six-week low on Monday, but remained under pressure as the U.S dollar firmed while buyers remained cautious on the timing of a US interest rate hike. June gold closed up \$12.60 an ounce at \$1,187.10 an ounce and spot gold ended the day at \$1187.80 per ounce..

The metal fell sharply at the end of last week from a peak of \$1,215 an ounce after the US Federal Reserve indicated that it saw a recent slowdown in the US economy as transitory and did not rule out an interest rate rise this year.

The Reserve Bank of Australia cut interest rates by a quarter percentage point at its board meeting, as many economists had expected. That brings the central bank's policy interest rate to an all-time low of 2%, providing additional monetary support for stocks and other financial assets. Australia's economy is struggling as growth slows in China, its major market for iron ore and other commodity exports.

Eurozone PMI manufacturing was revised slightly higher to 52.0 in April, up from initial estimate of 51.9. German PMI manufacturing was revised up to 52.1, Italian manufacturing PMI rose to 53.8. but the French PMI manufacturing was revised lower to 48.0 while Spanish PMI manufacturing dropped to 54.2. The Swiss, SVME PMI dropped to 47.9 in April, below expectation of 48.2.

The final reading of HSBC China manufacturing PMI

came in at 48.9 in April, down from initial estimates of 49.2 and lower than the previous month's 49.6. The figure is the lowest level since April 2014.

The world's biggest gold-backed exchange-traded product (ETP) showed investment flows were modestly positive last month.

According to data compiled by SPRD Gold Shares, investor inflows for all of April totalled 2.12 tons. This is up significantly from March, where investor outflows totalled 26.25 tons.

The data also shows that May is off to a positive start as ETPs saw inflows of 2.39 tons Friday, the first trading day of the month.

As of Friday, the ETPs total gold holdings stood at 741.75 tons.



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

© 2013 all rights reserved.

Information contained herein has been obtained from sources believed to be reliable, but its accuracy cannot be guaranteed. Any opinions expressed herein reflect judgements at this date and are subject to change without notice.