



May 13, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,192.90	-\$0.20	\$1193.80	\$1,200.40	\$1292.75

Gold prices rallied by 1% on Tuesday as the dollar and European shares suffered from a sell-off in global bond markets. June gold closed up \$9.10 an ounce at \$1,192.10 an ounce and spot gold ended the day at \$1193.10 per ounce.

A sell-off in many bond markets including U.S. Treasuries, European and Japanese bonds pressured the greenback and prompted some demand for gold.

The dollar index, which measures the U.S. currency against a basket of major peers, fell 0.6%. U.S. 10-year yields, which have been boosted in recent weeks by higher German Bunds, rose to a six-month high above 2.3%.

Concerns about Greece's liquidity continue to spook traders as the debt-burdened country could run out of cash, even though it calmed immediate fears of a default on Monday by making a 750-million-euro (\$837-million) payment to the International Monetary Fund a day early.

Greek officials told Reuters they had emptied an International Monetary Fund holding account to repay 750 million euros (£537 million) to the global lender avoiding default but underscoring the dire state of the country's finances.

The euro was firmer versus the dollar on the back of the Greek payment to the IMF. The euro was also boosted by a selloff in European bond markets, which pushed up interest rates in some major European economies.

China is closer to joining the major league of reserve currencies with a deal possible later this year to include the yuan in the International Monetary Fund's unit of account, international finance officials say.

The SDR basket consists of the US dollar, euro, yen, and British pound. The IMF reviews the basket allocation every five years, and 2015 is a review year. However the United States is reluctant to add the yuan to the basket of currencies that make up the IMF's Special Drawing Rights.

European members of the Group of Seven major industrialized economies - Germany, Britain, France and Italy – are all in favour of adding the yuan this year.

The yuan, also known as the renminbi or RMB, is already the world's fifth most-used traded currency.



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

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