



May 14, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,214.40	-\$0.70	\$1187.00	\$1,192.10	\$1292.75

Gold prices surged back above the \$1,200 an ounce level on Wednesday, after the release of disappointing U.S. economic data. The price of the yellow metal hit a six week high as traders covered short positions while there was some bargain buying in the physical market. June gold closed up \$24.00 an ounce at \$1,216.00 an ounce and spot gold ended the day at \$1215.10 per ounce.

The price of gold rallied strongly during the U.S session heading for a second session of gains as the U.S dollar hit a near three-month low after disappointing U.S. employment data.

The precious metal began its upward rise in the U.S. morning trading session following a torrent of worse than expected economic indicators. The U.S. Department of Labour said Wednesday that import prices slid 0.3% in April, following a 0.2% decline a month earlier.

On a year-over-year basis, import prices have fallen by more than 10% after the 10th consecutive monthly decline. Most economists were expecting a gain of 0.3%.

Meanwhile, U.S. retail sales remained flat in April below economists' forecasts of a 0.2% gain. A reading of department store sales for the month showed a sharp decline of 2.2%, while sales of electronics and appliances fell by 0.4%. Since last April, retail sales have edged up only 0.9%, the lowest level dating back to late 2009.

The readings provide signals of modest inflationary pressures, augmenting the positions of the doves on the Federal Open Market Committee, who have taken a cautious approach to the timing of its first interest rate hike in nearly a decade.

Last month, the FOMC removed all calendar references to the timing of a potential hike. While it appears increasingly likely that the Fed will wait until September or even December before raising its benchmark Fed Funds Rate from its current level of zero to 0.25%, the FOMC still has not taken a June rate hike off the table.

New data showed Greece back in recession in Q1, while the "big four" Eurozone economies of Germany, France, Italy and Spain all grew together for the first time since early 2010.



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

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