



May 18, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,228.40	+4.90	\$1187.70	\$1,204.50	\$1303.75

After falling from three-month highs in London on Friday the price of gold pared earlier losses during the U.S session to trade back near three month highs heading for its biggest weekly gain since mid-January. Spot gold ended the week at \$1223.50 an ounce, up \$2.10 on the day.

After recovering from a from a three-month low against the euro as a recent spike in German Bund yields stalled, the U.S dollar eased against the euro after a weak U.S. consumer sentiment data weighed on the dollar and further diminished expectations for a near-term rise in U.S. interest rates.

Data released on Friday showed U.S. consumer sentiment fell more than expected this month, though an earlier report showed manufacturing activity growth in New York State accelerated in May after weakening for three consecutive months.

Recent economic reports have supported market expectations that the economy is not strong enough for the Fed to start raising record-low rates from June.

Gold imports by India, the world's second-largest consumer, exceeded 100 metric tons for a second month in April as easing of state curbs boosted demand for everything from necklaces to bangles and rings.

In a recent interview, Revenue Secretary Shaktikanta Das said that shipments totalled 111 tons last month

and are about 60 tons so far in May. Imports in March more than doubled to 125 tons from a year earlier because of seasonal demand and a drop in prices, according to the Finance Ministry. Purchases jumped 78% in value terms to \$3.13 billion in April from a year earlier, the Commerce Ministry said.

It is estimated that demand will rise to between 900 tons and 1,000 tons this year. Gold is bought during festivals and marriages as part of the bridal trousseau or given as a gift in the form of jewellery.

Shipments into India totalled 891.5 tons last year to meet demand of 811.1 tons. According to the World Gold Council, jewellery sales surged by 22% to 150.8 tons in the first quarter of this year compared to the same period last year, while imports increased 28% to 226.9 tons.



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

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