Dg Daily Gold Update 2013

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Gold	Today	Change	Week Ago	Month Ago	Year Ago
	$1,204.30	-$1.60	$1228.40	$1,195.50	$1294.50

Gold prices were a tad lower on Friday as the U.S. dollar strengthened after data showed inflation increased by the most in two years. June gold ended Friday at $1,204 an ounce, down more than 1.5% from Monday's opening price and spot gold ended the day at $1205.90 per ounce.

In the U.S core CPI increased by 0.3% month-on-month om versus expectation of 0.2%, the biggest gain since January 2013. On an annualised basis, CPI was unchanged at 1.8% versus expectation of 1.7%. Gold ended the week in negative territory, after two consecutive weeks of positive gain. The selloff in the gold market started on Tuesday as a five-day rally lost momentum to a surging U.S. dollar.

According to reports by Kronen Zeitung, Austria is repatriating gold from the vaults at the Bank Of England (BOE) at this very moment.

The OeNB (central bank of the Republic of Austria) stored 82 % of its 280 tons at the depository in England. It will start by bringing back 110 tons to Austria, to eventually have 50 % on own soil.

The 280 tons is currently worth around 8.6 billion euros. Approximately, 80% is held at the Bank of England, about 17% in Germany and the rest in Switzerland.

On Friday, Federal Reserve Chair Janet Yellen said he expects to begin raising interest rates later this year — if the job market improves and the Fed is confident inflation will climb closer toward its target rate.
She described the U.S. economy as "well positioned for continued growth," but at the same time highlighted a number of headwinds that threaten progress.

"I think it will be appropriate at some point this year to take the initial step to raise the federal-funds rate target and begin the process of normalizing monetary policy," Yellen said to the Greater Providence Chamber of Commerce in Providence, Rhode Island.

But when the central bank finally begins to raise rates, Yellen said it would proceed cautiously, "which I expect would mean that it will be several years before the federal funds rate would be back to its normal, longer-run level."

The market is expected to be quiet ahead of public holidays in Britain and the United States.

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