Dg Daily Gold Update 2013

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Gold	Today	Change	Week Ago	Month Ago	Year Ago
	$1,183.70	-$1.90	$1182.90	$1,187.70	$1262.50

Gold prices extended recent gains for the third straight day on Wednesday, boosted by a slightly softer U.S dollar. August gold closed up $9.20 an ounce at $1,186.80 an ounce and spot gold ended the day at $1185.60 per ounce.

U.S equities surged in late morning trading on Wednesday after a Bloomberg report that Germany may be satisfied with Greece committing to at least one economic reform in return for aid.

According to Bloomberg, citing two people familiar with Germany's position, *Chancellor Angela Merkel's government may be satisfied with Greece committing to at least one economic reform sought by creditors to open the door to bailout funds, according to two people familiar with Germany's position.*

While the Germans still insist on a package of steps that includes higher taxes, state asset sales and less generous retirement benefits, they may settle for a clear commitment by the Greek government to a measure up front to unlock aid, said the people, who asked not to be identified discussing the government's negotiating stance.

With Greece's aid program set to expire on June 30 and no deal in sight, the comments reflect more German flexibility than the government's public statements.

Yesterday, a bank of Japan policymaker said that it appears to be becoming more difficult for the central bank to implement its large-scale monetary easing, citing the limited effects of additional easing steps introduced in last October.

"The market's outlook on economic activity and prices has actually been revised downward, and therefore there is a lack of persuasive evidence of a further rise in inflation expectations," Takehiro Sato said in a speech to business leaders in Kofu, Yamanashi Prefecture.

Though the central bank's monetary easing is intended to put downward pressure on nominal interest rates across the entire yield curve through massive government bond purchases, such an effect has been "diminishing gradually" due mainly to reduced demand from investors to purchase bonds amid already low interest rates, he said.

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