



June 17, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,179.60	-\$1.90	\$1184.60	\$1,228.40	\$1264.50

The global gold market was subdued on Tuesday, with the price of yellow metal giving up their gains from a day earlier as a stronger dollar pressured prices as the Federal Reserve began a two-day policy-setting meeting. August gold closed down \$4.40 an ounce at \$1,181.40 an ounce and spot gold ended the day at \$1180.50 per ounce.

The Federal Open Market Committee will conclude a two-day meeting today. The central bank is expected to leave interest rates unchanged, but investors expect clues on the timing of a widely anticipated rate hike.

The euro was slightly weaker against other major currencies, weighed down by the deadlock in the Greece debt talk and weak economic sentiment data.

The German ZEW economic sentiment dropped sharply to 31.5 in June versus expectation of 37.3 and hit a 7-month low. The Eurozone ZEW dropped to 53.7 versus expectation of 60.3. ZEW president Clemens Fuest noted that "uncertainty over Greece's future and the restraint dynamic of the global economy" are weighing down on economic sentiment.

Greek prime-minister Alexis Tsipras blamed Eurozone leaders for refusing to accept a write-down of part of the debt in spite of IMF's urge for restructuring. Tsipras said that Greece was "awaiting" the invitation of international creditors to come back to negotiation table. German's EU commissioner said yesterday that it's time to prepare for a "state of emergency" after the debt talk collapsed on Sunday.

The RBA noted in the June meeting minutes that it was "appropriate" to keep rates unchanged at historical low of 2.00% in June and to "assess information on economic and financial conditions as it become available". The bank also mentioned that

Bank of China Ltd. will become the first Chinese bank to join the auction process that sets gold prices in the London market.

The bank, along with seven other lenders, will start participating in the twice-daily electronic auction, according to a statement from the London Bullion Market Association on Tuesday.

Participation in the gold auction will increase the link between China and international markets, and make the gold price better reflect the nation's supply and demand, Yu Sun, general manager of the Bank of China's London branch, wrote in a press release.



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

© 2013 all rights reserved.

Information contained herein has been obtained from sources believed to be reliable, but its accuracy cannot be guaranteed. Any opinions expressed herein reflect judgements at this date and are subject to change without notice.