



June 18, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,195.00	+\$9.90	\$1185.20	\$1,228.50	\$1269.00

Gold prices edged upwards in afternoon U.S. trading on Wednesday, in the wake of the latest FOMC statement. August gold closed up \$2.20 an ounce at \$1,183.20 an ounce and spot gold ended the day at \$1185.10 per ounce.

The widely anticipated statement from the Federal Reserve's Open Market Committee (FOMC) reported that the U.S. economic growth is improving but gave no specifics on the timing of any U.S. interest rate hike.

"Economic activity has been expanding moderately after having changed little during the first quarter. The pace of job gains picked up while the unemployment rate remained steady," the Federal Open Market Committee said in its policy statement.

The FOMC policy makers voted to maintain the status quo that has prevailed since the U.S. central bank first went to zero rates in late-2008.

Federal Reserve Chair Janet Yellen said in a news conference following the statement's release that the conditions for a rates increase have not been met yet. "It remains the case that the [FOMC] will determine the timing of the initial [rates increase] on a meeting-by-meeting basis, depending on its assessment of incoming economic information."

Gold prices advanced as the dollar fell after the Federal Reserve indicated that any interest rate hike will be gradual.

The Bloomberg Dollar Spot Index retreated to the lowest level in about a month while the euro jumped after the U.S. Federal Reserve left its benchmark interest rates unchanged.

Sterling also extended its gains on the day on strong wage growth and BoE minutes. UK job data showed the jobless claims dropped by 6,500 in May versus expectations of a 13,800. The unemployment rate was unchanged at 5.5% in April, staying at the lowest level since August 2008.

The minutes of BoE's June MPC meeting showed a unanimous vote for keeping the bank rate unchanged at 0.50% and asset purchase target at GBP 375 billion.

Eurozone finance ministers will meet today to see if they can reach an agreement on Greece. Some analysts warned that if no agreement emerges, there would be little time to prevent Greece from defaulting on the EUR 1.6 billion it has to repay IMF by the end of June.



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

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