



September 4, 2015

Gold	Today	Change	Week Ago	Month Ago	Year Ago
	\$1,124.40	-\$0.60	\$1129.90	\$1,087.80	\$1271.00

Gold prices slipped on Thursday, as the U.S dollar jumped versus the euro after the European Central Bank cut inflation forecasts. December gold closed down \$9.40 an ounce at \$1,124.20 an ounce and spot gold ended the day at \$1125.00 per ounce.

According to the latest data from the Institute for Supply Management, the momentum in the U.S. service sector slowed in August, but less than expected,

Thursday ISM's national non-manufacturing purchasing managers' index fell to a reading of 59% last month, compared to July's reading of 60.3%. Consensus forecasts showed economists expected a bigger drop to 58.3%.

In the U.S, initial weekly jobless claims increased by 12,000 to a seasonally adjusted 282,000 during the week to Saturday.

The data was slightly higher than expectations as consensus forecasts compiled by various news organizations called for initial claims to be around 273,000.

As widely expected the ECB left interest rates unchanged at record lows, but lowered its forecasts for inflation and economic growth, citing a slowdown in emerging markets and weaker oil prices.

Following the central bank's monetary policy meeting, ECB President Mario Draghi said the staff now projects gross domestic product (GDP) to increase by 1.4% in 2015, down from June's forecast

of 1.5% growth. GDP is expected to grow 1.7% in 2016, and 1.8% in 2017, down from June's forecast of 1.9% and 2.0%, respectively.

"Overall, we expect the economic recovery to continue, albeit at a somewhat weaker pace than earlier expected, reflecting in particular the slowdown in emerging market economies, which is weighing on global growth and foreign demand for euro area exports," Draghi said in his opening statement.

"The risks to the euro area growth outlook remain on the downside, reflecting in particular the heightened uncertainties related to the external environment," he added.



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

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