

# Weekly Gold Market Update

by the SPDR® Gold Strategy Team

## **This Week's Highlights: Gold holds above US\$1,200/oz as rate hike draws near**

- Gold prices fell by 1.9% to US\$1,203/oz for the week ending on March 10 as the market priced in a 25 basis points rate hike this week. Future's implied probability show there is a 100% chance of a rate hike at the upcoming March 14-15 FOMC meeting.
- Gold briefly dipped below the psychological level of US\$1,200/oz as positive US economic figures reinforce the prospect of multiple US interest rate increases this year. Nonfarm Payrolls came in at 235K vs. estimated 200K and US Consumer Comfort Index (based on responses to rate US economic conditions) rose to 50.6 from 49.8 in the period ended March 5, the highest since March 2007.
- Gold COMEX positions show a 2.7moz decrease in net speculative long positions to 15.3moz for the week ending on March 7 from 18.0moz for the prior week. Both long and short positions decreased by 1.7moz and 0.95moz respectively.
- Gold ETFs saw an outflow of 0.6moz, or US\$729m, for the week ending on March 9 for total holdings of 58.46moz, or USD70.22bn, according to Bloomberg.
- Bullion's appeal as a safe-haven is likely to limit the downside due to uncertainties surrounding the current political climate in the US and Europe.

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