

Gold gains on weaker dollar, after nearing a seven-month low



London — Gold prices recovered from a nearly seven-month low on Tuesday as the dollar eased but platinum touched new 10-year lows on concern that trade sanctions could hit demand for the metal.

Spot gold was up 0.7% at \$1,250.17 an ounce as of 12.44pm GMT. Earlier in the session, bullion prices dropped to \$1,237.32, their lowest since December 12 2017. US gold futures rose 0.7% to \$1,251.30 an ounce.

"The trend of the dollar is bearish for gold but as we start the new quarter we are seeing some dollar profit-taking and that is boosting gold," Forex.com analyst Fawad Razaqzada said.

He said investors had booked profits ahead of the minutes from a recent US Federal Reserve meeting and US nonfarm payrolls data due this week.

The dollar index, which measures the greenback against a basket of six major currencies, was 0.4% lower.

A softer greenback generally decreases the cost of dollar-denominated bullion for investors paying in other currencies. The US is set to place tariffs of \$34bn on

Chinese goods on July 6, but global stocks remained resilient, spurred by tech-driven rises in the US.

On Monday, the US Chamber of Commerce denounced US President Donald Trump's handling of global trade disputes, issuing a report that argued that tariffs imposed by Washington and retaliation by its partners would boomerang badly on the US economy. Gold can gain in times of uncertainty as it is seen as a safe place to park assets.

Analysts warned that the increase in gold on Tuesday did not mark the end of its recent downward trend.

"It appears quite clear that the trend is still bearish for gold and that a first positive impulse could only arrive if prices soar to \$1,255," ActivTrades analyst Carlo Alberto De Casa said.

Silver climbed 0.9% to \$15.97 an ounce, while palladium rose 0.2% to \$948 per ounce. Platinum gained 1.8% to \$830 an ounce. Earlier in the session, it fell to the lowest since December 2008, to \$793.

Autocatalyst metal platinum tumbled as an intensifying US-EU trade spat put pressure on precious metals, and political risk in Germany weighed on sentiment. "Supply and demand fundamentals do not look particularly attractive for platinum — we expect surpluses to persist throughout our forecast period," UBS said in a note, downgrading its platinum outlook for the year.