

Gold gains ahead of U.S.-China trade talks; Platinum jumps 3%

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June 28 (Reuters) - Gold prices held steady on Friday as investors waited to see if a crucial round of U.S.-China trade talks over the weekend would resolve the bilateral dispute, while platinum surged more than 3%.

However, bullion was on track to mark its best month in three years, up 8% in June alone, on the back of expectations the U.S. Federal Reserve would ease monetary policy. Prices were up 9.1% in the quarter, its biggest percentage gain since the first quarter of 2016.

Spot gold was little changed at \$1,409.33 per ounce as of 1:35 p.m. EDT(1735 GMT). Prices surpassed the key psychological \$1,400 level earlier this week to reach \$1,438.63 for the first time in six years.

U.S. gold futures settled 0.1% higher to \$1,413.70 per ounce.

“There is some nervousness and uncertainty floating around the trade war. ... We have seen a flock to safe haven as trade tensions continue,” said David Meger, director of metals trading at High Ridge Futures.

Any easing of trade tensions could take away some safe haven demand for the precious metal, Meger added.

U.S. President Donald Trump and China’s President Xi Jinping will meet during a Group of 20 summit this weekend in Osaka, Japan, for talks that could help resolve a year-long trade war between the two nations.

Meanwhile, the dollar was little changed, set for its weakest month since the start of 2018. Bets on interest rate cuts by the Fed have pushed the dollar index down 1.7% this month.

A weaker dollar makes greenback-denominated gold more attractive for buyers with other currencies.

“We are still seeing huge investor interest in the precious metal. Markets are pricing in growing expectation for two interest rate cuts to the Fed’s base rate in the next few months,” said Carlo Alberto De Casa, chief analyst with ActivTrades.

“We can now see a first support area at the psychological threshold of \$1,400, while the first resistances are placed at \$1,424 and \$1,440, the recent peaks.

Silver rose 0.3% to \$15.30 per ounce. It has gained 5% in June alone, its biggest monthly gain so far in the year. Palladium was down 0.5% to \$1,543.01.

Platinum gained more than 3% to \$839.76, its highest since May 16.

“The surge in gold prices has caused traders to reassess the whole precious metals space,” said Rob Lutts, chief investment officer at Cabot Wealth Management, adding that growing demand for electric vehicle parts was also lifting platinum prices.

Traders would be watching out for Tesla Inc’s production figures expected next week, which could indicate demand for electric vehicles, and hence industrial demand for platinum and palladium, analysts said.

(Reporting by Karthika Suresh Namboothiri in Bengaluru; Editing by Richard Chang)

