

# Gold retreats as dollar steady

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LONDON: Gold inched lower on Wednesday, holding near a five-week low as a firm dollar and improved appetite for riskier assets dented the appeal of bullion, while investors awaited further clarity on the US-China trade dispute.

Spot gold was down 0.1 per cent to \$1,285.41 per ounce at 1129 GMT, close to its lowest since Jan. 25 at \$1,280.70 hit in the previous session. US gold futures were up about 0.2pc at \$1,286.80.

“The recovery of the US dollar is a negative element and the general risk-on sentiment is not particularly good for gold,” said ActivTrades chief analyst Carlo Alberto De Casa. “The main (equity) market driver has been the optimism surrounding trade talks between the US and China.”

The dollar hovered near a two-week high hit in the previous session, making gold more expensive for holders of other currencies.

Global equities have staged a remarkable comeback in the first two months of the year, rising about 16pc, indicating a marked improvement in demand for riskier assets.

A signifier of investor sentiment, holdings of SPDR Gold Trust, the world's largest gold-backed exchange-traded-fund languished near their lowest since mid-December last year. Holdings have fallen about 2.7pc this year.

Gold is considered a safe store of value during times of economic or political uncertainties. On the technical front, for gold to stage a rebound to the key psychological \$1,300 mark, "it is important that gold holds the support at \$1,280. Buyers could show their strength at this level," De Casa said.

Among other precious metals, palladium fell 0.1pc to \$1,514.12 per ounce.

Spot silver fell 0.2pc to \$15.09, after slipping to its lowest since December 27 in the previous session, while platinum fell 1.1pc to \$827.47.

The global platinum market will see its largest surplus since at least 2013 this year, the World Platinum Investment Council said, forecasting an oversupply of 680,000 ounces in 2019 after a surplus of 645,000 ounces last year.

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