

Monday, 22 April 2013

## Gold price jumps in Singapore, with further gains predicted



The gold price jumped by as much as 2 percent on Monday, in what was the fifth day of gains after the biggest slump in three decades.

The price saw a rebound above \$1,400 ignited by technical buying, but sentiment was shaky as exchange-traded funds trimmed their bullion holdings to the lowest in three years.

The gold price has plunged by more than 15 percent so far this year, but could find support from a rush in physical buying in Asia and other parts of the world.

"It remains to be seen which of these offsetting forces eventually wins out and exerts its influence over gold prices," said Edward Meir, metals analyst at futures brokerage INTLFC Stone.

"Our guess is that the sharp bounce in retail buying will likely dominate and succeed in sending prices higher over the course of the next week or two."

Spot gold today added \$16.21 an ounce to \$1,420.06 by 6.31am GMT, after rising as high as \$1,427.20.

That followed the biggest-ever daily loss in dollar terms last Monday, shocking veteran investors, who see gold as portfolio protection against inflation and other market risks. Prices sank to around \$1,321 on April 16, its lowest in more than 2 years.

Gold for immediate delivery today rose as much as 1.5 percent to \$1,424.30 an ounce and was at \$1,420.05 by 2.09pm in Singapore, Bloomberg reported.

Despite the gains, many in the industry fear that the bull run in gold trading is over.

Jeff Rhodes, the global head of precious metals and chief executive of INTL Commodities at the Dubai Multi Commodities Centre (DMCC), last week told Al Arabiya that the plummeting prices probably do "signal the end of the bull market."

The drop in Gold prices will have hit some Arab central banks particularly hard. In Lebanon gold represents nearly a third of total central bank reserves and Egypt holds a quarter of foreign reserves in gold, Al Arabiya reported earlier this month.