

**Gold struggles near 6-week low, poised for second weekly loss**  
**Malaysian Insider**  
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Gold recovered slightly today after sharp overnight declines but the metal remained near six-week lows and on track for a second straight weekly decline, as improving sentiment over the US economic outlook dented its safe-haven appeal.

Bullion has dropped about US\$100 (RM327) an ounce from a six-month high in the last nine trading sessions on strong US economic data and comments by Federal Reserve chairman Janet Yellen that interest rates could rise in the first half of 2015.

"While technical movements may dictate gold's near-term direction, \$1,300 is an important threshold for price sensitive bullion buyers, notably emerging markets buyers," HSBC analysts said in a note.

The sharp drop in prices in the last few days could bring physical buyers back into the market and help gold prices consolidate, they said.

Spot gold was up 0.2% at US\$1,293.66 an ounce by 0327 GMT (11.27, Malaysia time). Gold yesterday fell to US\$1,288.80 – its lowest since Feb. 13 – before closing down 1%.

It is down 3% for the week after a rapid rise early in the year as global equities fell and severe weather threatened to hurt US economic growth Phillip Futures analyst Joyce Liu said prices may consolidate above US\$1,274.

"This is a key technical level that offered strong resistance when prices were on the ascent in January, and may prove to be a level of strong support now as prices decline," Liu said.

Data yesterday showed the US economy grew a bit faster than previously estimated in the fourth quarter and new claims for jobless aid dropped to a near four-month low last week.

SPDR Gold Trust, the world's biggest gold-backed exchange traded fund and a good measure of investor confidence, saw two straight days of outflows this week through Wednesday.

In the physical markets, traders said demand could pick up given the recent sharp fall in prices but remained cautious as consumers seemed uncertain about the price direction from current levels.

Prices in the world's biggest consumer, China, remained at a discount to spot prices – indicating lack of fresh demand.

Among other precious metals, palladium gained nearly 1% today after falling about 3% in the previous session. The metal has recently been supported by worries over supply from Russia and South Africa – the top two producers. – Reuters, March 28, 2014.

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