Gold Poised to Advance for Third Day on Stimulus Speculation

By Phoebe Sedgman - Aug 16, 2012

Gold is set to gain for a third day, paring a weekly loss, on speculation governments from China to U.S. may take steps to spur growth. Platinum rose to a five-week high after production disruptions at a mine in South Africa.

Gold for immediate delivery rose as much as 0.2 percent to $1,618.05 an ounce and was little changed at $1,615.20 at 11:05 a.m. in Singapore. The price is down 0.3 percent this week. December-delivery bullion was little changed at $1,618.60 on the Comex in New York.

U.S. jobless claims climbed by 2,000 to 366,000 in the week ended Aug. 11. Unemployment has been above 8 percent since February 2009, the longest stretch in the post-World War II era. Chinese Premier Wen Jiabao said Aug. 15 that there’s “growing room for monetary policy operation.” Federal Reserve Chairman Ben S. Bernanke may talk about monetary options at a conference in Jackson Hole, Wyoming, at the end of the month.

The data are “supporting the view that the Fed will have to take some assertive action sooner rather than later,” said David Lennox, a resource analyst at Fat Prophets in Sydney. Bullion rose about 70 percent as the Fed bought $2.3 trillion of debt in two rounds of quantitative easing through June 2011.

Spot platinum gained as much as 0.6 percent to $1,450 an ounce, the highest since July 10, before trading at $1,446. The metal rallied 3.3 percent yesterday amid disruptions at the mine owned by Lonmin Plc, the third-biggest producer.

Several protesters were killed and others injured as police said they fired on striking miners near Lonmin’s Marikana mine yesterday in response to an attack. A six-day work stoppage had already led to deaths of 10 people before yesterday’s clash.

Platinum, used to make autocatalysts and jewelry, is set to climb 3.2 percent this week, the biggest gain since the five days ended June 15.

Spot silver was little changed at $28.2125 an ounce, heading for a 0.3 percent gain this week. Palladium climbed as much as 1.1 percent to $589 an ounce and was last at $588.50.

To contact the reporter for this story: Phoebe Sedgman in Melbourne at psedgman2@bloomberg.net

To contact the editor responsible for this story: James Poole at jpoole4@bloomberg.net

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