

GUNTINGAN BERITA

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Gold up in Europe on soft dollar, Iraq

Reuters
London

Gold posted gains in European trading on Thursday, lifted by a softer dollar and a reluctance to sell the safe-haven metal as Washington pressed ahead with a "regime change" in Iraq.

Gold was quoted at US\$311.10/311.60 a troy ounce by 09:15 GMT (4:15 p.m. Jakarta time), up from \$309.65/310.15 an ounce at the New York close on Wednesday.

Bullion is 13 percent higher since the start of the year, making it one of the best per-

forming investment assets against a backdrop of global economic uncertainty.

"Gold is tracking the U.S. dollar and in light of the apparent increase in the U.S.-Iraq tension the metal looks to be supported by fears of conflict," said UBS analyst.

The dollar fell across the board as renewed weakness on Wall Street heightened concern over the health of the U.S. recovery, increasing the purchasing power of European and Asian gold consumers.

A U.S. official said that Washington will seek the

removal of President Saddam Hussein whether or not he allows a resumption of UN weapons inspections in Iraq.

Gold would struggle to make further advances given a seasonal slowdown in trade and muted import demand from world number one consumer India.

Indian trade officials and dealers estimate that gold demand between September and December is likely to be down by 20 to 25 percent compared with a year ago as large parts of the country remained dry in July, raising fears of widespread crop losses.