

Gold prices rise on Europe coronavirus worries, strong dollar caps gains



[Gold prices](#) rose on Thursday as surging COVID-19 cases across Europe fuelled economic growth concerns, although a strong U.S. dollar checked gains in bullion.

Spot gold was up 0.1% at \$1,736.31 per ounce by 0346 GMT. U.S. gold futures were also up 0.2% at \$1,735.90 per ounce.

"At these levels, gold might be catching a bit of safe-haven buying now, which is a change from what we were looking at just a few days ago," said Michael McCarthy, chief market strategist at CMC Markets.

"One of the issues for gold is there seems to be two camps -for those worried about new lockdowns in Europe and ...those who have a very positive view of the economic outlook," McCarthy said, adding both these opposing scenarios are mildly supportive of gold.

Gold is also considered a hedge against inflation, which is likely spurred by widespread stimulus to boost economic growth.

U.S. Federal Reserve members indicated on Wednesday that the central bank will start to raise rates depending on economic outcomes and that it will not reduce monetary policy accommodation until it sees actual improvements.

Limiting gold's gains, the dollar index jumped to fresh four-month highs on concerns about extended economic lockdowns in Europe and potential U.S. tax hikes.

U.S. Treasury yields dipped, with the market appearing to stabilize after benchmark yields reached one-year highs last week.

"Stabilizing bond yields, sanguine comments from the U.S. Fed is keeping gold in a range without much direction," said Michael Langford, director at corporate advisory AirGuide.

In other metals, palladium was flat at \$2,635.58 and platinum was up 0.2% at \$1,169.98.

Silver remained unchanged at \$25.09, having fallen to a more than two-week low of \$24.93 earlier in the session.

[Gold Price](#)