

Gold price fall to continue: Fitch

LONDON, April 18 (Xinhua) -- International credit ratings agency Fitch on Thursday said gold prices would fall over the next two or three years, as the market sentiments toward the precious metal might change. "Reports that Cyprus could sell a significant volume of gold may have triggered the sharp drop in prices, but we believe the fall represents a changing sentiment towards the metal," said Fitch in a statement. Changes of this type tend to have a snowball effect as investors head for the exit, and Fitch therefore expect prices to continue falling. This trend could be temporarily reversed, however, if investors become more concerned about the outlook for the eurozone. South African miners are the most exposed to the risk of falling gold prices because of production costs that are already high and rising fast, Fitch added. The precious metal, which rose to an all-time high of 1921.15 U.S. dollars an ounce in London trading on Sept. 6, 2011, has slumped 17 percent this year. Before that, gold advanced for 12 consecutive years through 2012, as central banks joined investors in buying bullion to hedge against weaker currencies and the threat of inflation.