

# Gold eyes ₹25k mark on weak \$, inflation

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**Mumbai:** Gold prices on Wednesday rose to a new record level in India to over Rs 24,000 per 10 gram, as the US dollar weakened against a host of other major currencies like the Swiss Franc and the Japanese Yen, and also because of fears of rising inflation around the globe. The price of yellow metal, considered a safe haven during times of economic turmoil, also got a boost as global stock markets witnessed selloffs, mainly spooked by a weakness in the US, the world's largest economy.

As there is no sign of an immediate revival in the economic fortunes of the world's leading economies like the US, Europe and Japan, market players expect gold prices to rise further from the current levels. "Outlook for gold is very good," said the head of a domestic mutual fund that is one of the leaders in the Gold ETF business.

"Gold is usually used as a hedge against weak dollar and rising inflation. With the wind being taken out of both, inflation and the dollar, gold will have a good northward run for some more time," the fund house chief added. So while investors could buy gold at the current level, those who are planning to buy gold jewellery in the future could also



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buy it now, or even pay their jewelers now to lock in the price at current levels, market players said.

Traders also said that gold prices got a boost from speculative buying on expectations that central banks of different countries could start buying the precious metal. Such expectations surfaced after the South Korean central bank on Monday said it bought 25 tonnes of gold during the two previous months. However, it has refused to disclose if it plans to buy more, news reports said.