



Gold, silver slip as dollar strengthens

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NEW YORK (AP) — Precious metals prices slipped Wednesday after separate reports showing strong job growth and worker productivity boosted the dollar, lessening the appeal of gold and silver as alternative investments.

Industrial metals prices also slumped, while energy and agricultural futures fluctuated in volatile trading.

Gold prices trembled around \$800 an ounce, down moderately from a day ago. Silver and platinum prices also fell.

Two economic reports on Wednesday raised investor confidence in the U.S. economy and dollar, and pressured precious metals. ADP Employer Services said 189,000 jobs were added last month — a sign the job market remains robust. And the Labor Department said worker productivity increased by an annual rate of 6.3 percent in the summer, the fastest growth in four years.

Gold shed \$5.30 to \$802.30 an ounce on the New York Mercantile Exchange.

The greenback made headway against other world currencies.

But the dollar's gains could prove brief as the Federal Reserve's interest rates meeting next Tuesday approaches. The central bank is expected to lower its benchmark federal funds rate, which stands at 4.50 percent, to stimulate sluggish economic growth.

Another bit of economic news on Wednesday bolstered the case for a rate cut. The Institute for Supply Management said the nation's service sector grew in November but the expansion was slower than in October and fell short of analyst expectations.

"We have a mixed bag of economic news. ADP is supportive of dollar, but in the end what counts for the Fed is the stability of the financial markets and those are deteriorating day by day," said Axel Merk, president of the Merk Hard Currency Fund.

Other precious metals pulled back. Silver futures lost 5.5 cents to \$14.41 an ounce, while platinum fell \$3.80 to \$1,468.50 an ounce on the Nymex.

In currencies, the euro fell to \$1.4663 from \$1.4766 late Tuesday, and the British pound declined, as traders awaited Thursday's interest rate decisions from the European Central Bank and Bank of England. Both are expected to hold rates steady.

Analysts are cautioning investors to expect heightened volatility leading up to next week's Fed meeting.

Another key focus this week is the Labor Department's November jobs report, due out Friday.

"The job market is one of the key pillars of relative stability that has yet to buckle, so many will be watching that day, especially since a steady rise in initial claims data over the past few weeks suggests that job creation could come in on the weaker side," said MF Global analyst Edward Meir, in a report.

Industrial metals prices dipped on the London Metal Exchange. Copper, zinc, lead and tin prices fell, while nickel prices edged higher.

Nymex copper for March delivery rose 1.55 cents to \$3.0355 a pound.

Oil prices rose after the Organization for Petroleum Exporting Countries decided not to increase production quotas, and the Energy Information Administration reported a surprising draw on crude inventories.

U.S. stockpiles of crude oil declined by 8 million barrels in the week ended Nov. 30, according to the EIA. The draw was much larger than the 700,000-barrel decline analysts projected, on average, in a Dow Jones Newswires poll.

Gasoline inventories rose by 4 million barrels, versus an estimated 700,000-barrel increase. Stockpiles of distillates, including heating oil and diesel fuel, rose by 1.4 million barrels in contrast to analysts' forecast for a 400,000-barrel decline.

Light, sweet crude for January delivery rose 32 cents to \$88.64 a barrel on the Nymex. OPEC's meeting on Wednesday resulted in the group holding its production ceiling in place, and oil prices spiked as high as \$90.39 a barrel before easing back.

Gasoline futures dipped 0.7 cent to \$2.2447 a gallon, while heating oil futures rose 0.43 cent to \$2.5161 a gallon.

Agricultural futures were mixed. January soybeans rose 4 cents to \$10.955 a bushel, while March corn added 0.25 cent to \$4.115 a bushel. March wheat fell 18 cents to \$8.76 a bushel.

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