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Gold Gains As Safe Haven

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Gold futures locked in their fourth consecutive day of gains as instability in the Middle East curbed investor appetite for riskier assets.

The most actively traded contract, for April delivery, settled up 0.9%, or \$12.90, at \$1,414.00 per troy ounce.

The thinly traded February-delivery contract settled up 0.9%, or \$12.90, at \$1,413.40 per troy ounce. Thursday is the February contract's last trading day.

Gold prices surged 7.3% from their Jan. 27 lows as antigovernment protests have spread across the Middle East. The region has watched protesters eject autocratic regimes in Tunisia and Egypt. Since then, antigovernment demonstrations have begun in Libya, Yemen and Iran, where violent clashes with security forces have been reported in recent days.

"Gold is an uncertainty hedge, and there's too much uncertainty in the world today and it just keeps mounting," said Chuck Butler, president with EverBank World Markets.

In Libya, military forces have repeatedly opened fire on protesters in the capital city of Tripoli as leader Col. Moammar Gadhafi vowed to fight rebellion. The instability in the crude oil- and gas-producing nation has pushed the prices of these commodities higher in recent days, with crude oil crossing \$100 a barrel Wednesday for the first time since late 2008.

But uncertainty about the region's future has boosted demand for gold as investors try to shield their wealth from declines in equity and bond markets. Gold is a natural store of value amid global political and economic instability, as the metal is rarely used in industrial applications.

"The Middle East situation is still evolving and we remain nervous...that alone provides support for the gold market," said Frank Lesh, futures analyst with FuturePath Trading in Chicago.

Some investors, however, have already moved to cash in recent gains. SPDR Gold Trust, the largest physical gold exchange-traded fund, reported a five-metric-ton redemption at the end of Tuesday.

"We took profits on one third of our position yesterday," said Yu-Dee Chang, chief principal with ACE Investment Strategists, which manages about \$120 million with a focus on the futures markets.

"I don't think it's going to be a straight up road for this market. It will go up and down, but with an upward bias," Mr. Chang said, adding that swings in gold prices offered buying and selling opportunities.

Past performance is not necessarily indicative of future results. The risk of loss exists in futures trading.