

Spot Gold Prices to Hit \$1,375 This Year?

By Andrea Tse
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Spot gold prices were moving in an uneventful fashion Friday afternoon -- but many in the gold investing community believe that it won't be long before the precious metal breaks above a level of resistance.

Yu-Dee Chang, chief principal at ACE Investment Strategists, for one, said that spot gold prices are "taking a little pause until the next move up."

In the very near-term, Chang sees spot gold prices consolidating at the \$1,300 area, and in the near term he sees spot gold prices hitting \$1,325. Chang expects them to rise to \$1,375 within this year.

His bullish view on gold is very much based on the yellow metal's ability to persevere in good times and bad. "If the economy does recover, we will have some inflation down the road. Thus, buying gold as a hedge against inflation will be in people's minds. So gold should do well."

On the other hand, "if somehow, the world economy does not recover well, whether we get a double dip or maybe European debt resurfaces again -- some kind of problem in the world -- in that case, gold will be bought and used as a hedge against world turmoil."

On Friday, advances were made across the precious metals complex. Silver, often seen as a more affordable alternative to gold, was advancing further than the yellow metal in the afternoon.

New York spot gold prices were basically flat, up just 0.3%, or \$4, to \$1,296.50 an ounce Friday afternoon.

New York spot silver prices were rising 1.3%, or 27 cents, to \$21.41 an ounce.

New York spot platinum prices, meanwhile were up \$4, or 0.2%, to \$1,641 an ounce, while its sister metal was climbing higher.

New York spot palladium prices were rising by \$13, or 2.4%, to \$559 an ounce.

A group of mining stocks and precious metals ETFs were trading in mixed territory Friday afternoon. Mining stocks offer another form of exposure to precious metals.

Freeport-McMoRan Copper & Gold(FCX_) was rising 3.2% to \$86.94, while Barrick Gold(ABX) was falling 0.5% to \$46.48. Stillwater Mining Company(SWC) was adding 3.2% to \$16.61.

Silver Wheaton(SLW) was advancing 2.1% to \$26.75, while North American Palladium(PAL) was dropping 1.5% to \$3.87. SPDR Gold Trust ETF(GLD) was ticking up 0.3% to \$126.72 and ETFS Physical Palladium Shares(PALL) was 1.2% higher to \$55.82.

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