



Gold Rises on Dollar's Drop, Commodity Rally; Silver Gains

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By Pham-Duy Nguyen

Dec. 10 (Bloomberg) -- Gold futures rose for the third consecutive day on speculation a weaker dollar and higher commodity costs will boost demand for the precious metal as a hedge against inflation. Silver also gained.

The dollar fell for the second time in three days against a weighted basket of six major currencies. The Reuters/Jefferies CRB Index of 19 raw materials climbed as much as 0.8 percent. Gold reached a record in March as the CRB headed to an all-time high in July and the dollar fell to a record against the euro.

"People are getting more concerned about inflation down the road," said [Matt Zeman](#), a metals trader at LaSalle Futures Group in Chicago. "If the government keeps on spending and interest rates stay low, it's going to come back and bite us. If the dollar heads lower, that'll be the stimulus gold needs to put together a nice run."

Gold futures for February delivery rose \$28.20, or 3.6 percent, to \$802.40 an ounce at 9:10 a. m. on the Comex division of the New York Mercantile Exchange. The price gained 2.9 percent in the previous two days.

Silver futures for March delivery climbed 34 cents, or 3.5 percent, to \$10.17 an ounce.

Before today, gold dropped 7.6 percent this year, while silver was down 34 percent. Gold climbed to a record \$1,033.90 on March 17.

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Last Updated: December 10, 2008 09:11 EST

