



## Gold Gains a Second Day as Inflation Signs Increase Demand

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By Kim Kyoungwha

April 21 (Bloomberg) -- Gold climbed for a second day as signs of inflation in China, India and other emerging economies help shore up demand for the metal.

Gold for immediate delivery rose 0.3 percent to \$1,144 an ounce at 1:39 p.m. in Singapore.

China's banking regulator ordered larger banks to conduct quarterly stress tests on property loans after home prices in 70 cities jumped a record 11.7 percent in March. India yesterday raised interest rates for the second time in a month to curb rising consumer prices.

"Gold and silver prices should trend higher over the next few quarters, driven by investor buying based on inflation fears stemming from strong economic growth in emerging economies,"

**Frederic Lasserre**, head of commodity research with Societe Generale, wrote in a report.

Consumer prices paid by industrial workers in India rose 14.9 percent in February from a year earlier as the economy expanded. The nation's benchmark **wholesale-price** inflation rate held at a 17-month high of 9.9 percent in March. In the U.K., consumer prices last month climbed 3.4 percent from a year earlier, compared with a 3 percent increase in February.

Platinum and palladium advanced on optimism that auto sales will continue to boost demand for

the metals used in catalytic converters for vehicles.

“As car manufacturers increase their consumption further over the coming months, we see platinum and palladium prices pushing higher,” [Michael Widmer](#), London-based commodity analyst with Bank of America Merrill Lynch, wrote in a report.

The bank maintained its 2011 forecast for platinum at \$2,000 an ounce and palladium at \$650 an ounce, the report said.

Platinum advanced 0.6 percent to \$1,725.10 an ounce and palladium gained 0.6 percent to \$554.75, the highest level since March, 2008. Silver increased 0.7 percent to \$17.976 an ounce at 1:55 p.m. in Singapore.

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