



Gold Rises, Caps Longest Rally Since November, on China Outlook

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By Nicholas Larkin and Yi Tian

Aug. 4 (Bloomberg) -- Gold rose, capping the longest rally since November, on speculation that China's plans to relax rules on trading will bolster demand.

China's said yesterday it would let more banks import and export gold and give foreign companies greater access to trading. China is the world's second-largest gold buyer and biggest producer.

The Chinese plans are "mildly bullish," raising the possibility of "increased demand as they become more open to trading and encourage investors to buy more gold," said [Dan Smith](#), an analyst at Standard Chartered Plc in London.

Gold futures for December delivery rose \$8.40, or 0.7 percent, to close at \$1,195.90 at 1:47 p. m. on the Comex in New York. The increase extended the metal's streak to six sessions. Earlier, the price reached \$1,205.50, the highest for a most-active contract since July 16.

Gold may reach \$1,350 in the next couple of months, said [Matt Zeman](#), a metals trader at LaSalle Futures Group in Chicago.

Silver futures for September delivery slipped 14.4 cents, or 0.8 percent, to \$18.278 an ounce in New York, after reaching \$18.70, the highest price since June 30.

Platinum futures for October delivery dropped 90 cents, or 0.1 percent, to \$1,586.20 an ounce.

Palladium futures for September delivery declined \$6.30, or 1.2 percent, to \$500.15 an ounce.

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