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Gold price hits new record high

The price of gold hit a record high on Tuesday, with analysts giving a number of reasons for its rise.

Both the price of the actual metal and the price for buying it at a future date rose more than 2% to \$1,274.75 an ounce.

It was the biggest one-day gain for the commodity in four months.

One of the factors spurring investors is gold's traditional role as a so-called "safe-haven" investment at times of economic uncertainty.

On the physical market, demand for both bullion and jewellery has risen ahead of the seasonal Indian wedding period and the Hindu religious festivals that begin in September.

Another driver is more technical - gold is priced in dollars, and any fall in the dollar makes it cheaper to buyers using other currencies.

The dollar has fallen across a range of currencies, driven down by a range of factors.

Its most remarked upon slide has been against the Japanese yen. It is trading at a 15-year low against that currency.

The price of gold has risen 16% so far this year.

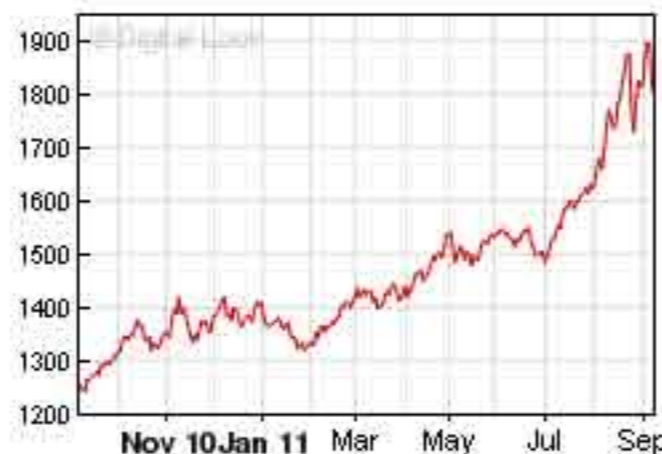
Analysts said there were no significant new reasons for this latest record.

"It's going up for all the same reasons. People are fearful still," ANZ head of sales, Peter Hillyard, told the Reuters news agency. "Little things come into the market, little factors that awaken people's interest in gold."

The World Gold Council's last report on the gold market predicted that continuing strong demand from jewellery buyers in the two fast-developing markets of India and China, would help keep the price high.

Forex Gold Index(pm fix) \$/oz

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price	change	%
1810.00	▼ -85.00	▼ -4.49

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