

Gold races to 2-year high as investors seek refuge from Brexit

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Gold soared as much as 8 percent to its highest in more than two years on Friday after Britain delivered a shock vote to leave the European Union, sending investors scurrying for protection in bullion and other assets perceived as lower risk.

In sterling terms, gold delivered double-digit percentage gains to top 1,000 pounds an ounce for the first time in more than three years, rallying as much as 21 percent in early trade, while euro-priced gold rose as much as 13 percent.

[Spot gold](#) peaked at \$1,358.20 per ounce and was up 5.15 percent at \$1,319.86 an ounce. [U.S. gold futures for August delivery](#) settled up \$59.30 at \$1,322.40, and were last up \$59.70 an ounce at \$1,322.50 off an early high of \$1,362.60 an ounce.

Shares of gold mining companies also rocketed higher, with a [fund tracking the industry](#) opening nearly 8 percent higher.

"(Brexit) benefits gold because in a general risk-off mode, it's a natural safe haven for everybody," Marie Owens Thomsen, chief economist at Indosuez Wealth Management, said.

"Now that the UK has voted to leave, we think there's a higher probability that the \$1,350-1,360 per ounce level can be breached, and we're therefore looking for an extended target in the \$1,400s."

Gold priced in sterling was last at 965.80 pounds an ounce, up 14.5 percent, having peaked at 1,019.03 pounds overnight. Euro-denominated gold was up 9.5 percent at 1,195.20 euros an ounce, off a high of 1,244.34 euros.

Gold dealers in London reported surging demand for coins and bars among retail investors on Friday, with some saying stocks were tight.

[Britain's vote to leave the European Union](#) forced the resignation of Prime Minister David Cameron and dealt the biggest blow to the European project of greater unity since World War Two.

World stocks headed for one the biggest slumps on record as the vote triggered 8 percent falls for Europe's biggest bourses and a record plunge for sterling.

The [single currency](#) was under pressure as investors worried that the Brexit vote could encourage similar movements in other European countries.

U.S. short-term interest rates futures hit contract highs in early U.S. trading, boosting expectations the [Federal Reserve](#) may cut interest rates to help shield the economy from any global fallout.

"This isn't necessarily about Britain, it's about uncertainty in the world's largest economy," Amanda van Dyke, fund manager at Peterhouse Asset Management, said.

"The general commentators are suggesting that the Fed is no longer going to raise rates because the dollar is soaring, and they can no longer afford for the dollar to keep going as fast as it is."

"Realistically, the ability of the European market to speak with a common voice I think has been permanently severed, and that's going to be a solid 5 percent (price increase) in gold for at least the next couple of years."

[Silver futures](#) were up 2.37 percent at \$17.77 an ounce, while [platinum futures](#) were 2.09 percent higher at \$986.50 an ounce.



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Symbol	Price	Change	%Change
GLD	126.01	5.90	4.91%
SLV	16.89	0.40	2.43%
IAU	12.72	0.60	4.95%

<http://www.cnbc.com/2016/06/23/gold-up-1-on-uk-referendum-nerves-after-leave-has-early-lead.html>