

Gold reeling from four straight days of losses

Gold prices moved little on Thursday but were reeling from four straight days of losses as uncertainty over the Federal Reserve's next interest rate decision kept traders wary of the yellow metal.

Bullion prices had briefly hit three-month lows on Wednesday, breaking a month-long lull after Fed Chair Jerome Powell testified before the House Financial Services Committee of Congress that interest rates will likely have to move higher to curb inflation.

Powell is now set to testify before the Senate Banking Committee later in the day, potentially offering up more cues on future rate hikes. Any signals on monetary policy are likely to factor into gold prices, given the yellow metal's sensitivity to U.S. yields.

Gold gets little relief as markets bet on July rate hike

Spot gold steadied at \$1,933.63 an ounce, while gold futures fell slightly to \$1,943.80 an ounce by 20:13 ET (00:13 GMT). Both instruments briefly slid below \$1,920 and \$1,930 an ounce, respectively, after Powell's comments on Wednesday.

While the Fed chief gave no direct signals on the next rate hike, his stance on inflation remaining too high, coupled with hawkish signals from the Fed last week, reinforced expectations for an at least 25 basis point hike in July.

Fed Fund futures prices show that markets are pricing in an over 70% chance the Fed will raise rates in July.

The prospect of further increases in U.S. interest rates has weighed heavily on gold over the past month, given that it increases the opportunity cost of holding bullion.

While the yellow metal has held a trading range of between \$1,930 and \$2,000 for the past month, analysts expect a breakout towards the downside, especially as the dollar strengthens amid uncertainty over the Fed.

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