

## Gold prices skittish before GDP data

Gold prices nursed steep losses on Thursday as anticipation of a barrage of U.S. economic and interest rate cues kept traders averse to the yellow metal, while copper sat on strong gains this week following more stimulus measures from China.

Bullion prices had fallen 0.7% on Wednesday, largely disregarding some weakness in the dollar as anticipation of key U.S. gross domestic product (GDP) and inflation data brewed more uncertainty over interest rates.

The yellow metal was battered by increasing bets that the Federal Reserve will cut interest rates later, instead of earlier this year. A series of record-high finishes on Wall Street also dented demand for gold, as traders shifted towards more risk-heavy, high-yielding assets.

But despite the losses, gold prices stuck largely to a \$2,000 to \$2,050 an ounce trading range established over the past week, as worsening geopolitical conditions in the Middle East spurred some safe-haven demand.

Spot gold rose 0.1% to \$2,015.36 an ounce, while gold futures expiring in February steadied at \$2,015.20 an ounce by 00:38 ET (05:38 GMT). Futures prices falling below the spot rate indicated that traders expected a near-term decline in gold prices.

### US GDP, inflation data in focus before Fed meeting

Market focus turned squarely towards key fourth-quarter GDP data due later on Thursday, which is expected to show some cooling in growth. But the U.S. economy is also expected to remain well ahead of its peers in the developed world.

PCE price index data- the Fed's preferred inflation gauge- is due on Friday, and is likely to show inflation remained sticky in December. Resilience in the U.S. economy and sticky inflation give the Fed more headroom to keep rates higher for longer- a warning that was voiced by several Fed officials earlier in January.

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