

Gold prices steady amid rate cut speculation

Gold prices rose slightly in Asian trade on Wednesday as comments from Federal Reserve Chair Jerome Powell sparked increased speculation over when the central bank will begin cutting interest rates.

Among industrial metals, copper prices sank, wiping out a bulk of a recent recovery following mixed inflation signals from top copper importer China.

Gold saw some strength in recent sessions as the dollar dropped amid increased expectations for a September rate cut. But the yellow metal stalled as the Fed still gave no clear signals on the path of interest rates.

Spot gold rose 0.2% to \$2,367.73 an ounce, while gold futures expiring in August rose 0.3% to \$2,373.90 an ounce by 00:20 ET (04:20 GMT).

Gold steadies after Powell testimony, CPI data on tap

Prices of the yellow metal stalled their recent rally after Powell flagged some cooling in the labor market and progress in bringing down inflation.

But the Fed Chair reiterated the central bank's commitment to its 2% inflation target, and gave no direct cues on when the Fed will begin cutting rates.

While traders largely maintained their bets on a September rate cut, Powell's testimony spurred some increased caution before key consumer price index inflation data due on Thursday. The reading is expected to show inflation cooling further in June, albeit slightly.

The dollar found some strength following Powell's testimony. The Fed Chair is also set to testify before the House later on Wednesday.

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