

## Gold Prices Rise as Yellen Sees U.S. Labor Market Slack

By Luzi Ann Javier - Aug 22, 2014

Gold rose for the first time in more than a week after Federal Reserve Chair Janet Yellen said slack remains in the labor market, easing concern that the central bank is ready to increase [interest rates](#).

Yellen today underscored the Federal Open Market Committee statement last month that “underutilization of labor resources still remains significant.” She spoke at the Kansas City Fed’s annual economics conference in [Jackson Hole, Wyoming](#). Gold fell to a two-month low yesterday as minutes of the Fed’s last meeting released this week signaled that policy makers may raise interest rates earlier than expected.

“They’re trying to bluff the market,” Tom Winmill, who helps manage about \$220 million of assets in [Walpole, New Hampshire](#), for Midas Funds, said in a telephone interview. “They’re trying to warn investors about the potential for rate increases, without actually implementing a rate increase. I think that will strengthen the trading range for gold.”

Bullion futures more than doubled from December 2008 to a record \$1,923.70 an ounce in September 2011 as the Fed purchased debt and cut rates to an all-time low to spur economic growth. Prices slid 28 percent last year as the global expansion accelerated and policy makers started reducing bond buying. The metal has risen 6.5 percent this year, partly as unrest in Ukraine and the [Middle East](#) increased haven demand.

Gold futures for December delivery rose 0.4 percent to settle at \$1,280.20 an ounce at 1:46 p.m. on the Comex in New York. The metal yesterday dropped to \$1,273.40, the lowest since June 18. Price slid 2 percent this week, for a second straight weekly decline.

### Fed Minutes

Many U.S. policy makers raised the possibility they may boost rates sooner than anticipated, minutes of the Fed’s July meeting showed Aug. 20.

Prices also advanced after Valentyn Nalyvaychenko, the head of Ukraine’s security council, told TV5 that Russia was invading under the cover of a convoy it says was carrying humanitarian aid. More

than 200 trucks from [Russia](#) entered the country without a Red Cross escort through a checkpoint in a rebel-held area and headed for Luhansk, according to a Bloomberg reporter on the scene.

Silver futures for December delivery slid 0.1 percent to \$19.459 an ounce on the Comex, capping a sixth straight weekly loss, the longest string of declines since April 2013.

On the [New York Mercantile Exchange](#), platinum futures for October delivery slipped 0.1 percent to \$1,418.50 an ounce, an eighth straight decline and the longest slump since July 2008. Prices fell for a second straight week.

Palladium futures for September delivery gained 0.9 percent to \$887.60 an ounce.

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