Gold Dips After Traders Weigh Hiring Resilience, Factories Flub
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By Justina Vasquez

(Bloomberg) -- Gold futures edged lower, after swinging between gains and losses, as a better-than-expected U.S. jobs report outweighed a third monthly contraction at the nation's factories.

Payrolls rose 128,000, according to government data Friday that exceeded the median 85,000 estimate in a Bloomberg survey of economists. Losses extended after China's Ministry of Commerce said it achieved a "consensus in principle" on trade talks. Meanwhile, the Institute for Supply Management's factory index trailed estimates for October, with the weakest production level since the last recession. That helped reignite demand for the metal as a haven.

The conflicting signals highlight the economic crosscurrents that have kept gold from extending its rally after the metal reached a six-year high in September. The jobs report lent support to the case for a pause in monetary easing, indicated by the Federal Reserve on Wednesday. The Fed's interest-rate cuts have been helping make gold more competitive against assets that offer yields and dividends.

"The jobs data was not really inflationary but very good for the stock market," George Gero, a managing director at RBC Wealth Management, said by phone Friday. "On the other hand, you don't see any kind of a sell-off because of all the global worries. So now it's a waiting game to see what will happen with interest rates and the stock market and all the worries."

Bullion futures for December delivery settled 0.2% lower at $1,511.40 an ounce at 1:31 p.m. on the Comex in New York. The metal rose 0.4% this week.

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