

Gold Climbs From One-Month Low After Strong U.S. Jobs Data

- ADP report indicates higher wages are helping fill vacancies
- An increasingly hawkish Federal Reserve is weighing on bullion

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(Bloomberg) --

Gold climbed from its lowest in a month after a strong U.S. jobs report underlined inflationary pressures in the economy, boosting demand for the metal as a store of value.

ADP Research Institute data indicated higher wages are helping fill a near-record number of vacancies in America, potentially stoking price pressures. Market-based measures of inflation expectations climbed, trimming real bond yields and supporting gold.

Bullion is up more than 5% this quarter on concerns that high commodity prices could add to inflation and curb growth. Fears of a U.S. recession, which would increase gold's haven allure, were also highlighted by inversion of the two- and 10-year Treasury yields for the first time since 2019 on Tuesday.

The metal is also getting support from geopolitical worries. Ukrainian President Volodymyr Zelenskiy said Russia was sending new forces to the nation. Kremlin spokesman Dmitry Peskov told reporters that talks didn't yield a breakthrough.

At the same time, the Federal Reserve's increasingly aggressive approach to curbing inflation is still weighing on the non-interest bearing precious metal. Philadelphia Fed Bank President Patrick Harker said Tuesday that he expects a series of "deliberate, methodical" rate increases this year, but is open to a half-point move in May if inflation accelerates.

Spot gold rose as much as 1% to \$1,938.56 an ounce, before trading at \$1,934.18 at 11:32 a.m. in New York. Palladium advanced after tumbling to the lowest in more than two months on Tuesday. Platinum and silver also climbed.

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