

Gold Futures Climb to 11-Week High in N.Y. on Syrian Tension
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(For more on the gold bear market, see EXT5.)

By Debarati Roy and Nicholas Larkin

Aug. 27 (Bloomberg) -- Gold climbed to the highest since June as political tension over Syria increased demand for the precious metal as a store of value. Platinum reached a four-month high.

U.S. Secretary of State John Kerry said Syria will be held accountable for using chemical weapons. Gold rebounded 18 percent through yesterday from a 34-month low of \$1,179.40 an ounce in June as lower prices boosted demand for jewelry, coins and bars.

"Syria is the new bullish barometer for gold," Adam Klopfenstein, a senior market strategist at Archer Financial Services Inc. in Chicago, said in a telephone interview. "We are seeing renewed interest in gold."

Gold futures for December delivery climbed 2 percent to \$1,421.10 an ounce at 10:29 a.m. on the Comex in New York, heading for the biggest jump since Aug. 15. Earlier, prices reached \$1,424, the highest for a most-active contract since June 6.

"The fact that investment demand has picked up again somewhat of late, coupled with the escalating Syrian conflict, could see the upswing continue," analysts at Commerzbank AG wrote today in a report.

Russia and Kazakhstan expanded their gold reserves for a 10th straight month in July, data on the International Monetary Fund's website show. Azerbaijan, the Kyrgyz Republic and Guatemala also added to reserves in July, the IMF data show. Gold slid 17 percent this year through yesterday as some investors lost faith in the metal as a store of value and on speculation that the Federal Reserve will reduce stimulus that helped prices gain for a 12th year in 2012.

Silver futures for December delivery gained 2.7 percent to \$24.695 an ounce on the Comex, after reaching \$24.75, the highest since April 26. Platinum futures for October delivery rose 0.2 percent to \$1,547.80 an ounce on the New York Mercantile Exchange, after touching \$1,558, the highest since April 9.

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