Gold soars $86 in a day as physical in short supply



Market news

The price of gold soared $86 today, to $1636, due to a lack of physical supply, and the price of paper gold starting to decouple from the physical.

One major reason is the closure of the major Swiss refineries in Ticina, near the Italian border, now offline, due to the Covid-19 virus.



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One major reason is the closure of three of the most productive Swiss refineries in Ticina, on the Italian border due,to the Covid-19 virus. Another reason is that margined players in the paper gold market had to close positions last week as they were forced sellers due to market volatility.

Gold futures are currently trading far above spot prices, and showing no signs of this correcting, as it would normally do fairly quickly.

A senior market analyst at Price Futures Group, Phil Flynn, commented that the market may be anticipating future demand for gold, as a result of the QE measures currently being taken, and feels “futures prices may be anticipating a rush into gold”.