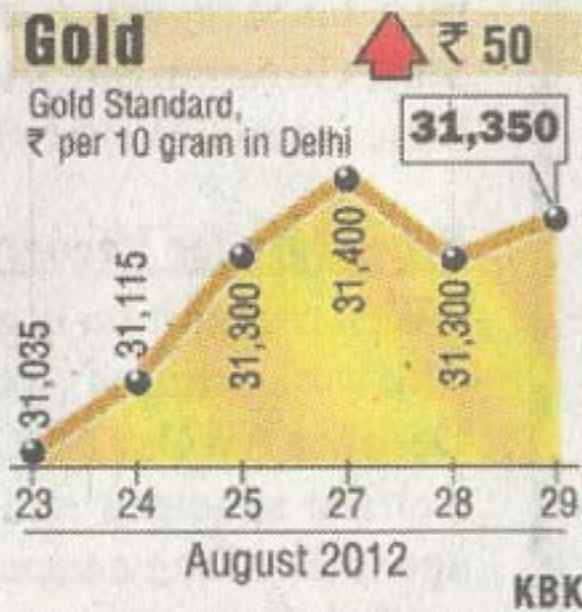


Gold to hit new high of ₹32,000 by Diwali: BBA

MUMBAI, AUGUST 29

Gold is likely to hit a record high of over Rs 32,000 per 10 grams during Diwali due to rising tensions in West Asia, Bombay Bullion Association (BBA) said.

"Prices of gold may hit new highs around Diwali as rising tensions in West Asia may increase demand for the metal as a safe haven investment. Civil war in Syria and geopolitical tensions in Iran are major factors pushing up gold prices despite the fall in physical retail demand for the metal in India, China and many other countries," BBA president and Riddisiddhi Bullions managing director



rithviraj Kothari said on Wednesday.

Strong possibility of the US announcing a third round of quantitative easing to boost the economy may also drive overseas gold prices up to \$1,800 an ounce, Kothari added.

Gold prices have been consolidating since the beginning of the year as the market is waiting for the US Federal Reserve to undertake a third round of quantitative easing.

Indian investors expect RBI to announce stimulus measures at its meeting in September to boost the fragile economic recovery. "In such a scenario, we expect gold to cross over Rs 32,000 by Diwali," he said.

The reduced disposable surplus income of the middle class has hit demand for gold, which could drag down the country's imports to around 700 tonnes, Kothari said. — PTI