

Gold Rises in Asia after Iran's Rocket Tests

By [Global Research](#)

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Gold gained in Asia after Iran yesterday tested new cannon and rockets, increasing the precious metals appeal as a haven.

Iran's military maneuvers codenamed 'Great Prophet 2', which started Nov. 2, came days after the US conducted a Persian Gulf exercise designed to help prevent the proliferation of weapons of mass destruction. Some investors buy gold in times of geopolitical uncertainty.

"The Iranian missiles are flying again, and that's keeping gold supported," Darren Heathcote, head of trading at Investec Bank (Australia) Ltd., said by phone from Sydney.

Gold for immediate delivery rose as much as \$3.2, or 0.5%, to \$626.40 an ounce. It traded at \$624.80 at 11:20 a.m. Mumbai time.

"I could imagine we would see the \$1,000 an ounce price in the next six to 12 months," said Christian Baha, founder and owner of Monte Carlo-based Superfund Asset Management GmbH. "After a nice correction, I believe gold will go ahead with the bull market."

Gold is trading 12% below its 26-year high of \$730.40 an ounce.

Volumes are less than normal today as market makers and gold traders in Australia turn their attention to the annual Melbourne Cup horse race, said Investec's Heathcote. Melbourne, the second-biggest city in Australia, is closed for a public holiday for the race.

'Profit-Taking': Analysts including Si Kannan expect there to be selling pressure once gold rises above \$627 an ounce today.

"There will be some profit-taking at these levels," said Kannan, an analyst at Mumbai-based Sharekhan Commodities Pvt.

Gold futures for December delivery declined \$0.5, or 0.1%, to \$627.50 an ounce in after-hours trading on the Comex division of the New York Mercantile Exchange at 10:36 a.m. Mumbai time.

Bullion for October 2007 delivery declined 16 yen, or 0.7%, to 2,395 yen a gram, or 74,484 yen (\$632) an ounce on the Tokyo Commodity Exchange at 2:29 p.m. local time.

In India, the price of the metal for December delivery fell 11 rupees, or 0.1%, to 9,137 rupees per 10 grams, or 28,416 rupees (\$634) an ounce, at 10:56 a.m. Mumbai time on the Multi Commodity Exchange.

A futures contract is an obligation to buy or sell a commodity at a set price for delivery by a

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