

Gold prices dip in Asia with Fed minutes eyed for policy views

January 3, 2017

Gold prices eased in Asia as a strong dollar weighed and investors awaited further clues on the greenback from Federal reserve minutes due to be released later in the day.

On the Comex division of the New York Mercantile Exchange gold for February delivery fell 0.26% to \$1,159.00 a troy ounce, while silver futures eased 0.10% to \$16.392 a troy ounce. Copper futures dipped 0.24% to \$2.481 a pound.

Overnight, gold prices rose despite a stronger dollar against a basket of currencies surging to a 14-year high. Gold is prices in dollars, making it potentially more expensive countries such as India and China, the top buyers globally. At its December meeting the Fed raised interest rates for the first time in a year and forecast as many as three hikes in 2017, making the tone of the discussion of high interest to markets.

Financial media, meanwhile, is reporting that there may be a new vice chairman of the Fed soon. The name of John Allison is being touted in Washington as a possible Fed nominee by President-elect Donald Trump.

Allison may be named for a Federal Reserve Board of Governors vacancy that would make him "vice chairman and head of banking regulation," a position left technically unfilled since it was mandated by the Dodd-Frank banking reforms, analysts said.

Allison was CEO of BB&T (NYSE:NYSE:BBT) from 1989 to 2008 who kept the institution out of trouble when the financial crisis hit in 2008, and after that he worked with the libertarian Cato Institute think tank, where he currently serves on the board after being president and CEO from October 2012 to April 2015. The think tank is located in Washington D.C. and is considered the "laissez-faire brain trust" of the Republican Party.

For 2017, the Fed voters are: Janet Yellen, Board of Governors, Chair; Lael Brainard, Board of Governors; Stanley Fischer, Board of Governors & Vice Chairman; Jerome Powell, Board of Governors; Daniel Tarullo, Board of Governors; William Dudley, New York; Charles Evans, Chicago; Patrick Harker, Philadelphia; Robert Kaplan, Dallas; and Neel Kashkari, Minneapolis.