

Why gold prices just hit a new record

The price of spot gold climbed past \$2,500 an ounce to a new record on Wednesday.

The precious metal has rallied more than 20% this year on anticipation that interest rates could eventually ease. Since gold offers no yield, traders consider it a better investment when central banks slash rates.

For this same reason, spot gold jumped as much as 1.8% on Friday as fresh housing data gave investors renewed reason to bet on lower interest rates.

In July, new home starts dropped to their lowest level since 2020, the Commerce Department reported. This finding adds on to concerns over the economy's strength, especially after recent weakness in inflation and labor prints.

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