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Gold at all-time high of Rs 14,705

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Open interest (OI) and pending contracts ready for execution caused gold hit an all-time high on the Multi Commodity Exchange (MCX) today.

Traders' shifting from physical holding of the yellow metal to profit-making also led to a rise in the gold prices.

Due to the absence of retail traders in the market, jewellery makers and long traders are selling their holdings on the futures platform at the current price. As the delivery date is two months away, goods will be delivered if the prices decline or if the positions are squared off in case prices rise.

In both cases, gold holders will benefit, said Navin Mathur, head-Commodities of Angel Broking.

Total open interest was recorded at over 23 tonnes as the April contract witnessed 21,870 kg, June 1101 kg, August 62 kg and October 7 kg towards the end of the morning session today. It breached its own record of 21 tonnes these contracts had set about 10 days ago.

On the MCX, a trader needs to pay a minimal 6 per cent of margin for entering into a large deal unlike physical buying where he requires total upfront money.

In Mumbai physical markets, however, standard gold set another history by closing with a gain of Rs 315 on Thursday at Rs 14,705 per 10 gm. Pure gold also set its record of Rs 14,770 per 10 gm, a gain of Rs 320 from the previous close of Rs 14,450 per 10 gm.

On the MCX, however, gold for near month delivery hit Rs 14,900 per 10 gm early Thursday evening giving a fair chance for analysts to forecast breaching Rs 15,000 per 10 gm soon.

Gold may breach Rs 15,000 per 10 gm before any profit booking in near future. Overall, traders are bullish towards the yellow metal, said Mathur.