

Gold soars to record high

By Annalyn Censky, staff reporter
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NEW YORK (CNNMoney.com) -- Gold settled at a new all-time high Tuesday, after building upward momentum during a volatile day for the stock market.

What prices are doing: Gold for June delivery rose \$19.50, or about 1.62%, to \$1,220.30 an ounce, surpassing its all-time high.

A new record

Gold surpassed its all-time high Tuesday when it rose to \$1,220.30 an ounce.



Click the chart for current commodities prices.

Gold posted its last record high on another volatile trading day, Dec. 3, 2009, when it settled at \$1,218.30 an ounce.

What's moving the market: Gold rallied 2% when the Dow plunged nearly 1,000 points on Thursday, with the precious metal closing that day at \$1,197.30.

Uneasiness about a volatile stock market boosts the appeal of safer investments like gold. Although the stock market has since recouped much of Thursday's losses, many investors remain nervous about the European debt crisis, despite the nearly \$1 trillion euro zone bailout that was unveiled this weekend.

What analysts are saying: "The finances of governments around the world are in such sad shape that investors are looking for a currency that is solid and they know will retain its value," said Joe Foster, a portfolio manager with Van Eck International Investors Gold Fund.

Some investors fear Europe's rescue package will speed up inflation in the region and weaken the euro as a reserve currency, said Jeffrey Nichols, managing director of American Precious Metals Advisors and a senior economic advisor to precious metals dealer Rosalind Capital. That will continue to drive investors toward safe-haven commodities like gold, he said.