Morning Commentary

REUTERS - Gold prices hover near 5-month highs as U.S. yields retreat

June 3 (Reuters) - Gold prices hovered near five-month highs on Thursday, supported by a pullback in U.S. Treasury yields, while investors looked ahead to key U.S. economic data later this week. * Spot gold was steady at $1,907.67 per ounce, as of 0042 GMT. On Tuesday, gold prices hit their highest level since Jan. 8 at $1,916.40.* U.S. gold futures were little changed at $1,910.60 per ounce.* The U.S. 10-year Treasury yield slipped below 1.60%, reducing the opportunity cost of holding non-interest bearing gold. * The dollar index gave up overnight gains and was trading around 89.913 against its rivals. * Focus shifts to U.S. weekly jobless claims data later in the day followed by monthly jobs numbers on Friday, for further clues on economic recovery and rising inflation. * The U.S. economic recovery accelerated in recent weeks even as a long list of supply chain troubles, hiring difficulties, and rising prices cascaded through the country, Federal Reserve officials said in their latest review of economic conditions. * The European Central Bank will not change the total size of its asset purchase programme at its June 10 meeting but will start tapering its pandemic purchases later this year, according to a Reuters poll which also showed inflation risks to the upside. * SPDR Gold Trust, the world’s largest gold-backed exchange-traded fund, said its holdings fell to 1,041.75 tonnes on Wednesday from 1,045.83 tonnes on Tuesday. * Silver edged 0.1% lower to $28.16 per ounce, palladium rose 0.2% to $2,861.65, and platinum gained 0.2% at $1,192. Reporting by Brijesh Patel in Bengaluru; Editing by Ramakrishnan M.