Gold prices inched higher on Wednesday, helped by a fall in U.S. bond yields, with investors holding back from making large bets ahead of U.S. inflation data and the European Central Bank policy meeting this week.

FUNDAMENTALS

* Spot gold was up 0.1% at $1,893.78 per ounce, as of 0045 GMT. * U.S. gold futures edged 0.1% higher to $1,896.60 per ounce.

* The benchmark 10-year Treasury yields fell to their lowest in more than a month, reducing the opportunity cost of holding non-interest bearing gold. * Labour Department data showed U.S. job openings surged by nearly one million to a new record high in April. * U.S. small-business confidence edged lower last month, the first decline in four months, as a nationwide labour shortage and inflation worries weighed on business owners’ economic outlook, according to a survey released on Tuesday.

* Market participants now await the U.S. consumer price index report due on Thursday for further clarity on the Federal Reserve’s timeline to taper monetary support. The ECB is expected to hold its policy meeting on the same day. * President Joe Biden broke off talks on an infrastructure bill with a key Republican, instead reaching out to a bipartisan group, after one-on-one talks with Senator Shelley Capito were described as hitting a “brick wall.” * A global equity benchmark and two key European stock indexes touched new highs on Tuesday. * Silver was steady at $27.63 per ounce, palladium gained 0.2% to $2,812.30, while platinum edged 0.1% lower to $1,160.81.