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Punter Strikes Gold With Price Bet

By John Ashworth

A CITY punter was celebrating a £600,000 profit after betting just three weeks ago on a steep rise in the price of gold.

The unnamed man, in his thirties, who works in the Finsbury Circus area of the Square Mile, placed a 'buy' order with City Index, the spread betting firm, in mid-January, when the price stood at \$350.

Each \$1 rise in the price of bullion netted him a profit of £20,000. He sold half his position yesterday at \$380, banking an instant £600,000. Even more gratifyingly, his remaining position is worth another £600,000 on paper. He will remain in profit as long as gold stays above \$350.

The investor had to lodge margin, or collateral, of about £160,000. If the price had turned down, City Index would have pocketed the cash.

The lucky punter was not the only one to turn a tidy profit. Another City Index client, a man in his fifties, understood to work in the same building bought gold a year ago at below \$300. He sold out at \$350, pocketing £900,000.