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Dollar falls on speculation of a speedy bailout for Greece

* Talks between Total and French strikers collapse
* Russia "very alarmed" at Iranian nuclear stance

Oil prices rose to a six-week high above $80 a barrel on Monday, extending the previous session's gains, as speculation over a quick bailout for debt-laden Greece helped pushed the U.S. dollar lower.

Concerns about an extended refinery strike in France and escalating tensions over Iran's nuclear program also lent support to oil prices.

U.S. crude for March delivery rose 42 cents to $80.23 a barrel by 0737 GMT, after having struck $80.51 -- the highest since Jan 13. London Brent crude rose 48 cents to $78.67 a barrel.

"The weak dollar is the biggest driver for crude prices this morning and hopes of a financial rescue for Greece are propping up sentiments," said Clarence Chu, a trader with Hudson Capital Energy in Singapore.

The U.S. German weekly Der Spiegel reported on Saturday that Germany's finance ministry had prepared plans in which countries using the single currency would provide aid worth between 20 billion and 25 billion euros for debt-laden Greece. The ministry refused to comment on the report.

Hopes of a swift bailout for Greece also helped push Asian stocks higher and spurred gold and grains to rally.

Concern over Athens' ability to repay its debt mountain has shaken confidence in the euro and stirred fears that it may hinder global growth. Some analysts have said that a plan to rescue Greece would help allay sovereign debt concerns in Europe.

Separately, an extended strike at Total's six oil refineries in France and growing hostility between Iran and the West also aided bullish sentiment for crude.

An extended strike would lift Europe's gasoline prices and also push up prices across the energy complex, market participants said.

Russia said on Friday it was "very alarmed" by Iran's failure to cooperate with the IAEA, after the U.N. nuclear agency said it feared Tehran might be working to develop a nuclear missile.

Oil prices rose 7.7 percent rise on the week, their largest single-week percentage gain for front-month crude since October, thanks to a combination of positive economic data and growing tensions over sanctions against Iran.

Analysts said Wall Street could keep rallying after notching its best week this year if Federal Reserve Chairman Ben Bernanke gives a reassuring assessment of the recovery and retail earnings show improvement.

On OPEC rumblings, a senior Iranian oil official said on Saturday the producer group was unlikely to raise its output ceiling at its next meeting in March.

Also on Monday, Goldman Sachs said that benchmark oil prices will rise to $85-$95 a barrel this year as global economic growth accelerates, up from the low-$70 to low-$80 range since October last year.

Gold hits 1-month high, few signs of physical selling

* Gold may test January high around $1,150 an ounce

Gold jumped to its highest in a month on Monday as the U.S. dollar took a breather from a recent rally and fund buying picked up after the euro gained on talk about a speedy bailout for debt-ridden Greece.

Investors have poured money into gold as a hedge against currencies' volatility due to fears about debt defaults in the euro zone, while the metal's steady rebound since falling below $1,100 also ignited technical buying. Dealers expected gold to eventually test January highs around $1,150.

Spot gold hit an intraday high of $1,130.65 an ounce and was quoted at $1,124.20 by 0640 GMT, up $6.70 from New York's notional close on Friday.

U.S. gold futures also struck a 1-month high, silver gained more than 1 percent, while platinum and palladium tracked bullion higher.

"It looks like there's quite a solid support at $1,100 for the time being. We are waiting for Bernanke's speech this week and some data, and will then see what happens," said Ronald Leung, director of Lee Cheong Gold Dealers in Hong Kong.

"The dollar continues to weaken and we don't see much selling around," said Leung, referring to selling from the physical sector which normally happens when gold hits new highs.

Bullion was about 8 percent below a lifetime high above $1,200 an ounce struck in early December and was moving away from a three-month low around $1,043 hit almost three weeks ago.

The dollar fell as investors reassessed chances of a earlier-than-expected interest rate hike by the Federal Reserve, while a newspaper report about a plan by countries using euro to help Greece lifted the single currency.

Markets await Fed chief Ben Bernanke's testimony in Congress on Wednesday and Thursday when investors will be looking for clues on rates after the Fed surprised many by raising the discount rate last week.

Gold initially dropped 1 percent on Friday after the announcement of the hike in discount rate before regaining strength as worries about volatility in currencies lingered.

Billionaire investor George Soros said a makeshift assistance should be enough to rescue Greece but bigger problems facing Europe would leave the future of the euro currency in question.

Greece's deficit swelled to 12.7 percent of gross domestic product in 2009, way above the EU's cap of 3 percent. Greece has pledged to reduce its budget deficit to 8.7 percent in 2010.

U.S. gold futures for April delivery added $3.5 an ounce to $1,125.6 an ounce. It had hit an intraday high of $1,131.50 on Monday, its strongest in a month.

Gold priced in euros held near last week's record around 830 euros.

"I think we've seen a bit of fund buying today, which is also driven by the fact that gold has managed to stay above $1,100 an ounce," said another dealer in Hong Kong.

The world's largest gold-backed exchange-traded fund, SPDR Gold Trust, said its holdings stood at 1,107.596 tonnes as of Feb. 19, down 1.828 tonnes or 0.2 percent from the previous business day.

Non-commercial net long U.S. gold futures positions rose to 188,858 contracts in the week ended Feb. 16 from 181,519 contracts a week earlier, according to the weekly Commitments of Traders report published by the Commodity Futures Trading Commission. It was the first increase in a month.

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Shanghai copper hit 4-week high of 60,000 yuan at opening

* No trade yet on LME cobalt, molybdenum contracts

Shanghai copper rallied nearly 5 percent as the market reopened after a week-long Lunar New Year holiday, tracking gains in London, but the economic policy changes weighed on sentiment.

Copper prices on the London Metal Exchange gained 9 percent last week -- its biggest weekly gain since March last year -- and touched a 3-1/2-week peak of $7,450 a tonne on Friday, encouraged by an improving economic outlook.

"Shanghai copper will fuss around in search for an appropriate level in reaction to London's rally last week in first two days after the holiday," said Lin Yuhui, deputy general manager of Jinhui Futures.

"It opened near limit high, but has since weakened as traders are concerned about the policy moves," he said, but added that some also interpret the tightening signals as a sign that the real economy is on strong footlhold now.

China's central bank announced an unexpected increase in banks' required reserves after the market closed on Feb. 12, while the U.S. Federal Reserve raised its discount rate last week.

"The Fed's move was clearly a shot across the bow, and will likely be followed by further steps to sop up excess liquidity, culminating in an eventual move to raise rates, which we suspect will happen sometime over the spring or summer months," Edward Meir, an analyst at MF Global, said in a research note.

"Moreover, because a number of central banks are starting to move in the same direction, their collective actions could generate significant headwinds for commodities going into 2010."

Shanghai's benchmark third-month copper futures hit a 4-week high of 60,000 yuan in early trade, just 200 yuan below the day's upside limit, before easing to 59,140 yuan a tonne by 0236 GMT, up 4.8 percent.

Three-month copper on the LME fell 1.3 percent to $7,337 a tonne.

"LME copper is likely to go through a correction after the strong rally, albeit a mild one. As for Shanghai, the upward trend from before the holiday is continuing, but the momentum is not particularly strong," said Wang Zhouyi, an analyst at Shanghai CIFCO Futures.

Copper demand is expected to pick up, as the traditionally busy season returns after the Lunar New Year, but it may still not be enough to support the currently high prices, analysts and traders said.

"Even if the demand is expected to improve, it does not justify prices as high as we saw earlier this morning. Domestic prices are already too high, likely to cause correction in both markets," a Shanghai-based trader said.

The LME launches its new molybdenum and cobalt futures on Monday, first time that the two minor metals will trade an exchange. Both contracts were awaiting their first trades.

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