



## Watch Europe and the Dollar for Gold's Next Direction, Dillon Gage President Says

### *Gold remains in an uptrend this year despite recent choppiness*

**Addison, TX (Nov. 3, 2011)**... Enthusiasm about measures to resolve Europe's debt crisis helped gold recover its September losses in the later part of October, **Dillon Gage Metals** says. But optimism soon gave way to questions about how European financial remedies might be implemented. Gold came under renewed selling pressure at October's end as doubts resumed over European plans to prevent the region's debt woes from turning into a global crisis.

"However, the main factor leaning on gold in late October was the stronger dollar," says Terry Hanlon, president of **Dillon Gage Metals**. "Gold fell following Japan's intervention to weaken the yen," he added. The Bank of Japan's move to devalue the yen by selling its currency in the foreign exchange market at October's end was a record, one-day action by the BOJ – which was believed to have sold 7 trillion yen. Intervention by both Japan and Switzerland has supported the greenback. The dollar, which had fallen to a record low in Asian trading in late October, bounced off that level. Meanwhile, lower metals prices from a firmer dollar hurt mining stocks.

Looking back, however, the dollar index lost 2.9% in October and is down 3.4% for 2011, which has been supportive for gold. A firming dollar makes gold more expensive to buy in other currencies, Hanlon notes. "In fact, in the last 15 years, gold and the dollar have mostly had an inverse relationship," he states.

Renewed doubts about the euro zone's plan to cope with its debt crisis weighed on investor sentiment in a number of commodity markets at October's end. U.S. crude oil futures declined as the greenback jumped against the yen. Gold often takes its cues from crude oil's direction since fossil fuel plays a key role in overall inflation.

But, says Hanlon, "A strong uptrend remains in place for gold, which reached a record high of \$1,895 an ounce in August. A five-week uptrend is intact on the daily gold chart." In other precious metals markets, silver is also in a five-week uptrend on its daily chart.

**Dillon Gage Metals** is engaged in bullion trading, online trading of physical metal and futures, jewelry trading and liquidation, refining, and rare coin and estate liquidations.

### **About Dillon Gage Metals**

**Dillon Gage Inc.** (DillonGage.com) was founded in 1976, and its companies include:

- **Dillon Gage Metals**, one of the largest precious metals dealers in the U.S. (DillonGage.com/Metals) 800.375.4653
- **Dillon Gage Refinery**, state of the art refinery located in Dallas, Texas. (dillongage.com/metals/refining) 888.436.3489
- **FizTrade Online Trading** offers real-time trading for bid and ask markets for gold, silver platinum and palladium. (FizTrade.com) 800.375.4653
- **Diamond State Depository**, a wholly owned, independently operated precious metals storage facility located in New Castle, Delaware. (DiamondStateDepository.com) 888.322.6150
- **International Depository Services of Canada**, a wholly owned, independently operated precious metals storage facility located in Toronto, Canada. (InternationalDepository.com)

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