

Bargain Hunters Step In, Providing Support For Battered Gold, Dillon Gage Says *Asian consumers are buying gold jewelry at this month's lower prices*

ADDISON, TEXAS (April 19, 2013)... Gold prices tumbled in April, breaking below \$1,400 an ounce to a three-and-a-half-year low as investors liquidated and many flocked to equity markets in hopes of better returns. Big gold investors watched their wealth shrink. On April 15, gold lost \$140 an ounce in one of its biggest, one-day drops ever. Global inflation has been tepid, providing little incentive to buy gold. But bargain hunters stepped in as gold prices retreated, says [Dillon Gage Metals](#), international wholesale metals dealers.

"After a punishing selloff, gold appears to be in the process of bottoming," says Terry Hanlon, President of **Dillon Gage Metals** in Dallas. Gold has fallen more than \$500 an ounce from its 2011 peak of nearly \$1,900. Demand for physical gold and jewelry picked up as prices dropped, he says. Additionally, many bargain hunters are buying on this dip causing a shortage in the supplies of physical metals.

Asian consumers in particular see this month's lower prices as a good time to buy gold jewelry and minted investment products. India, the world's biggest gold consumer, is in its wedding season--when jewelry is given to brides and at the most lavish weddings to guests.



Escalating tensions on the Korean peninsula are another reason to buy gold, Hanlon says. Investors are watching North Korea, where officials this month rejected South Korea's call for bilateral talks.

Factors that led to gold's slide nonetheless remain. Weaker-than-anticipated GDP figures from China have weighed on a number of commodities, including gold, this month. Crude oil prices, an inflation barometer, gave back all of their March gains in April.

Inflation is tame and that's not good for gold. According to JP Morgan's global consumer price index for more than thirty countries, inflation has eased from 4 percent in 2011. Global prices in February were up only about 2.5 percent from a year earlier, the index shows. In the United States, weak retail sales suggest inflation will remain subdued, even though housing starts and home sales are improving.

Another factor that's weighed on gold is a rumored plan by the debt-saddled, island nation of Cyprus to sell gold reserves to raise about 400 million Euros. Worries are that other indebted countries, including Italy, Portugal, Slovenia and Hungary, could follow suit and unload some of their gold reserves.

But on a more positive note, several well-heeled nations might buy gold at these lower levels to add to reserves.

Hanlon says the bargain hunting that's emerging in gold doesn't mean the market will fully recover right away. "It may be a gradual claw back," he says. "But in time, I think we'll see gold above \$1,800 again."

For more information on **Dillon Gage Metals**, please visit www.dillongage.com/metals or phone 800-375-4653. Follow Dillon Gage on Twitter @DillonGage and on Facebook <http://www.facebook.com/dillongage>. Dillon Gage Metals Blog: <http://dillongageblog.com/> and Dillon Gage Metals Smartphone App visit the iTunes store (<https://itunes.apple.com/us/app/dillon-gage-metals/id586486914>) or Google Play (<https://play.google.com/store/apps/details?id=com.dillongage.metals>).

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
- 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, precious metals and certified coin depository outside Wilmington, DE. (DiamondStateDepository.com) 888-322-6150
- International Depository Services of Canada Inc., a precious metals and certified coin storage facility near Toronto. (IDSofCanada.com) 855-362-2431

Media Relations Contact:

Jo Trizila

jo@TrizCom.com

O: 972-247-1369

C: 214-232-0078