

China boosts gold market, signals intention exchange U.S. currency to the Euro, precious metals, due to weak dollar and geo-political concerns

Date: 01-23-2006 08:35 AM CET

Category: [Business, Economy, Finances, Banking & Insurance](#)

Press release from: [Internet Unlimited](#)

As platinum reaches an all-time high, and gold hits 25-year high at \$564 per ounce, all indications are that these record levels are only the beginning of a shift away from the dollar. China appears to become more and more concerned about the \$818.9 billion U.S. dollars in currency it currently holds. With America's foreign debt standing at \$8,184 trillion, while nearing the debt ceiling of 11 trillion as early as February 2006, it's not extremely difficult to understand why. According to a recent Bloomberg report, China's central bank will now start to exchange U.S. paper currency for hard assets-namely, precious metals. Apparently, this is some type of risk protection on all of the U.S. currency it currently owns on behalf of the Chinese Central Bank. If China decides sells those dollars, the clear winners will be gold investors. And the clear loser being the U.S. dollar.

This can only be interpreted as positive for precious metals. In fact, Wolfgang Wrzesniok-Rossbach, head of precious metals marketing at Germany's Heraeus, said gold was set for further gains in 2006 and had the potential to breach \$600 an ounce. MKS Finance said gold prices might reach \$620 in 2006, with an average price of \$544 for the year.

"Gold is more and more becoming an insurance policy against any type of disruptive risk and most portfolio managers believe that gold is an asset which should not be missed in their portfolios," Frederic Panizzutti, senior vice-president at MKS, said in the firm's report.

The obvious beneficiaries of this global shift away from the dollar will likely be gold investors, e-currency exchange merchants and foreign currency investors.

How dose the average investor navigate the potentially rocky times ahead? Here are a couple of tips from the experts.

- Diversify your investments. It is recommended that %20 of your total investment dollars are kept in gold, other precious metals.
- Consider keeping investments in foreign currency, e-bullion or gold-backed e-currency to hedge against the weakening U.S. dollar.
- Invest in gold coins. The American Gold Eagle and Canadian Maple Leaf are very popular investments.
- Keep yourself informed. Keep track of global political developments and possible opportunities in foreign currency markets.
- Always consult your investment strategist before making any major financial decision or investment.

For more information, please contact:

Ron Butterfield

702-598-5836

www.learn-e-currency-exchange-now.com

[You can find this press release here](#)