

## Gold Retreats to 2-1/2 Week Lows

*As the dollar continues to move higher on fading doubts on Trump's economic policies, the precious metal falls to week lows.*

TORONTO, CANADA, January 27, 2017 /EINPresswire.com/ -- As the [dollar](#) continues to move higher on fading doubts on Trump's economic policies, the precious metal falls to week lows.

In Friday's trading session, prices of [gold](#) declined to a two-and-a-half week low as a stronger dollar fuels itself over subsiding concerns surrounding President-elect Donald Trump's policy decisions.



Gold Retreats to 2-1/2 Week Lows

Gold futures for February delivery on the Comex division of the New York Mercantile Exchange retreated to \$1,182.85 a troy ounce, the lowest level last seen January 11. As of writing, the February contract is still at its lowest, down by 0.58% or \$6.95 at \$1,182.85 per troy ounce.

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Commodities are the flavor of the month. Gold, silver, zinc or copper, it doesn't really matter what it is, as long as it's a commodity.”

*David Gornall*

Gold futures were likely to find support at \$1,156.30, the low from January 4, and resistance at \$1,202.80, which was Wednesday's high.

Elsewhere in metals trading, futures of silver for March delivery shed 0.85% to \$16.707 a troy ounce, while copper futures for March delivery dipped 0.11% to \$2.670 a pound.

Trump policies

As sentiment on the US currency recovered after Trump suggested the implementation of a 20% tax on Mexican goods to pay for his proposed border wall, demand for gold waned. Remarks followed after the president of the world's strongest country gave the go signal of the construction of a US-Mexican border wall and approval for cities hiding illegal immigrants on Thursday.

Additionally, Trump also proposed the “extreme vetting” of visa applications and a temporary ban on virtual refugee admissions in the country.

Dollar falls, but recovers

The greenback had been under heavy pressure since Donald Trump's inauguration last Friday amid

fears over a lack of clarity on his economic policies and uncertainties that his protectionist trade stance may harm corporate profits and hinder growth.

As of writing, the US dollar index, the gage used to measure the greenback's strength against a trade-weighted basket of six major currencies, was up 0.11% at 100.63, off the last session's seven-week low of 99.77.

A stronger US dollar usually weighs on gold, as it dampens the yellow metal's appeal as a safe haven asset and makes dollar-priced commodities more costly for holders of other currencies.

Additionally, the demand for the alternative asset metal also remained under pressure since the Dow Jones Industrial Average notched 20,000 for the first time on Wednesday amid optimism over Trump's policies and a strong round of corporate earnings.

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