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Monthly MARKET REPORT July 2025

Hard Negotiations Ahead in Congress. Meanwhile, Dealers Prep-But for What?

July 2025 highlights:

- Gold futures prices declined a modest $14.30, or 0.43%, to $3,348.60 against the backdrop of the US reaching trade accords with major partners.
- Silver futures prices proved resilient to a COMEX copper price collapse, gaining $0.54, or 1.49%, to $36.71.
- Platinum prices dropped $43.90, or 3.27% to $1288.80.
- Palladium prices increased $90, or 8.06%, to $1188.50.

An Evaporated Arbitrage in Copper

Since spring, copper market participants had been expecting a 25% tariff on the red metal. They had pushed US COMEX prices to a premium over London Metal Exchange prices. In early July, owning copper in the US seemed like the perfect play. On the 7th, President Trump announced copper tariffs would be double, or 50%. US copper at one point cost 28% more than copper on the London Metal Exchange, well before any firm tariff announcement.

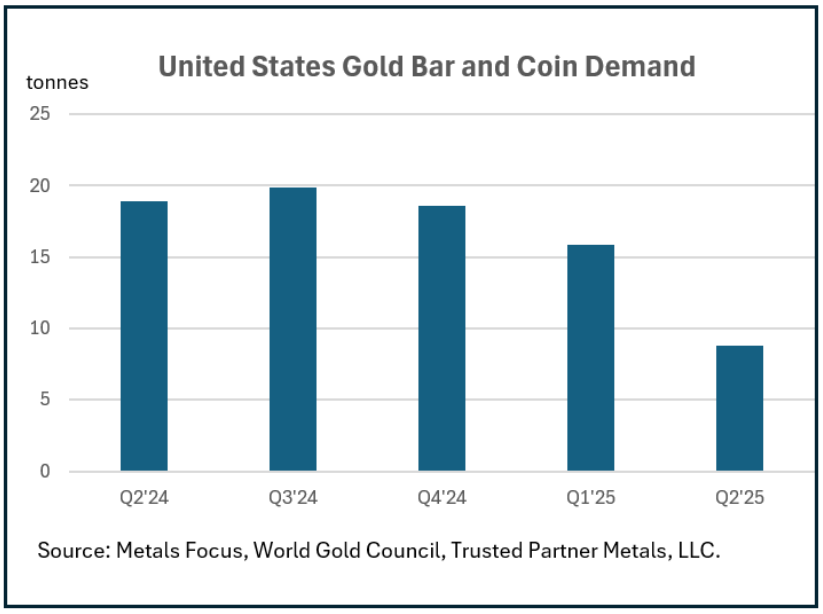
However, on the 30th, the administration exempted imports of refined copper (which short traders can use for COMEX delivery). COMEX copper prices dropped a record 20% that day, evaporating the premium to the LME. Prices for silver, with its industrial properties, fell in sympathy, losing $0.545 cents or 1.49% to $37.74. Gold prices shed $28.40, or 0.84% to $3,352.80.

Gold and silver prices had already started to slump. On the 23rd, the US and Japan set a trade accord and on the 28th, the US and European Union came to terms. Hence when the copper news hit, gold and silver futures prices were already well off their monthly futures highs of $3509.00 and 39.91, respectively.

Coins and Bars

As FideliTrade is an authorized purchaser for US Mint products, it serves as a wholesaler to precious metals retailers. In recent months, new retailers have opened accounts. Do these retailers need additional supply because new accounts want to buy? Or do these retailers need a new outlet to offload client sell backs? Time will tell whether we are an inflection point for the retail market.

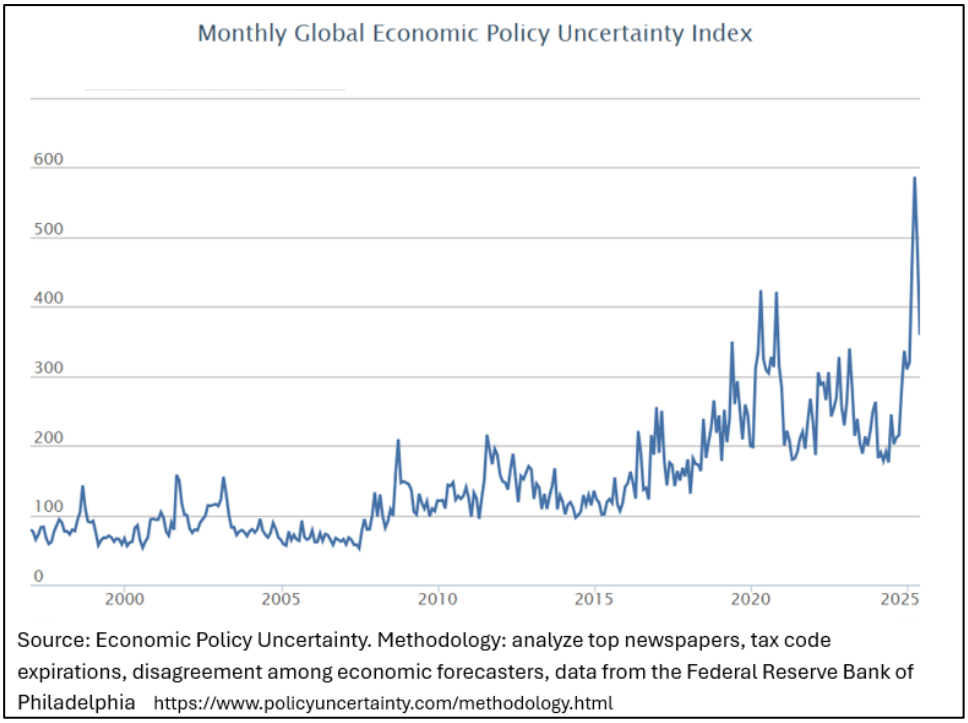
Data from the World Gold Council's recent Gold Demand Trends align with customer trends at FideliTrade. The report states US demand for gold bars and coins fell 45% in the second quarter from the first. And compared to Q2 2024, investor demand is off even more: 53%. For this analysis, bar sizes considered are kilograms and smaller.



Premiums remain negligible. In gold, American Eagles sell at less than 1% over than the spot price. Silver Eagle premiums are less than $3.00. In platinum, coin premiums collapsed because bar format platinum is in high demand by industrial consumers.

Less Uncertainty

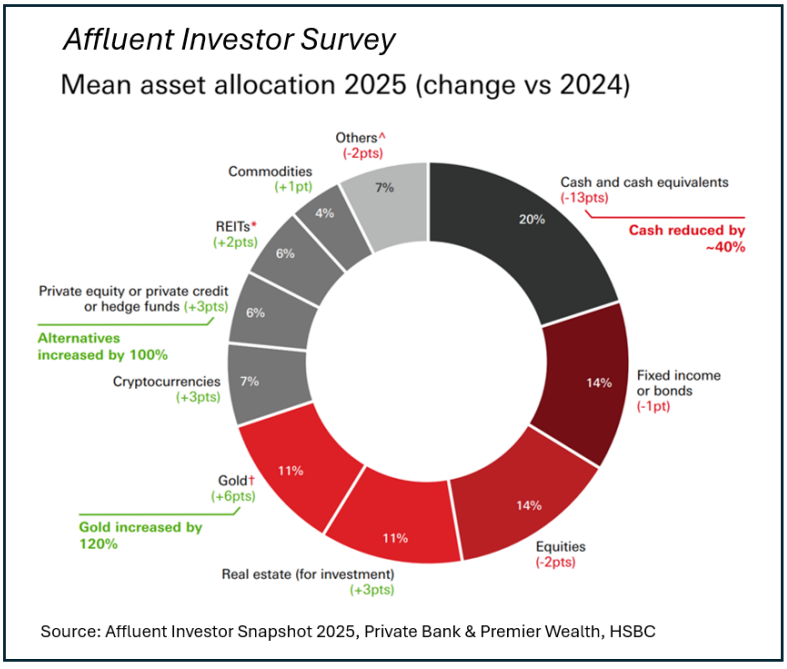
While there is yet no trade accord with China, US agreements with the EU, Japan, South Korea, and other trading partners have helped lower investor uneasiness. An index that tracks economic policy uncertainty has dipped below 2020 levels.



Source: Economic Policy Uncertainty. Methodology: analyze top newspapers, tax code expirations, disagreement among economic forecasters, data from the Federal Reserve Bank of Philadelphia https://www.policyuncertainty.com/methodology.html

The New Normal for Portfolios?

Global banking giant HSBC's survey results note increasing adoption of alternative investments by affluent investors. In 2025, clients shifted from cash (down 40%) to gold (up 120%) and other specialty investments like private equity, private credit, and hedge funds (up 100%). Clients' gold allocation this year jumped to 11%, up from 5% in 2024.



Source: Affluent Investor Snapshot 2025, Private Bank & Premier Wealth, HSBC

Looking ahead: Key dates

August 12 marks the end of the 90-day pause on tariffs between the US and China. US tariffs are 30% (down from as much as 145%) and Chinese tariffs on US goods are 10% (instead of 125%).

September 16-17 is the next Federal Reserve Board meeting. The Summary of Economic Projections will show whether more Committee members have turned dovish. In July, the Fed voted by a 9-2 margin to hold rates steady. The dissenters voted to lower rates.

September 30 is the US fiscal year end and when the continuing resolution (CR) that is keeping the government operating expires. Unless Congress passes a complete budget, it will have to pass another CR. There are already tough talks under way over the current budget proposal on Capitol Hill. How will this play out in September?

Jennifer Ropiak is a precious metals market specialist with over 30 years' experience, including 20 in trading (15 at Morgan Stanley). She is the founding director of Trusted Partner Metals - an independent consultancy whose clients typically are keen to increase their footprint in precious metals. Currently, Jennifer is advising the World Gold Council on their initiative to increase retail gold demand globally. Jennifer is a Chartered Alternative Investment Analyst and a graduate of Cornell University.

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