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Monthly MARKET REPORT August 2025

Precious Metals Prices Rally as Uncertainty Ramps Up in DC. And the Impact of Tariffs on Consumers, According to the Fed.

August highlights:

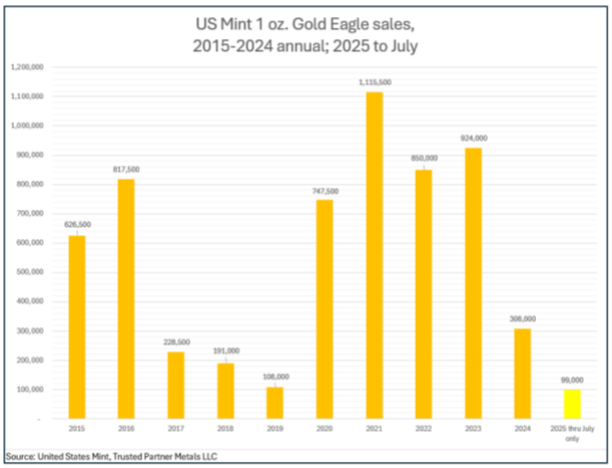
- Gold futures prices rallied $167.50, or 5.00%, to $3,516.10. COMEX market participants swallowed a tariff-related up and down price move of $100 on August 7 and 8.
- Silver futures prices gained $3.535, or 9.51%, to $40.725 on positive demand trends.
- The gold: silver ratio narrowed to 85.34: 1, as compared to the end of July when an ounce of gold could buy nearly 91 ounces of silver.
- Platinum futures prices added $71.40, or 5.50%, to $1,370.50 on green demand expectations.

On Friday afternoon, August 29, a US federal appeals court struck down most of President Trump's tariffs. The administration has until October 14 to appeal. The appeal would likely go to the Supreme Court, which has previously ruled in deference to presidential power. Safe from the federal court decision: sector-specific tariffs, including steel and aluminum.

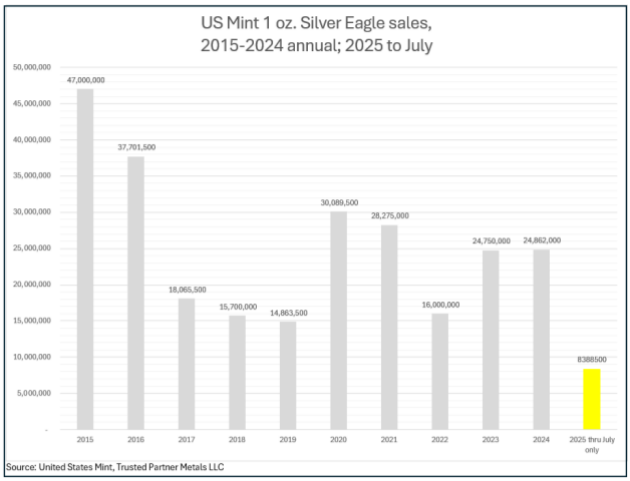
Coins and Bars

Last month we learned that for gold in the first half of 2025, retail coin and bar demand was off nearly 4.4 million ounces, or nearly 36%, compared to the last six months of 2024. This is according to the World Gold Council, who define coin and bars as kilo bars and smaller.

The slump in individual investor demand shows in US Mint sales. Should sales through July continue at current pace, Gold Eagle sales for 1 oz. cons will total just 140,250 oz. this year, a decline of 54% from last year, 84% from 2023, and 87% from 2021. Eagles traded as low as spot at one point this month.



In silver, the Silver Institute says retail demand for physical silver is down at least 30% so far this year. Silver Eagle sales through July back up this observation. If the pace of sales does not change, the US Mint will sell just 11.88 million oz. of 1 oz. Eagles, off 52% compared to 2024 and 2023, and 61% from 2020. Premiums are low.

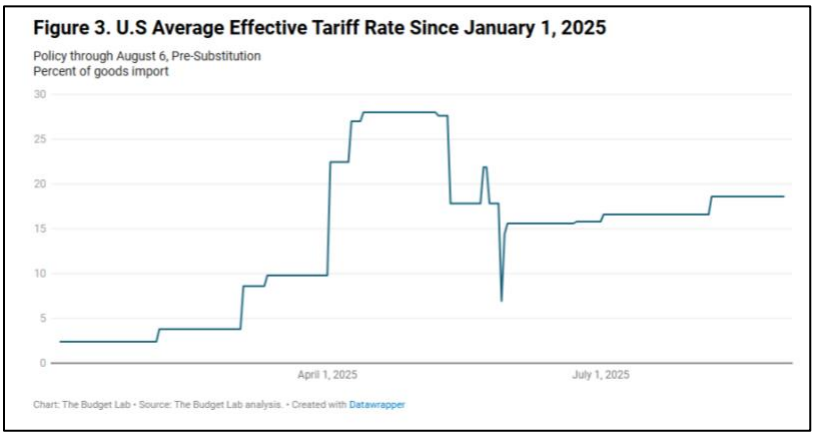


Swiss Gold Tariffs – Yes, No, Maybe?

COMEX gold prices are elevated compared to London spot prices, although below the $100 level seen earlier in the month. The market is cautious because President Trump declared a 39% tariff on Swiss products, and Switzerland is home to most of the world's gold refining. The Trump administration said it would issue an executive order clarifying 'misinformation' in a US Customs letter obtained by the Financial Times. The letter indicated that the US would tariff kilogram and 100 oz. gold bars. (Traders use both bars for COMEX delivery). However, and this is not legal, business, or any kind of advice, and read this at your own risk - the administration has not yet published an executive order regarding Swiss gold. Hence, uncertainty continues in the market. Using a price of $3,450 an oz., a 39% tariff is $1,345.50. Even if it only runs until October 14, that is a chunk.

Tariffs and the Consumer

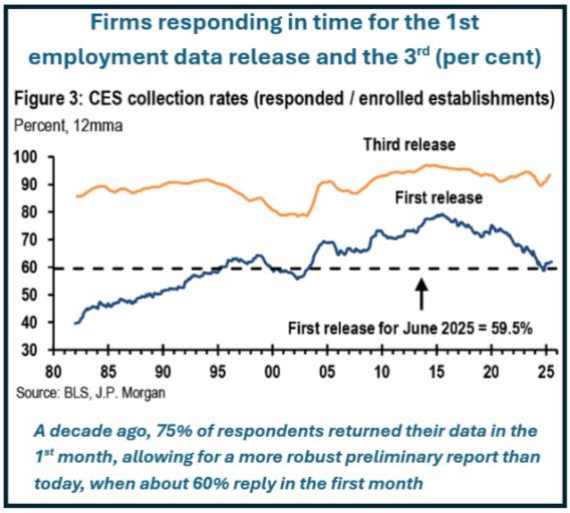
It is impossible to figure out the real time impact of tariffs on consumers. However, the Yale budget lab analysis on August 7 suggests that prices will go up 1.8% in the short run, the equivalent of the average household experiencing a loss of $2,400. The US tariff rate faced by the consumer is 18.6%, the highest since 1933.



Back in May, the Federal Reserve published a study stating that "2025 tariffs have so far led to a 0.3 percent increase in core goods PCE prices, contributing to a 0.1 percent increase in core PCE prices (goods and services prices, excluding food and energy) as a whole."

How "You're Fired" Could Impact Labor Data

Revisions to employment data are common. But after the final revision to June labor data, President Trump fired the commissioner of the US Bureau of Labor and Statistics (BLS). JPMorgan says that despite the revision being the largest since the 1980's (ex-COVID), "the average revision size is apparently not increasing." More importantly, what has changed over the years is how quickly firms respond to the jobs survey.



For background, firms can answer the survey over 3 months. Data received in the first month comprises the preliminary payroll estimate. The BLS revises this estimate when the second month responses arrive and publish it a month later. The BLS makes a second revision when it receives the third month's responses, which becomes the official payroll estimate for that month.

Firms are taking longer to return the survey. In June, less than 60% responded in the first month; a decade ago, that figure was 75%. Today, the data comes later, requiring more revisions.

Will E.J. Antoni, President Trump's nominee to run the BLS, change the data collection approach or any methodology? Will he implement efficiencies? Labor statistics are key to the Federal Reserve's decisions related to interest rates and the world of investors will watch his steps closely.

…and Interest Rates

Turning to another American institution also in a bit of an upheaval, investors are watching the Federal Reserve Board (FRB) closely. The independence of the Fed is a cornerstone of the success and global respect of the US economy. At the last meeting when the FOMC left rates unchanged, the two Trump 1 governors provided the first double dissent since 1993. Trump recently nominated Stephen Miran to replace a retiring governor. If President Trump beats Governor Cook in her lawsuit to keep her job, then he will get to make another FRB appointment and will have appointed four of the seven sitting governors. President Trump has berated Chair Powell for being too slow to cut interest rates. Presumably Miran and anyone else nominated by President Trump will be on side with the White House view of the economy and the need to cut rates. Here is the current and expected makeup of the Board:

Federal Reserve Board membership by presidential appointment and term maturity

Governor	Appointing president	Term expires Jan 31 of	Note
Jerome Powell, Chair	Obama	2028	Chair role expires May 2026
Christopher Waller	Trump 1	2030	
Michael Barr	Biden	2032	
Michelle Bowman, Vice Chair for Supervision	Trump 1	2034	Supervision role expires May 2029
Philip Jefferson, Vice Chair	Biden	2036	Vice Chair role expires August 2027
Lisa Cook	Biden	2038	Fired by President Trump over personal mortgage application issues; Cook is suing to keep her job.
Awaiting Senate approval:			
Stephen Miran (to replace Adrian Kugler)	Trump	2026	Kugler resigned on August 1. Senate approval may come before September 16-17 FOMC meeting.

A Federal Reserve Board of Governor serves a 14-year term. Normally, the president appoints one every two years.

Looking Ahead

- ***September 5*** is the next unemployment data release. Bloomberg expects about 75,000 jobs to be added in August. Four straight months of sub-100,000 payrolls growth would be the weakest stretch since COVID in 2020.
- ***September 16-17*** is the next Federal Reserve Board meeting. Following Chair Powell's Jackson Hole speech, the market anticipates at 25 bp cut. Given the changing makeup of the Board, some market analysts are on the lookout for too much easing too fast – which could fan inflation.
- ***September 30*** is the fiscal year end for US and the date by which Congress must pass appropriation bills or a continuing resolution to keep the government open for business.
- ***October 14*** is when Liberation Day tariffs end unless courts overrule the most recent decision.
- ***November 10*** is the expiration date of the second pause on tariffs between the US and China.

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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