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Monthly MARKET REPORT *October 2025*

Silver's relocation. Customers run with the silver price

October 2025 Highlights:

- Gold futures prices touch yet another all-time high of $4,398.00 on the 20th – when the monthly gain was 13.5% - but prices swoon to settle October at $3,996.50 for a gain of $123.30, or 3.18%.
- After posting a record high of $53.765 on the 17th and being up 15.3% for the month, silver futures prices retrace to end October at $48.16, up $1.52, or 3.26%. Comex futures trade at a discount.
- Platinum futures prices shed 1.89%, or $30.30, to $1,579.40 while palladium futures prices soar 13.01% to $1,455.00 for a gain of $167.50.

In early October, FideliTrade customers on a net basis bought voraciously – particularly in silver – just like they did throughout September. A small but noticeable percentage of the buyers were new clients. As silver traded over $50.00 and gold pierced $4,200.00 mid-month, demand stayed high.





Between the 17th and the 21st, silver futures prices cratered 12.4%. By the 28th, prices had slumped to $45.51 for a total slide of 15.3%. Gold futures fell relentlessly too, dropping 11.3% across seven sessions to dip as low as $3,901.00 on the 28th.

During the downdraft, the predominant customer order was to sell - the opposite of during the rally. Fairly quickly, customer selling volume outweighed the heavy buying seen in the first half of October. The two-year trend of net customer selling by customers has returned.

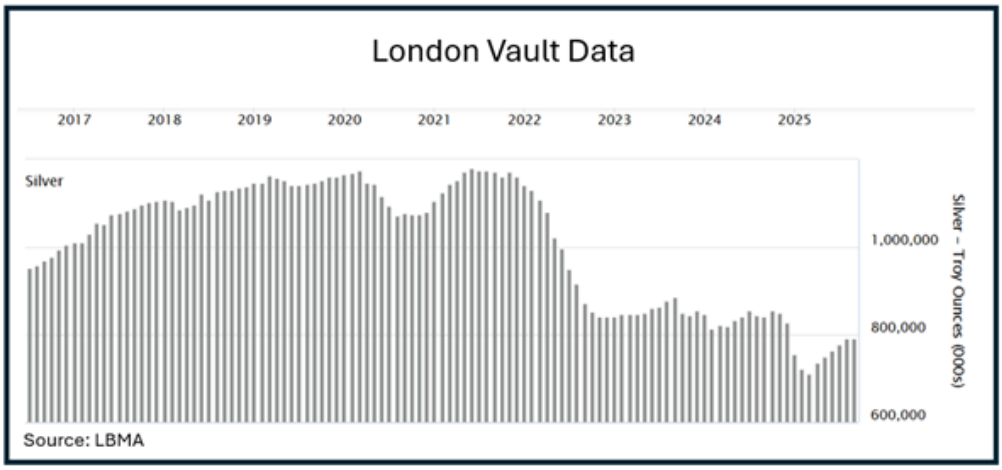
The markets sold off for a variety of reasons, including a softening in Chinese trade tensions; Fed Chair Powell's warning that a rate cut in December is no sure thing; a stronger greenback; and higher real interest rates. However, the most impactful reason for the silver price decline (which also dragged on sentiment in the gold market) was the arrival of silver in London to relieve an inventory shortage.

Coin Premiums

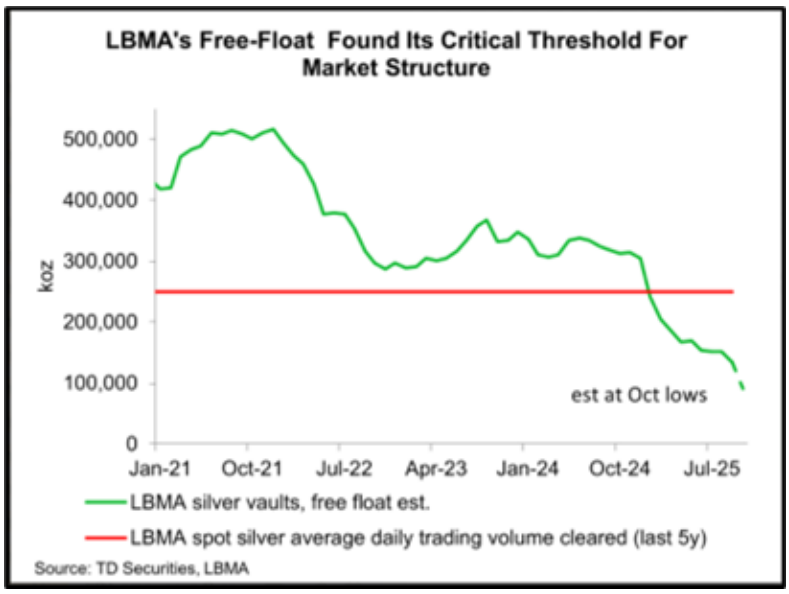
As the silver market approached new all-time highs ($54.48, spot), silver Eagle premiums moved sharply higher, more than doubling in about 24 hours' time from the $3.00/oz. area. While all silver Eagle years moved higher, the 2025 coin was the most hunted. In gold, Eagle premiums moved up to 4.00% (from under 3% in September) before retracing modestly by month end.

Silver Flies and Floats to London to Meet Demand

The silver shortage in London drove one month borrowing costs to 35% pa and the overnight rate to 200%. Bullion bankers, their customers, customers, fabricators, and refineries were carefully managing silver balances down to the ounce. London, the center of cash trading and settlement, had declining silver inventories for four years as industrial and investment demand grew while supply did not.



Many investment vehicles, like the SLV ETF, store silver in London. Subtracting those allocated (spoken for) ounces from the LBMA London vault data, as TD Bank did, showed a much bleaker inventory picture:



This year in particular, shipments to the US to avoid possible tariffs, exceptional and extraordinary demand from India for Diwali, and institutional buying depleted London inventory. By October, it was clear this was a significant market structure emergency. Price rises and borrowing costs accelerated. It became attractive for dealers to relocate silver from other countries to the UK.

One source was dealer holdings at CME vaults. After the subsiding of tariff-related arbitrage opportunities (where COMEX prices traded much higher than London prices), some traders had opted to keep silver at CME vaults in case tariffs on silver come into force. The squeeze in London was so powerful this month that at one point CME silver futures traded approximately $2.50 *below* spot London prices – a whopping 5% discount. To take advantage of the squeeze in London silver (or to insulate themselves from it), dealers withdrew silver from CME (COMEX) vaults.



Because silver is heavy and bulky, it is cheaper to transport it via ship than by plane (the usual choice for gold). But some traders opted to fly it to London to take advantage of outsized borrowing costs more quickly.

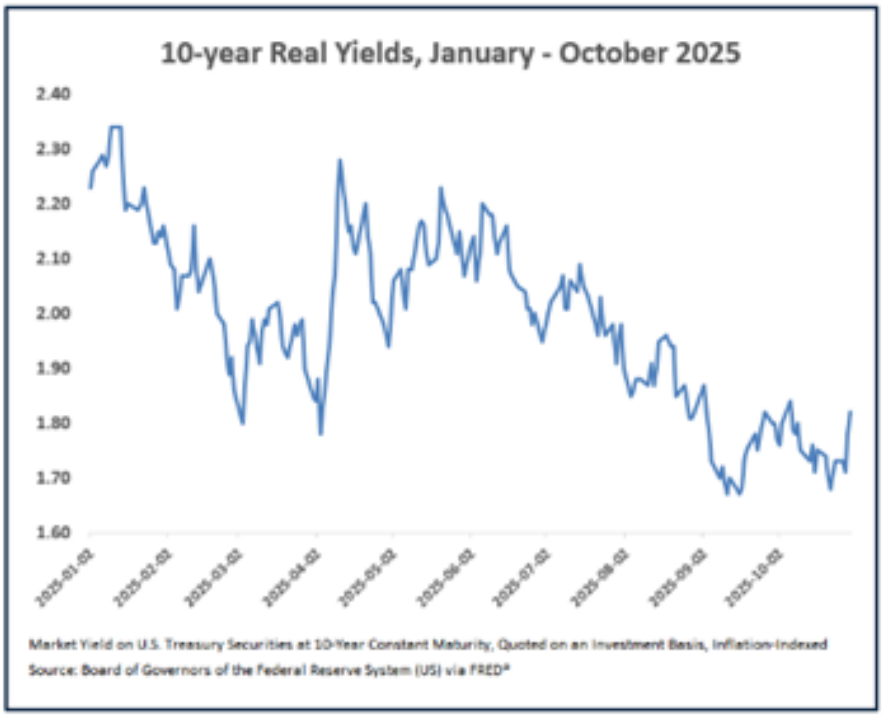
Chinese traders as well likely shipped silver to London as silver on warrant at the Shanghai Futures Exchange dropped like silver registered for delivery on the CME.

Looking Ahead

The government shutdown: *As of this writing, there is no reaching across the aisle to solve for "the lapse in government appropriations." The Congressional Budget Office forecasts the shutdown will cause Q4 GDP to lose at least 1%; if it continues until mid-November, Q4 GDP will drop 1.5% or more.*

The Supreme Court, November 5 -: *The US' highest court, with a majority of President Trump-friendly judges, hears arguments on whether the International Emergency Economic Powers Act can be used by the president to enact the Liberation Day reciprocal tariffs and also the fentanyl tariffs.*

The Federal Reserve, Dec 9-10: *Chair Powell says that when its foggy, you slow down – the fog caused by the Bureau of Labor Statistics' inability to publish data because of the shutdown. Will data be back by the next meeting? Separately, real yields are on the rise.*



The Supreme Court (again) in Trump v. Cook, January 2026: *Arguably Federal Reserve political independence is on trial. A Trump win means a dove-heavy Fed that ostensibly takes direction from the White House. Will de-dollarization accelerate? Trump wants to fire Cook, a Biden-appointed voting governor.*

Looking Back

With silver making all-time highs in October, the squeeze on the silver market by the **Hunt brothers** is a popular topic. Here is a paragraph on their contribution to silver's history that I wrote in March:

March marked the anniversary of the Hunt Brothers' failure to meet a $100 million margin call on their COMEX long silver positions. Herbert and Bunker had been amassing silver for years (an estimated 100 million oz). They had used credit to buy silver futures. Their stash was worth billions as silver approached $50. On March 27, 1980, "Silver Thursday," the COMEX made it harder to buy futures on credit. Prices collapsed and the two brothers filed for personal bankruptcy. Both, however, rebuilt their fortunes. A third brother, Lamar, had founded the Kansas City Chiefs and suggested the name for football's championship game in the US, the Super Bowl.

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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