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Monthly MARKET REPORT December 2025

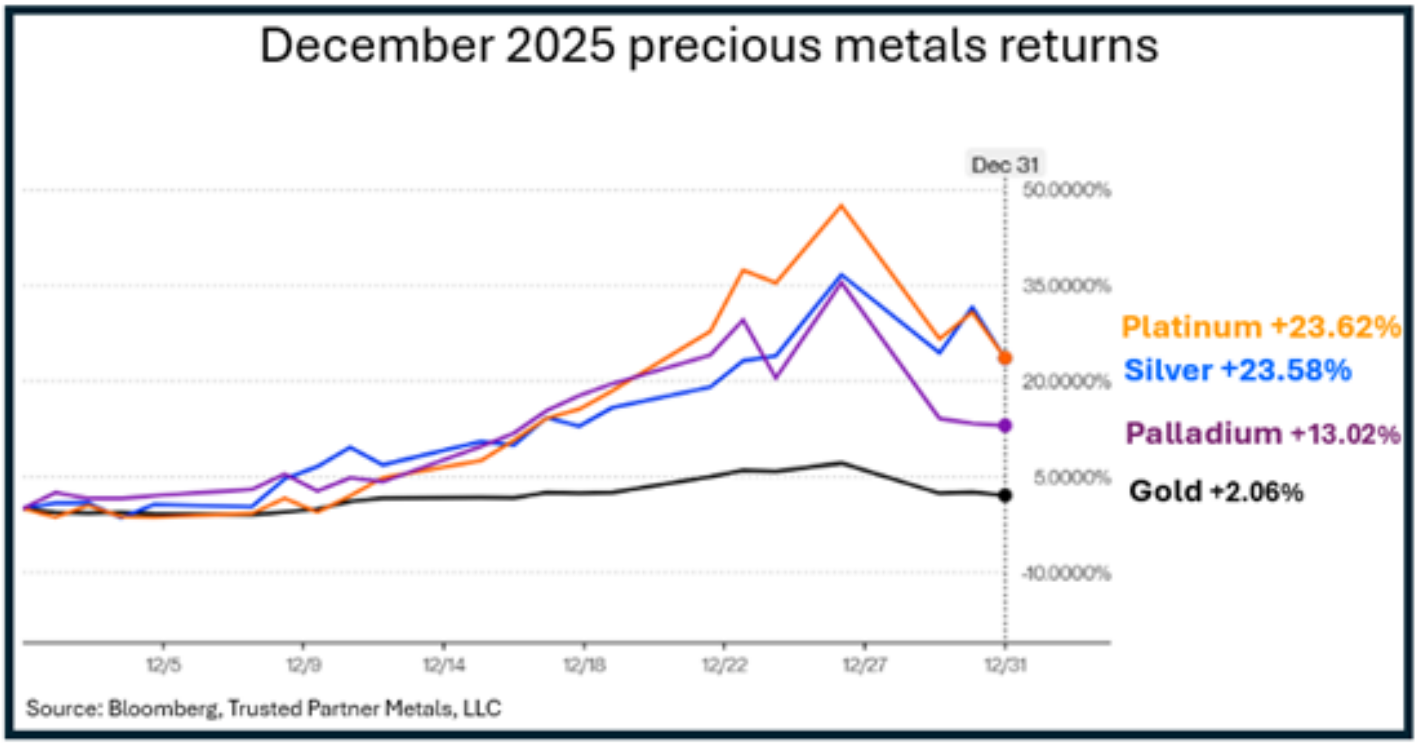
A Record, Rentless Deluge of Profit Taking in Silver

December marked an incredible finish to a record year for gold and silver. Here is the performance of the precious metals complex before we dig into the last month of the year:

2025 - Precious and Platinum Group Metals (PGMs) and DXY Returns		
	12/31/2025 Spot Price	*Y-o-Y Change*
Gold	*$4,319.50*	*64%*
Silver	*$71.65*	*147%*
Platinum	*$2,060.50*	*127%*
Palladium	*$1,620.00*	*76%*
Gold: Silver Ratio	*60*	*-33%*
US Dollar Index	*98.32*	*-9%*

December 2025 Highlights:

- Traders and investors will remember December for precious metals volatility: new all-time highs in gold and especially silver and the resulting blowoff from CME Clearing's margin hikes. The trading desk will recall the entire of December for overwhelming selling in silver by the customer base.



- In the first 11 months of 2025, silver futures prices nearly doubled to $57.165 and gold prices added over 60% to $4,254.90. In December, the rally continued on the back of a baked-in month-end Fed rate cut, a weak dollar, President Trump's bombing of Venezuelan drug-smuggling ships, perhaps lingering tariff confusion, and multi-year stressors - US debt, Ukraine, the Middle East. On the 26th, February gold futures prices traded at a new all-time high of $4,584.00/oz. During the CME trading session on the 29th, March silver futures traded their latest and last all-time 2025 high, $82.67/oz.
- The vicious decline on the 29th is a reminder that the futures market is a key component of price discovery. CME Clearing ensures clearing members have adequate collateral coverage by updating margin requirements. When a market's volatility increases markedly, margins go up. Margins decline when volatility falls. (As a reminder, clearing members are responsible for client positions. Also, a sizable increase in margins prompts traders to assess their positions and can lead them to liquidate.)
- On the 29th, a 10% increase in gold margins and a 13.6% increase in silver margins went into effect. February gold futures slumped $209.10, or 4.59% to $4,343.60. March silver prices fell sharply by $6.735, or 8.73%, to $70.46. Both metals' prices still finished December in the green, with gold ending December 2.06% higher and silver up a remarkable 23.58%.
- The COMEX-London differential has been a key barometer during the 2025 tariff turmoil. It remains worthy of a check as it has not yet returned to 'normal' in either gold or silver. COMEX gold traded at a premium to London, often at approximately $1.00, and widening to approximately $7.00 at one point in December. In contrast, COMEX silver traded a discount to London throughout the month, with a low of approximately $1.00 and a high of about a $0.15 discount.

Perhaps the silver COMEX discount indicates some market participants believe that the Trump administration will not tariff silver via Section 232 of the Trade Expansion Act of 1962.

Coins and Bars

- Customer sell orders in silver broke records. Some clients sold metal they had been holding since COVID, while others sold metal they had bought during the global financial crisis. On the buy side in silver, volumes were exceptionally light. In gold, customers net sold also, but there was modest buying. Clients who track the ratio saw December's 20% plus fall as an opportunity to buy gold and sell silver. The ratio traded as low as 60 - compared to the 70s in November and over 100 in the spring.



- Premiums are low. in gold, customers can sell 1-ounce Eagles at a 1% discount and buy at 1.50% over. In silver, customers can sell 1-ounce Eagles for a $0.30 premium and buy them for $3.00.
- There was a healthy jump in new account registrations in December, perhaps indicating the market may remain busy in the new year.

Looking Ahead

Critical minerals, Section 232 - Mid – January: The Commerce Department reports to President Trump on the effects on national security of imports of silver and other critical minerals, at which point the president will decide whether to implement tariffs. Section 232 tariffs are sector based, not country based.

Federal Reserve Independence - January 21: Trump v. Cook gets underway at the Supreme Court. The decision whether President Trump had the right to fire the Federal Reserve governor (for alleged mortgage fraud) will be closely watched by investors. The case touches the Constitution's design of separate but equal power in the legislative, executive, and judicial branches of government. In a separate case heard in December, Supreme Court watchers expect a ruling in favor of President Trump in his firing of Federal Trade Commissioner Slaughter. But the Supreme Court may look at the executive branch's relationship with the Federal Reserve differently than other government agencies because it has indicated the Federal Reserve is a unique part of the government.

The Federal Reserve: The FOMC meets **(Jan 28-29)**. The market expects a pause in interest rate cuts. Separately, the market awaits President Trump's Chair pick. Jerome Powell's chair role ends in May, although his term as a board member continues until 2028.

Rebalancing – January: Rebalancing rules mean that due to outsized precious metals returns, commodity index managers will sell precious metals in the first couple of weeks of January. (Dates vary depending on the fund). Additionally, investors who own precious metals directly may opt to adjust their asset allocations due to outsized gains in the complex.

Federal Government Shutdown? - January 30: The continuing resolution that ended the record government shutdown in mid-November expires in January. Will politicians kick the can or will they make progress on a budget bill? The big issue: The Affordable Care tax credits that subsidize health care premiums for the middle and lower classes.

An Aside…The Other Meaning of Ratio

Precious metals investors know what the ratio is, but those concerned with social media statistics know its other meaning. Merriam Webster says a post has been 'ratioed' when it has received more comments and reposts than likes, implying that it was tremendously unpopular. *Ratio* can also mean "to receive more downvotes than upvotes" on websites where such on-screen icons are an option.

(Please do not ratio our monthly report!)

Jennifer Ropiak is a precious metals market specialist with over 30 years' experience, including twenty 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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