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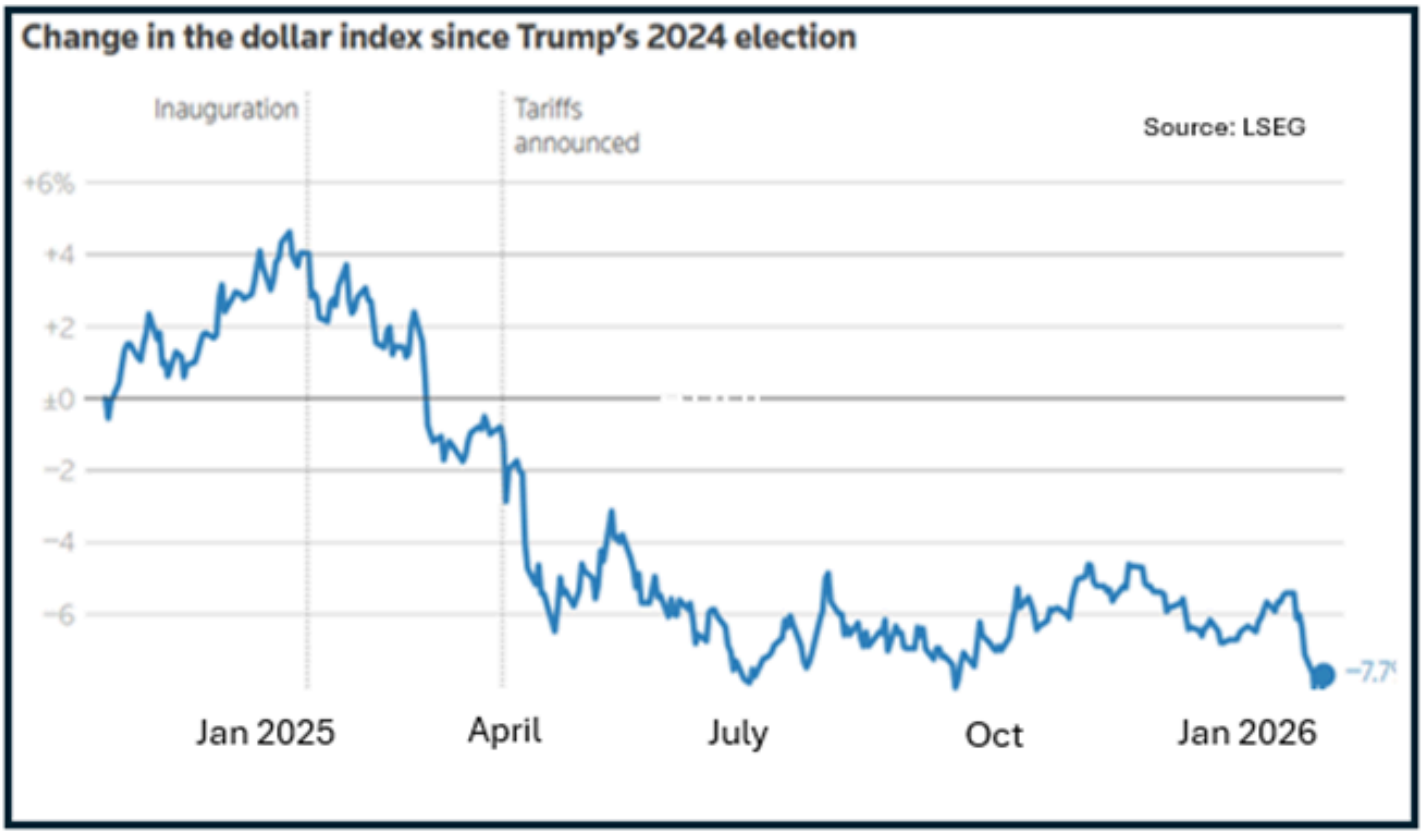
Monthly MARKET REPORT January 2026

Retail Customers Buy Into a Meteoric but an Ultimately Stunted Rally

January 2026 Highlights:

- A powerful month-long rally took gold futures prices to a record high of $5,626.50 on the 29th - an incredible gain of 28.50%. Profit taking this record day accelerated the next day after President Trump announced the next Federal Reserve chief. On the 30th alone, prices collapsed $609.70 (11.38%) to $4745.10, slashing the monthly gain to 8.49%.
- Silver futures rallied steadily too - a massive 72.50% - to an all-time high of $121.875 on the 29th. In the ruthless decline the next day, prices traded down to $74.00. With a settlement of $78.53, the 30th's loss was 31.37%, reducing January's gain to 11.22%.

Precious metals prices soared almost like meme stocks in January; some analysts suggested widening retail participation was key. Why would there be growing interest? Governments are embracing deglobalization (less trade, less friendship); strong talk about Greenland and actions in Venezuela reflect the new geopolitical paradigm; and the dollar's debasement slump.



The dollar has lost 7.7% during the second Trump presidency

The Decline

A harbinger of Friday the 30th's price action occurred just the day before. Attributed by some to Chinese speculators selling, gold prices fell $400 and silver $9.00 in an hour before largely recovering.

Early on Friday morning (New York time), President Trump picked Kevin Warsh to be Federal Reserve Board chief when Jerome Powell's chairmanship ends in May. Warsh, a former Fed governor with a hawkish history, is a name that lowers uncertainty.

Less uncertainty is a negative for risk-off assets like precious metals. The Warsh choice turbocharged the brewing negative sentiment in the market. The dollar rallied on hopes that dollar debasement trades might fade away. Meanwhile, traders bludgeoned metals prices.

The new CME futures margin framework likely contributed to the sell-off. On the 12th, CME changed margin requirements from a fixed amount to a percentage of a contract's notional value. Effectively, a rally becomes a margin increase (and a sell-off becomes a decrease). On the 14th, the margin for one 100 oz. futures contract was an estimated $23,350. On the 29th, CME raised the percentage amount by 1% (to take effect February 2). Using January 29 prices for ease of writing this article, the margin for the gold contract would be $32,040. That is a jump of 37% in less than three weeks.

The story is similar in silver, except CME kept the margin rate at 9% the entire month. On the 14th, the margin for a 5,000 oz. contract was approximately $38,291 and on the 29th, it increased by 34% to approximately $51,494.

Retailers and wholesalers use more money to transact the same number of ounces than a year ago. Traders watch dollar flows carefully. Higher margins could encourage traders to liquidate.

Coins and Bars: The View From the Trading Desk

Unlike December, when retail clients sold record amounts of silver, in January clients bought three times more silver than they sold. As usual, silver Eagles were the most popular product. In general, clients paid a $6.00 premium while sellers received a $1.00 premium. For 100 oz. bars, clients paid $2.00 over spot, and sellers gave up $4.00. The extraordinary volatility meant wider bid-offer spreads in January.

Clients are selling 90% silver (pre-1965 US currency coins) heavily. So much so that the silver bags are trading at a $16.00/oz. discount.

In gold, premiums are also wide but low. Clients bought Eagles at a 2.50% premium and sold them at flat. Selling and buying volumes across gold products were roughly equal, like last month. Also, as in December, there are fewer, larger buyers against many smaller sellers.

Some customers who sold silver bought gold. They think the ratio in the low 40’s means gold prices are cheap compared to silver’s. Less than a year ago, the ratio traded over 100.



New customer account growth is strong, including storage account growth.

Looking Ahead

The federal government shutdown that began at the end of January is expected to likely last just a week. The shutdown may delay the latest unemployment report.

The timeline for Kevin Warsh's approval by the Senate to become the next Federal Reserve chair is uncertain. Republican Senator Tillis, a member of the Banking Committee, plans to block Warsh's nomination until the Department of Justice resolves its inquiry into Chair Jerome Powell. Tillis is not running for reelection. Separately, Warsh is the son-in-law of billionaire Republican supporter Robert Lauder.

Trump v. Cook: legal observers think the Supreme Court would rather a lower court decide this case that impacts Federal Reserve independence. We await a decision on this important case.

Another Supreme Court case is on tariffs. The Court must decide whether President Trump can use the Emergency Economic Powers Act (IEEPA) to create tariffs by executive order. If he loses as some observers think he will, President Trump can use other vehicles to tariff, but they process is less straightforward. Separately, the Trump administration says it is not tariffing silver for now, but it could reexamine this in six months. Finally, if the government does lose the tariffs case, companies like COSTCO who want their tariff payments back will sue the government.

Looking back

"There are decades where nothing happens; and there are weeks where decades happen." So said Vladimir Lenin. A good description of our markets today.

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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