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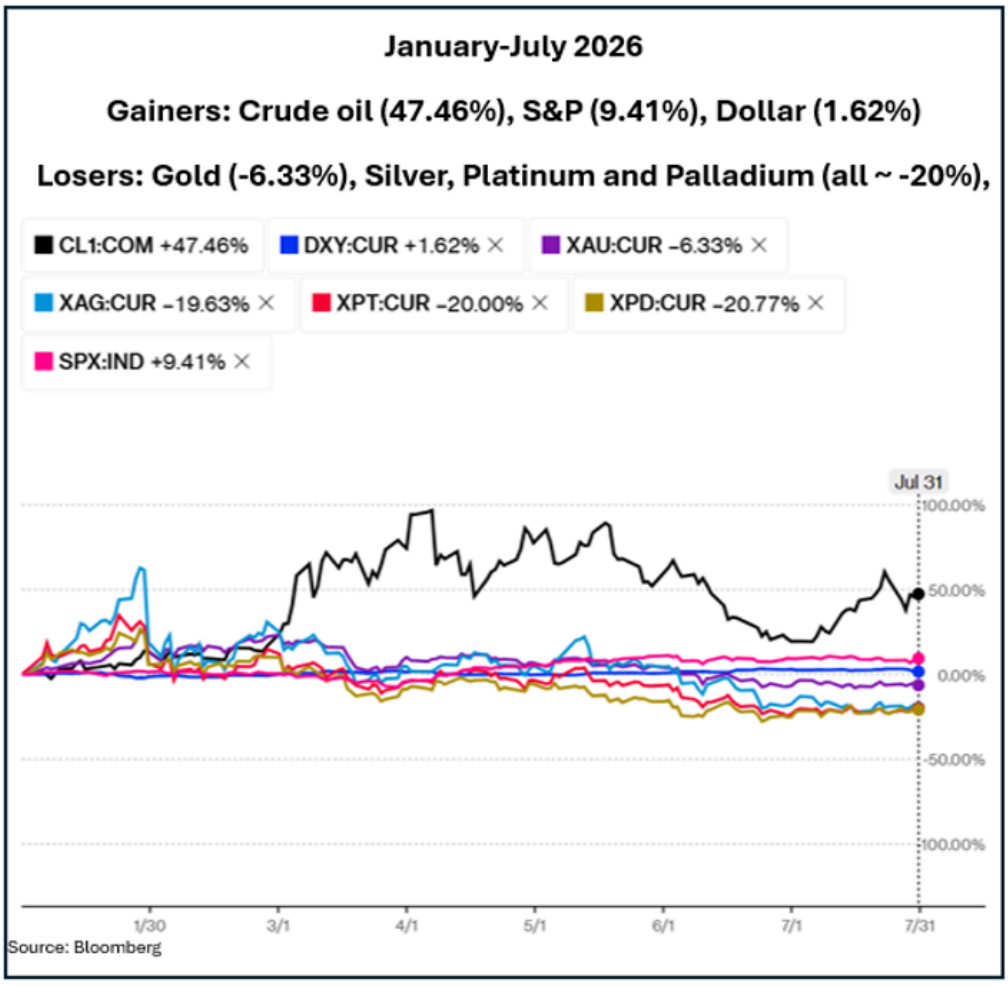
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Monthly MARKET REPORT July 2026

The Yield Curve and The Gold Price

July 2026 Highlights:

Precious metals' price action was relatively muted in July with spot gold gaining 1.37% to settle at $4,046.00 and spot silver losing 1.71% to close the month at $57.60. Platinum prices gained 6.20% to settle at $1,648.00 while palladium prices added 5.86% to close July at $1,283.00.



Supported at least in part by demand from Asia, in July the gold price managed its first positive month since February, although it was far from a recovery from June's nearly 12% decline. The silver price, having shed 22% in June, was unable to turn positive in July. The overhang of higher interest rates for

longer was likely a factor for the grey metal, whose price can be more heavily influenced by industrial demand.

Overall, going forward uncertainty remains front and center: the fits and starts of the Iran war, inflation from high and volatile oil prices, AI's impact on markets, President Trump's tariff policy, and likely most important, what the Federal Reserve will do in September. The market is left less certain what the Fed might do since Chair Warsh is limiting forward guidance.

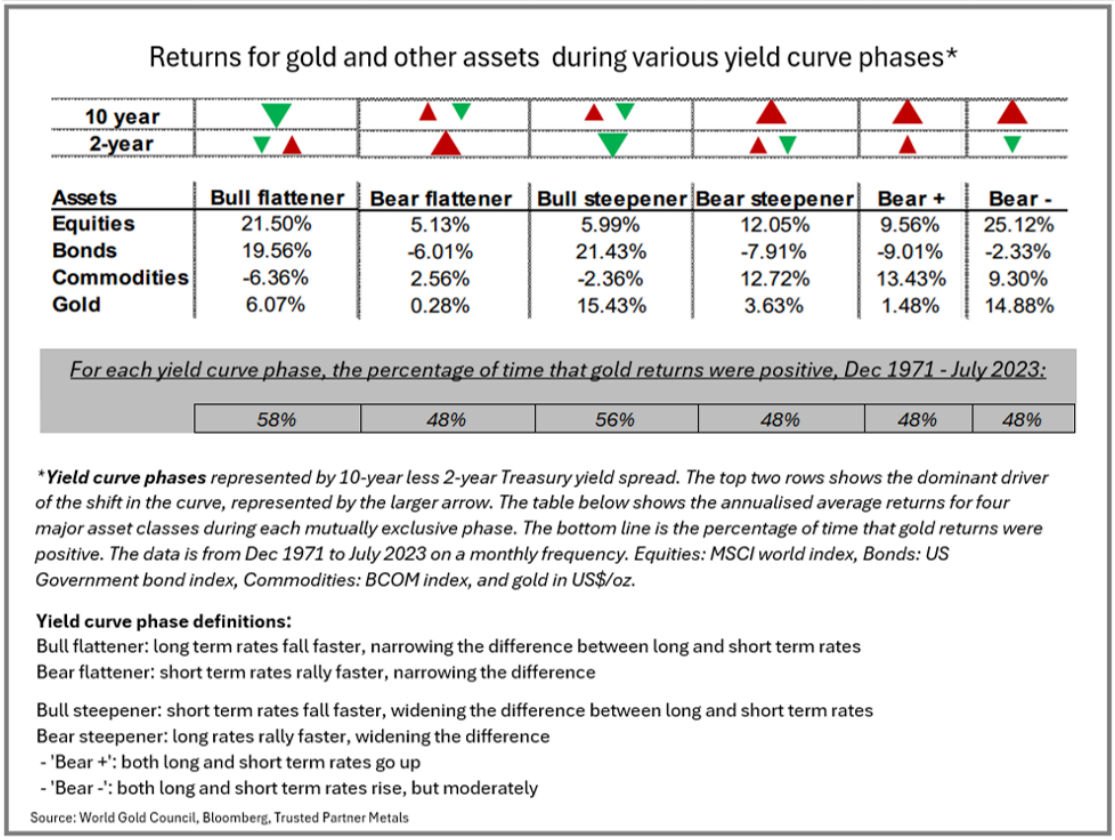
Family Fight?

The dovish hold at the end-July FOMC meeting caught many by surprise, prompting a mark down on what had been very high odds for the FOMC to tighten 25 basis points in September. Warsh called the Committee's 9-3 decision a good family fight, although it is unusual for three Federal Reserve governors to dissent. It most recently happened in December 2025 and prior to that, September 2019.

After Warsh provided dovish statements in his press conference on the 29th, short-term interest rates fell (because the market became less sure that the Fed will raise rates in September) while long-term interest rates jumped (as investors feared the Fed may fall behind in the fight on inflation). Overall, for July, 10-year Treasury yields gained 28 basis points to settle at 4.71%, and 2-year yields added 12 basis points to close July at 4.26% - a 14 basis-point 'bear steepening' move. In June, short rates had moved higher, resulting in a 16 basis-point 'bear flattening' of 2-10 year Treasury rates.

Curve-onomics and Gold

What have yield curve phases meant in the past for the gold price? In its August 2023 Commentary, the World Gold Council analyzed just that; see the chart below for part of the study. In sum, when long- and short-term rates both rise but long-term rates rise faster (bear steepening phase), the gold price's return has historically been low (3.63%). However, when long-term rates increase but short-term rates decline (a bear minus phase), gold prices have historically outperformed (14.88%). While the average return in a phase is of course worth noting, it is important also to note that in 4 of the 6 phases described in the table, just about half the time (48%) the gold price went up and just about the other half of the time (52%), the price went down. In the other two instances the number of times the gold price went up was stronger (56% and 58%).



Returns for gold and other assets during various yield curve phases*

10 year	▼	▲▼	▲▼	▲	▲	▲
2-year	▼▲	▲	▼	▲▼	▲	▼

Assets	Bull flattener	Bear flattener	Bull steepener	Bear steepener	Bear +	Bear -
Equities	21.50%	5.13%	5.99%	12.05%	9.56%	25.12%
Bonds	19.56%	-6.01%	21.43%	-7.91%	-9.01%	-2.33%
Commodities	-6.36%	2.56%	-2.36%	12.72%	13.43%	9.30%
Gold	6.07%	0.28%	15.43%	3.63%	1.48%	14.88%

For each yield curve phase, the percentage of time that gold returns were positive, Dec 1971 - July 2023:

	58%	*48%*	*56%*	*48%*	*48%*	*48%*

Yield curve phases represented by 10-year less 2-year Treasury yield spread. The top two rows shows the dominant driver of the shift in the curve, represented by the larger arrow. The table below shows the annualised average returns for four major asset classes during each mutually exclusive phase. The bottom line is the percentage of time that gold returns were positive. The data is from Dec 1971 to July 2023 on a monthly frequency. Equities: MSCI world index, Bonds: US Government bond index, Commodities: BCOM index, and gold in US$/oz.

Yield curve phase definitions:
Bull flattener: long term rates fall faster, narrowing the difference between long and short term rates
Bear flattener: short term rates rally faster, narrowing the difference

Bull steepener: short term rates fall faster, widening the difference between long and short term rates
Bear steepener: long rates rally faster, widening the difference
- 'Bear +': both long and short term rates go up
- 'Bear -': both long and short term rates rise, but moderately

Source: World Gold Council, Bloomberg, Trusted Partner Metals

From the Trading Desk

Customer flows were about evenly mixed in both gold and silver, with some long-held metal liquidated and some fresh buying at levels much lower than in the first quarter. Volumes were higher than in May and June, but still light compared to January and February, when the metals prices were flying high. For reference, on January 28, the gold price traded an all-time high of $5,600.00 and on January 29, the silver price traded a record $120.00.

Gold Eagle premiums moved modestly higher in July. In general, the trading desk paid sellers a 0.50% discount to spot while buyers paid a 1.75% premium. Silver Eagle premiums are about unchanged this month. The trading desk paid sellers a $0.75 premium and buyers purchased at a $3.25 premium.

On the professional arbitrage front in July, London gold generally traded at a $2.00 premium to COMEX, sometimes trading as much as $4.00 higher. In silver, COMEX was the premium market, generally trading around $0.02-$0.03 over the spot London price.

Looking Ahead

***Economic data releases*:** Key data include unemployment (August 7th) , CPI (12th), PPI (13th), and Personal Consumption Expenditures Price Index (PCE) (26th). PCE has historically been a favored indicator, but Warsh intimated that a task force may recommend other data starting in 2027.

***August 27-29 -Jackson Hole Economic Policy Symposium*:** Federal Reserve Chair Kevin Warsh says he will discuss “big questions,” but he has not written his speech yet.

***September 15-16 -Federal Reserve meeting*:** This meeting is associated with the release of a Summary of Economic Projections (as is the December 8-9 meeting). Given Chief Warsh's goal to decrease guidance, will there be any changes to how the SEP is presented, or will he perhaps wait until next year to make changes?

***US midterm elections, November 3*:** Since World War II, the incumbent party has lost Congressional seats in all but 2 midterm elections (1998 and 2002). At least one chamber of Congress has flipped in the last 5 midterms.

Looking Back

In July 1944, in Bretton Woods, New Hampshire, 44 nations met to launch a new monetary system. The US dollar was fixed to gold at $35 an ounce, and the US was responsible for keeping the price of gold fixed. John Maynard Keynes, adviser to the British Treasury, and Harry Dexter White, the chief international economist at the Treasury Department, were the architects of the Bretton Woods Agreement, which included the formation of the International Monetary Fund.

Gold convertibility was dissolved in 1971 by President Nixon, as foreign held dollars were persistently exceeding the value of the US gold stock.

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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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