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Monthly MARKET REPORT September 2026

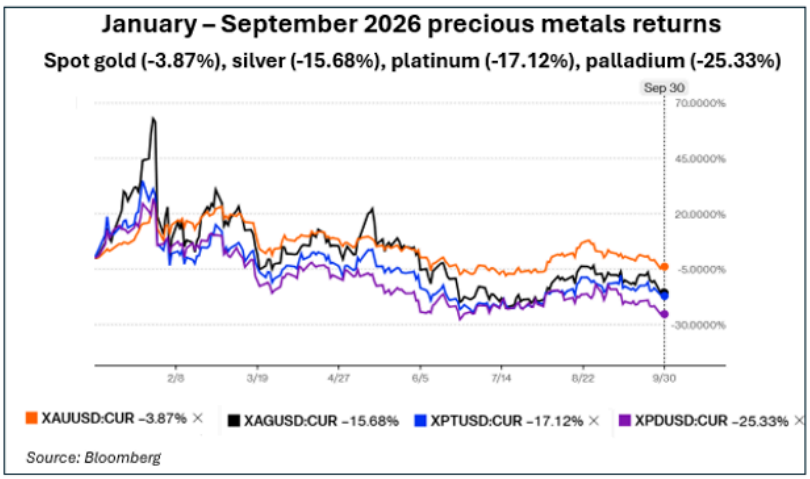
Do We Need a New Lens?

Driven by a jump in interest rates to more than twenty-year highs, precious metals prices fell sharply in September. Higher interest rates make non-interest-bearing assets less attractive to investors, but some analysts are maintaining their calls for higher gold and silver prices.

September 2026 Highlights:

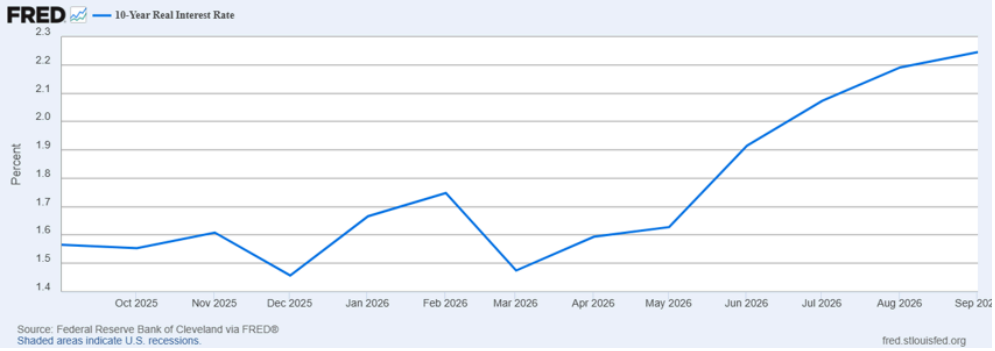
- **Gold:** Futures fell $297.70, or 6.64%, to $4,186.70. Half the loss occurred in one day, September 28, following President Trump's refusal of Iran's peach proposal; prices gave up $152.80, or 3.54% to $4,168.40 – market participants feared persistently higher oil prices, which would fan inflation and push interest rates higher.
- **Silver:** Futures prices slumped, dropping $6.425, or 9.59%, to $60.565. On September 10, silver prices dropped a massive $3.72 (5.42%) as traders sold ahead of an expected rate hike at the upcoming FOMC meeting. The sell off reflected the belief that a slowing economy would curb industrial demand. On September 28, silver prices suffered again in exceptionally volatile trading, falling $3.085, or 4.76% on President Trump's refusal to Iran.
- **Platinum and palladium**: Platinum prices were the most resilient of the four metals' prices, declining 4.11% to $1,695.40 while palladium prices turned in the weakest performance, losing 11.98% to $1,212.50.
- **Gold:silver ratio:** The indicator widened to 68.28 from 66.82.

Quarterly performance: With three quarters in the books, all precious metals returns are negative.



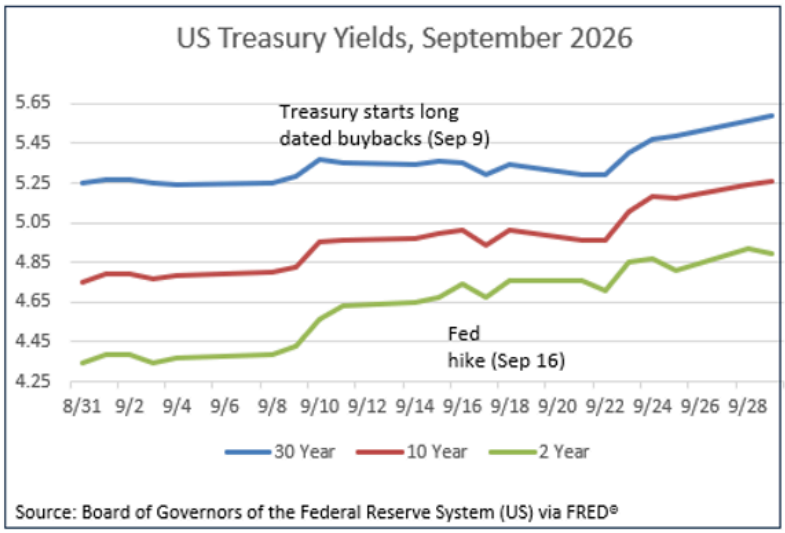
Rising rates have poked the bear…

Since the start of the Iran war at the end of February prompted a sharp rally in oil prices, the 10-year real yield has jumped 77 basis points to 2.25%, its highest level since July 2007. 30-year Treasuries traded 5.64%, a level last seen in 2002. Beyond energy prices, other factors contributing to higher interest rates include capital demand for AI infrastructure and per Bloomberg, “climate inflation,” where food prices rise after extreme weather events.



One beneficiary of higher interest rates has been the US dollar, which rallied 2.04% in September and is 3.90% higher since the end of February.

The US Treasury program to purchase longer dated issuances paused the upward trend in yields, but investors shrugged off the intervention a week after the FOMC hike.



...But The Bulls Are Not Giving Up

While an environment of high real interest rates traditionally does not benefit precious metals prices, some bullish analysts are holding on by pushing their predictions further into next year.

The question is, can precious metals prices thrive if interest rates are high? The bulls might have you consider:

- **Deficits and Debt:** Investors are increasingly questioning the sustainability of government spending. In the US, the federal budget deficit for fiscal year 2026 is projected to be over $2 trillion (~ 6% of GDP). Net interest expense comprises approximately half of the deficit, a record $1 trillion.
- **Central bank gold buying:** Accumulation by sovereigns is a net 133 tonnes year-to-date, per the World Gold Council. Buyers include Poland, China, Kazakhstan, and Singapore. Sellers include Turkey, Russia and Tunesia.
- **Institutional demand:** Gold ETFs have seen inflows from institutions that could be long-term holders.
- **Silver structural deficit and industrial utility:** The silver market has had a supply deficit for six years, AI applications require silver, and small investors can buy silver as a proxy for gold exposure. Additionally, the gold:silver ratio remains above its long-term average of 50:1. To some the ratio suggests that silver is undervalued compared to gold, although retracement of the ratio 50:1 does not have to play out in a bullish fashion for silver.

From the Trading Desk

In both gold and silver, there was no notable trend in transaction direction or favored product. Gold Eagles generally traded between -0.50% and +2.00% versus the spot price. Silver Eagles generally traded between -$0.50 and $3.00 versus the spot price. These premiums remain historically low, as supply in the resale market is plentiful.

The London - New York arbitrage was calm. London gold generally traded at a $1.50 premium and London silver, about a $0.10 premium.

Looking Ahead

Golden Week in China, October 1-7. The market could be quiet without this country’s participation.

FOMC September meeting results released, October 7. Get the color behind last month’s rate hike.

FOMC interest rate decision, October 27-28. Whether the Federal Reserve will increase interest rates by twenty-five basis points as they did in September is a tossup. The market is more convinced of a move at the December meeting, after the US midterms.

US midterm elections, November 3. The non-partisan Cook Report estimates the Democrats should narrowly win the House of Representatives and suggests that in the Senate, Democrats could add between one and five seats. Democrats need four seats for a Senate majority. Since World War II, the incumbent party has lost Congressional seats in all but two midterm elections (1998 and 2002). At least one chamber of Congress has flipped in the last five midterms. The Republican Party currently holds the majority in both houses.

Looking Back

Shocking gold traders around the world in September 1999, fifteen European central banks announced that they would limit the amount of gold they would collectively sell. The bankers struck the accord during the annual International Monetary Fund meeting in Washington, DC. Heavy selling by this cohort in the years leading up to the agreement, and market belief that the selling would continue, had helped push the gold price down to $250/oz. The price decline was severely impacting developing nations that produced and exported gold. The Washington Agreement on Gold, later referred to as Central Bank Gold Agreement 1, or CBGA1, limited the signatories to sales of 2,000 tonnes over the next 5 years. At the time, the signatories held about 45% of global gold reserves.

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Find the August 2026 report here: https://fidelitrade.com/wp-content/uploads/August-26-Monthly-Market-Report-4.pdf

DEAL OF THE MONTH: 2026 Silver Eagles $3.50 over spot

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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