

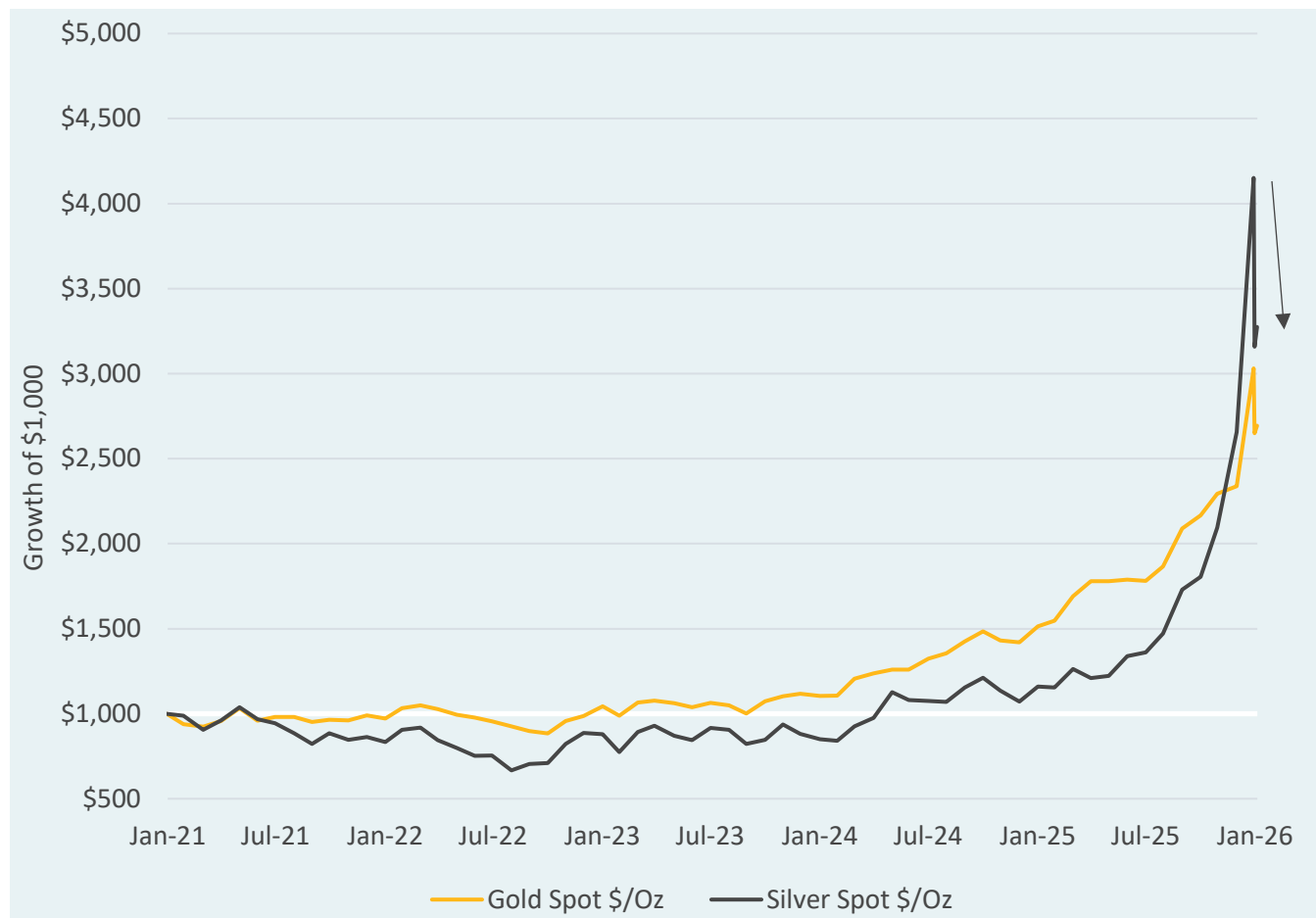
# Verus Market Note

## Is there a bubble in precious metals?

Over the past week, the price of gold per ounce fell dramatically by as much as -20%, while the price of silver crashed by as much as -40% —some of the largest moves on record. This correction followed an intense multi-year bull run in precious metals prices which has garnered much attention from investors.

In this week's Market Note, we illustrate price movements of gold and silver, per ounce, to appropriately place the past week's market drop into perspective. While it is difficult to attribute these historic sized moves to an exact set of causes, it seems likely that the rally was ignited by central bank purchases a few years back (China in particular), which created a momentum trade. Larger price rises have generated more attention and more trading which has propelled prices upward in parabolic fashion. As is typically the case with such rapid price increases, prices then become twitchy and sensitive to any sort of negative news. President Trump's nomination of Kevin Warsh to the Chairman of the Federal Reserve last Friday may have acted as that negative news, given Mr. Warsh's record as a monetary hawk, which arguably reduces the risks of currency debasement somewhat and reduces the case for gold and silver holdings.

### GOLD & SILVER PRICE MOVEMENT



Source: Verus, Bloomberg, as of 2/3/26