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In Gold We Trust
Report

May 20, 2026

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Back TO THE Monetary Future

20TH ANNIVERSARY EDITION



incrementum

Ronald-Peter Stöferle
& Mark J. Valek

20 Years of the In Gold We Trust Report

The Gold Standard of Gold Research: Two decades of evolution in thought, scope, and impact, expanding from focused precious metals analysis into a comprehensive macro framework. Trusted globally by investors, analysts, and institutions to navigate monetary transformation.

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What began in 2007 as focused precious metals analysis has evolved into a global institution. This timeline maps our evolution in thought, not just page counts. To navigate complex modern markets, we expanded our core framework to integrate crucial drivers like de-dollarization, Bitcoin, and geopolitics.

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MODELS

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World Gold Price

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Porsche Ratio
iPhone Ratio



2007
First Edition by
Ronald-Peter Stöferle



2017
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2022
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Gold Compass



2013
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5
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Details about our Premium Partners can be found on page 60f.



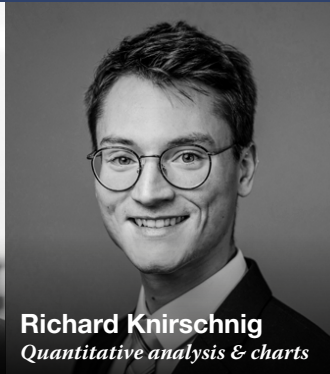
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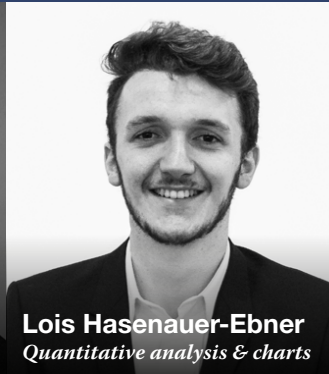
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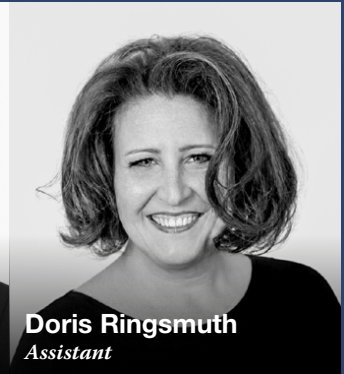
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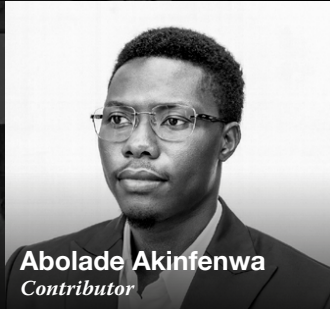
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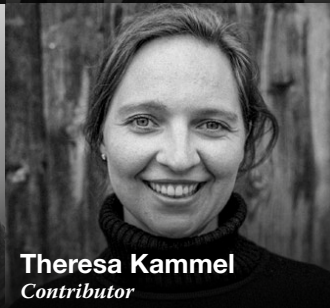
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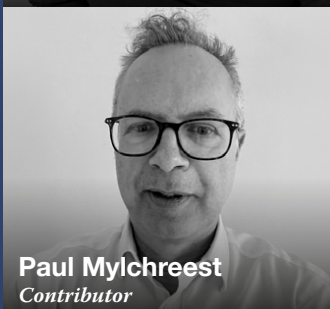
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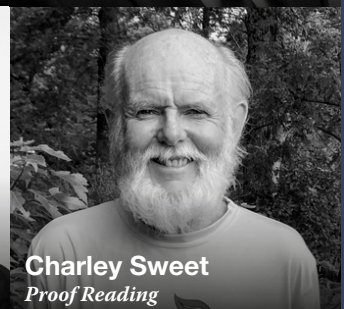
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In this compact version of the *In Gold We Trust* report 2026, you will find the **Introduction** and **Quo Vadis, Aurum?** in their original length, as well as the individual chapters in the form of executive summaries.

Back to the Monetary Future

Introduction: Back to the Monetary Future

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- Status Quo of Debt
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- Two Systems, One World: The Battle for the Global Monetary Order Intensifies
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A printed version of the *In Gold We Trust* report is available [here](#).



In Gold We Trust[®] Report

2026

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The full report comprises 27 chapters and can be downloaded
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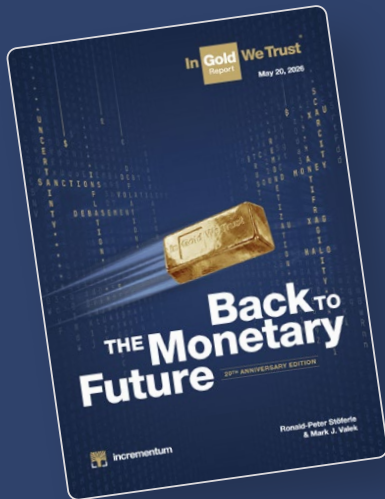




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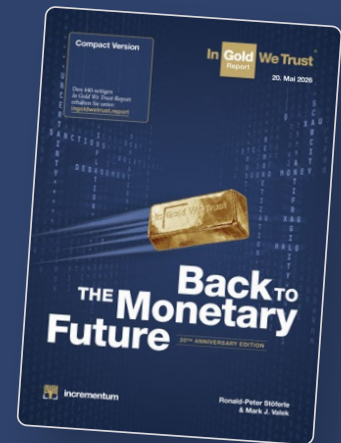
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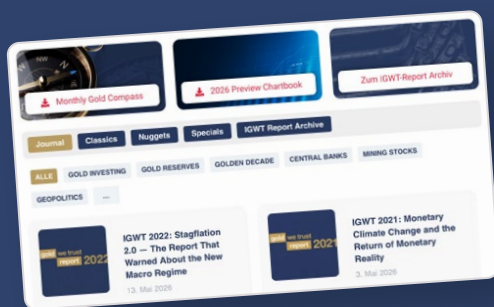
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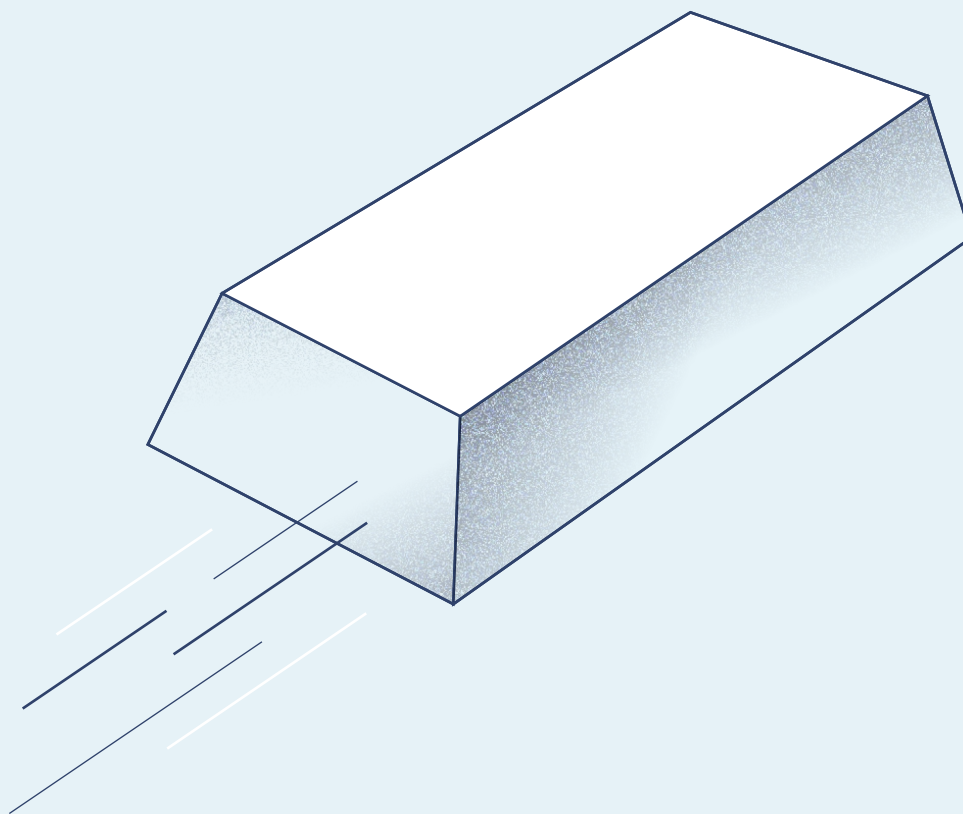
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The Gold Standard of Gold Research

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Introduction: Back to the Monetary Future



Key Takeaways

- The *In Gold We Trust* report celebrates its 20th edition this year. When the first report was published in 2007 – at that time still under the auspices of Erste Group – gold traded at around USD 670. Since then, the price of gold has increased almost sevenfold – and our core theses have been confirmed.
- The theme “Back to the Monetary Future” encapsulates the essence of twenty years of gold market analysis: The future of money lies in its past. The monetary and fiscal policy decisions of 1971, 2008, and 2020 continue to shape today’s market dynamics.
- The Pax Americana – the political, military, economic, and above all monetary order that has shaped the global system since 1945 – is drawing to a close.
- The bull market of recent years was driven by gold-friendly emerging markets and by dwindling confidence in the international order. Renewed waves of inflation in the West could unleash further substantial demand for gold.
- Bull market (not yet) a bubble: The “Golden Decade” proclaimed in the *In Gold We Trust* report 2020 is in full swing. Since then, the price of gold has risen by 165% in US dollars. According to Dow Theory, we are in the midst of the public participation phase – the most dynamic phase of the secular bull market.

The future looks like a past that feels very far gone.

Bridgewater Associates

When we published the first edition of the *In Gold We Trust* report in May 2007 – it was just 22 pages long – the world was a different place: George W. Bush was in the White House; Italy was the reigning soccer world champion; Netflix mailed DVDs; and the iPhone, which Steve Jobs had just unveiled, was not yet on the market. An ounce of gold traded at around USD 670, and the US national debt stood just under 9trn USD, or about 60% of GDP.

” *The future has many names. For the weak, it is the unattainable. For the fearful, it is the unknown. For the bold, it is the opportunity.*

Victor Hugo

Outside of a few hedge fund offices in Connecticut, virtually no one had heard the term *subprime*, and the Federal Reserve under Ben Bernanke was regarded as the infallible guardian of price stability. The idea that central banks would one day create trillions out of thin air, push interest rates below zero, and buy government bonds would have been dismissed as monetary science fiction. And the idea that an anonymous author would create a digital counterpart to gold with a nine-page white paper was simply beyond anyone’s imagination.

” *There is no humorist like history.*

Will Durant

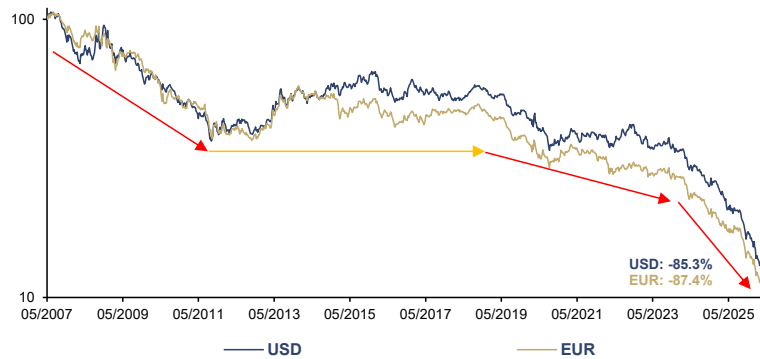
And when we referred to the *Austrian School of Economics* in our early *In Gold We Trust* reports, we were often met with polite incomprehension, as if we were describing an obscure Alpine sect. Two decades and several credit cycles later, terms like the Cantillon effect, malinvestments, and time preference have long since entered the mainstream. Much of the credit for this surely goes to Satoshi Nakamoto: Thanks to Bitcoin, more 20-year-olds today understand the nature of fiat money better than many central bankers would like.

” *We are at a point in history where most April Fool’s jokes are indistinguishable from totally real things that happen regularly now.*

Lyn Alden

Twenty issues, more than 5,000 pages, and a rise in the price of gold of almost 600% later, we find ourselves in a reality that Doc Brown, the scatterbrained yet likable scientist from the famous film trilogy *Back to the Future*, would describe as an “alternative timeline.” The *Pax Americana* – that political, military, and above all monetary order that has shaped the global system since 1945 – is drawing to a close. The collapse of institutional trust – in governments, central banks, and the fiat money system itself – has become the central driving force behind the price of gold.

USD and EUR (log), in Gold, 100 = 05/2007, 05/2007–05/2026



Source: LSEG, Incrementum AG



The theme of our 20th-anniversary issue, “*Back to the Monetary Future*,” is more than a cinematic nod to a cult film from our childhood: It is a thesis. Just as Marty McFly in *Back to the Future* had to realize that one must understand the past to fix the present, **so monetary history teaches us that the future of money lies in its past.**

Back to the Future of Trust: Trust as a Monetary Foundation

At the heart of the process we have been documenting since 2007 lies the central importance of trust. It is the intangible glue that holds societies together, enables cooperation, and makes the future seem predictable. Tony Deden, one of the most astute thinkers of our time, calls it the “invisible lever” – a form of capital more valuable than any balance sheet item. Without trust, there are no relationships, no credit, no economy, no money.

It was therefore no coincidence that we explicitly included the word *trust* in the title of the *In Gold We Trust* report 2019, “*Gold in the Age of Eroding Trust*.” It merely echoed what has been emblazoned in the headline since the very first report in 2007: *In Gold We Trust*. The erosion of trust has not slowed since then, but rather has accelerated. Trust can be built up over decades – only to be squandered in seconds. This asymmetry is the real risk. Trust erodes insidiously, in homeopathic doses, until a tipping point is reached and it is suddenly lost. “**Gradually, then suddenly**” – Hemingway could hardly have described the dynamic more aptly.

The political polarization in the US illustrates just how much social consensus is eroding. Donald Trump’s election victory was followed, just one year later, by an equally decisive mayoral victory in New York by Zohran Mamdani, a candidate from the left wing of the Democratic Party. Affordability was the defining issue in both cases, yet the political solutions proposed by the respective winners could hardly be more different. The struggle over distribution is no longer an abstract theory; it is a central issue in current politics. Historical parallels to *the Gilded Age* of the late 19th century are striking: Such peaks in inequality have usually preceded major political upheavals or deep market corrections.

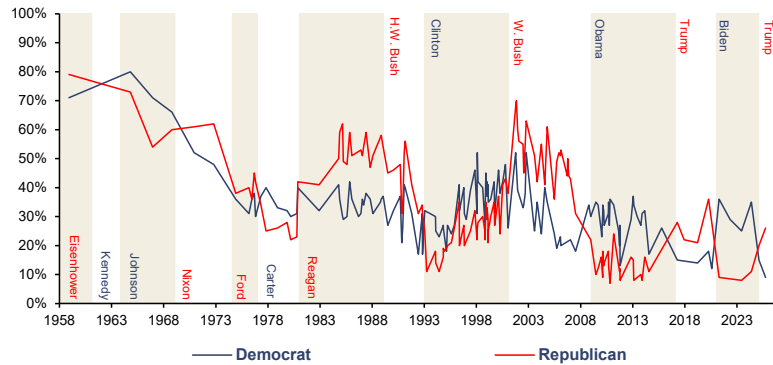
” *Trust is not a soft asset. It is the core operating system of civilization – the silent architecture that makes markets function, communities survive, and promises hold.*

Tony Deden

” *Politics is the art of looking for trouble, finding it everywhere, diagnosing it incorrectly and applying the wrong remedies.*

Groucho Marx

Trust in Government, 01/1958–12/2025



Source: Pew Research Center, National Election Studies, Gallup, ABC/Washington Post, CBS/New York Times, CNN, Incrementum AG



” *The public complains about inflation, yet enthusiastically supports political measures that can only be implemented through inflation.*

Ludwig von Mises

Yet trust is not only the currency of politics but also the foundation of every monetary system. The current loss of trust is more than a social observation. As Ludwig von Mises recognized, trust is the invisible infrastructure of every monetary system. If citizens no longer consider the state’s promises – including the stability of money’s value – to be credible, the velocity of money increases: People hold paper money for shorter periods, flee to tangible assets, and demand higher risk premiums. **Trust, in our view, is currently being repriced – and the market is rendering its verdict in ounces.**

The Geopolitical Showdown and Gold’s Margin Call

Following gold’s spectacular rally of the preceding quarters, a consolidation phase was not only likely but, from a technical perspective, overdue. The impetus came from the very event that, by the textbook, should have had the opposite effect: the Iran crisis. While a large portion of market participants speculated on another price jump, the market swung in the opposite direction – the war did not become a catalyst but rather the trigger for a healthy correction. No upward trend is linear; even structural bull markets require phases of correction, position adjustment, and sentiment unwinding. **Since the release of last year’s *In Gold We Trust* report “The Big Long”, gold has traded nearly 40% higher despite this correction.**

” *If you’re first out the door, that’s not called panicking.*

John Tuld, Margin Call

In March 2026, the gold price fell by USD 611 in a single month – the largest absolute monthly decline ever. By the end of the correction, gold had fallen 27% from its January all-time high. As expected, the mainstream declared the safe-haven a failure. But those who understand the mechanism recognize a familiar pattern: **During periods of acute financial stress, gold is sold not *in spite of*, but *because of* its high liquidity.** We saw exactly the same pattern in October 2008, with a 29% drop, when the Lehman bankruptcy triggered margin calls across all asset classes, and in March 2020, when a wave of liquidation swept through the market in the early stages of the Covid-19 pandemic and gold fell by 12%.

Gold, in USD, 100 = 08/2008, 01/2020, and 01/2026,
08/2008–04/2026



Source: LSEG, Incrementum AG



The simultaneity of two mechanisms makes the recent slump unique: First, the closure of the Strait of Hormuz cut off cash flows to oil producers in the Gulf region, who for years had been recycling their US dollar surpluses into gold. Second, the escalation forced a wave of deleveraging because rising yields, increasing interest rate expectations, and a stronger US dollar triggered margin calls.

But this is precisely the crux of the matter: **The central banks' response to this very sequence of stress events is the real catalyst for gold.** The two drawdowns in 2008 and 2020 did not mark the end of the gold rally, but rather the starting point of the next upswing. A good omen for 2026?

For what followed stress in the financial system was always the same: more liquidity. The measures ranged from yield curve control to renewed QE or QQE, financial repression, and further fiscal stimulus, all the way to even more extreme proposals such as MMT or helicopter money. The deployment of one or more of these instruments is only a matter of time – accompanied by the further convergence of monetary and fiscal policy.

The Lehman shock was followed by QE1 through QE3 and a tripling of the gold price. The Covid-19 crash was followed by unprecedented fiscal and monetary expansion and a rise in the gold price of over 70%. The transmission sequence – energy shock → inflation shock → government bond stress → credit revaluation → forced liquidation → central bank intervention – is a self-reinforcing cycle. And gold benefits at every stage: as a hedge against inflation, as a safe haven, and ultimately as a neutral store of value outside the spiral of devaluation.

The liquidity-driven pullbacks in gold do not refute the thesis; they are buying opportunities generated by the thesis itself. March 2026 was a monetary stress test. Gold passed it with flying colors.

” *The US government is trying to prevent free markets from accurately pricing in the cost of the war in Iran, all while maintaining the illusion of free markets and hoping the war will be over before the reality of the situation becomes clear to investors.*

Luke Gromen

” *You have to choose between trusting in the natural stability of gold and the natural stability of the honesty and intelligence of the members of the government. And, with all due respect to these gentlemen, I advise you, as long as the capitalist system lasts, to vote for gold.*

George Bernard Shaw

The Transmission Sequence

Energy Shock → Inflation → Bond Stress → Credit Repricing → Forced Sales → Intervention



Six Reasons Behind the Historic Selloff

| | | |
|--|---|---|
| <p>01</p> <p>Dollar Ripped</p> <p>Oil spike → USD scarcity</p> | <p>02</p> <p>Hawkish Fed</p> <p>Rate cuts killed, yields spiked</p> | <p>03</p> <p>Oil Shock</p> <p>\$108 validated hawkishness</p> |
| <p>04</p> <p>Forced Liquidation</p> <p>Gulf cash flows severed</p> | <p>05</p> <p>Crowded Unwind</p> <p>Consensus long sold for cash</p> | <p>06</p> <p>Pipeline Severed</p> <p>Dubai route closure</p> |

Gold Benefits at Every Stage of the Sequence

Liquidity dips are buying opportunities, not thesis invalidation.

The Iliad of Our Time: A World Order in Turmoil

“RIP. Pax Americana, 1945–2025.” – so reads Alexander Chartres’s succinct epitaph. What the coming world order will look like remains to be seen. What is clearly discernible for now is the nature of the transitional phase: We find ourselves in an interregnum in which the old order is losing its cohesion, while the new one has not yet been defined. This interim phase is marked by heightened volatility, a multipolar distribution of power, and unabashed imperialism. **After decades of increasing division of labor and steady capital optimization, hard power is becoming the decisive currency: energy, metals, semiconductors, and military hardware.**

Halford Mackinder already articulated in his Heartland theory that space, resources, and centers of power shape the world order: Whoever controls the Eurasian landmass shapes the global order.¹ The war between Russia and Ukraine, which has been ongoing since 2022, has abruptly brought this old geopolitical logic back into the present. At the same time, it is becoming clear that conflicts are no longer confined to specific regions but are affecting energy prices, supply chains, capital flows, and monetary architectures worldwide.

Now Iran, too, is coming into focus amid these tectonic shifts. Niall Ferguson provides the historical context. **His central thesis:** Time is not on the side of an overstretched hegemon, because the economic costs of a war rise faster than its strategic gains. Ferguson draws a parallel to the 1956 Suez Crisis: It was not the Soviet threat that forced Prime Minister Anthony Eden to back down, but economic constraints.

An escalating Iran crisis could therefore become a second Suez moment for the US – and mark that monetary Rubicon at which the petrodollar system gradually shifts toward the petroyuan or even petrogold. If Tehran accepts only the renminbi for oil exports in the future, the cornerstone of US dollar hegemony established in 1973 will be permanently undermined; regional powers would turn to an Iran-China-Russia axis, and the Strait of Hormuz would thus shift from a geopolitical chokepoint to a geoeconomic turning point. The United Arab Emirates’ surprising withdrawal from OPEC at the beginning of May has shaken another long-established institution – with unclear consequences.

What began as a series of isolated shocks – sanctions, frozen reserves, tariff wars – is coalescing into a structural repricing of the entire currency framework. Beijing, according to Ferguson, will use every crisis to expand its parallel financial and payment infrastructure to the Middle East via petroyuan trade and central bank digital currency bridges. The shift away from the US dollar is not happening as a cliff but as a slope – and every crisis increases the incline.

For decades, the international order was based on free trade, the free movement of capital, and globally integrated supply chains, framed by US hegemony and the hegemony of the US dollar. This web of trust, contracts, and tacit agreements has developed deep cracks. Markets are entering a new regime, defined by geopolitics and a realignment of global trade relations. Stefan Zweig’s *The World of Yesterday* – that order whose permanence its inhabitants took for granted until it vanished overnight – is, as a metaphor, unfortunately more relevant than ever.

Zweig’s “World of Yesterday” – an order whose permanence its inhabitants took for granted, until it vanished overnight – is, unfortunately, more relevant than ever.

” *Our New World Disorder will be characterized by greater volatility, higher inflation, and deeper financial repression.*

Alexander Chartres

” *Potentially, the most dangerous scenario would be a grand coalition of China, Russia, and perhaps Iran – an “anti-hegemonic” coalition united not by ideology but by complementary grievances.*

Zbigniew Brzezinski, *The Grand Chessboard*, 1997

” *All values had changed, and not just in material terms; state regulations were mocked, and no customs or morals were respected.*

Stefan Zweig, *The World of Yesterday*

¹ See chapter “Gold and the Monetary Analogue of Mackinder’s Foundational ‘Heartland Theory’” in this *In Gold We Trust* report

When (Geo-)Politics Becomes Inflationary

The market consequences of the Iran crisis are already visible – and structurally stagflationary. Brent crude oil has temporarily broken through the USD 110/barrel mark. The IEA speaks of the largest supply disruption in the history of the global oil market: Around 20% of global seaborne oil trade, as well as significant LNG volume, is affected.

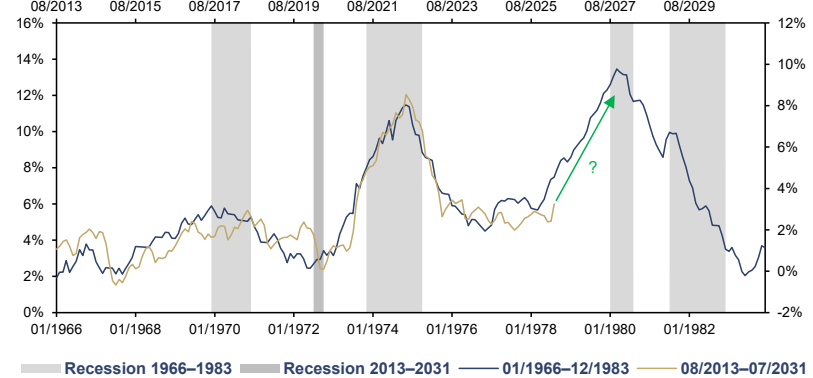
» *Stagflation ... is, of course, a very difficult thing because anything you do with interest rates will hurt one side or the other – either the inflation mandate or the employment mandate.*

Jerome Powell

This is precisely the stagflationary cocktail we warned about in the *In Gold We Trust* report 2022, “Stagflation 2.0”: a supply-side energy shock hitting an economy that is already chronically drained. Even if the acute Middle East conflict is de-escalated in the short term or even resolved permanently, we foresee a structurally higher price level for energy – a “higher structural floor” that will persist even after the conflict ends.

Furthermore, we do not rule out the possibility that, as in the 1970s, a second wave of inflation is looming. The course of inflation in the 1970s may offer a good indication of the future. The parallels between the developments are, in any case, striking.

US CPI, yoy, 01/1966–12/1983 (lhs), and 08/2013–07/2031 (rhs)



Source: Andreas Steno, LSEG, Incrementum AG



» *Inflation is a choice.*

Kevin Warsh

But inflationary forces are at work not only geopolitically but also domestically. Henry Maxey, CIO of Ruffer, outlines this dimension in his brilliant essay “*Let Them Have Cake – and Circuses.*” At the center: a US president with his back against the wall. As his popularity erodes and the November congressional elections threaten to turn into a trial of his presidency, Donald Trump is reaching into the toolbox of populism: an administrative cap on interest rates for credit card debt, the purchase of USD 200bn in mortgage-backed securities, stimulus checks – financed by tariff revenues. An economic perpetual motion machine.

» *Inflation volatility remains a key character in this Greek tragedy for democratic, free-market capitalism.*

Henry Maxey

Maxey picks up on a fascinating idea from Fred Hirsch, which he expounded in *The Political Economy of Inflation* (1978): Inflation most often goes hand in hand with the breakdown of the social status order:

It is then no accident that inflation has been most entrenched in societies and periods in which the underlying ideological struggle has been most intense... Put another way, containment of the latent distributional struggle without financial instability requires either sufficient authority or sufficient consensus, on the values or principles underlying the distribution of income and other aspects of welfare. If established authority weakens before a sufficient consensus or a new authority emerges, inflation results.

The point is as elegant as it is uncomfortable: **If societies cannot agree on who should lose out, inflation makes that decision – for everyone.**

The ultimate consequence, according to Ruffer, is “DINOsty – Democracy In Name Only.” What Friedrich A. von Hayek described in *The Road to Serfdom* as the creeping erosion of the liberal order is taking place today not through tanks but through legal provisions: The legal campaign against the Chairman of the Federal Reserve is the harbinger of a systematic politicization of money. When the central bank’s independence becomes a bargaining chip in politics, domestic and foreign policy, fiscal and monetary policy merge into a single fiscal amalgam – with gold as one of the few assets that cannot be elected or dismissed.

” *I do not believe we will ever have truly good money again until we take the matter out of the state’s hands.*

Friedrich A. von Hayek

The Remonetization of Gold

The erosion of institutional trust is often followed by a search for new – or proven – monetary anchors. It is precisely in this context that a development long considered unthinkable is gaining significance: the remonetization of gold.

On July 4, 2026, the US will celebrate its 250th anniversary. The symbolic significance of this date is considerable: The *semiquincentennial* could provide the historical occasion that has repeatedly triggered fundamental upheavals in the monetary order. Gold-backed bonds, a formal revaluation of gold reserves, or even a partial debt write-off – such options are increasingly being discussed. A revaluation of the US gold reserves is no longer a far-fetched speculation, but a political possibility that is quietly gaining plausibility.

” *When I had my fund, people would’ve called me a gold bug.*

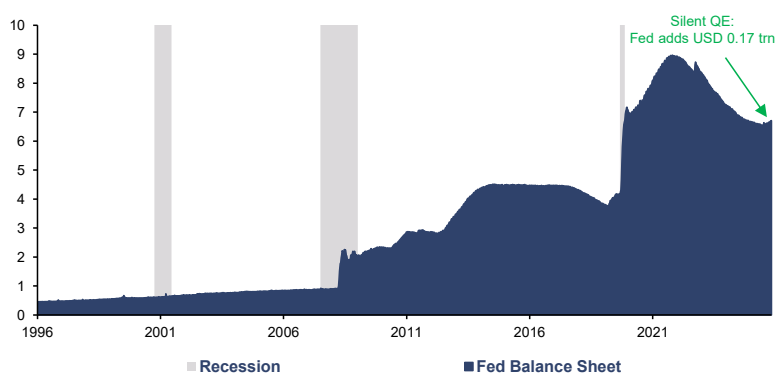
Scott Bessent

Kevin Warsh faces a dilemma: He wants to shrink the balance sheet and, in particular, divest long-term Treasuries and MBS. However, the official end of quantitative tightening on December 1, 2025, has shown that liquidity was simply too tight for that. Since then, the balance sheet of the Federal Reserve has risen by around USD 175bn to USD 6.7trn. Officially, this balance sheet expansion is labeled as reserve management, but economically it acts like “quiet QE”.

” *This is not QE. In no sense is this QE.*

Jerome Powell, October 8, 2019

Fed Balance Sheet, in USD trn, 01/2000–04/2026



Source: LSEG, Incrementum AG

incrementum

Of the USD 4.8trn in balance sheet expansion during the pandemic, only about half has been unwound to date. Should the next recession or financial market shock break the US fiscal straitjacket – rising deficits coupled with weakening foreign demand for US Treasuries – “quiet QE” could quickly give way to “*The Big Print*”, the inflationary end-game that our friend Larry Leopard has been warning about for years.

In such a challenging environment, unconventional options are needed, such as revaluing US gold reserves at market prices. The US holds exactly 261,498,926 troy ounces of gold, or roughly 8,133 t. This is the world’s largest government gold reserve. However, these holdings are still in the books at the price of USD 42.22 per troy ounce, which has been fixed by law since 1973. The reported book value thus amounts to just

” *We’re going to monetize the asset side of the US balance sheet for the American people. We are going to put the assets to work.*

Scott Bessent

Market-valued gold reserves resemble a call option: substantial upside, limited immediate burden. In an era of fiscal constraint, gold becomes strategic optionality – Free Gold.

” *At any moment of decision, the best thing you can do is the right thing. The worst thing you can do is nothing.*

Theodore Roosevelt

” *The rising gold price has helped us substantially.*

Scott Bessent

” *It is precisely when a free gold market is needed that most modern governments seek to suppress it. For it reflects and measures the extent of the lack of confidence in the domestic currency; and it exposes the fictitious nature of the “official rate.”*

Ludwig von Mises

” *Gold goes where the money is, and it came to the United States between World Wars I and II, and it was transferred to Europe in the postwar period. It then went to Japan and to the Middle East in the 1970s and 1980s, and currently it is going to China and also to India.*

James Steel

USD 11.04bn. A revaluation at the current market price of around USD 4,600 per ounce would multiply this value to approximately USD 1.2trn. This corresponds to about 3% of the total US national debt. This book profit in the trillion US dollar range would be available to the US Treasury as fiscal leeway.

Two pieces of evidence suggest that the idea has already emerged from the realm of theory. First, US Treasury Secretary Scott Bessent stated: **“We’re going to monetize the asset side of the US balance sheet.”**

Second – and even more remarkable – in August 2025, the Federal Reserve published a paper with the programmatic title **“Official Reserve Revaluations: The International Experience”**.

History provides a precedent – and a remarkably instructive one: With the Gold Reserve Act of January 30, 1934, Franklin D. Roosevelt raised the official price of gold from USD 20.67 to USD 35 per ounce. This corresponded to an effective devaluation of the US dollar against gold of 41%. The one-time seigniorage gain of approximately USD 2.8bn flowed into the newly created *Exchange Stabilization Fund* (ESF) and thus into the Treasury vehicle that still exists today, allowing the Secretary of the Treasury to intervene in foreign exchange markets without congressional approval. Further US dollar devaluations followed in 1972 and 1973, first to USD 38, then to the current rate of USD 42.22.

For the US, not only is a one-time revaluation conceivable, but also a shift to market-valued gold reserves, similar to the situation in the eurozone. This would make hidden reserves visible and ensure that future increases in the gold price are continuously reflected on the balance sheet. In addition to the one-time effect, the investment perspective from the government’s standpoint is equally revealing in this context: What economic dynamics arise when central banks value gold at market prices?

Market-valued gold reserves create an asymmetric exposure to rising gold prices. If the gold price rises, the value of the reserves increases immediately and can enable higher distributions, stronger capital buffers, or additional room for maneuver. If the gold price falls, negative effects are absorbed through revaluation accounts, reduced retained earnings, or the forgoing of distributions. The resulting profile resembles a historically embedded call option: substantial upside potential with limited immediate burden on the owner. **In times of high debt and fiscal constraints, gold thus transforms from a passive reserve asset into strategic optionality – in short: Free Gold.**

Emerging economies are also eagerly driving forward the remonetization of gold. Under the project name “The Unit,” Russian researchers are working on a gold-backed settlement instrument for intra-BRICS trade: 40% physical gold, 60% currency basket of the five founding members. It is still a research project, not an official BRICS program. Yet the concept itself is a signal: In any serious post-US dollar architecture, gold will play a pivotal role.

In this context, Bernhard Matthes has pointed out a fascinating parallel: The gold purchases by central banks in Asia and the Middle East are not mere diversification; they resemble a strategic positioning race. Should gold indeed become the monetary anchor of a BRICS settlement system, every participating nation will face the same question as the euro accession candidates of the 1990s: At what exchange rate will my currency be incorporated into the new system?

Those who hold substantial gold reserves at this point will enter the new order from a stronger starting position. Viewed in this light, the conspicuous buildup of gold reserves by China, India, Türkiye, and a growing number of other central banks follows a sober logic: It is about securing monetary leverage for an architectural framework that

has not yet been established, but for which they are already positioning themselves. **Or, to put it more colloquially, following the example of the German vacationer in Mallorca who lays his towel on the beach chair at six in the morning, whoever reserves first gets the best spot.**

At the same time, the Shanghai Gold Exchange (SGE) is systematically expanding its infrastructure. Gold is thus transforming from a safe-haven asset into a settlement instrument: repo-eligible collateral, a component of coverage, and a potentially neutral unit of account. What is quietly taking shape here is the beginning of a parallel financial system with Asia as its center of gravity.

The following metaphor suggests itself: China is playing Go – patiently, strategically, focused on encirclement – while the US is playing poker, relying on short-term bluffs and maximum leverage. And Europe? Sitting at the table, having translated the rules into twenty-four languages, having commissioned an impact assessment and convened an ethics advisory board, while the others have long since begun their respective games.

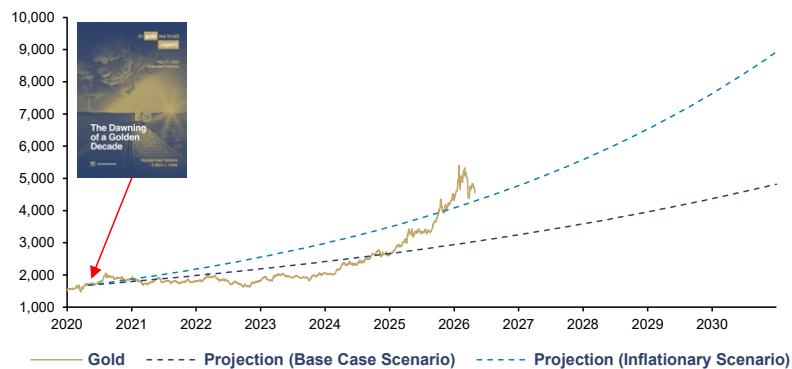
The Golden Decade Is in Full Swing

At the heart of our analysis lies a single thesis: The gold bull market of recent years is the manifestation of a long-term upward trend that we announced in the *In Gold We Trust* report 2020, titled “**The Dawning of a Golden Decade.**” We were met with skepticism from the mainstream for this. But the numbers speak for themselves. Since we proclaimed the golden decade, the price of gold in US dollars has risen by 165%, or, to put it differently, the US dollar has depreciated against gold by almost two-thirds.

” *When gold goes, it really goes.*

Jim Sinclair

Gold, in USD, 01/2020–12/2030



Source: LSEG, Incrementum AG

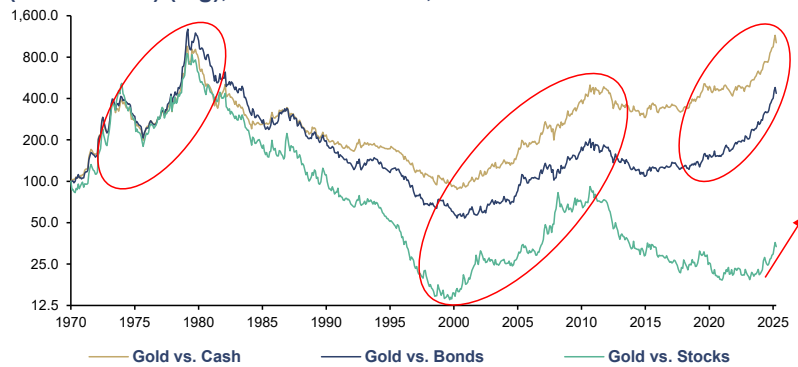
 incrementum

According to Dow Theory, we are currently in the middle of the public participation phase, the longest and most dynamic stage of a bull market. This phase is characterized by increasingly optimistic media coverage. At the same time, speculative interest and trading volumes are rising, new financial products are being launched, and analysts who have viewed gold with skepticism for years are suddenly and aggressively revising their price targets upward. In our assessment, we are roughly in the middle of this phase, which will ultimately culminate in a mania phase.

” *Big bull markets always find a way to keep you frightened and OUT. Big bull markets are devils with no conscience – to get in, you have to close your eyes, and just do it.*

Richard Russell

Gold vs. Cash (US 3M TR), Bonds (US 10Y TR), and Stocks (S&P 500 TR) (log), 100 = 31/12/1970, 12/1970–03/2026

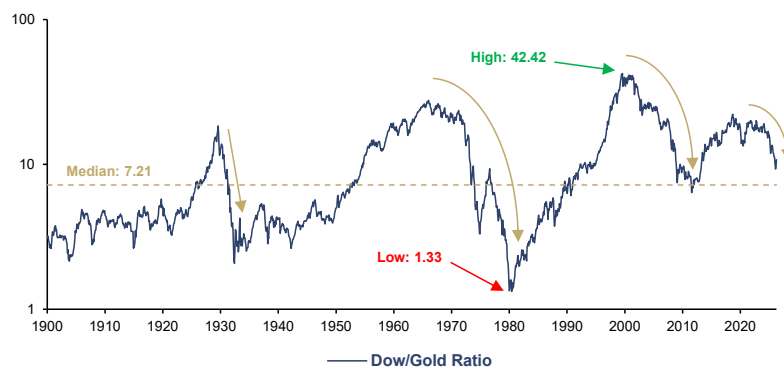


Source: Topdown Charts, Robert J. Shiller, LSEG, Incrementum AG



Given that gold has recently gained ground against stocks, it is worth taking a long-term look at the Dow/gold ratio. During the past three major downtrends in this ratio – the 1930s, 1970s, and 2000s – the trend was consistently accompanied by a significant rise in the price of gold and stagnant US stock markets. Currently, the Dow/gold ratio stands at 10.74, well above the historical median of 7.21. **Gold remains attractively valued relative to US stocks.**

Dow/Gold Ratio (log), 01/2000–04/2026



Source: Nick Laird, LSEG, Incrementum AG



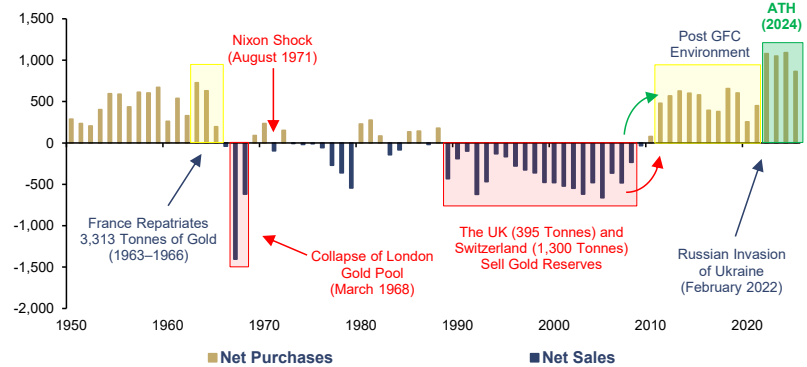
The baton is passing: From central banks to investors

The demand structure of the gold market has shifted in recent quarters. Central banks have bought over 1,000 t in three of the last four years (2022, 2023, 2024), with 863 t added in 2025. In terms of value, this amounts to USD 60–85 bn per year. To put this in perspective: With global mine production at around 3,600 t per year, central banks alone are absorbing nearly a quarter of annual output.

” *Volatility is the price you pay for performance. Corrections are not a failure of the system – they’re part of it.*

Howard Marks

Global Central Bank Gold Purchases, in Tonnes, 1950–2025



Source: ICE Benchmark Administration, Metals Focus, Refinitiv GFMS, World Gold Council, Incrementum AG

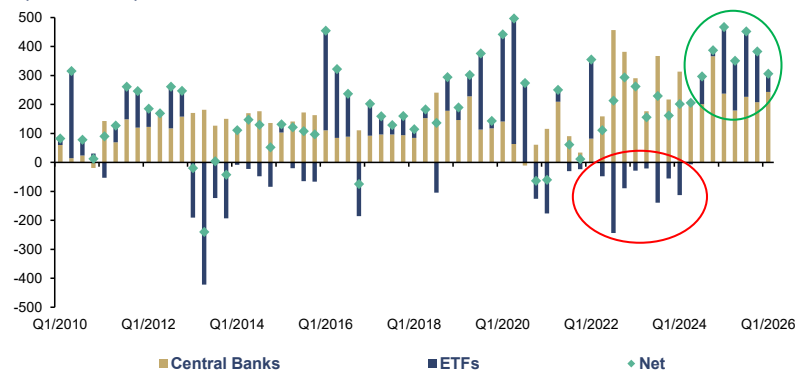


” *No snowflake thinks it started the avalanche.*

Boaz Weinstein

For several quarters now, we have observed a shift: Retail investors, institutional buyers, and ETF inflows have taken the baton from central banks. This is the handoff that, in Dow Theory, is considered a hallmark of a fully developed public participation phase: The bull market, still supported by central banks during the accumulation phase, is now being shouldered aside by a broader investor base. **The bull market has entered the mainstream.**

Central Bank, ETF, and Net Gold Flows, in Tonnes, Q1/2010–Q1/2026



Source: World Gold Council, Incrementum AG



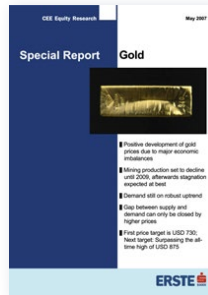
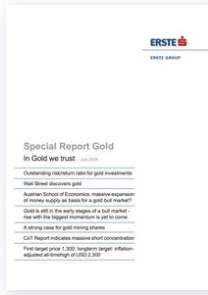
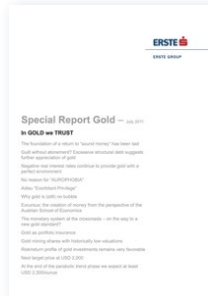
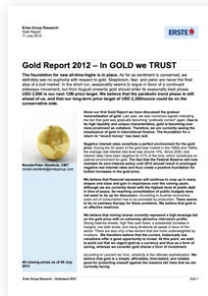
” *Those who know it best love it least, because they have been hurt the worst.*

Don Cox

But with this shift, the risks are changing. Central banks are price-inelastic demanders. They accumulate driven by strategic considerations, not by expectations of returns. Investors, on the other hand, react to sentiment, margin calls, and opportunity costs. March 2026 abruptly laid bare this dynamic: According to the World Gold Council, gold ETFs recorded the largest monthly outflow on record at USD 11.8bn, or 84.8 t. The sell-off was concentrated almost exclusively in the West, while Asia, led by China, remained a net buyer. The pattern is revealing: Western ETF investors sell procyclically into the pullback, while Asian buyers use precisely these price declines to build positions. **The question every investor ought to ask: Into whose vaults is Western gold quietly flowing?**

Our assessment remains nuanced: The secular bull market is intact, but the shift in the demand structure calls for vigilance. Corrections of 20–30% were not the exception but the rule in past gold bull markets. At current levels, absolute pullbacks of USD 800–1,000 are quickly labeled a crash – even though, until recently, that represented the *entire* gold price.

20 years In Gold We Trust report



» *When I bought my precious metals I was playing defense. But as they say, defense is the best offense.*

David Bateman

It is therefore crucial to distinguish between *safe-haven gold* – the strategic physical core holding, which is held independently of market events – and *performance gold*, the tactical component that specifically bets on price increases and must be actively managed accordingly. **Those who hold performance gold need not only conviction but also nerves of steel – and consistent risk management.**

Providing precisely this perspective – sober, fact-based, with a touch of humor, independent of market euphoria or doomsday prophecies – has been our mission for twenty years.

Thank You Very Much!

Year after year, the *In Gold We Trust* report strives to live up to its reputation as the “gold standard of gold studies.” Our goal is to produce the world’s most widely read and comprehensive analysis of gold. The gallery of 20 years of *In Gold We Trust* reports reflects this commitment.

» *If you put your mind to it, you can accomplish anything.*

George McFly, “Back to the Future”

This year’s leitmotif, “Back to the Monetary Future,” was carefully chosen. The monetary policy decisions of past decades – from the abandonment of the gold standard in 1971 to the era of zero interest rates after 2008 – are key to understanding what is happening in the markets today. In *Back to the Future*, Doc Brown warns Marty McFly emphatically: “We must not interfere with the timeline!” Yet that is precisely what central banks have done: With their monetary policy, they have fundamentally distorted the natural monetary order. We are now experiencing the consequences in real time – persistently elevated inflation rates, asset price bubbles, and an increasing flight to real assets like gold.

If our analyses are correct – and the data since 2007 gives us reason for confidence – then the current gold bull market still has considerable potential ahead of it. For while Marty McFly needed a DeLorean to travel through time, a glance at monetary history is enough for us to foresee the monetary future.

» *Trust is perhaps the fundamental First Principle.*

Tony Deden

In the 20th edition of the *In Gold We Trust* report, we remain committed to the philosophy of *kaizen*, the Japanese art of continuous, incremental improvement: Twenty years of publication are not a reason for us to rest on our laurels, but rather an incentive. This year, the report features a completely revamped design and a redesigned webpage. We have also brought creative reinforcements on board with *Mining Visuals*, a Swedish specialist in the graphical presentation of mining sector data. Our core team has also grown significantly. As in 2025, the short version is available in German, English, Spanish, and Japanese. And once again, the *In Gold We Trust* report is available as a printed edition on Amazon – because some things, like gold and good research reports, you just want to hold in your hands.

» *If there is time to reflect, slowing down is likely to be a good idea.*

Daniel Kahneman

We thank our more than 20 wonderful colleagues across four continents for their tireless efforts spanning over 20,000 hours and countless time zones.

Special thanks go to our **Premium Partners**.² Without their support, it would not be possible to make the *In Gold We Trust* report available free of charge and to expand our range of services year after year. In addition to the annual publication in five languages, we provide our **Monthly Gold Compass** as well as ongoing information on our *In Gold We Trust* website at ingoldwetrust.report.

² At the end of the *In Gold We Trust* report, you will find an overview of our premium partners, including a brief description of each company.

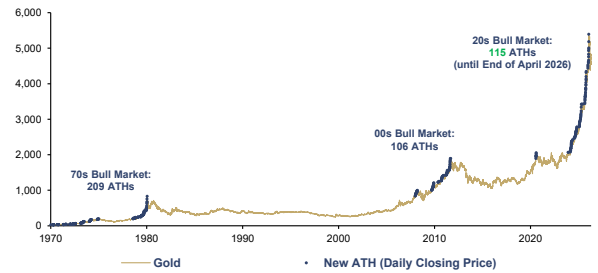
To prepare for the future of money, one must first return to its past. That is why we are convinced that the current gold bull market still has considerable room to run. We would like to present the reasons behind our assessment to you, our valued readers, as a reliable guide to the topic of gold across the more than 460 pages of the *In Gold We Trust* report 2026.

We now invite you to join us on our annual journey and hope that reading our 20th *In Gold We Trust* report brings you as much joy as writing it has brought us.

With warm regards from Liechtenstein,
Ronald-Peter Stöferle and Mark J. Valek



Gold, in USD, and New ATH (Daily Closing Price), 01/1970–04/2026



Source: LSEG, Incrementum AG

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Executive Summaries

Get a glimpse into the *In Gold We Trust* report 2026

You can optain the 460-page *In Gold We Trust* report free of charge at: ingoldwetrust.report

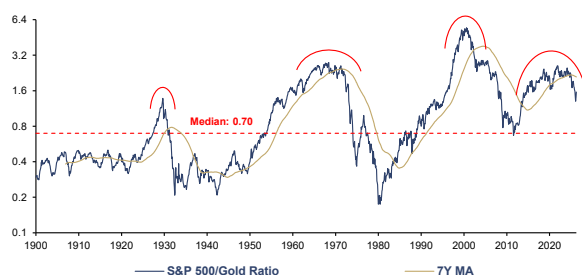
The Status Quo of Gold

- Forecast confirmed, conservative price target reached. Our expectation of a “golden decade,” formulated in 2020, has materialized: In 2025, gold hit numerous new all-time highs in every fiat currency and achieved its strongest annual growth since 1979 at +65%. In January 2026, the price reached a new all-time high of USD 5,595.
- On a USD basis, the compound annual growth rate (CAGR) since 2000 has been 11%; on a EUR basis, 10.5%. Gold thus outperforms nearly every other asset class.
- A controlled devaluation of the US dollar is the stated goal of the Trump administration – but from an economic policy perspective, this is a fallacy: A soft currency policy does not solve structural problems.
- The next US dollar bear market may be just beginning. Since 1971, the DXY has experienced three pronounced bear markets of -35%, -51%, and -40%; the last 15 years of remarkable sideways movement, however, formed a multi-year cycle top.
- Consolidation yes, trend reversal no. Following the spectacular rise of recent months, the Sprott Gold Bullion Sentiment Indicator signaled euphoric levels; the current pause is therefore not surprising.

Key Figures

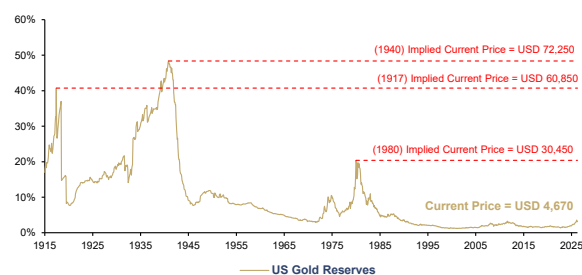
- In 2025, gold rose **64.4%** in US dollars, its strongest annual gain since 1979, and reached a new all-time high of **USD 5,595** in January 2026.
- Since 2000, gold has compounded at a CAGR of **11.2%** in US dollars and closed positive in roughly **74%** of those years, delivering a cumulative USD performance of **+1,538.8%**.
- Since 1971, the DXY has experienced three pronounced bear markets of **-35%, -51%, and -40%**; in April 2025 the 100 mark was sustainably breached for the first time in years.

S&P 500/Gold Ratio (log), 01/1900–04/2026



Source: Nick Laird, LSEG, Incrementum AG

US Gold Reserves, as a % of US Public Debt, 01/1915–04/2026



Source: Nick Laird, LSEG, Incrementum AG

Status Quo of Gold Relative to Stocks, Bonds, and Commodities

- The gold bull market is built on rock, not sand: Its relative strength compared to stocks, bonds, and commodities confirms that the bull market remains intact.
- Investor psychology evolves through four phases: FOMO → YOLO → GONZO → HALO. Josh Brown's "Heavy Assets, Low Obsolescence" paradigm marks the regime shift toward physical substance. Gold is the HALO trade par excellence.
- US stocks are trading at historically extreme valuations: Buffett Indicator at 226% (all-time high), Shiller P/E at 38.34 – a level that, in the past 145 years, has only been surpassed at the height of the dot-com bubble. Gold, by contrast, remains undervalued relative to US stocks.
- The classic 60/40 portfolio is losing its raison d'être: Will gold now assume the role that US Treasuries held for four decades?
- The commodity supercycle has begun: A decade-long capex backlog, resource nationalism, fiscal dominance, and a structurally weakening US dollar are setting the stage for sustained outperformance. And yet, the institutional investor community remains conspicuously underweight.

Key Figures

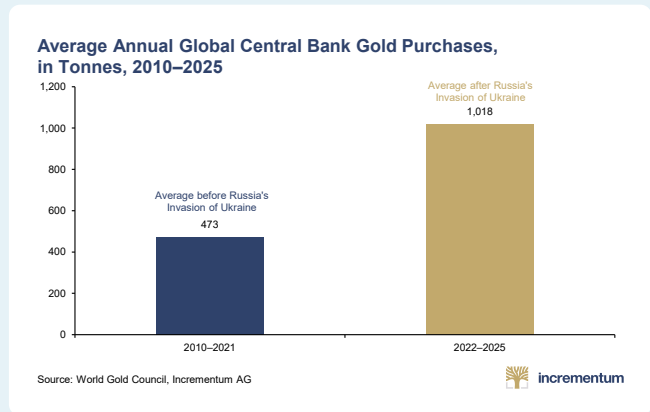
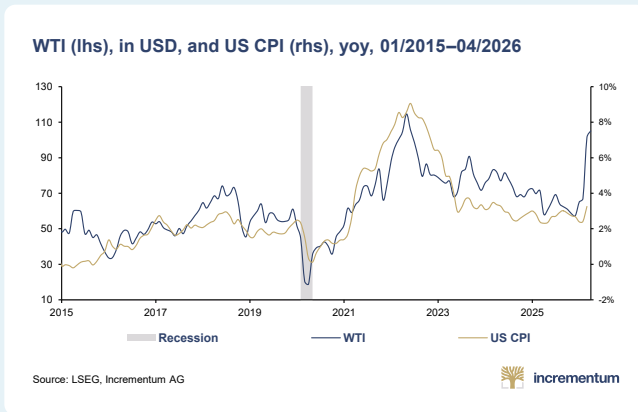
- US equity valuations sit at historic extremes: The **Buffett Indicator reached approximately 227%** at end-April 2026, an all-time high running roughly 2.5 times the long-term average of 89%; while the **Shiller P/E stood at 37.24**, a level exceeded only once in 145 years: at the December 1999 dot-com peak of 42.2.
- The **S&P 500/gold ratio currently stands at 1.51**, well above its 125-year long-term median of 0.70; on this measure, gold appears undervalued relative to US stocks.
- The **BCOM/S&P 500 ratio has fallen to a record low of around 0.02**; and commodity underperformance versus stocks has run for seventeen years, already at the long end of the historical nine-to-nineteen-year supercycle range.

Status Quo of Debt

- Since 2007, the year of the first *In Gold We Trust* report and on the eve of the global financial crisis, global government debt has grown by more than 50% to 96.8% of GDP.
- The current polycrisis – aging populations, military buildup, the green transition, and geopolitical instability – places a significant strain on public finances.
- Even primary balances are deep in the red in most industrialized nations. Ironically, much-maligned Italy is the only notable exception, as Germany is now also taking on debt on a historic scale.
- The US deficit of 5.8% (2025) corresponds almost exactly to the average for the *In Gold We Trust* report era (2007–2026). However, the deficit remains far higher than the long-term average of 3.8% for the years 1975–2025.
- Both historically and currently, government bonds are proving to be a "fair-weather asset," particularly because the current significant increase in deficit spending – like earlier ones – is being financed through higher deficits, aka the "guns and butter" principle.
- In light of the structural deficits, citizens face the threat of higher taxes, service cuts, and stricter fiscal austerity measures.

Key Figures

- Global government debt has swelled from roughly **USD 35trn to nearly USD 120trn** since 2007, a nearly 3.5x increase; while nominal global GDP grew just over 110%, lifting the global debt-to-GDP ratio from **60.9% to 96.8%**.
- US gold reserves now cover just **3% of federal debt**, down from 51% in the early 1940s. Restoring that prior backing today would imply a gold price near **USD 75,000/oz**, while the 1980 interim high of 18% implies roughly USD 26,000/oz.



Status Quo of Inflation Dynamics

- The attack on Iran triggered an energy price shock that, at least in the first month, was on par with the 2022 energy crisis. Until then, inflation in the US remained stubbornly at elevated levels, as we had expected. In the euro area, the inflation rate even fell below the 2% mark, partly due to the euro's appreciation.
- The oil intensity of Western economies has declined significantly compared to the era of the two energy price shocks of the 1970s. This is also due to the significantly greater importance of the services sector.
- A few days ago, Kevin Warsh succeeded Jerome Powell as the new Chair of the Federal Reserve. Warsh hopes the AI boom will spur a productivity surge in the US economy. This is expected to lay the groundwork for lower interest rates. Additionally, the Federal Reserve's balance sheet is set to shrink.
- Warsh clearly sees the responsibility for preventing elevated and high inflation rates as lying with the Federal Reserve. As he put it in one of his pithy statements: "Inflation is a choice."
- Even after the current energy price shock subsides, we expect higher inflation rates – along with increased inflation volatility – when base effects are factored out.

Key Figures

- Eurozone HICP rose from 1.9% in February to a revised **2.6%** in March; the 1.2% monthly increase annualizes to **15.4%**, well above the 11.5% peak of the 2021–23 inflation wave.
- The first US CPI release since the begin of the Iran war showed a **0.87%** monthly rise, an annualized **10.9%** surpassed only by the mid-2022 inflation peak.
- The Fed's FRB/US model implies that each **USD 10** rise in the oil price adds roughly 0.2 percentage points to inflation; at USD 130 per barrel, US inflation would reach **3.9%**.

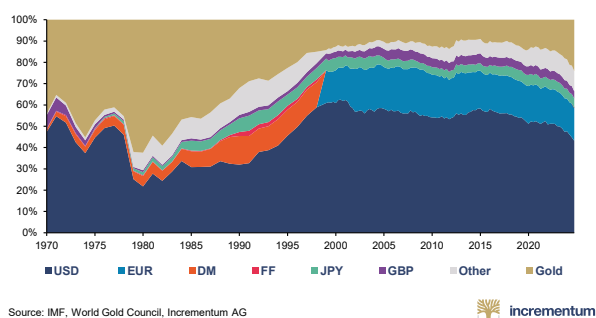
The Status Quo of Gold Demand and Gold Supply

- Central banks bought 863 t of gold in 2025 – worth a record USD 95.2bn – and the Central Bank Gold Reserves Survey 2025 found that 95% expect global reserves to rise further, with zero respondents anticipating a decline.
- Gold is no longer a passive reserve asset, as central banks are increasingly treating gold as an active balance-sheet tool. This is a form of "silent remonetization" without the political cost of debt issuance.
- Investment demand surged 84% yoy to 2,175 t in 2025, driven by record ETF inflows of USD 89bn (800 t) and physical bar-and-coin demand of 1,374 t – a decade high.
- Asia's weight in the gold market is reaching a tipping point. Asian gold ETF inflows in 2025 alone (USD 25bn) exceeded the cumulative total from the launch of the first Asian gold ETF in 2007 through 2024. In Q1/2026, Asian ETFs posted their strongest quarter on record.
- On the supply side, total gold supply reached 5,002 t in 2025, with mine production at a new record of 3,672 t, yet the muted recycling response to record prices is remarkable – suggesting that holders have internalized expectations of further monetary debasement.

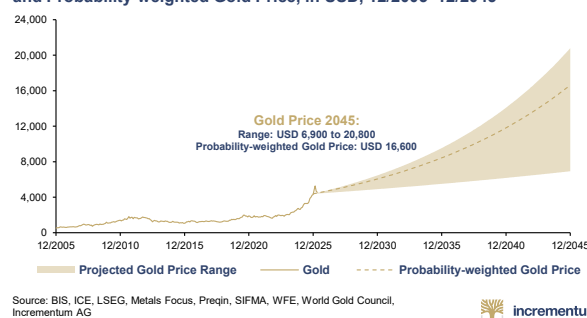
Key Figures

- Central banks acquired **863 t of gold in 2025, worth a record USD 95.2bn**, extending the post-2022 regime where official-sector demand structurally exceeded pre-2022 averages.
- Total gold supply reached **5,002 t** as mine production hit a record **3,672 t**, yet recycled gold came in at just **1,404 t** despite record prices, a muted response historically associated with further price-appreciation expectations.

Composition of Global Total Reserves, 1970–Q3/2025



Incrementum Gold Allocation Model 2045: Projected Gold Price Range, and Probability-weighted Gold Price, in USD, 12/2005–12/2045



The Status Quo of Gold: Conclusion

- Five pillars support the gold bull market: the rapid deterioration of government finances, growing anti-USD sentiment, the eroding credibility of the Federal Reserve, the expanding role of institutional investors, and inflation volatility.
- Government bonds: The “risk-free investment” is becoming the “yield-free risk investment”: Global debt reached a record high of USD 348trn at the end of 2025, and the US surpassed the USD 39trn mark in March 2026.
- De-dollarization has entered the mainstream: At 56.9%, the US dollar’s share of global currency reserves is at its lowest level in roughly three decades. Even if the recent decline is partly due to exchange rates, the structural diversification trend remains unmistakable.
- The allocation gap remains wide: Our long-term analysis places the optimal gold allocation between 14% and 20%. However, institutional investors’ allocations remain in the low single digits. Gold is evolving from a satellite investment to a core investment.
- Commodities remain historically cheap: The GSCI/S&P 500 ratio stands at 0.81 – well below the long-term median of 3.87. Rarely have real assets been so undervalued relative to financial assets.
- The system is not collapsing; it is melting: *Denominator decay* makes gold the Switzerland of the currency world – not cheap, but reliable, neutral, and trustworthy.
- The Incrementum Ratios (Oktoberfest beer, iPhone, ski pass) confirm: Gold’s purchasing power is rising steadily.

Key Figures

- Global debt reached a record **USD 348trn** at end-2025, with US debt crossing **USD 39trn** in March 2026 and FY25 net interest payments once again exceeding the defense budget.
- Long-term analysis points to an optimal gold weighting between **14% and 20%**, against institutional allocations still in the low single digits.

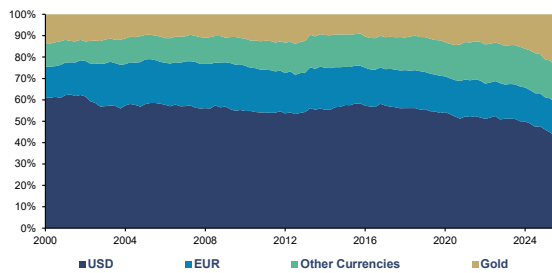
The Renaissance of Gold Allocation

- Central banks and private investors are increasing their gold allocations, while the traditional role of bonds as a risk-free portfolio anchor is increasingly being called into question.
- The stock-bond correlation is positive again, real bond yields are under pressure, and the risk of a lost decade for traditional balanced portfolios is palpable.
- De-dollarization, demographic-driven fiscal pressure, high government debt, geopolitical fragmentation, and recurring inflation shocks are increasing demand for scarce, liquid, and counterparty-free real assets.
- The *IGWT Gold Allocation 2045 Model* forecasts a gold price of up to USD 20,800 and a gold market capitalization of USD 210trn by the end of 2045.

Key Figures

- Private investors allocate **2.7%** to gold against a 1980 peak of **8.3%**, while central banks hold **26.6%** of reserves in gold versus a previous peak of **62.4%**.
- The rolling 10-year inflation-adjusted return on US 10-year Treasuries was **-2.58%** as of April 2026, the longest such stretch on record, and the inflation-adjusted 60/40 portfolio returned **-17.1%** in 2022.
- The *IGWT Gold Allocation 2045 Model* points to a probability-weighted gold price of **USD 16,600** per ounce by end-2045, with the debasement-and-fragmentation scenario reaching **USD 20,800** at a 7.5% target allocation and a market capitalization of **USD 210trn**.

Composition of Global Total Reserves, 2000–Q3/2025



Source: Eichengreen, IMF, World Gold Council, Incrementum AG



Gold is ultimately the arbiter of balance. It has been for 5,000 years.

LUKE GROMEN

Two Systems, One World: The Battle for the Global Monetary Order Intensifies

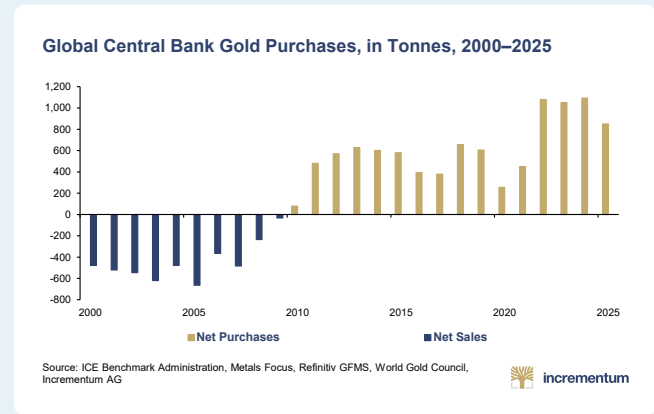
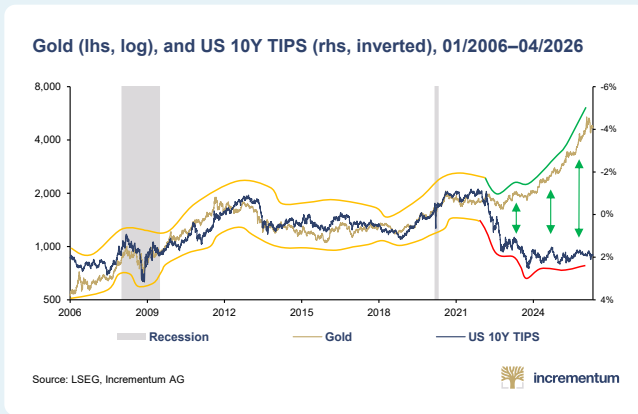
- China has spent four decades building parallel financial infrastructure, and its 15th Five-Year Plan codifies monetary independence as a national security priority.
- The largest military budget no longer guarantees monetary hegemony. Cheap drones and missiles erode the security umbrella that has historically backstopped the US dollar's reserve status.
- Team USA's counteroffensive is full-spectrum: a US dollar squeeze that collapsed Iran's banking system before the first strike, a stablecoin market exceeding USD 300bn projecting digital US dollar dominance, and a Pentagon Economic Defense Unit armed with USD 200bn in firepower.
- The Strait of Hormuz crisis exposed the mechanism by which any adversary capable of disrupting energy flows can force oil-importing creditors to sell Treasuries – a systemic vulnerability hiding in plain sight.
- Gold is moving from the accumulation to the operation phase, becoming the active settlement layer between blocs that trust neither each other's currencies nor each other's central banks.
- Whichever team prevails, gold wins. It requires no allegiance, no counterparty, and no trust in any single sovereign's plan – which is precisely why it emerges as the reserve asset of the era to come.

Key Figures

- The Chinese public has withdrawn approximately **28,000 t of gold** through the Shanghai Gold Exchange since 2002, a transfer of monetary metal into private hands unmatched in modern history.
- The stablecoin market now exceeds **USD 300bn** in capitalization, with a base case of **USD 1.9trn** projected by 2030.
- Central banks in the global East have raised quarterly net gold purchases from a pre-Ukraine-war average of **118 t** to **291 t**, the strongest structural buying wave since modern central bank statistics began.

Shovels, Not Spreadsheets – Luke Gromen Debates Craig Tindale

- The closure of the Strait of Hormuz is accelerating the collapse of the US dollar system, which has been in place since 1971. China's infrastructure for settling petro-yuan transactions against gold is ready.
- Bottlenecks cannot be resolved at the push of a button. Idle aluminum smelters require 12 months to restart. Even if the Strait of Hormuz were reopened immediately, the consequences of the blockade would not be fully resolved for months.
- Between 50 and 98% of global refining capacity for nearly every strategic metal, gas, and chemical is in Chinese hands. This poses an immense challenge for the Western AI, defense, and electrification agendas.
- For the first time in over 30 years, gold is the most important global central bank reserve, ahead of US Treasuries. A gold price of around USD 22,000 would have fully offset China's record trade surplus of USD 990bn from 2024 through gold imports.
- With US social spending plus interest expenses exceeding 100% of government revenue, any recession inevitably triggers a debt spiral. Liquidity injections collide with physical bottlenecks. A formal gold revaluation is more likely now than at any point in the last 40 years.
- The mining sector currently accounts for just 2–3% of the global capital market. When capital rotates from AI and tech positions into physical shortages, the result will be a disruption of historic proportions.



Gold and the End of the US Dollar Standard

- The capital account and capital flows determine the trade balance – not the other way around. Large net capital exports from surplus countries force corresponding current account deficits elsewhere.
- Persistent trade surpluses are not the result of natural comparative advantages, but stem from deliberate domestic policies in countries like China, Germany, and Japan that suppress household consumption and generate massive excess savings.
- The US became the residual adjuster of the world's excess savings and had to run persistent current account deficits as a result. Washington now views the reserve currency status more as an “exorbitant burden” than a privilege.
- The US is no longer willing to act as residual adjuster of global excess savings by accepting ongoing deficits in US-dollar assets. This shift is putting the existing dollar-based system under increasing pressure.
- As US-dollar reserves face growing political risks (sanctions, taxes, fees), gold is increasingly taking on the role of a neutral reserve asset with no counterparty or confiscation risk. Central banks and surplus countries are therefore diversifying heavily into gold.
- Gold is decoupling from the old drivers of real interest rates, volatility, and liquidity and is now primarily driven by structural demand for a neutral reserve currency. As long as global excess savings persist, the long-term upward trend for gold remains intact.

Key Figures

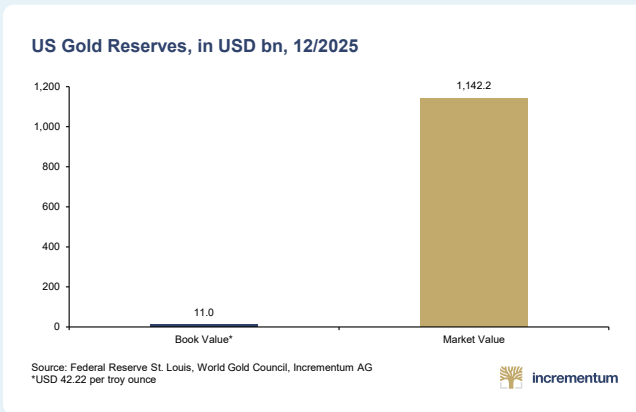
- Gold's share of total reserves climbed from **17% to 25%** in advanced economies and from **7% to 10%** in emerging markets between 2021 and 2024, on a market-value basis.
- The Chinese renminbi, the most-cited sovereign alternative to the dollar, peaked at **2.84%** of global reserves in Q1 2022 and has since fallen to **2.1%**, leaving gold without a serious sovereign competitor for diversification flows.

Gold and the Monetary Analogue of Mackinder's Heartland Theory

- The foundation of modern geopolitics is Mackinder's Heartland Theory and the strategic imperative of controlling the Eurasian landmass.
- The conflict plays out between the major land powers of Eurasia, like Russia and China, and the external maritime powers, such as the US and formerly Britain.
- In the monetary analogue of Mackinder's theory, the strategic imperative is control of the world's reserve currency and its monetary architecture.
- The US dollar system has represented the projection of “maritime power” that has contained Eurasia for decades. Gold is the impregnable monetary Heartland – the ultimate expression of “land power” – and the gold price is a real-time indicator of the balance in this conflict.

Key Figures

- In 2024, gold's share of international reserves surpassed US Treasuries for the first time since the mid-1990s, reflecting a decisive shift in central bank reserve preferences.
- BRICS nations produced approximately **28% of global mined gold** in 2025, led by China (380.2 t) and Russia (330.0 t), while US output stood at just 158.0 t.
- More than **95% of LBMA gold trades** settle via unallocated accounts, paper claims on undisclosed bullion, creating a highly leveraged fractional reserve system.



If the government can debase the currency, a depreciating currency is the same as stealing your land and therefore unconstitutional.

JAMES MADISON

The Six Vectors of Gold Remonetization

- No return to the gold standard – but gold is returning. Not by decree, but by function. Not by revolution, but by evolution. Six vectors are driving this process – each observable on its own, yet collectively self-reinforcing.
- The six vectors are: reserves, private demand, silent balance sheet recapitalization, anchoring, accumulation, and digitalization.
- The burden of proof has shifted. 54 years of fiat rule are the anomaly, not 5,000 years of monetary history. The burden of proof therefore does not lie with those who consider a gradual remonetization plausible; it is up to those who believe that a historically unique fiat experiment can permanently function without a physical anchor.

Key Figures

- Since 2010, central banks have accumulated roughly **9,700 t** of gold, with more than **4,000 t** added in 2022 to 2025 alone, almost entirely by emerging-market institutions.
- By end-2025, the Bundesbank's revaluation reserve for gold reached a record **EUR 387bn**, while the Eurosystem's gold holdings rose to **EUR 1,274bn** from EUR 872bn in 2024.
- Gold-token market capitalization surpassed **USD 6bn** in February 2026, a fivefold rise in 24 months, on 2025 trading volume of **USD 178bn** that outpaced every major US gold ETF except GLD.

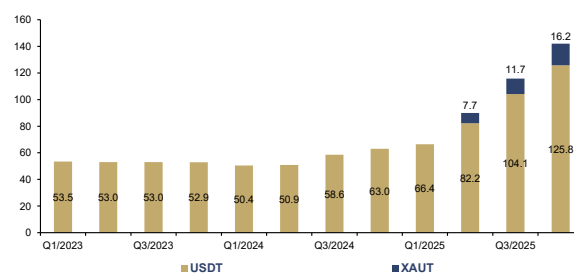
Interview with Dr. Judy Shelton: Back to the Founders

- Dr. Judy Shelton, citing her friend Jacques de Larosière, describes today's US dollar system not as a non-system but as an anti-system. Gold has displaced the euro as the world's second most valuable reserve asset held by central banks, according to the ECB's June 2025 report on the international role of the euro.
- Drawing on Robert Mundell, she argues: great powers have great currencies. If a gold anchor is coming, the United States should lead rather than let China get there first.
- Dr. Shelton proposes a 50-year gold-convertible US Treasury bond — her "Treasury Trust Bond" — timed to the 250th anniversary of the Declaration of Independence, using gold rather than CPI as the reference for preserving purchasing power.
- Pledging physical gold as collateral would prevent future administrations from selling off reserves, as Gordon Brown did for the UK. Treasury currently carries its 261 million ounces at USD 42.22 per ounce.
- Dr. Shelton favors ending interest on excess reserves and actively selling the MBS portfolio. This aligns with Kevin Warsh's disposition to shrink the Federal Reserve's balance sheet.
- She grounds her case in the Founders. Jefferson defined the US dollar by the weight and purity of gold and silver. Madison argued that paper money is unjust and unconstitutional, "for it affects the rights of property as much as taking away equal value in land."
- Looking twenty years out, Dr. Shelton envisions sovereign debt issued with gold-convertibility features, gold-linked stablecoins, and gold and silver settlement at the state level – as Florida is set to recognize as legal tender from July 2026, and as Texas has begun building through its state bullion depository. A classical gold standard, take two.

History repeats itself, but in such cunning disguise that we never detect the resemblance until the damage is done.

Sydney J. Harris

Tether's Gold Reserves, in Tonnes, Q1/2023–Q4/2025



Source: Jefferies, Tether, Incrementum AG

incrementum

Gold Goes Digital: Tokenization, Financial Infrastructure & Trust

- Tokenization changes how claims on gold move, not what gold is. Settlement accelerates from T+2 to T+0, the entry barrier drops from a USD 2mn Good Delivery bar to a single gram, cross-border transfer becomes frictionless. The infrastructure evolves; the metal endures.
- The tokenized gold market is in fact three markets: retail (PAXG, XAUT) solving for access, institutional (PGIs, Wholesale Digital Gold) solving for collateral efficiency, and a speculative frontier monetizing geological uncertainty. Only the first two rest on gold that actually exists.
- Tokenizing vaulted gold digitizes certainty. Tokenizing in-ground gold financializes uncertainty. The speculative frontier repackages the oldest risk in mining – the gap between what's estimated and what's extractable – in a new digital wrapper.
- The growth of digital gold is real; the revolution is gradual. Physical bars in vaults remain the ultimate settlement layer – no token has changed that.

Key Figures

- The tokenized real-world asset market reached approximately **USD 25bn** in early 2026, more than quadrupling yoy, with US Treasuries and commodities accounting for 58% of growth.
- BlackRock's BUIDL tokenized fund surpassed **USD 2.2bn** in AUM. BUIDL is built on Securitize's platform, which itself handles over USD 4bn in tokenized assets for institutional partners.
- End-of-decade projections for tokenized RWAs range from **USD 11trn** (ARK Invest) to **USD 16trn** (BCG/ADDX), implying a CAGR exceeding 50%, though this would still represent less than 2% of global financial assets.

A Golden "Stabilization" Op in Plain Sight

- The world's newest central bank isn't a central bank. Tether is buying gold at a pace outstripping most sovereign nations. Tether is also building vaults, acquiring mining royalties, and lending against its own token, thereby constructing a shadow bullion bank outside the traditional monetary system.
- The oldest question in money is back: How do you prove the metal is really there? Blockchain changes how you ask it, not whether it needs asking.
- Two visions of the monetary future are in open competition. The BIS wants tokenization with central banks at the core; Tether wants tokenization with gold at the core.
- Gold remonetization won't require a new Bretton Woods – it's already underway. When tokenized gold becomes an "opt-in digital gold standard" and a stablecoin issuer is buying up to 2 t of physical gold per week — worth more than USD 1bn per month — the theoretical has become operational.
- Exclusive interview with Juan Sartori, Tether's head of special projects

Key Figures

- Tether purchased **27 t of gold in Q4/2025 alone**, a quarterly pace that ranked third globally behind only Poland and Brazil, outstripping most individual central banks.
- Tokenized gold trading volume reached **USD 178bn in 2025**, surpassing every gold ETF except the SPDR Gold Shares (GLD) in global trading activity, with Tether's XAUT accounting for roughly three-quarters of Q4/2025 volume.
- Tether holds approximately **USD 25bn (~150 t) of physical gold** in self-custodied Swiss vaults, purchasing up to two tons per week, a pace equivalent to more than USD 1bn per month at prevailing prices.

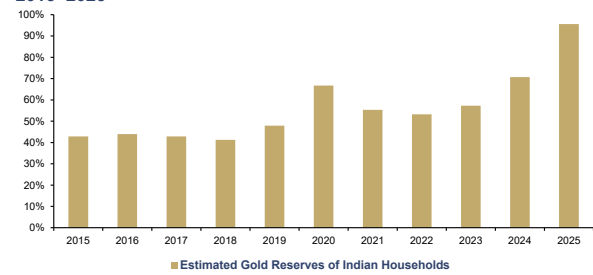
Inflation-adjusted Performance of a 60/40 Portfolio* (log), in USD, 1 = 01/1900, 01/1900–04/2026



Source: Robert J. Shiller, Incrementum AG, *60% S&P 500 TR and 40% US 10Y TR



Estimated Gold Reserves of Indian Households, as a % of GDP, 2015–2025



Source: CLSA, World Gold Council, Incrementum AG



The Gold Paradox: Why Investors Still Trust Bonds in a Post-Great Moderation World

- Gold remains structurally underallocated in Western portfolios despite strong long-term performance and well-documented diversification properties, while bonds continue to dominate portfolio construction.
- Bond-centric portfolios were a rational response to decades of disinflation and central-bank credibility, during which the traditional 60/40 framework delivered satisfactory outcomes.
- Portfolio behavior adapts more slowly than macroeconomic regimes, allowing outdated bond-based heuristics to persist even after the end of the Great Moderation.
- Although gold still faces behavioral and institutional resistance, emerging shifts in portfolio narratives suggest gold may have lost its purely contrarian status.

Key Figures

- 72% of global family offices report **no gold exposure at all**, according to the latest survey data.
- Since the end of Bretton Woods in 1971, gold has compounded at **9.4% p. a.** (CAGR) in dollar terms through 2025, rivalling major equity indices over the same horizon.
- Historical analysis suggests an allocation of roughly **14–18%** to gold would have reduced portfolio volatility over 1970–2024, yet average family office exposure sits at just **2%**.

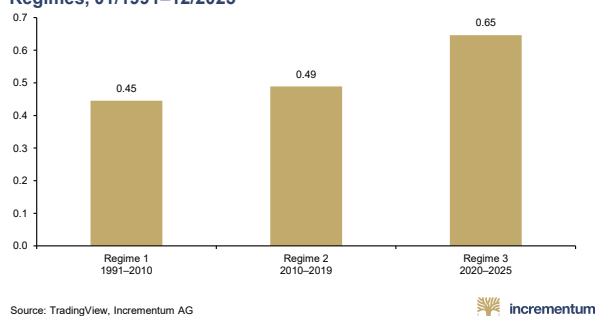
India – Structure, Dynamics and Future of the World’s Largest Gold Ecosystem

- India’s gold market is evolving from a cultural, jewelry-driven system into a hybrid ecosystem of consumption, investment, and financial products, gaining growing influence on global price dynamics.
- Household gold holdings stand at approximately 29,000–35,000 t, valued at over USD 4trn in 2025/26 – exceeding 100% of GDP – yet remain largely illiquid and held for generational purposes.
- Long-term demand stays structurally robust (600–1,000 t/year), driven by income growth, demographics, and culture; high prices shift purchases toward investment formats such as bars, coins, ETFs.
- Regulatory reforms such as mandatory HUID hallmarking, IIBX exchange, and EGRs are formalizing the market, narrowing spreads, reducing informality, and aligning India with global standards.
- Interview “Gold Is the New Gold” with Sachin Jain, Regional CEO India, World Gold Council

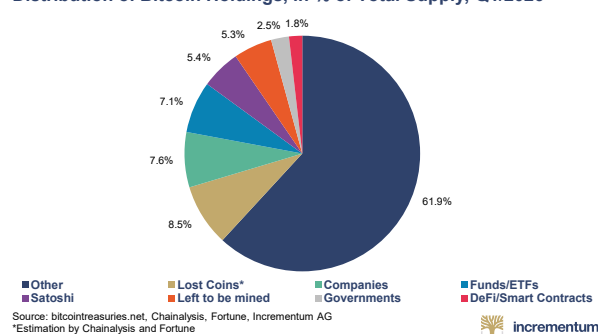
Key Figures

- Long-term consumer demand has remained structurally resilient, oscillating between **600–1,000 t per year** over two decades, with investment demand reaching a record **USD 32bn** in value terms in 2025.
- Gold ETF holdings surged from 40 t in early 2024 to approximately **100 t** by January 2026, a 2.5x increase, while full-year 2025 inflows reached a record **37 t** as retail participation broadened through digital channels.

Commodity Leadership Concentration Index (CLCI) Across Regimes, 01/1991–12/2025



Distribution of Bitcoin Holdings, in % of Total Supply, Q1/2026



The Collapse of Commodity Beta

- Commodity beta (the broad basket) has become a weaker scarcity proxy. Since 2020, benchmark-relative gains have concentrated in fewer commodities, so broad indices capture a smaller share of the outperformance when leadership narrows.
- The post-2020 regime splits commodities by supply response. In bottleneck markets (where supply can't scale in time), outperformance can persist; in throughput markets (where supply can respond), performance remains more cyclical and mean-reverting.
- Gold sits outside the cross-commodity “winner” race as an anchor. It functions as a monetary reference asset – supporting confidence and official-sector balance-sheet demand – even as return leadership rotates elsewhere in the complex.
- The biggest moves occur when accelerants collide with hard constraints. Light ownership, benchmark underweights, and episodic demand impulses (often selective rather than broad-based) can turn small shocks into nonlinear repricing when liquidity is thin and supply is slow to adjust.

Key Figures

- The Bloomberg Commodity Index ex-Precious Metals (BCOMXPM) has traded **sideways for over two years**, even as precious metals advanced, confirming how narrowly post-2020 commodity gains have been distributed.
- The CLCI (a breadth measure) rose from **0.49 in Regime 2 to 0.65 in Regime 3** (vs. 0.45 in Regime 1), confirming post-2020 outperformance concentrated in fewer markets.
- Only **7 of 18 commodities** beat BCOM in Regime 3, led by coffee (+21.4%), silver (+19.7%), and uranium (+16.5%), while wheat (-36.6%) and natural gas (-15.3%) lagged most.

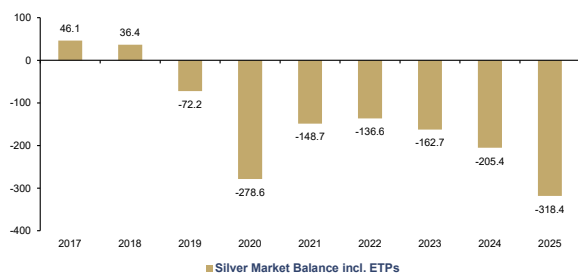
Bitcoin's Role in the Future of Money

- With the early challenges now largely behind us, we identify three categories of Bitcoin risk: systemic risk, governance risk, and market structure risk.
- Quantum risk, currently the most widely discussed Bitcoin risk, is in our framework a subset of governance risk. It is less about an imminent cryptographic break than about Bitcoin's ability to coordinate timely upgrades under stress.
- Bitcoin's financial integration has increased the relevance of market structure risk, with deep drawdowns remaining possible during liquidity shocks. At the same time, the February 2026 sell-off showed that long-term allocators stepped in to buy the dip.
- Gold and Bitcoin remain complementary hard assets, not competitors. Their distinct demand drivers continue supporting low correlation and strengthen a combined debase-ment-trade allocation.
- At its core, Bitcoin addresses one of the defining challenges of our time: the erosion of trust. Between nations, between citizens and states and within monetary systems themselves. As a neutral and rules-based network, Bitcoin may become one pillar of the future of money.

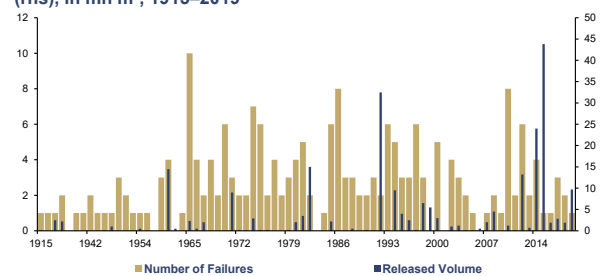
Key Figures

- Bitcoin's **13.2%** single-day decline on February 5, 2026, was a multi-asset cascade triggered by traditional finance de-risking, yet the broader Bitcoin ETF complex still recorded **USD 300mn** in inflows.
- Public company Bitcoin holdings rose **82%** year-over-year to **1.08mn BTC**, with the number of listed holders climbing from 69 to more than 191.
- Nations hold approximately **643,000 BTC**, roughly 3.1% of total supply. Matching central banks' 17% share of above-ground gold would imply roughly **USD 253bn** in sovereign inflows.

Silver Market Balance incl. ETPs, in Moz, 2017–2025



Source: Silver Institute, Incrementum AG

Tailings Dams, Number of Failures (lhs), and Released Volume (rhs), in mn m³, 1915–2019

Source: Engineering Geology Vol. 303, Incrementum AG



Silver After the Surge: “Stairway to Heaven” or “Highway to Hell”?

- While industrial demand laid the foundations for silver’s rise to a record high of USD 121, the rise culminated in speculative frenzy, as net ETP investment skyrocketed 312% yoy in 2025.
- The silver market balance (including ETPs) widened to a record deficit of -318.4 Moz in 2025, marking the seventh successive negative year and amounting to 1.3 Boz cumulatively.
- In 2026, this negative market balance is set to persist at -76.3 Moz, as a forecasted 0.3% fall in mine output offers no rebuttal to the theory that “peak silver” was reached in 2015.
- An expected -19% in solar offtake will throw a spanner in the works of silver’s industrial engine in 2026, although green shoots are emerging in the form of EVs and data centers.
- Above all, the extent to which an investment demand renaissance continues will determine silver’s fate in 2026, with Western investors yet to follow India into the burgeoning silver bull.
- Even in a world where silver trades sideways amid inflation, investors seeking high beta would do well to consider silver miners, which generate 80% profit margins at USD 80 silver.

Key Figures

- Silver hit a record high of **USD 121** on January 29, 2026, marking a ~570% surge from its 2022 lows, before suffering its largest daily decline in history of 34%.
- The silver market balance (incl. ETPs) widened to a record deficit of **-318.4moz** in 2025, the seventh consecutive negative year, with cumulative shortfalls exceeding 1.3bn ounces.
- Net ETP investment surged **312% yoy** in 2025 to 278.1moz, lifting global ETP holdings to 1.277bn ounces by March 2026.

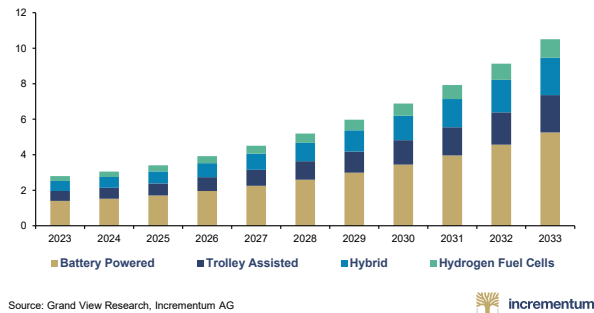
How AI Redefines the Gold Mining Industry

- AI can improve the profits of gold mining operations by improving recoveries, reducing plant downtimes, and reducing fuel consumption.
- The AI-based technologies can improve the safety at the mine site and reduce the environmental impacts, significantly reducing operating and permitting risks.
- In a not-so-distant future, AI agents will be able to optimize the whole production chain and run the whole mine autonomously.
- The main hurdles in full AI adoption are the quality and quantity of required data, and the security/ethical question of how much the mining operation relies on the AI and where the human factor should be employed in the decision process.

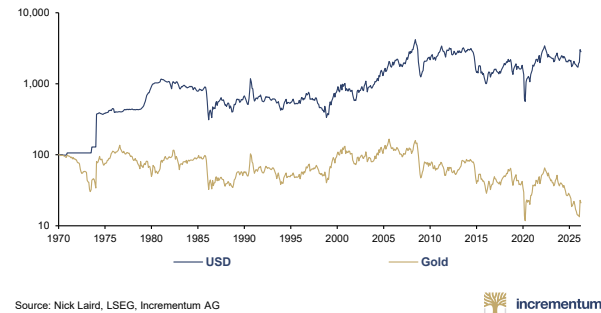
Key Figures

- The AI-in-mining market stood at **USD 29.94bn in 2024** and is projected to reach **USD 85.61bn by 2033** (CAGR: 41.87%).
- Barrick, Newmont, and Agnico Eagle missed a combined **USD 9.65bn in revenue** over 2020 to 2024 through production guidance shortfalls, a gap AI-driven tools are positioned to narrow.
- AI predictive maintenance can cut unplanned downtime by up to **50%**, raise plant productivity by **25%**, and reduce breakdown frequency by **70%**.

Electric Mining Equipment Market, by Power Source, in USD bn, 2023–2033e



Oil (WTI) (log), in USD, and in Gold, 100 = 01/1970, 01/1970–04/2026



Innovate or Terminate: The Case of the Gold Mining Industry

- Broad adoption of innovations that occurred in the gold mining industry over the recent years is a response to mounting operational constraints such as declining ore grades, water scarcity, higher fuel/energy costs, and decarbonization pressure.
- Decarbonization is reshaping mine planning and haulage via battery-electric vehicles, trolley assist, hydrogen pilots, and in-pit crushing and conveying (IPCC), aiming to cut diesel use and emissions as well as some ventilation needs, but often with higher upfront CAPEX or infrastructure requirements.
- Exploration is getting faster and cheaper through better sensing and drilling control: UAV geophysics (drones) for early screening and mapping, fiber-optic DAS for borehole seismic monitoring, and directional drilling and rotary steerable systems.
- Processing and waste-management innovations such as thiosulfate leaching or dry-stack tailings target energy, water, toxicity, and risk reduction.

Key Figures

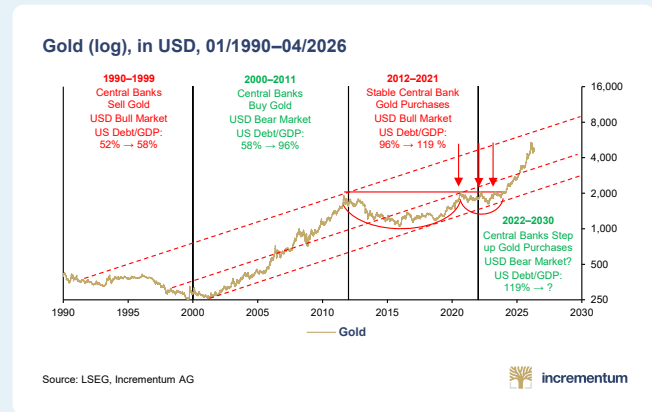
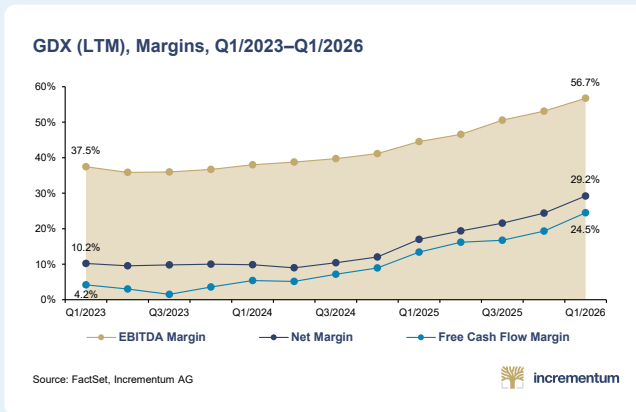
- The electric mining equipment market, currently valued at **USD 3.05bn**, is projected to grow at a CAGR of 15.2% and surpass **USD 10.5bn** by 2033.
- At the Copper Mountain mine, trolley-assist systems boosted haul truck climbing speeds by **59%**, cut operating costs per tonne by **16%**, and reduced CO₂ emissions by **42%**.
- Coarse particle flotation technology can increase conventional flotation capacity by **40%**, reduce grinding energy consumption by **30–50%**, and lower tailings management costs by **30%**.

The Corporate Gold Standard: Why Gold and Silver Miners Should Hold Their Own Metal

- Closing the Big Short. Mining companies are the only industry on earth that systematically converts the very asset their investors bought them for into the currency that asset is meant to hedge against. Since 1971, the US dollar has lost ~98% against gold.
- *The Corporate Gold Standard*: practice what you preach. We propose miners retain 5–10% of output as bullion on the balance sheet – the same allocation the industry has long recommended to its own investors. What is prudent for a portfolio is prudent for a treasury.
- Gold is the natural hedge against a miner's cost inflation. With an R² of 0.97 between the gold price and AISC, gold-denominated mining costs have barely moved for decades. Compounding today's USD 1,605 AISC at its historical 8% CAGR over a 15-year project cycle yields ~USD 5,090 – already above today's gold price.
- From price taker to price maker. Every ounce retained delivers pure metal-price leverage, free of operational risk – the same exposure that earns royalty companies 25–30x EV/EBITDA versus 7–10x for producers. In a market priced at the margin, even moderate supply discipline would have disproportionate price effects.

Key Figures

- Since 1971, the US dollar has lost roughly **98% of its value against gold**. The USD is the very fiat for which producers exchange the asset they extract.
- Industry-average all-in sustaining costs (AISC) hit **USD 1,605/oz** in Q3/2025; compounded at the 8% CAGR observed across 1990–2022 over a 15-year project cycle, that reaches ~USD 5,090/oz, already above today's gold price of ~USD 4,600/oz.
- Royalty and streaming companies trade at **25–30x EV/EBITDA**, against 6–9x for producers, the kind of valuation gap retained ounces, free of operational risk, can help close.



Gold and Silver Miners: From Problem Child to Model Student

- From problem child to model student: Capital discipline, debt reduction, and transparent dividend policies have transformed the mining sector.
- 2025 was the most profitable year in gold mining history: The free cash flow margin of the GDX aggregate jumped from 4.2% to 24.5% and earnings per share quadrupled, while the P/E ratio fell from 30.8x to 19.8x.
- M&A as the new exploration: With USD 21.2bn in the gold sector alone, 2025 was the most active year for M&A since 2010 – driven by a structural shortage of reserves. The global discovery rate has plummeted since 2009 from 202 finds to 70–90 per year, while the cost per discovery has risen from USD 50mn to USD 200mn.
- Public participation phase, not mania: Senior producers have fired the opening salvo, mid-tier consolidation is underway, and junior financing is returning.
- Templeton litmus test passed: Generalist allocation marginal, ETF inflows anemic, people talking about AI at cocktail parties. If John Templeton was right, we are not at the end of this bull market but right in the middle of it. Bull market, not bubble.

Key Figures

- Free cash flow margin of the GDX aggregate jumped from **4.2% to 24.5%** between Q1/2023 and Q1/2026, with earnings per share quadrupling from USD 1.05 to USD 4.63 even as the P/E ratio fell from 30.8x to 19.8x.
- Gold-sector M&A reached **USD 21.2bnn across 32 deals in 2025**, the most active year since 2010, against a global discovery rate that has fallen from 202 finds in 2009 to roughly 70–90 per year today.
- The top 10 precious metal producers tripled aggregate free cash flow within a year, from **around USD 9bn in 2024 to nearly USD 27bn in 2025**, on expected AISC margins of around USD 3,000/oz.

Technical Analysis

- The secular bull gold market remains intact. The parabolic rally to the all-time high of USD 5,589 and the subsequent sharp correction to USD 4,098 are part of a healthy consolidation pattern.
- Analyst consensus remains a reliable contrarian indicator: While the forward curve prices in a gold price of USD 5,556 by 2030, the sell-side median forecast predicts a bear market at USD 3,405. For silver, the spread is even more extreme at nearly 45%.
- Seasonality in midterm election years calls for patience: The seasonal weakness in the summer is statistically particularly pronounced in midterm election years. The five seasonality patterns compiled by Seasonax – for gold, silver, HUI, DXY, and ratio comparison – provide a clear picture of this.
- Sentiment is surprisingly neutral despite record prices: The Gold Optix stands at 59, the Silver Optix at 60, and the GDX Optix deep in bearish territory at 14 – no signs of exuberant euphoria anywhere.
- Gold should take a breather in the short term, trend higher in the medium term, and be back to the center of the monetary system in the long term: Through early summer, we expect a volatile sideways movement in the range of USD 4,500–4,950.

Key Figures


- Gold reached an all-time high of **USD 5,602** before pulling back to **USD 4,310**, with the long-term trend channel now bounded by roughly **USD 4,200** on the downside and **USD 6,000** on the upside.
- The forward curve prices gold at **USD 5,556 by 2030** while sell-side analysts forecast **USD 3,405** for the same year, an implied mispricing of **over 35%**; for silver, the equivalent spread between forward curve and consensus runs at **almost 45%**.
- The Gold-Optix sits **at 59** and the Silver-Optix **at 60**, in neutral terrain, while the GDX-Optix **at 14** is deep in bearish territory despite a multi-year rally in the metals and miners.

Quo Vadis, Aurum?



Key Takeaways

- The *Pax Americana* and, with it, the 1971 fiat regime, is showing unmistakable signs of fatigue. Monetary system transitions are the tectonic shifts of history – they rarely unfold smoothly. For investors, three virtues now matter most: orientation, prudence, and diversification.
- Gold is not remonetized by decree, but through function. Six vectors – from reserve policy to accounting to tokenization – are restoring gold to what it has been for millennia: a monetary anchor.
- The next major wave of demand for gold will come from the USD 140trn bond market – the very segment that has long been considered a safe haven. Even marginal shifts from fixed income would overwhelm the financial gold market, which is only USD 15trn in size.
- *Performance gold* shines: silver, mining, commodities. Silver hit new all-time highs, while the mining sector remains historically marginalized at 1% of global stock market capitalization – the catch-up process has only just begun. The focus is now particularly on commodities.
- Gold and Bitcoin – stability meets convexity. In the age of the debasement trade, noninflationary assets are no longer a niche but a strategic necessity.
- Our decade target of USD 4,800 by 2030, as outlined in our 2020 *In Gold We Trust* report, has already been a reality in 2026. We are now turning our attention to the inflationary alternative scenario: USD 8,900 by the end of the decade.



The end of history has itself come to an end, with significant implications for gold and the dollar, which are becoming increasingly apparent.

Deutsche Bank Research Institute

As in every issue of the *In Gold We Trust* report, we want to conclude this issue by looking ahead. In this outlook, we will draw on the most important lessons we have learned from our analysis of the gold market since 2007.

- **Gold is not a “pet rock.”** When we began writing about gold in 2007, we were met with skepticism from the mainstream. Yet the performance figures speak for themselves: almost +600% in US dollar terms, corresponding to an annualized growth rate of 10.8%. Gold has outperformed virtually every traditional asset class during this period.
- **The Austrian School of Economics was right.** Credit expansion leads to misallocation, inflation, and crises. The cycle is following the Austrian script with a precision that has surprised even us. Financial repression – the systematic expropriation of savers through negative real interest rates – has become a permanent fixture.
- **De-dollarization is no longer a niche topic.** In 2007, the US dollar accounted for nearly two-thirds of global currency reserves. Today, that share stands at less than 58%. If gold reserves are included, it is only around 45%.
- **Trust is the monetary foundation.** The creeping erosion of institutional trust – from central banks to political institutions, the media, and the fiat money system itself – is the hidden driving force behind many developments.
- **The cycles follow a pattern.** The collapse of Bretton Woods in 1971–73, the Asian financial crisis of 1997, the global financial crisis of 2007–08, the Covid-19 pandemic of 2020–2022, and the geopolitical turning point of 2022 – each of these crises has confirmed gold as a monetary anchor. Those who know monetary history see patterns where others suspect chaos.
- **Central banks have switched sides.** After two decades as net sellers, the trend reversed fundamentally starting in 2010. Since then, central banks have cumulatively purchased over 7,000 t of gold on a net basis. The irony is striking: The very institutions that dismissed gold as a barbaric relic for decades are now the most aggressive buyers.
- **The East has replaced the West as the center of the gold market.** China and India now account for over 50% of physical gold demand. What Frank Holmes called the “love trade” has evolved into a structural anchor of demand. At the same time, Asian stock markets are rapidly gaining importance. Pricing power is shifting eastward – and with it, the rules of the gold market.

- **Gold has increased almost sevenfold in value since the first *In Gold We Trust* report in 2007 – and very few were there to witness it.** Despite a CAGR of 9.0% since 1971, gold remains underrepresented in most institutional portfolios. The biggest bull market of a generation took place largely without Western financial investors.
- **Basel III has quietly but fundamentally transformed the gold market.** The 0% risk weighting for allocated gold and the 85% NSFR for unallocated gold are pushing the market away from synthetic “paper gold” toward physical ownership. At the same time, the *revaluation account* on the Eurosystem’s balance sheets has grown to EUR 1,274bn and serves as a balance sheet solvency anchor. A creeping remonetization of gold is taking place through regulatory backdoors.
- **The gold mining sector: from problem child to model student.** The excesses during the 2010–2013 M&A wave were followed by a phase of radical capital discipline – and share price consolidation. Today, record cash flows are being channeled into dividends and share buybacks. AISC margins stand at nearly USD 3,000/oz, and balance sheets are solid. Nevertheless, the entire sector remains a dwarf: The ten largest gold mining companies have a combined market capitalization of around USD 500bn.

On the Path to the Next Monetary Order

Western industrialized nations have elevated the strategy of perpetual postponement to a fine art. “Kicking the can down the road” – accumulating debt instead of reducing it, postponing structural reforms, declaring monetary policy a panacea. But every path comes to an end, sooner or later. The crucial question is: What awaits us there?

In any case, the monetary coordinate system of the postwar order is facing a recalibration. And in every major monetary upheaval of the past centuries, gold has played a central role. Why should it be any different this time?

We are neither doomsayers nor prophets of the apocalypse – otherwise we would hardly have started families and built businesses. Yet the history of money teaches us one thing: Monetary systems have an expiration date. The classical gold standard lasted a few decades; Bretton Woods, not even three. The fiat regime, born out of necessity in 1971–73, is stumbling toward its sixth decade – and showing the signs of fatigue that sooner or later spell doom for any unbacked monetary system: fiscal hubris, creeping loss of purchasing power, and an erosion of confidence that has now become impossible to overlook, even by the mainstream.

A look at history shows that such currency upheavals rarely occur without disruption. Transitions between monetary systems are not routine technocratic procedures that can be dealt with in the minutes of a central bank meeting, but rather tectonic shifts – accompanied by conflicts of interest, misguided incentives, political friction, and abrupt market reactions. Precisely for this reason, three virtues matter more than ever to investors during such phases: **orientation, prudence, and diversification.**

For investors, gold can act as a financial time machine: a temporary haven for wealth while the monetary system realigns itself. Those who park their investments in gold are not turning their backs on the future; they are relying on gold as a bridge to the future. Gold is thus not the destination of the journey, but a vehicle for the passage there.

Gold is not a panacea but an anchor. That is why we conceived the “new 60/40 portfolio” in the *In Gold We Trust* report 2024, “*The New Gold Playbook*” – moving away from nominal claims toward noninflationary tangible assets. Physical gold forms the strategic core, flanked by actively timed *performance gold* such as silver and mining stocks, a commodities allocation, and a sensibly sized Bitcoin position. The share of fixed-income securities, on the other hand, is shrinking significantly – and intentionally so. The question of the decade is no longer what bonds yield – but what those yields are worth.

” *I am more interested in the future than the past, for that is where I intend to live.*

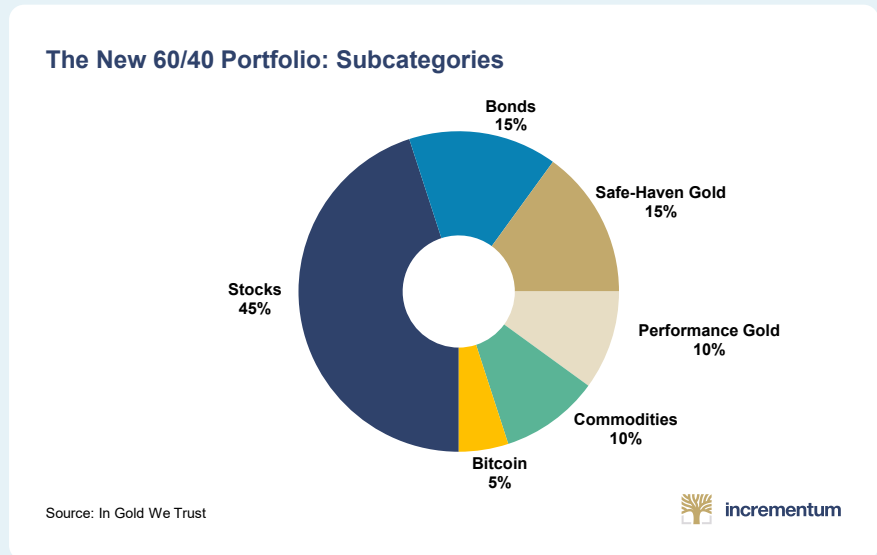
Albert Einstein

” *In the monetary field, as indeed in other fields, the same causes always bring about the same effects, and those who persist in ignoring the past are irrevocably doomed.*

Jacques Rueff

” *This is gold, Mr. Bond. All my life I’ve been in love with its color... its brilliance, its divine heaviness.*

Auric Goldfinger



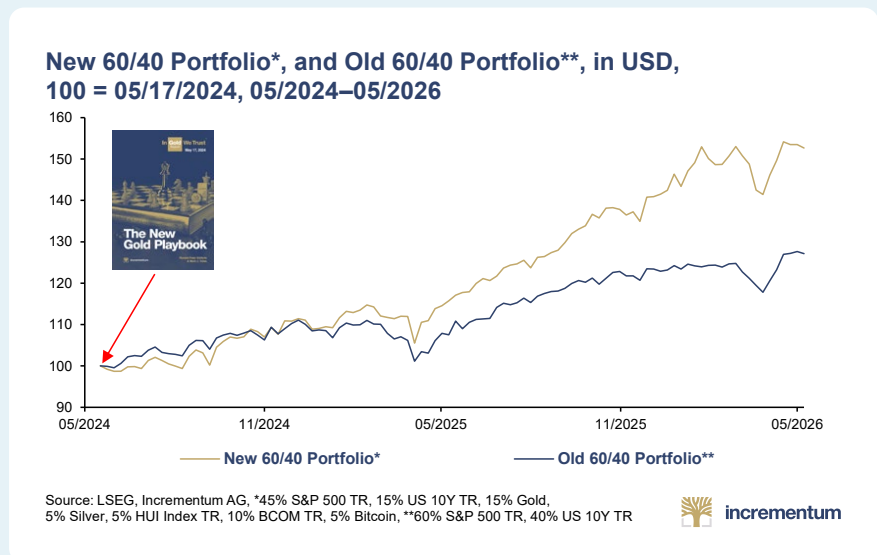
The recent shift on Wall Street shows that we are no longer alone in this assessment: In September 2025, *Mike Wilson, CIO at Morgan Stanley*, proposed a *60/20/20 portfolio* – 60% stocks, 20% short-term bonds, 20% gold, explicitly describing gold as an “anti-fragile asset.” BlackRock, J.P. Morgan, and Goldman Sachs also now emphasize the structural necessity of gold allocations beyond the traditional 5% mix. When even the biggest names on Wall Street are publicly shelving the time-honored 60/40 portfolio, the shift in thinking has reached the mainstream.

” *You are going to see a crack in the bond market – OK? It is going to happen.*
 Jamie Dimon

” *With no sign that the geopolitical tectonic plates have stopped shifting – indeed, with plenty of evidence that friction between the plates is growing – it is a dangerous time not to own gold.*
 Russell Napier

The much-cited negative correlation between stocks and bonds has historically been the exception rather than the rule – for roughly 70% of the past 100 years, the two asset classes moved in tandem. The fact that the 60/40 portfolio still worked is thanks to the *Great Moderation*, that era of steadily declining inflation rates which came to an abrupt end with the surge in inflation starting in 2021. **But what if bonds, the supposed safe haven of the portfolio, are in fact the bubble themselves?**

Here comes the decisive turning point: In our view, the next major wave of gold demand is likely to come at the expense of the bond market. The global bond market – government and corporate bonds combined – currently totals around USD 140trn. This contrasts with a gold market of about USD 31trn, of which only around USD 14trn is traded – that is, bullion, coins, ETFs, and institutional and government holdings. The proportions are striking: If just 2% of the global bond volume were reallocated to gold, that would correspond to an inflow of nearly USD 3trn and thus about 20% of the entire investment gold market.



The key point remains: A robust portfolio in an increasingly fragile monetary system requires both growth and value preservation components. Don't put all your eggs in the gold basket – but build a significantly stronger foundation.

The six vectors of gold remonetization

What might the path to a new monetary order look like? Just as the DeLorean in the famous *Back to the Future* trilogy doesn't leap blindly into a new era – it requires the precise interplay of energy, timing, and direction – a monetary system doesn't either. A second Bretton Woods moment is unlikely, given the current geopolitical situation. Far more plausible is a series of functional shifts, such as in the areas of reserve policy, accounting rules, institutional portfolios, and technological innovation. The transformation is taking place less through official decrees and more through changing habits and economic necessities.

This is what connects the following six vectors:¹ **Gold regains importance where trust, security, or political neutrality are waning.**

- **Reserve function & sovereignty:** Gold as a sanctions-resistant, state reserve asset and neutral store of value
- **Private remonetization:** Gold as a strategic allocation for private and institutional investors
- **Balancing & recapitalization:** Gold as a silent recapitalization option for central banks and governments
- **Anchoring in debt and credit markets:** Gold-backed bonds as an anchor of credibility for government finances
- **Accumulation:** Western central banks as the potential next wave of buyers
- **Digitalization:** Tokenization making gold more mobile and tradable

These factors do not operate in isolation. A rising gold price improves central bank balance sheets, facilitates policy reassessments, enhances the appeal of gold-backed bonds, and increases interest in tokenized forms of gold. It is precisely these feedback loops that make remonetization not a one-off event but a self-reinforcing process.

Remonetization is taking shape

We are by no means the only analysts pointing to the possible evolution of the monetary system. Zoltan Pozsar had already elevated the debate on a new world monetary order to a new level in 2022 with his article “*Bretton Woods III*,” against the backdrop of sanctions on Russian currency reserves. He concluded his remarks with the following forecast: “*From the Bretton Woods era backed by gold bullion, to Bretton Woods II backed by inside money (Treasuries with unhedgeable confiscation risks), to Bretton Woods III backed by outside money (gold bullion and other commodities).*”²

There is no question in our minds that we are irrevocably on a journey toward a new global (monetary) order. It will require an internationally recognized anchor of confidence. For several reasons, gold appears to be predestined for this role:

- **Gold is neutral** – it knows neither flag nor ideology and is thus free from geopolitical manipulation.
- **Gold has no counterparty risk** – unlike any claim or digital account entry, it exists independently, without relying on the promise of a third party.

No second Bretton Woods. Just functional shifts – in reserves, accounting, portfolios, and infrastructure.

” *I like putting all my eggs in one basket and then watching the basket very carefully.*

Stanley Druckenmiller

” *Gold is the reciprocal of confidence in central bankers. When their credibility crumbles, gold's value isn't rising – it's being rediscovered.*

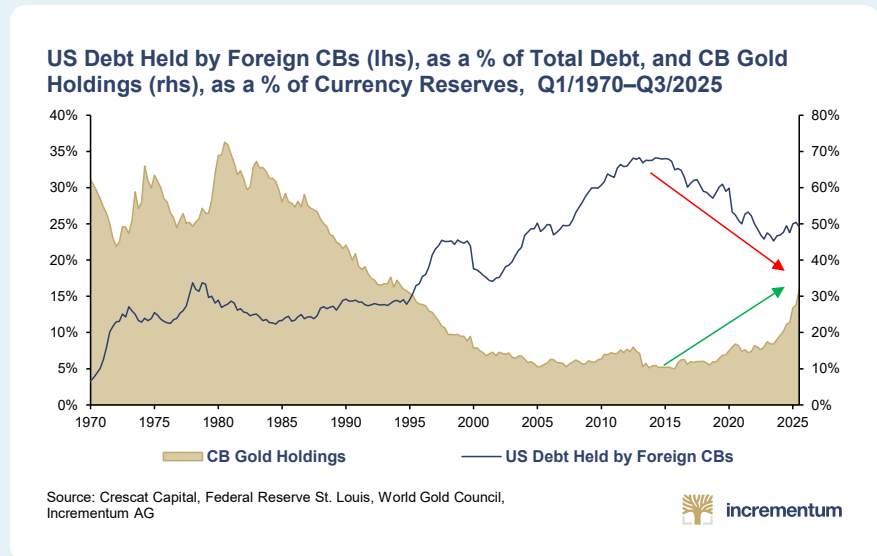
Jim Grant

¹ See the chapter “The Six Vectors of Gold Remonetization” in this *In Gold We Trust* report

² See also “Exclusive Interview with Zoltan Pozsar: Adapting to the New World Order,” *In Gold We Trust* report 2023

- **Gold is liquid** – with a daily trading volume of around USD 330bn, it ranks among the world's most liquid assets.
- **Gold cannot be multiplied at will** – gold reserves have been growing steadily by around 1.8% per year for decades. This geologically determined supply discipline is the fundamental difference from any fiat currency.

The composition of global currency reserves shows how far remonetization has already progressed. For decades, US Treasury bonds formed the backbone of official portfolios. Since the global financial crisis, the trend has reversed: The share of US bonds held by foreign central banks is declining, while gold is gaining significantly again. Despite significant purchases, emerging markets still hold considerably less gold than Western institutions.



The shadow gold price

» *If an asset is to remain money, public opinion must not believe that a rapid and unstoppable increase in its supply is to be expected.*

Ludwig von Mises

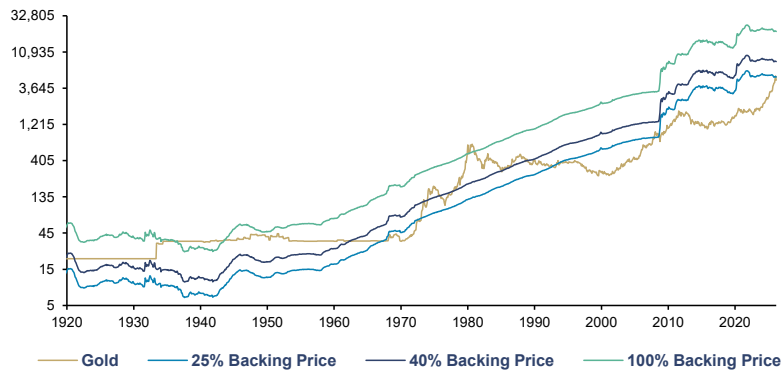
Should gold return to the center of the monetary system, the question of price consequences inevitably arises. An exact valuation is, by nature, impossible, but analytical approximations at least give us an idea of possible orders of magnitude. The best-known concept is the so-called shadow gold price.

The shadow gold price refers to the theoretical gold price at which the base money supply would be fully backed by gold. In other words: The shadow gold price is the price level at which a return to a fully backed gold currency would be mathematically possible. We do not consider such 100% backing of M_0 , as is sometimes advocated, to be necessary; it would currently imply a gold price of USD 20,900 per ounce. During the era of the gold standard, the market forced central banks to maintain coverage ratios between one-third and one-half, which corresponds to a current gold price between USD 7,000 and USD 10,400 per ounce.

Historically, various forms of fractional reserve were the norm. For example:

- Federal Reserve Act of 1914: 40% minimum coverage → today USD 8,350/oz
- Bretton Woods era (1945–1971): 25% minimum coverage → today USD 5,200 per ounce – a level that the gold price has already reached at one point in 2026.

Gold Price to Back Monetary Base (log), in USD, 01/1920–03/2026



Source: Nick Laird, Federal Reserve St. Louis, LSEG, Incrementum AG



The shadow gold price reveals two things: first, the enormous expansion of the money supply relative to the available amount of gold, and second, the long-term appreciation potential of gold should it – as described in the vectors outlined above – gradually regain monetary functions. The shadow gold price thus serves as a compass for investors who view gold not as a commodity but as the anchor of a future monetary order.

The reciprocal of the shadow gold price, based on current market prices, yields the gold coverage ratio of the monetary base. During the gold bull market of the 2000s, this ratio tripled from 10.8% to 29.7%. In the 1930s and 1940s, as well as in 1980, the gold coverage ratio was even above 100%. The record high of 131% from 1980 would correspond to a gold price of around USD 27,000. **Currently, the gold coverage ratio of the US dollar equals just 22.4%.** To put it bluntly: Less than a quarter of every US dollar is backed by gold – the remaining three-quarters are worthless.

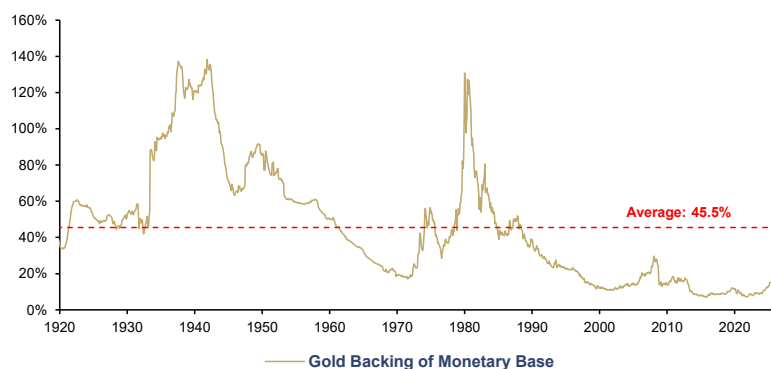
” *In the shadows we find the truth.*

The Dark Knight

” *Gold is... the trust anchor for the financial system. If the entire system collapses, the gold stock provides collateral to start over.*

DNB

Gold Backing of Monetary Base, in %, 01/1920–03/2026



Source: Nick Laird, Federal Reserve St. Louis, LSEG, Incrementum AG

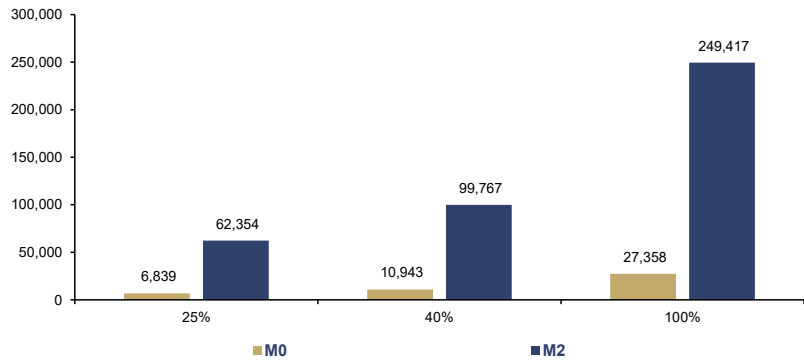


Let's take it a step further and look at the global level. The international shadow gold price corresponds to the gold price that would result if the central bank gold reserves were to cover the money supplies of the leading currency areas – the US, the euro area, the UK, Switzerland, Japan, and China – weighted by their share of GDP. The result reveals the extent of monetary expansion: With 100% coverage of the broad money supply M2, the gold price would be just under USD 250,000; even at a moderate 25%, it would be over USD 60,000.

” *Gold is the bottom of Exter's Pyramid. In times of crisis, everything moves down the pyramid toward gold. It's not gold that changes – it's everything else that deflates.*

John Exter

International Shadow Gold Price (SGP)* at Different Gold Backing Levels, in USD, 2025



Source: World Gold Council, LSEG, Incrementum AG, *SPG = Monetary Aggregate/Official Gold Reserves (in troy ounces)



The Bear Case for Gold

Despite our structurally bullish base scenario, downside risks also exist. Gold is not a one-way street – corrections, consolidations, and even prolonged sideways phases are inherent to every bull market. The key risk factors can be summarized as follows:

- **Restoration of monetary policy credibility:** Should the politicization of the Federal Reserve fail and Kevin Warsh credibly position himself as an inflation hawk, the US dollar debasement trade would lose momentum.
- **Central bank demand:** A sustained decline in central bank demand – which has been structurally elevated since the outbreak of the war in Ukraine – would remove a key pillar of demand.
- **Geopolitical easing:** A ceasefire in Ukraine, stabilization in the Middle East, and de-escalation with China would erode the risk premium.
- **Economic outperformance:** Robust US expansion driven by an AI-fueled productivity surge could redirect capital back into risk assets.
- **Liquidity paradox:** In a deleveraging event, gold becomes a source of funding for margin calls – as was briefly observed in the fall of 2008 and in March 2020.

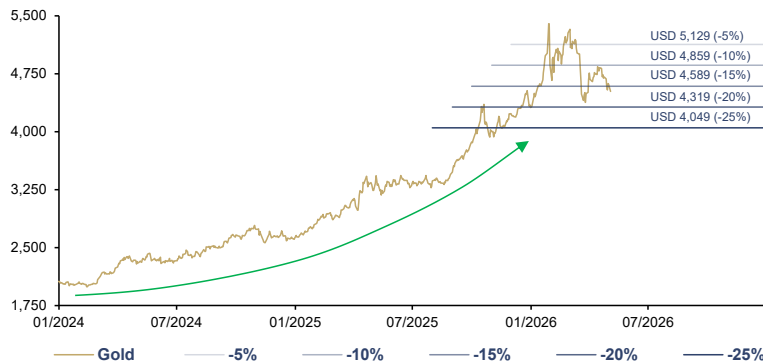
» *When you know that you're capable of dealing with whatever comes, you have the only security the world has to offer.*

Harry Browne

How do we assess these risks? Viewed individually, most are manageable. The decisive factor is whether multiple bearish catalysts trigger simultaneously. Such a scenario, however, requires a degree of political coherence that currently seems rather unlikely, for the structural forces behind de-dollarization and monetary disorder are the product of decades of accumulated imbalances. Neither a personnel decision at the top of the Federal Reserve nor a handshake in Geneva or Islamabad will reverse them. Our base scenario remains constructive, even if setbacks cannot be ruled out. To quote Harry Browne: “Whatever preparation you make, don’t assume you know the future.”

A temporary sideways phase is entirely plausible as part of a price consolidation and would, in fact, be healthy for the bull market. This would in no way jeopardize the medium- to long-term case for gold.

Gold, in USD, 01/2024–05/2026



Source: LSEG, Incrementum AG



Quo Vadis, Aurum?

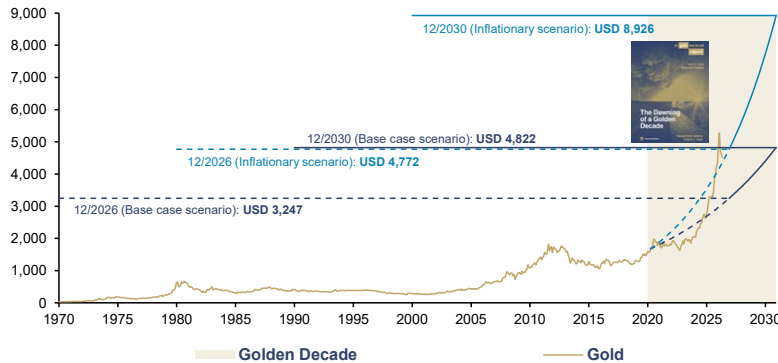
Having considered these points, let us now return to the hard reality of the investment world. In our *In Gold We Trust* report 2020, “The Dawning of a Golden Decade,” we presented our proprietary Incrementum gold price model. Within this model, we used historical data to model various scenarios regarding money supply growth and the implied gold coverage ratio, weighting them by their probabilities of occurrence.

The base-case target of USD 4,800 for the end of 2030 was reached five years ahead of schedule. Should a second wave of inflation follow in the West, this decade is likely to go down in history as an inflationary decade. Against the backdrop of the tensions described, we consider such a scenario entirely plausible and therefore continue to focus on the inflationary alternative scenario with a decade-end target of USD 8,900.

” *I’m not a gambler. I’m a guy who sees numbers and patterns and bets on them.*

Michael Burry

Intermediate Status of the Gold Price Projection until 2030: Gold, in USD, 01/1970–12/2030



Source: LSEG, Incrementum AG



As of April 30, gold is trading only slightly below the calculated interim target of USD 4,772 for the end of 2026. To achieve the inflationary scenario by 2030, an annualized rate of 14.5% would be necessary – ambitious, but by no means unrealistic. **After all, since the start of the “golden decade,” the realized CAGR has been 19.7%, already exceeding the required pace.**

” *There is no point in being confident and having a small position.*

George Soros

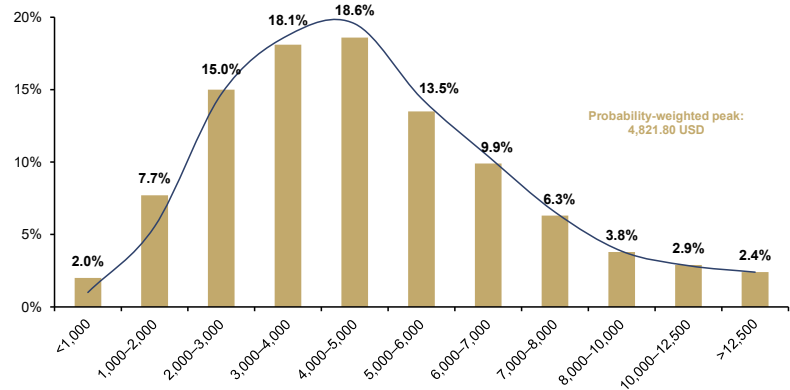
If the previously outlined remonetization of gold does indeed proceed, significantly higher price levels are also conceivable. **Our model has always accounted for this possibility – through a deliberately right-skewed probability distribution.** While

A fiat currency can tend toward zero. A tangible asset like gold has no arithmetical upper limit.

the majority of scenarios fall between USD 3,000 and USD 6,000, the right tail of the distribution extends far: With a cumulative 25.3% probability of price levels above USD 7,000, the upside risk is quantitatively much more significant than the downside risk. The reason is quite simple: A fiat currency can tend toward zero, whereas a tangible asset like gold has no arithmetical upper limit. Extreme upward

movements were therefore already an integral part of our model in 2020 – the past decade provides the empirical data to support this.

Approximated Gold Price in 2030, by Probability Distribution, in USD



Source: LSEG, Incrementum AG



The remonetization of gold as a catalyst for Bitcoin?

Having discussed the future of gold at length, the following question arises: What role could Bitcoin play in an emerging new world order? The advantages of a decentralized, state-independent, and cross-border transferable currency are obvious. With the introduction of a strategic Bitcoin reserve, the US has also entered the race for digital gold.

A progressive remonetization of gold could prove to be a catalyst for Bitcoin. For if the price of gold rises significantly in the wake of growing monetary demand, the relative attractiveness of a digitally scarce, easily transferable, and still significantly smaller sister asset also increases. What returns to gold in terms of monetary recognition can thus also boost Bitcoin’s value. Sooner or later, it seems plausible that the first central banks will build up at least small strategic Bitcoin positions alongside gold.

A productive competition could emerge between the two assets: In the event of very sharp price increases in gold, additional inflows might be directed toward Bitcoin because its relative upside potential appears greater. Conversely, during phases of excessive Bitcoin euphoria, some capital is likely to rotate into gold to secure stability and liquidity. Gold and Bitcoin are therefore not only rivals but also mutual reference points within the same monetary asset class.

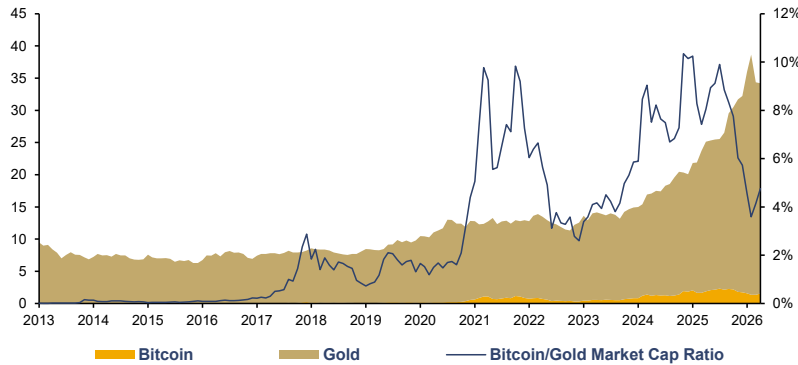
» *Gold represents belief in the past, Bitcoin belief in the future. When both rise together, it means the present has collapsed – faith in fiat time preference is gone.*

SightBringer

» *I’m a bit of a dinosaur, but I’ve come to accept that Bitcoin could be an asset class with significant appeal as a store of value.*

Stanley Druckenmiller

Market Capitalization of Bitcoin and Gold (lhs), in USD trn, and Bitcoin/Gold Market Cap Ratio (rhs), 01/2013–04/2026



Source: coinmarketcap.com, World Gold Council, LSEG, Incrementum AG



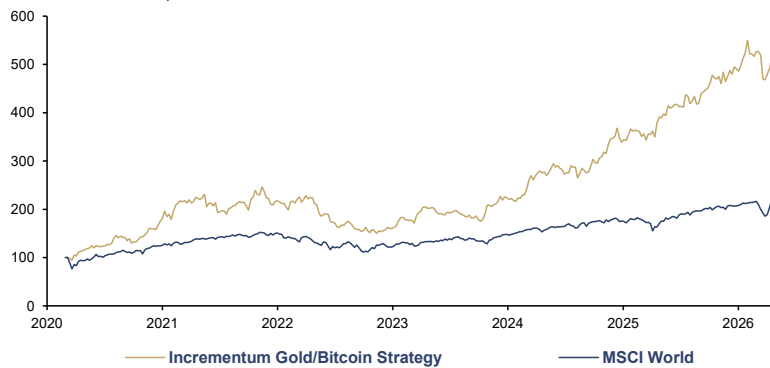
The fact that gold has gained a competitor in the universe of noninflationary assets is not a disadvantage – on the contrary. More and more investors are realizing that a combined investment in both assets is superior, on a risk-adjusted basis, to investing in either asset alone. In September 2025, Cantor Fitzgerald launched the *Gold Protected Bitcoin Fund* – a vehicle that combines Bitcoin’s upside potential with gold-based downside protection. Since January 2026, 21Shares has listed the BOLD ETF on the London Stock Exchange. It is thus the first regulated product in the UK to combine both assets in a risk-weighted portfolio.

” *Bitcoin and gold are the two most liquid alternative assets in the world. They are not in competition, play different roles [...] and come together as an all-weather inflation hedge.*

Charlie Morris

With a touch of pride, we should mention that we were likely among the very first to translate a combined gold-Bitcoin strategy into an investable concept. For more than six years now, we have been managing our portfolio according to the credo “Gold and Bitcoin – stronger together”³

Incrementum Gold/Bitcoin Strategy, and MSCI World, in USD, 100 = 02/2014, 02/2020–05/2026



Source: LSEG, Incrementum AG

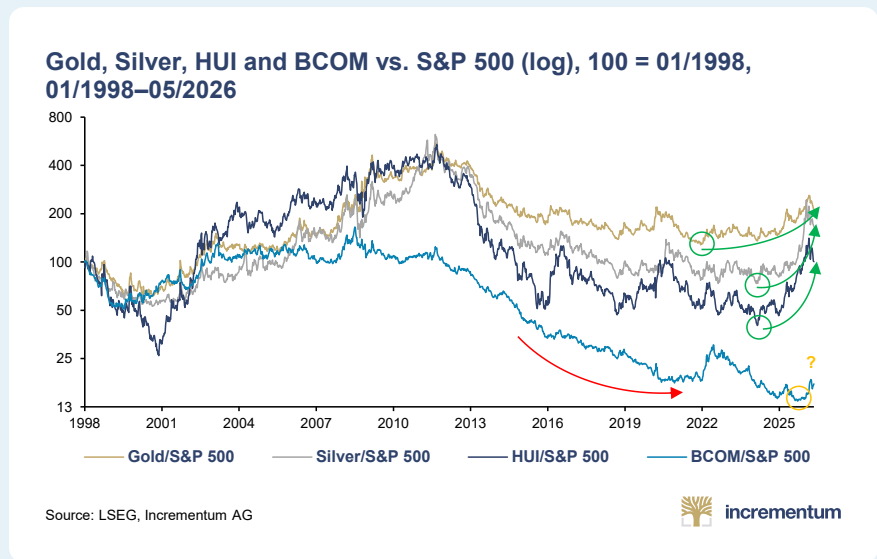


³ See “Crypto: Friend or Foe?,” *In Gold We Trust* report 2018, our quarterly Bitcoin Compass as well as our investment solutions.

How Brightly Will Performance Gold Shine?

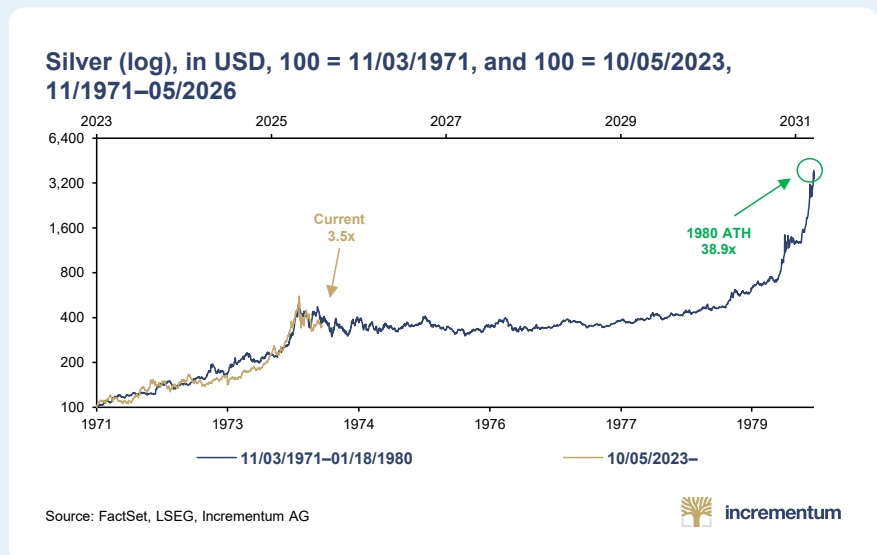
Gold paved the way; silver and mining stocks followed. Now the commodity catch-up we predicted in the *In Gold We Trust* report 2025, “The Big Long” is beginning.

The chart below shows gold, silver, mining stocks (HUI), and the commodity index (BCOM), each relative to the S&P 500. After nearly fifteen years of underperformance – marked by the red downward trend line – all four ratios now signal relative strength. Gold leads the way, with silver and mining stocks following with a lag; and even the BCOM is breaking away from the bottom. A sustained breakout in these ratios would be more than just a technical signal: It would mark a fundamental shift in capital flows, away from US stocks and toward an asset class that has been in the shadows for over a decade.



Silver: The little brother grows up

In 2025, silver delivered its strongest annual performance since 1979, with a gain of 146.8%, and broke through the USD 100 mark for the first time in January 2026. The fact that the price corrected to around USD 75 in the wake of the Iran war does nothing to change our fundamentally optimistic outlook. After all, silver has since the start of the year only been down slightly.



Fundamentally, everything seems to be in place for gold's little brother. In 2025, the silver market recorded a supply deficit for the fifth consecutive year. For 2026, the Silver Institute forecasts a deficit of 46.3moz, marking the sixth consecutive year of deficit. Cumulatively, this amounts to a deficit of 762moz, which is nearly an entire year's worth of mine production.

More decisive than the deficit itself is its consequence: Above-ground stocks have left buffer mode. What had been dismissed for years as a theoretical construct suddenly materialized in October 2025: Lease rates exploded from 1% to over 30%, at times reaching 200% overnight. **The market provided proof of an old adage: *Deficits don't matter – until they do.***

The structural peculiarity of the silver market exacerbates the situation: Since 74% of silver is produced as a byproduct of copper, lead/zinc, and gold mines, even record prices barely trigger any supply response. **On the demand side, a structural triad is at play: The green transition, military buildup, and remonetization are all competing for the same scarce supply.** Silver has been officially classified as a “critical mineral” in the US; Russia is adding the metal to its state reserve fund; and India has allowed silver to be used as collateral with a 90% loan-to-value ratio since 2025 – thereby effectively monetizing the silver hoarded in Indian households. The creeping remonetization that we have been documenting for years with gold has now taken hold of its little sister metal.

The gold-silver ratio (GSR) has already reflected this shift: From 107:1 in April 2025, it plummeted to nearly 46:1 by the end of February – the lowest level since fall 2011. With the outbreak of the Iran war, the GSR corrected sharply and has since fluctuated around 60.

The key point is this: Secular bull markets do not end at the median, but at the extreme. The median is a milestone, not a target—the history of secular silver bull markets teaches us that the ratio typically overshoots far to the downside in the final acceleration phase.⁴ At the secular peaks of the silver market, the ratio stood at 18.1 (1980) and 32.6 (2011) on a monthly closing basis. Assuming the gold price remains constant, reaching these levels again would imply a silver price potential of around USD 260 and USD 150 per ounce, respectively.

Skepticism. Underweighting. Indifference. The classic hallmarks of an early bull market in mining stocks.

” *Silver is the investment of the decade. There isn't enough physical silver to meet investment demand if even a small percentage of money were to flow into it.*

Eric Sprott

Gold/Silver Ratio, 01/1970–05/2026



Source: Nick Laird, LSEG, Incrementum AG

 incrementum

4 See the chapter “Silver After the Surge: ‘Stairway to Heaven’ or ‘Highway to Hell?’” in this *In Gold We Trust* report

» *Money is being made on the spread between price and value.*
Rick Rule

» *When you're hunting elephants, don't get distracted chasing rabbits.*
T. Boone Pickens

Mining stocks: from problem child to model student

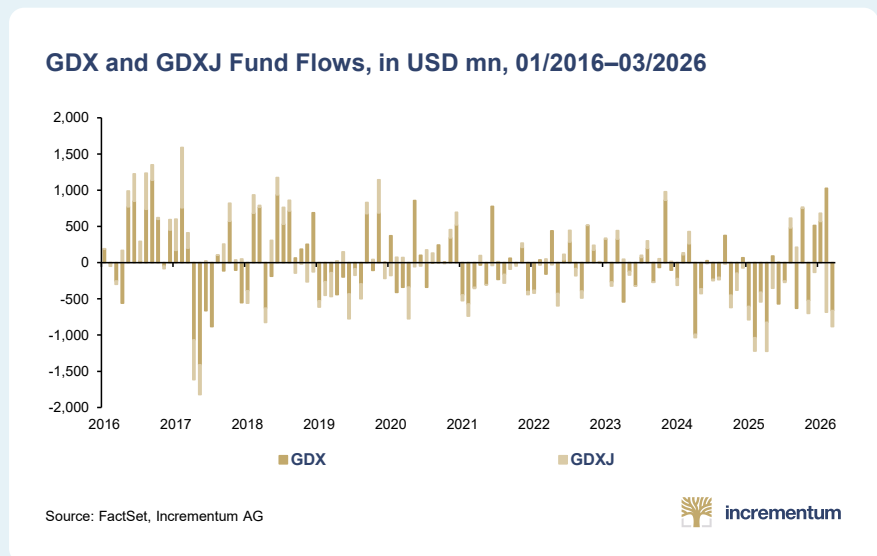
Gold mining stocks have staged a technical breakout relative to the S&P 500 over the past few months. The chart below shows the HUI/S&P 500 ratio since 1997: The lows marked in red in 2000 and 2022 bear a striking resemblance to one another – both marked the beginning of multi-year outperformance cycles for mining stocks.⁵

The classic hallmarks of an early bull market phase are unmistakable among mining stocks: widespread skepticism, structural underweighting, and defiant indifference from the mainstream. The strongest gains do not occur when everyone is invested, but precisely when the majority is still on the sidelines. As is well known, the profit lies in the purchase.



» *The intelligent investor is a realist who sells to optimists and buys from pessimists.*
Benjamin Graham

A single data point illustrates this discrepancy impressively: Despite a cumulative price gain of 167% for the GDX in 2024 and 2025, the outstanding shares of the world's largest gold mining ETF fell by 28% over the same period. So investors not only failed to buy more – they actively sold while prices were rallying. This is not a sign of a mature bull market, but rather the opposite: a sector delivering record returns yet ignored by the broader investor community. By comparison, during the 2010–2013 bull market, GDX shares rose by around 400%.



5 See the chapter "Mining Stocks – Fundamental and Technical Outlook" in this *In Gold We Trust* report

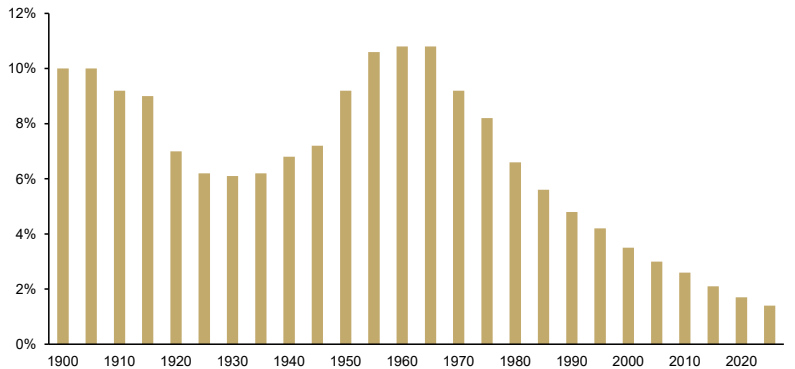
Even in the first four months of 2026, mining stocks lagged behind their historical leverage despite respectable performance. The often-cited 3:1 leverage relative to the gold price was not even close to being realized – or to put it positively: **The catch-up potential of mining stocks remains substantial.**

” *If you can’t handle a 50% drop, you deserve a mediocre result.*
Charlie Munger

A look at the mining industry’s share of global stock market capitalization confirms its decline in importance: While its weight was still around 10% at the beginning of the 20th century and reached its peak of about 11% in the 1950s and 1960s, it stands at just 1% today – the lowest level since 1900. **Marginalization is not too strong a word.**

” *A solid foundation is buying at a low valuation.*
Ian Cassel

Share of Mining Industry, as a % of Global Equity Market Capitalization, 1900–2025



Source: Crescat Capital LLC, Tavi Costa, Incrementum AG

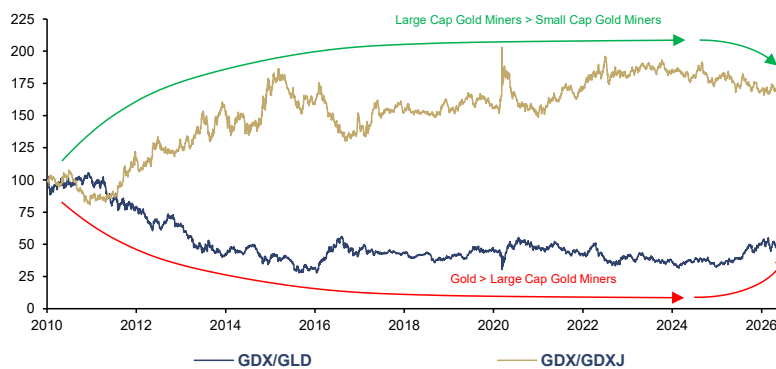


Within the gold sector, there is also a striking divergence between large and small caps – primarily a reflection of cautious risk appetite. Should the upward trend in the gold price draw greater attention to the valuation and performance potential in the mining sector, this could usher in a new phase of relative strength as part of a risk-on move – especially for small and mid caps. The valuation gap that has existed since 2011 could close rapidly in such a scenario.

” *Contrarian investing is inherently painful. It goes against human nature, and it’s deeply uncomfortable. That’s why it works for the patient investor.*

Rob Arnott

GDX/GLD and GDX/GDXJ, 100 = 01/2010, 01/2010–05/2026



Source: LSEG, Incrementum AG



Energy and materials together account for 6% of the S&P 500. Even marginal institutional reallocations toward real assets will trigger outsized price gains.

Commodities: back to the future of hard assets

Gold has led the way – now the commodities catch-up process follows. The latest US *National Security Strategy* makes it unmistakably clear: The era of “boundless globalism” is over. Free trade has been strategically downgraded, US power defined in transactional terms, and access to critical commodities explicitly treated as a matter of national security. Commodities

are no longer mere production inputs; **they are becoming a strategic insurance policy in a world of bilateral deals and newly formed alliances.**

” *Bear markets give rise to bull markets, and bull markets give rise to bear markets!*

Rick Rule

Yet the geopolitical realignment is merely the surface of a deeper shift. **The world is undergoing a macroeconomic regime change.** While demand-side constraints dominated in past decades – growth driven by consumer spending and credit expansion – supply-side constraints are now taking the lead. It is no longer “wanting” but “having” that determines growth. **The economy is returning from the cloud to the ground of commodity reality.**

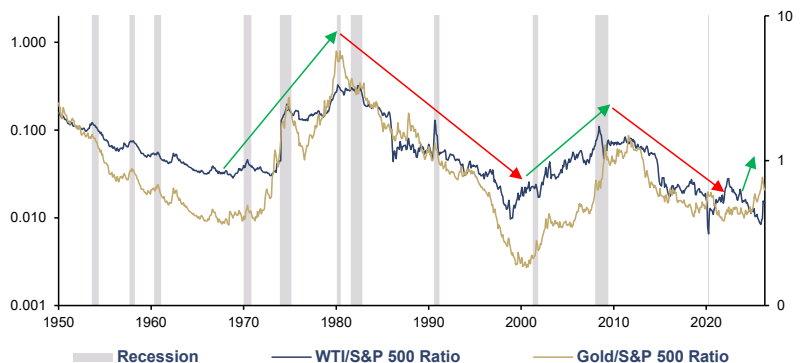
For the commodities market, this dual shift means we are convinced that the bull market is on track. Two factors support this view. First, structural underinvestment: After a decade of radical capex cuts – driven by low prices, shareholder pressure, ESG divestment, and Covid – the project pipeline is historically thin, while declining ore grades further increase capital intensity. Second, secular demand drivers: electrification, the AI-driven hyperscaler boom, and geopolitical fragmentation that is making resource nationalism and friend-shoring the new normal.

” *I’m scared as hell about AI... but it’s going to be the greatest wealth creator of all time.*

Stanley Druckenmiller

The AI revolution illustrates the paradox with almost poetic irony. Its dynamics are reminiscent of the 19th-century railroad boom: Capital flows into transformative infrastructure, many companies go under in the wake of creative destruction – yet the tracks remain in place. Data centers, semiconductors, and energy infrastructure are ultimately dependent on geological realities. The valuation anomaly has reached historic proportions: Both the WTI/S&P 500 and the gold/S&P 500 ratios are trading at historically low levels. Commodities are as cheap relative to stocks as they were last around the turn of the millennium.

WTI/S&P 500 Ratio (lhs, log), and Gold/S&P 500 Ratio (rhs, log), 01/1950–05/2026



Source: Nick Laird, LSEG, Incrementum AG

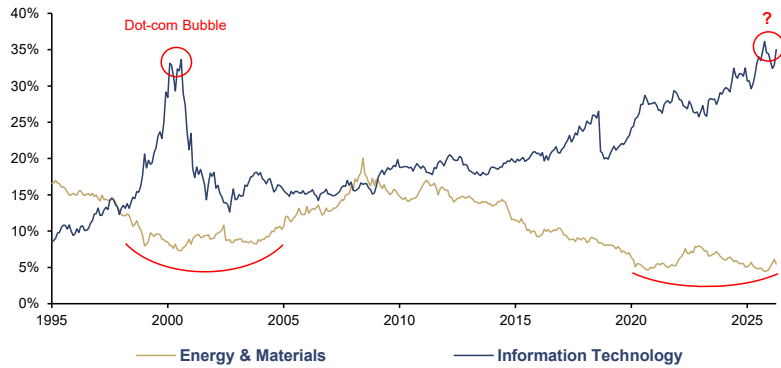


The key point is: **The rally has not yet gained broad-based momentum.** Gold and silver have led the way, but the broad-based rally across the entire commodities complex, as seen in the middle phase of the 2000s supercycle, has yet to materialize. Energy and materials together account for less than 6% of the S&P 500. Even marginal institutional reallocations toward real assets would trigger disproportionate price gains.

” *In commodities, you need a stomach of steel and a horizon of decades.*

Jim Rogers

S&P 500 Sector Weights, 01/1995–04/2026



Source: Tavi Costa, LSEG, Incrementum AG

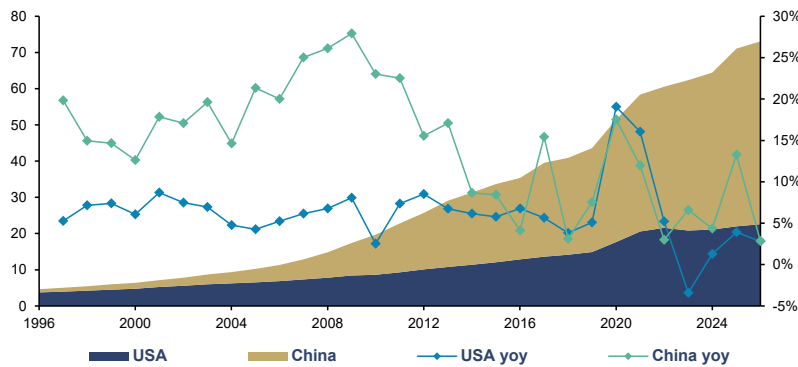


Moreover, China provides the monetary fuel for the commodities cycle. China’s M2 money supply grew by 8.5% in yuan and 13.3% in US dollars in 2025, significantly faster than nominal GDP. At just under 50trn, M2 in China is already more than twice as large as that of the US – and this in an economy whose nominal GDP is only about two-thirds of that of the US economy.

” *The Chinese economy is an ocean, not a small pond.*

Xi Jinping

USA and China: M2, in USD trn (lhs), and yoy (rhs), 1996–2026

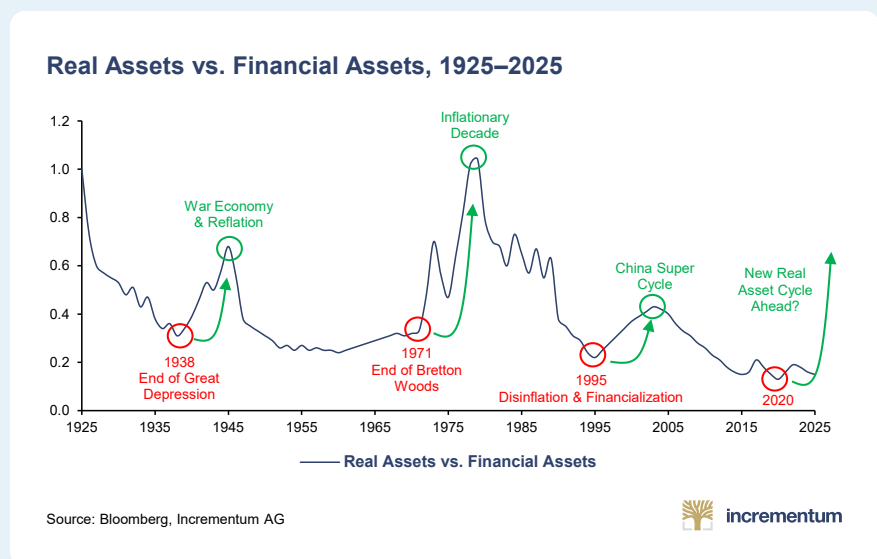


Source: LSEG, Incrementum AG



The relationship between real assets and financial assets unfolds over decades, not quarters. The chart below tells this story over the course of a century: Each significant low was followed by a phase of pronounced outperformance by real assets – in 1938 with the war economy and reflation, in 1971 with the end of Bretton Woods and the inflationary decade of the 1970s, and in 1995 with the China supercycle. In 2020, the ratio reached a new historical low. **Since then, the signs of a bottoming process have multiplied. Is the next real-asset cycle now upon us?**

The coming years will determine whether the fiat experiment remains a permanent deviation from the historical norm or is an episode that ends with the rediscovery of monetary principles. History clearly points to the latter.



In the medium term, the commodities market will reflect the new geopolitical landscape: As the US steps back from its leadership role, Europe, China, and the Global South are upgrading their defense and energy infrastructure. The consequence is foreseeable: **Nations and corporations will compete for strategic resources as if there were no tomorrow.** In the short term, additional bullish catalysts are emerging: a globally synchronized easing of monetary policy, a weaker US dollar, and expansionary stimulus from Beijing.

Back to the Monetary Future: The Conclusion

» *What makes gold compelling are the risks we don't take by owning it.*

Michael Weeks

Michael Weeks sums up the case for gold – and in doing so, turns the usual valuation logic on its head: **The value of the precious metal lies not in what it promises but in what it spares its owners.** His *via negativa* approach is fascinatingly clear: Gold carries no duration risk, no credit risk, and no liquidity risk. No balance sheets imploding, no cash flows drying up, no management misallocating capital. Gold requires neither the trust nor the goodwill of a counterparty. Gold requires only a secure storage location. In a world where government bonds are increasingly becoming *certificates of confiscation* and the fiat money experiment is entering its late-cycle phase, it is precisely this absence of risk that constitutes the decisive competitive advantage.

From our point of view, gold will not be remonetized through an ideological return to the gold standard, but through the pragmatic restoration of its monetary and balance-sheet functions. This process will originate in the Global South. Western governments and central banks will only openly reassess the monetary relevance of gold once

fiscal and balance sheet pressures have become significant enough. **For investors, this means the question is no longer whether gold belongs in the portfolio, but in what amount and form.**

The coming years will determine whether the fiat experiment remains a permanent deviation from the historical norm or is an episode that ends with the rediscovery of monetary principles. History clearly points to the latter.

To get to *Back to the Monetary Future*, you don't need to accelerate the DeLorean to 88 miles per hour like in the *Back to the Future* film trilogy – this development has long since gained momentum. Marty McFly needed the flux capacitor to travel through time; investors need only the oldest store of value in the periodic table, not merely supposedly safe assets like government bonds. What we need is that monetary anchor that humanity has trusted for five millennia – not as a political instrument of power but as a neutral, debt-free basis for trade, exchange, and trust.

We have been charting this path for twenty years. Our compass still points in the same direction:

” *Your future hasn't been written yet. No one's has. Your future is whatever you make it. So make it a good one.*

Doc Brown, *Back to the Future III*

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find out about our new active
investment solution in the gold and
mining shares sector**



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About us



Ronald-Peter Stöferle, CMT

Ronnie is managing partner of Incrementum AG and responsible for Research and Portfolio Management.

He studied business administration and finance in the USA and at the Vienna University of Economics and Business Administration, and also gained work experience at the trading desk of a bank during his studies. Upon graduation, he joined the research department of Erste Group, where in 2007 he published his first *In Gold We Trust* report. Over the years, the *In Gold We Trust* report has become one of the benchmark publications on gold, money, and inflation.

In 2014, Ronnie co-authored the international bestseller *Austrian School for Investors*, and in 2019 *The Zero Interest Trap*. He is a member of the board of directors at Tudor Gold Corp. (TUD), and Goldstorm Metals Corp. (GSTM). Moreover, he is an advisor to *Von Greyerz AG*, a global leader in wealth preservation in the form of physical gold stored outside the banking system. He is also a Member of the Advisory Board at *Monetary Metals*.



Mark J. Valek

Mark is a partner of Incrementum AG and is responsible for Portfolio Management and Research.

While working full-time, Mark studied business administration at the Vienna University of Business Administration and has continuously worked in financial markets and asset management since 1999. Prior to the establishment of Incrementum AG, he was with Raiffeisen Capital Management for ten years, most recently as fund manager in the area of inflation protection and alternative investments. He gained entrepreneurial experience as co-founder of philoro Edelmetalle GmbH. Since 2024, he has been a Member of the Advisory Board at *Monetary Metals*. In 2014, he co-authored the book *Austrian School for Investors*.



Incrementum AG

Incrementum AG is an owner-managed and FMA-licensed investment and asset management company based in the Principality of Liechtenstein. Our core competence is the management of investment funds and asset management. We evaluate investments not only on the basis of the global economic situation, but also always see them in the context of the current global monetary system. Independence and self-reliance are the cornerstones of our philosophy, which is why the five partners own 100% of the company.

www.incrementum.li

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Agnico Eagle

Canadian-based and led, Agnico Eagle is the world's second largest gold producer with a pipeline of high-quality development projects to support growth over the next decade.

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Argenta Silver

Argenta Silver Corp. is a growth-oriented explorer focused on silver for the energy transition. Its 100%-owned flagship El Quevar project hosts a high-grade pure silver deposit and covers 57,000 hectares in a tier-one jurisdiction: Salta, Argentina.

www.argentasilver.com



Asante Gold

Asante is a Ghana-focused gold producer operating the Bibiani and Chirano gold mines located within the Bibiani and Ashanti Gold Belts. Both mines are currently undergoing several operational growth initiatives to significantly increase gold production in 2026 and beyond.

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Cerro de Pasco Resources

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www.pascoresources.com



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Elemental is a gold-focused, growth-oriented royalty company with a globally diversified portfolio of over 200 royalties, anchored by cornerstone assets and operated by world-class mining partners.

www.elementalroyalty.com



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Real values. More security for your financial prosperity. Your competent partner for strategic solutions in physical gold and silver. For private individuals, families, employers and employees.

www.elementum-international.ch



Endeavour Mining

Endeavour Mining is a leading global gold producer and the largest in West Africa. We are a World Gold Council member and committed to the principles of responsible mining and delivering sustainable value to all our stakeholders

www.endeavourmining.com



Endeavour Silver

Endeavour Silver is a mid-tier silver producer with mining operations in Mexico and Peru. The Company also maintains a diversified exploration portfolio across Mexico, Chile and the United States, supporting organic growth and operational excellence.

www.edrsilver.com



Equinox Gold

Equinox Gold has a portfolio of high-quality gold mines in Canada and the Americas, and a pipeline of growth projects. The Company is focused on disciplined execution, operational excellence and long-term value creation.

www.equinoxgold.com



First Majestic Silver

First Majestic is a publicly traded silver and gold producer with four underground mines in Mexico. We also offer investment grade bullion direct to consumers through our 100%-owned and operated minting facility, First Mint, LLC.

www.firstmajestic.com



First Mining Gold

First Mining is a gold developer advancing two of the largest gold projects in Canada, the Springpole Gold Project in northwestern Ontario and the Duparquet Gold Project in Quebec.

www.firstmininggolds.com



Fortuna Mining

Fortuna Mining is a Canadian precious metals company with three operating mines and exploration projects in Argentina, Côte d'Ivoire, Mexico, Peru, and Senegal, where Diamba Sud is advancing toward a potential mid-2026 construction decision.

www.fortunamining.com



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Harmony, South Africa's largest gold producer, operates in South Africa, PNG and Australia. FY26 guidance is 1.4 to 1.5Moz gold and 17 500 to 18 500t copper. Reserves are 36.8Moz.

www.harmony.co.za



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Kinross Gold is a Canadian-based global senior gold mining company with operations and projects in the United States, Brazil, Mauritania, Chile and Canada.

www.kinross.com



Luca Mining

Luca Mining is a Canadian gold, silver and base metal producer operating two mines in Mexico, focused on optimizing operations, growing production, and advancing high-quality exploration opportunities.

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Mineros is a 50-year-old Latin American gold producer operating mines in Colombia and Nicaragua, with a pipeline of development and exploration projects, including the La Pepa Project in Chile.

www.mineros.com.co



Münze Österreich

Internationally renowned for its precious metal processing, Münze Österreich AG produces Austria's circulation coins, Vienna Philharmonic bullion coins in gold, platinum and silver, and gold bars.

www.muenzeoesterreich.com



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Newmont is the world's leading gold company and a producer of copper, zinc, lead, and silver, with a world-class portfolio in Africa, Australia, Latin America, North America, and Papua New Guinea.

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North Peak, backed by the founders of Kirkland Lake Gold and Rupert Resources, is exploring and progressing the fully permitted Prospect Mountain property, in the unexplored centre of the historic high-grade gold and polymetallic mining camp of Eureka, Nevada, USA.

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Pinnacle Silver & Gold

Pinnacle Silver and Gold is fast-tracking production at the high-grade El Potrero project in Durango, Mexico. With a successful team and strong insider ownership, Pinnacle is focused on creating shareholder value.

www.pinnaclesilverandgold.com



Royal Gold

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Spratt is a global asset manager focused on precious metals and critical materials investments. We offer funds, ETFs and private strategies, with offices in North America and shares listed as SII.

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TUDOR GOLD Corp. is a precious and base metals exploration company focused on advancing its Treaty Creek Project, in the Golden Triangle of British Columbia, Canada, which is amongst the largest gold-copper discoveries in the last 30 years.

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