

In Gold We Trust[®]
Report

Nuggets

You can download the entire
In Gold We Trust report
free of charge at:

ingoldwetrust.report



A printed version of the
In Gold We Trust report
2026 is available in the *In
Gold We Trust* shop.

[Go to the shop](#)



incrementum

We would like to express our profound
 gratitude to our **Premium Partners** for supporting the
In Gold We Trust report 2026



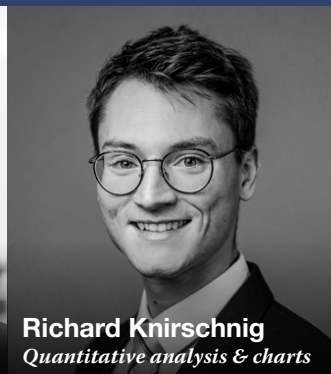
Contact: Sound Money Capital AG, Industriering 21, FL-9491 Ruggell, Fürstentum Liechtenstein | contact@soundmoneycapital.com

Disclaimer: This publication is for information purposes only and does not constitute investment advice, investment analysis or an invitation to buy or sell financial instruments. In particular, this document is not intended to replace individual investment or other advice. The information contained in this publication is based on the state of knowledge at the time of preparation and may be changed at any time without further notice. The publishing rights for the *In Gold We Trust* Report were transferred to Sound Money Capital AG in November 2023. Furthermore, the report continues to be co-branded with the Incrementum brand as in the past. The authors have taken the greatest possible care in selecting the sources of information used and (like Sound Money Capital AG and Incrementum AG) accept no liability for the accuracy, completeness or timeliness of the information or sources of information provided or for any resulting liability or damages of any kind (including consequential or indirect damages, loss of profit or the occurrence of forecasts made). All publications of Sound Money Capital AG and Incrementum AG are in principle marketing communications or other information and not investment recommendations within the meaning of the Market Abuse Regulation. Investment recommendations are not published by either company. Sound Money Capital AG is fully and exclusively responsible for the content of this *In Gold We Trust* Report.

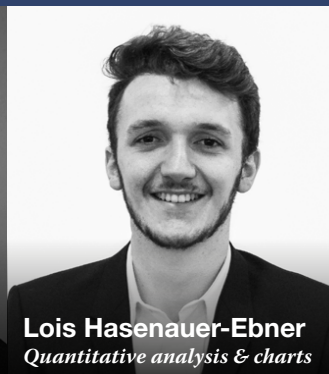
Copyright: 2026 Sound Money Capital AG. All rights reserved



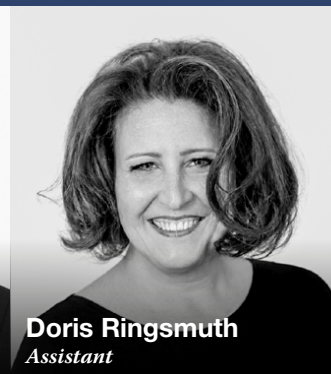
Gregor Hochreiter
Editor-in-chief



Richard Knirsch
Quantitative analysis & charts



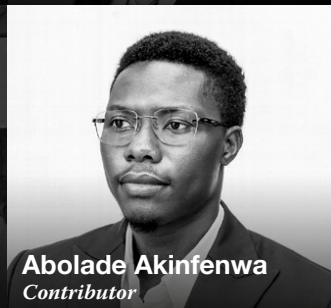
Lois Hasenauer-Ebner
Quantitative analysis & charts



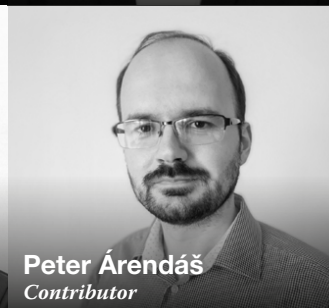
Doris Ringsmuth
Assistant



Stefan Thume
Webdesign & media



Abolade Akinfenwa
Contributor



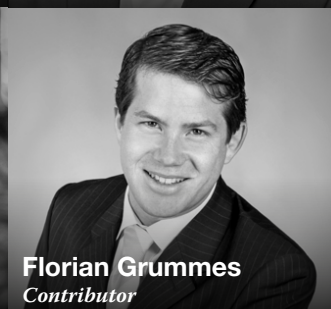
Peter Árendás
Contributor



Ted Butler
Contributor



Carlo "Migs" Caparas
Contributor



Florian Grummes
Contributor



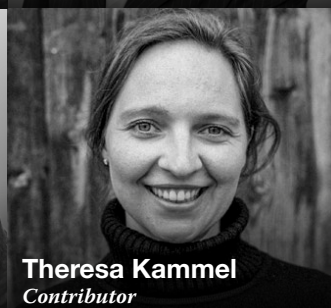
Daniel Gomes Luis
Contributor



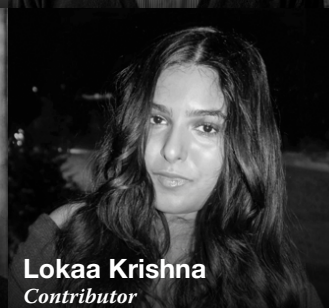
Katrin Hatzl-Dürnberger
Proof Reading



Felipe Hurtado
Proof Reading



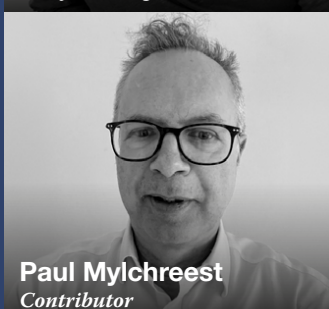
Theresa Kammel
Contributor



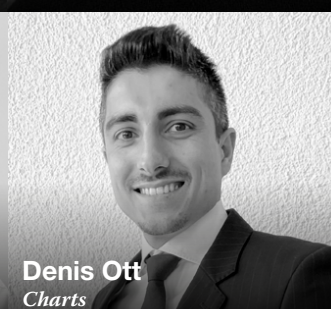
Lokaa Krishna
Contributor



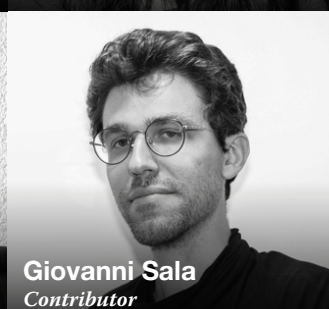
Ronan Manly
Contributor



Paul Mylchreest
Contributor



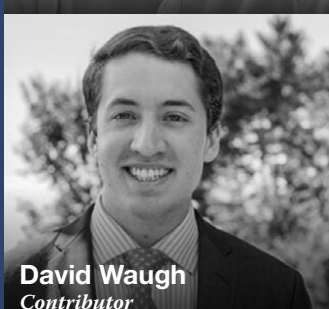
Denis Ott
Charts



Giovanni Sala
Contributor



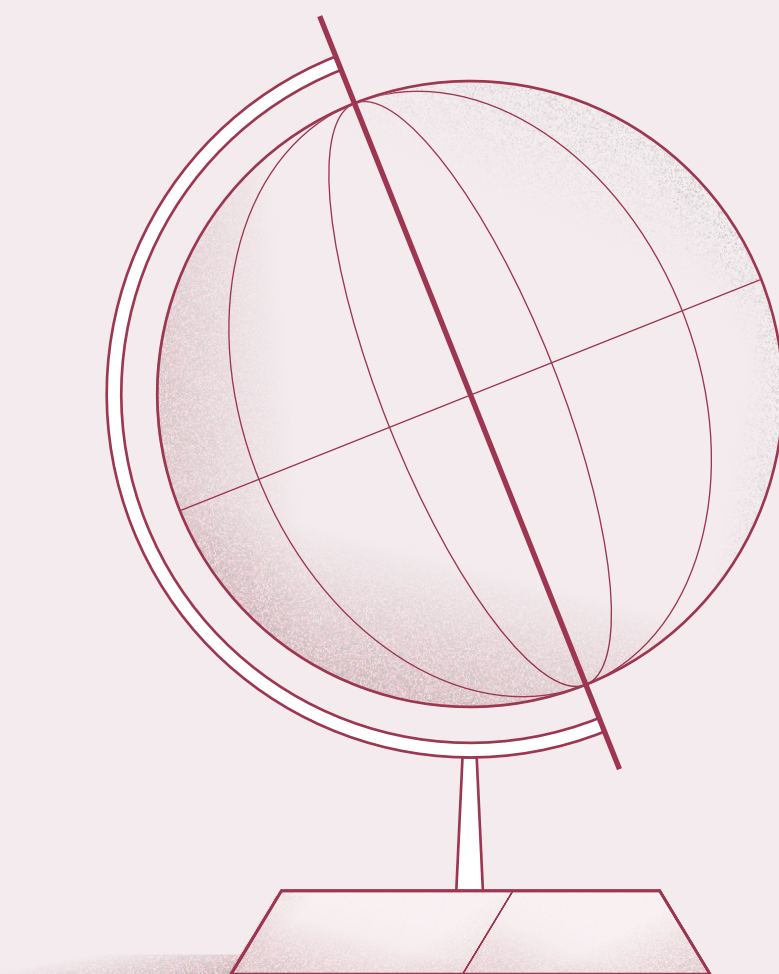
Charley Sweet
Proof Reading



David Waugh
Contributor

The *In Gold We Trust* Team

Gold and the Monetary Analogue of Mackinder's Foundational “Heartland Theory”



Key Takeaways

- 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.

Man and not nature initiates, but nature in large measure controls.

Halford John Mackinder

A geopolitical struggle is unfolding in which gold is inexorably returning to a central role in the global monetary system.¹ This struggle can be viewed through the lens of classical geopolitics – namely Sir Halford J. Mackinder's seminal paper, "*The Geographical Pivot of History*", which advanced his "Heartland" theory.

The underlying principle of Mackinder's theory and its adaptations has endured. The distribution of foundational resources and strategic assets determines the architecture of global order. This chapter argues that this principle now applies as much to the international monetary system as it once did to the geopolitical map. In our analysis, we outline Mackinder's geopolitical theory and how it applies to the current situation involving the US, China, OPEC, NATO, BRICS, the Middle East, Ukraine, the South China Sea, etc.

» *What we are in the early stages of watching is a messy attempt to basically restructure the system in a way that gold runs the deficits, so to speak, instead of the United States.*

Luke Gromen

Translating the theory to the monetary sphere, we show how gold is akin to Mackinder's "Heartland" as the anchor to the financial system as the dollar's role declines. The result is a global struggle for monetary hegemony that mirrors the geographic dynamics Mackinder explored over a century ago. The monetary architecture is in the early stages of a transformation that is greater in magnitude than we saw with the breakdown of Bretton Woods in 1971.

Mackinder's Heartland Theory – the Geopolitical Perspective

The "Great Game" of modern geopolitics dates back to the rivalry between Great Britain and Russia for supremacy in the Central Asian region during the 19th and early 20th centuries. According to Wikipedia, the paper Mackinder presented to the Royal Geographical Society in 1904 is "...often considered as a, if not the, founding moment of geopolitics as a field of study".

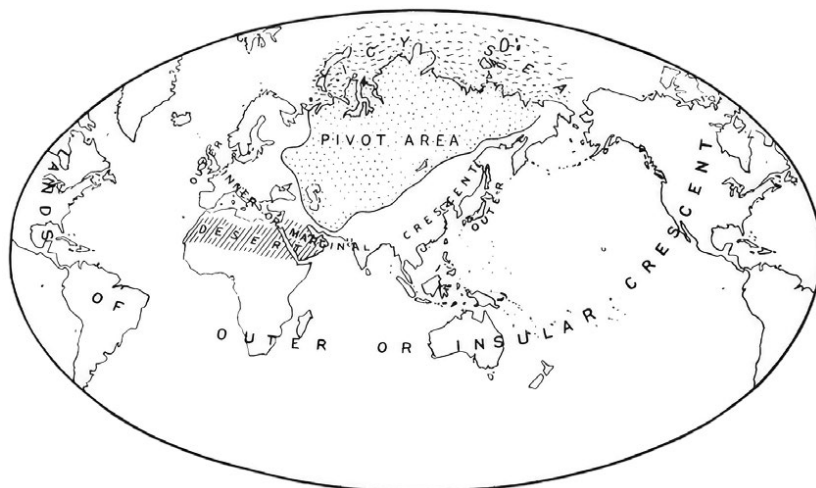
¹ This article was written under the lead of Paul Mylchreest. Paul has over 30 years analytical experience, having started his career in the Chemicals sector and worked at S.G. Warburg, Schroders and Citibank. After a brief foray into Oil & Gas, he worked for several years as a Global Macro & Cross Asset strategist, firstly setting up on his own, and later working at US commodity trader, Archer Daniels Midland (ADM Inc.). He began his mining coverage at Cr dit Agricole Chevreux in 2005 and also covered mining at Redburn Partners and Hardman & Co.

Mackinder argued that global power is ultimately anchored in geography and the major geopolitical prize for the world's great powers is control of the Eurasian landmass – the connected continents of Europe and Asia – which he called the “World Island”. The rationale was straightforward: **Eurasia contains the bulk of the world's population, economic activity, and natural resources. Control of Eurasia, and where and how to exert control, are key to Mackinder's theory.**

” *A power that dominates Eurasia would exercise decisive influence over two of the world's three most economically productive regions.*

Zbigniew Brzezinski

Breakdown of World Geography According to Mackinder



Source: Wikimedia Commons

Having identified Eurasia as the geopolitical prize, Mackinder divided the world into three regions:

The Heartland or Pivot area, which Mackinder identified as Eurasia's vast interior. Initially, he identified it as the area east of the **Volga**, south of the Arctic, west of the Yangtze, and north of the Himalayas – although he subsequently extended it;

The Inner or Marginal Crescent (Rimland), which included the coastal fringe regions of Eurasia: Western Europe, Türkiye, the Middle East, India, East and Southeast Asia, Taiwan and Korea, etc. We prefer to use Nicholas Spykman's term “Rimland” for this area; and

- **The Outer or Insular Crescent (Offshore Islands)**, which included the maritime nations largely separated from the Eurasian continent, such as Britain, Japan, North America, South America and Australia. We prefer Spykman's term “Offshore Islands” for this area.

The following quote is from the Reagan Administration's “**National Security Strategy of the United States**”, published in January 1988. It is “pure Mackinder”:

The first historical dimension of our strategy is relatively simple, clear-cut, and immensely sensible. It is the conviction that the United States' most basic national security interests would be endangered if a hostile state or group of states were to dominate the Eurasian land mass – that area of the globe often referred to as the world's heartland.

Writing almost a decade later, the influential globalist and former US National Security Advisor, Zbigniew Brzezinski, argued in his famous 1997 book *The Grand Chessboard*:

Ever since the continents started interacting politically some 500 years ago, Eurasia has been the centre of world power... For America, the chief geopolitical prize is Eurasia – and America's global primacy is directly dependent on how long and how effectively its preponderance on the Eurasian continent is sustained.

” *Mountains and the men who grow out of them are the first order of reality; ideas, however uplifting, only the second. Geography is the preface to the very track of human events.*

Robert Kaplan

” *Control of the sea is a precondition for any far-reaching policy. But politics occur on land, where people live, and commanding the seas does not guarantee political outcomes on land.*

Jakub Grygiel

Another key element in Mackinder's theory was the competition between the major land powers and major sea powers. Through the lens of Mackinder's theory, large land-masses bestow strategic depth, raw materials and efficiencies in transportation. Consequently, the control of large, contiguous interior territory creates strategic options which sea powers lack and cannot penetrate. The Heartland's size, central location and invulnerability to sea power made it key to controlling the World Island – hence the “Geographical Pivot” – according to Mackinder.

Mackinder's theory contradicted the idea that maritime supremacy was sufficient for Britain, the greatest sea power at the time, to safeguard its hegemony. Since Mackinder's era, the US has obviously surpassed Britain as the leading sea power, with its 11 carrier strike groups and extensive network of ports and military bases in and around the periphery of Eurasia. Mackinder theorized that with new transportation routes, e.g. the Trans-Siberian railway, and technology, a land power controlling the center and resources of Eurasia could eventually repel the sea power's colonies everywhere across the continent.

Mackinder argued in 1919 that World War I extended his original definition of the Heartland as far as the Baltic Sea to the northwest and the Black Sea in the southwest. This brought additional nations into the Heartland, including Poland, later to be the catalyst for World War II, and Ukraine. He argued the case for preventing a convergence of interests between Russia and what he saw as the new “pivot” states of Eastern Europe, i.e. Austria, Hungary, Czechoslovakia and Poland. He summarized this in his famous dictum:

*Who rules East Europe commands the Heartland;
who rules the Heartland commands the World Island;
who rules the World Island commands the world.*

Gold as the Monetary “Heartland”

A gap exists in classical geopolitical literature, since money and finance were never integrated as strategic elements of geography. Mackinder acknowledged resources, industrial bases, and transport networks, but not:

- the dominant currency in pricing international trade;
- cross-border payment systems;
- reserve currencies;
- neutral collateral assets;
- the geography of gold production and storage; and
- systemic consequences of weaponized finance.

” *The most important prize is an enormous concentration of natural gas and oil reserves in addition to important minerals including gold.*

Zbigniew Brzezinski

This absence was less problematic in Mackinder's era, when gold anchored the monetary system and financial globalization was limited. But in the contemporary age, where financial flows exceed physical trade by orders of magnitude, geopolitics cannot be disentangled from the architecture of international money.

Mackinder viewed his geopolitical Heartland as land power possessing natural barriers and immunity from sea power, which made it a unique “fortress”.

If we asked the question, what asset is the monetary equivalent of the Heartland and has acted as the monetary pivot of history, we would argue that there is only one answer and that is gold – even if it has temporarily been confined to a lesser role since Nixon took the world off the gold exchange standard in 1971.

Why is gold the monetary Heartland?

The Heartland's power derived from its centrality and difficulty of encroachment. Gold has been used as money in coin form for at least 2,500 years and is believed to have been used in trade and as a store of value in Ancient Egypt as long ago as 3,000 BC. It possesses unique attributes with which to function as money and a store of wealth:

- It is geopolitically unaligned and therefore neutral;
- Its supply is geologically constrained and it cannot be printed, created by fiat, or devalued;
- Its value is universally recognized;
- It is the only financial asset with no counterparty risk, i.e. it is nobody's liability; and
- It has a high stock-to-flow ratio which gives stability – all the gold ever mined exists as above-ground supply, so annual changes in gold production are almost immaterial.²

In a Mackinder monetary analogue, we see gold as metaphorically representing land power:

- Once gold is mined it tends to be stationary and remains stored in vaults;
- The movement of physical gold tends to be relatively small in the context of the total amount of gold stored in vaults and traded on the world's exchanges; and
- Gold is the ultimate reserve asset and avoids the need to settle every trade in gold – net positions can be settled periodically between countries or banks.

We should remind ourselves that historically, currency in the form of coins that are not "specie", i.e. not made out of gold or silver, and until recently also banknotes, were viewed as nothing more than derivative instruments corresponding to gold or silver in vaults. British banknotes still say, "I promise to pay the bearer on demand the sum of..." which historically was understood to mean that they could be converted into the equivalent amount of gold at the Bank of England.

” *Gold is the only asset that somebody can hold and you don't have to depend on somebody else to pay your money for.*

Ray Dalio

The Geopolitical Importance of the Rimland

Mackinder believed that a land power like Russia could use its base in the Heartland to control the World Island by taking over the coasts and warm water ports that made global commerce possible, i.e. the Inner or Marginal Crescent on the periphery of Eurasia. In 1919, Mackinder's focus was on Eastern Europe as a gateway to the major coastal nations of Western Europe.

We believe that Mackinder's theory benefits from integration with another geopolitical theory, namely Spykman's "Rimland theory". Nicholas J. Spykman was Professor of International Relations at Yale University, and the book establishing his theory, *The Geography of the Peace*, was published in 1944. Spykman also focused on controlling Eurasia as the geopolitical prize and adopted Mackinder's divisions of the world, although he renamed two of them:

- Heartland – the same as Mackinder;
- Rimland – equivalent to Mackinder's "Inner or Marginal Crescent"; and
- Offshore Islands & Continents – equivalent to Mackinder's "Outer or Insular Crescent".

” *Europe is a landscape; East Asia is a seascape.*

Robert Kaplan

² See "Stock-to-Flow Ratio as the Most Important Reason for Gold's Monetary Importance," *In Gold We Trust* report 2013

” *Geography is the most fundamental factor in foreign policy... because it is the most permanent. For geography does not argue. It simply is.*

Nicholas Spykman

” *The Rimland of the Eurasian landmass must be viewed as an intermediate region, a buffer zone of conflict between sea power and land power.*

Nicholas Spykman

” *Eurasia is the chessboard on which the struggle for global primacy continues.*

Zbigniew Brzezinski

Spykman agreed with Mackinder that the Heartland offers a uniquely defensive position – something which was self-evident at the time from Germany's unsuccessful invasion of Russia in 1941. **However, Spykman argued that exerting control on the maritime edges of Eurasia to the west, south and east, i.e. what he called the Rimland, was more important than the Heartland. This was due to the Rimland being:**

- more densely populated;
- more industrialised; and
- containing more resources.

The key regions and countries in Spykman's Rimland were:

- Western European coastal nations, from Scandinavia to Southern Europe;
- Middle East/Near East, including Saudi Arabia, Türkiye, Iran, Iraq and Afghanistan;
- Southern Asia – India and the Indian Ocean littoral; and
- East Asia and South Asia – China and the coastal nations along the Pacific Rim.

The countries in the Rimland are in a kind of “amphibian belt”; or “buffer zone”; between the Heartland and the oceans. They can be influenced by both the major land powers and the major sea powers. The Heartland has the potential to act as an impregnable base for a land power to take control of the Rimland. From the standpoint of a major sea power, like the US, the Rimland was the area where sea power could pressure the land-locked Heartland and where it was crucial for land power to be contained. In contrast to Mackinder, Spykman's dictum was: *“Who controls the Rimland rules Eurasia; who rules Eurasia controls the destinies of the world.”*

This idea of containing the land powers of Eurasia has been a long-term strategy of Britain, the US and NATO. While most people remain unfamiliar with Mackinder's and Spykman's theories, they explain much of the geopolitical tension during the 20th century:

- Britain's containment of Russia in the early part of the century;
- the Cold War from 1945–89; and
- NATO's eastward expansion following the fall of the Iron Curtain in 1989.

The strategy was highlighted by the US Naval War College in 2023 in the context of Ukraine. The paper *“Confining the Enemy – Halford Mackinder's Theory of Containment and the Conflict in Ukraine”* stated:

Mackinderite analysis rests on an imperative of checking the territorial power – either alone or in alliance – occupying the heartland. The elements of Mackinderite maritime geostrategic perspective endure, and they are as follows: onshore bridgeheads, offshore (island) aerodromes and military bases, maritime denial of threatened seas, and the United States reestablished as a thalassocracy (i.e. deriving power and wealth from maritime supremacy).

While the validity of much of Mackinder's theory has stood the test of time – including the central tenet about controlling Eurasia and the balance between land power and sea power – some aspects have evolved since his era.

While Mackinder identified nations in East Europe as being the “pivot” states in the struggle for geopolitical dominance of Eurasia, as we discussed, we believe that the pivot areas evolve over time. This is due to multiple factors including:

- economic growth;
- military strength;
- industrial development and technology;
- access to key resources;
- monetary architecture; and
- geopolitical alignments.

In our opinion, three pivot areas have come to the fore in recent decades:

- Middle East;
- Central Asia and the Trans-Caucasus; and
- South China Sea.

The oil-producing nations of the Middle East, notably Saudi Arabia, Iran, Iraq and Kuwait, took on greater importance as the world became increasingly dependent on crude oil and, latterly, natural gas.

More recently, several nations in Central Asia and the Trans-Caucasus, including Ukraine, Azerbaijan, Turkmenistan, Uzbekistan, have risen in geopolitical significance. In part, this is due to their substantial energy resources and/or pipelines.

The next quote is another from Brzezinski's book *The Grand Chessboard* regarding the Central Asian Republics, or "Eurasian Balkans", as he describes them. Interestingly, he also mentions gold:

They are of importance from the standpoint of security and historical ambitions to at least three of their most important and more powerful neighbours, namely Russia, Türkiye and Iran, with China also signalling an increasing political interest in the region. But the Eurasian Balkans are infinitely more important as a potential economic prize; an enormous concentration of natural gas and oil reserves is located in the region, in addition to important minerals including gold.

Arguably, Brzezinski's thinking provides insight into the US-supported "color revolutions" in the region, including Ukraine (Orange, 2004), Georgia (Rose, 2003) and Kyrgyzstan (Tulip, 2005), and its support in overthrowing the pro-Russian government in Ukraine in 2014's Maidan Revolution. Ukraine is clearly a critical bridge between Western Europe and the Heartland – losing Ukraine constrains Russia's Heartland power while gaining Ukraine expands it.

In our opinion, the East China Sea and the South China Sea in particular are becoming important "pivot areas". The South China Sea stretches from Singapore and the Strait of Malacca at its southern end to the Strait of Taiwan in the northeast. It is the world's second busiest sea lane.

In our opinion, the East China Sea and the South China Sea in particular are becoming important "pivot areas".

” *The South China Sea is the demographic cockpit of the globe, the crossroads of the Pacific and Indian Oceans.*

Robert Kaplan

” *In 2026, Uzbekistan could be the front-runner, driven by very high gold prices – gold accounts for 40% of its exports.*

Credendo Group

” *China is a prisoner of its geography. It is dependent on the sea but doesn't control it.*

George Friedman

The South China Sea



Source: World Bank and US Energy Information Administration

The Atlas Institute for International Affairs commented on its importance in July 2025:

The South China Sea has become a critical pressure point for global commerce. With 24% of global maritime trade passing through these contested waters in 2023... the South China Sea's strategic importance extends beyond simple transit volumes. The region handles 4% of global crude oil shipments, 42% of propane (and LNG), and 26% of automotive trade.

In an October 2011 article, “America’s Pacific Century”, then Secretary of State Hillary Clinton signaled a re-engagement with the Asia Pacific region:

As the war in Iraq winds down and America begins to withdraw its forces from Afghanistan, the United States stands at a pivot point... One of the most important tasks of American statecraft over the next decade will therefore be to lock in a substantially increased investment – diplomatic, economic, strategic, and otherwise – in the Asia-Pacific region.

” *No matter which perspective you adopt, it’s critically important for security and stability. Any interruption there would create a real problem.*

Admiral Patrick Walsh

This marked the beginning of the US “pivot to Asia” or “rebalance to Asia” in foreign policy since the Obama administration. Clinton highlighted US interest in the freedom of navigation of the South China Sea, human rights issues in China, the need for the US to strengthen alliances in the region, and the desire for peaceful settlement of territorial disputes. Clinton argued, diplomatically, that it wasn’t about containing the rising influence of China. Nevertheless, she is believed to have angered the Chinese leadership.

Comments from the retiring commander of the US Pacific Fleet, Admiral Patrick Walsh, in January 2012 directly identified the geopolitical threat from Chinese dominance of the South China Sea. Walsh, a proponent of Mackinder’s theory, recommended that it should be the regional focus for the US:

In the Pacific Century, sea power resumes its traditional role in the sea-lines of communication... You can identify where [the South China Sea] the critical node is... It forces an assessment of whether we are prepared for where this economic juggernaut [China] is going.

The US dollar has acted as a containment tool in a Mackinder sense.

The US “pivot to Asia” was clearly rooted in classical Mackinder geopolitics, even in its adoption of the word **pivot**. It represented the leading sea power striving to contain a potentially dominant Eurasia-based power that could exert control on the Heartland and the Rimland. We should note that we see China as having both land power and sea power characteristics, based on Mackinder and Spykman’s theories.

Fast forwarding to today, geopolitical rivalry sees the US, on one side, looking increasingly isolated as Trump threatens sanctions on NATO allies, launches military operations in Venezuela and Iran, and signals his intention to take Greenland. The continuation of the longstanding alliance of Western nations via NATO is no longer certain.

On the other side of the geopolitical divide are China and Russia, which are the primary nations in two broader alliances:

- **Shanghai Cooperation Organization (SCO)** – which includes India, Iran, five of the “Stans” including Pakistan, and Belarus. The SCO accounts for about 65% of the Eurasian land mass, 42% of the world population and nearly 25% of global GDP; and
- **BRIC** – which was formed in 2009 with Brazil, Russia, India and China; South Africa joined in 2010, making it BRICS. A further five countries have since joined: Iran, Indonesia, Egypt, Ethiopia, and the UAE. A further 10 nations are designated partner countries and participate in summits. The BRICS nations account for nearly 50% of the world population and 25% of global GDP.

Mackinder feared a single power, like Russia, or an alliance of powers, such as Germany and Russia in his day, controlling Eurasia, which would enable them to challenge the British Empire and, by extension, the US.

China and Russia are the two great powers of the Eurasian landmass along with Germany. From Mackinder’s framework, it’s clear that the rise of China in economic and military strength, its closer cooperation with Russia, and their closer cooperation with other Eurasian nations, is a potential existential threat to the global hegemony of the US. This situation is almost perfectly mirrored in the monetary sphere.

The Monetary “Rimland” – US Dollar System and “Paper Gold”

In the same way that Mackinder and others identified control of Eurasia (the World Island) as the major prize in the struggle for geopolitical hegemony, there is a monetary parallel. There is a developing struggle for monetary hegemony that mirrors the spatial dynamics Mackinder explored over a century ago.

The analogue in the monetary sphere is control over the monetary and financial infrastructure that underpins global commerce and reserve currencies and assets. The US dollar system has effectively occupied that position since the end of World War II, but is increasingly under threat.

” *Small patrol boats are needed to deal with piracy mainly, but big warships may cause incidents, and that will lead to tension.*

Manathir Mohamad

” *The use of vast continental resources... and the empire of the world would then be in sight.*

Halford John Mackinder

” *Seventy-five percent of the world’s people live in Eurasia, and most of the world’s physical wealth is there as well, both in its enterprises and underneath its soil.*

Zbigniew Brzezinski

” *The Eurodollar is a stateless, global, offshore ledger system.*

Jeff Snider

In the Mackinder and Spykman models, the US is classed as a maritime nation included in the Offshore Islands, along with UK, Japan, South America and Australia. The Offshore Islands encircle Eurasia and can project power against it. While the US is an Offshore Island in a geopolitical sense, a large portion of dollar liquidity exists outside of the US in what are known as eurodollars and the eurodollar market.³

Eurodollars are US dollar liabilities against US banks that are held overseas but operate outside the direct control of the Eurasian land powers. The “oceans” of US dollar liquidity act as an external offshore system, flowing in and out of the Eurasian economy and encircling it at the same time.

The US dollar system is similar in concept to a maritime power projecting its power far from its home shores. It has taken a range of forms:

- The flows of US dollar liquidity underpinning world trade;
- Control of the international banking system and payment systems such as SWIFT;
- US Treasury bonds acting as the premier “risk-free” financial asset;
- The recycling of US deficits into US financial assets by overseas nations; and
- Fed swap lines adding dollar liquidity during times of crisis – effectively the lender of last resort.

By the US requiring critical commodities to be traded in US dollars, the Eurasian powers have been forced to engage with the US dollar-based monetary system. **The US dollar has acted as a containment tool in a Mackinder sense:**

- The US dominates these monetary flows, which allows it to bridge or block trade, just as a navy controls the seas, and shape the economic landscape of Eurasia;
- It has provided the US with the “exorbitant privilege” of exporting its inflation in the form of trade/budget deficits and lowering its interest rates; and
- It has also restricted the ability of the Eurasian powers to build an autonomous, self-sufficient continental economic zone.

” *The relief valve in that case would be a run out of fiat currency into more finite assets; you'd expect to see gold prices rise.*

Luke Gromen

If we think of the Rimland as the meeting point of land power and maritime power, there is another monetary analogue besides the external dollar (eurodollar) system. These are the “paper gold” markets. Most readers of *In Gold We Trust* reports will be familiar with this, and we won't go into a detailed description. Nevertheless, for decades, gold price discovery has been determined by two locations:

- London Bullion Market Association (LBMA), based in London and trading unallocated and allocated gold. It is a trade association dominated by the world's major bullion banks; and
- COMEX – trades gold futures and is based in New York. It is part of the CME Group, the world's largest derivatives market.

” *You have 100 times paper as you have physical – this is why you've got problems in the market.*

Alasdair Macleod

While it's acknowledged that only a tiny fraction of COMEX futures trades are settled in physical bullion transfers, it's widely believed that gold trading on the LBMA is settled in bullion transfers. In reality, that is rarely the case, either. In fact, it is estimated that more than 95% of LBMA trades are settled in unallocated gold accounts, which are paper claims to an undisclosed volume of gold bars in a vault – they are effectively gold derivatives. This is a highly leveraged fractional reserve system. Less than 5% of trades are settled in allocated gold accounts, where the ownership of metal is transferred from seller to buyer.

The combination of gold futures and unallocated gold accounts has led to an imbalance in paper gold supply versus physical bullion. The imbalance has counteracted the relative scarcity of physical bullion, leading to the gold price in US dollars and other currencies being suppressed.

3 See “How Bankers Turned Money into ‘∑ 0 ∞ € ¥’,” *In Gold We Trust* report 2021

Rimland Monetary Conflict – Gold versus the US Dollar

The gold price in US dollars is a real-time expression of Mackinder's geopolitical conflict in the monetary sphere. Every currency regime, from the classical gold standard to modern, fiat-based systems, is ultimately judged against gold.

A rising gold price represents:

- Debasement of the US dollar via excessive deficits and credit creation;
- A structural challenge – currently led by the BRICS nations – to the US dollar system and the erosion of its dominance; and
- The breakdown in the ability of paper gold settlement systems to contain a rising gold price, as they are overwhelmed by physical accumulation.

From the perspective of the BRICS and other nations, the US dollar system has been weaponized by:

- sanctioning international payment systems and a growing narrative that it is a tool of US power; and
- structural and rising budget and trade deficits.

The US, along with the EU, United Kingdom and Canada, agreed to remove seven Russian banks from the SWIFT international payments system in March 2022, following the Russian invasion of Ukraine. This was expanded to 50 Russian banks and remains in place. The US and other nations also froze approximately USD 300bn in Russian central bank assets held overseas. The treatment of Russia in terms of access to SWIFT and the freezing of its reserves had a profound knock-on effect on the gold market.

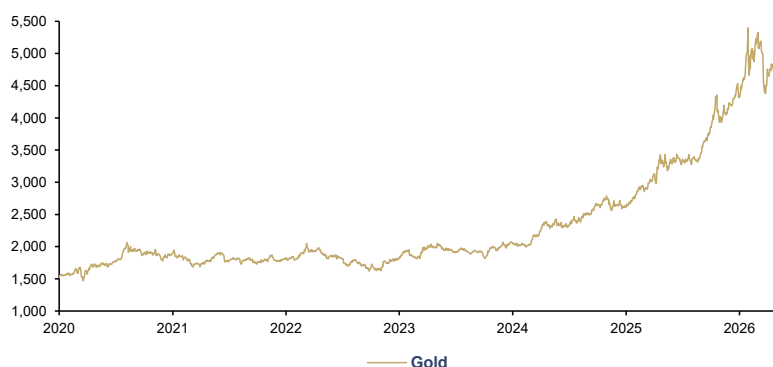
” *Gold still represents the ultimate form of payment in the world. Fiat money in extremis is accepted by nobody.*

Alan Greenspan

” *From the Bretton Woods era backed by gold bullion, to Bretton Woods II backed by inside money, to Bretton Woods III backed by outside money.*

Zoltan Pozsar

Gold, in USD, 01/2020–04/2026



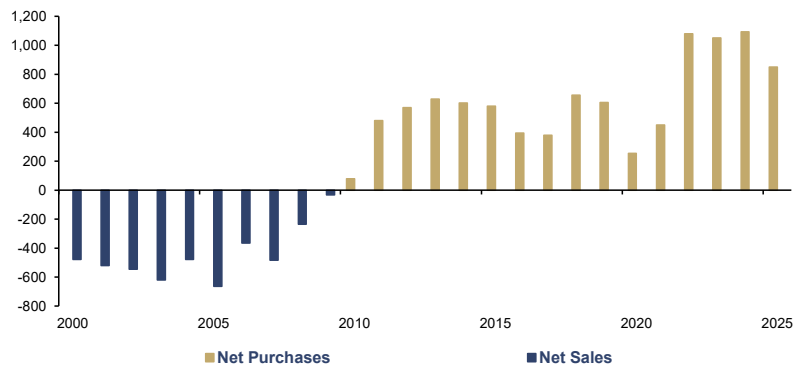
Source: LSEG, Incrementum AG



When trust in fiat currencies fades, central banks return to gold as the ultimate and neutral form of money and reserve asset.

Xi Jinping stated that the RMB could attain reserve currency status.

Global Central Bank Gold Purchases, in Tonnes, 2000–2025



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



” *Gold is a highly liquid asset, which is no one's liability, carries no credit risk, and is scarce.*
World Gold Council

In 2024, the value of gold exceeded the value of US Treasuries as a proportion of international reserves for the first time since the mid-1990s. Several BRICS nations and those linked to the BRICS group have been increasing gold reserves in recent years. Russia and China have done this most aggressively, but also India, Türkiye, and Middle Eastern states. This accumulation can be interpreted as:

- A hedge against fiat currencies;
- A hedge against financial sanctions;
- Preparation for non-dollar commodity settlement and collateral; and
- A foundation for credibility in new monetary arrangements.

In 2024, China and Russia led global gold production with 380.2 t and 330.0 t respectively, while the United States produced approximately 160 t. Initial estimates indicate that 2025 set a new annual record of 3,672 t. **Combined production from BRICS+ and aligned nations, including Kazakhstan and Uzbekistan, accounts for approximately 50% of global gold output** – a concentration that gives the bloc unprecedented influence over the physical gold market.

” *The dollar is being used as a weapon.*
Vladimir Putin

The US ability to cut off Russia's access to the SWIFT dollar payment system acted as a blockade and, effectively, as an attempt to confine its economic activities within the Heartland. **Gold and the dollar are in an intensifying conflict that marks the first serious systemic challenge to the US dollar-centric global order since the collapse of the Bretton Woods system in 1971.**

In parallel to the accumulation of gold reserves, the BRICS nations have been cooperating with regard to a new monetary architecture. This includes commitments to:

- endorse alternatives to dollar-centric and SWIFT settlement in principle;
- undertake further intergovernmental and central bank work on shared infrastructure; and
- developing a common unit of account partly backed by gold.

From a gold perspective, the most interesting aspects of the discussions relate to the possibility of a gold-linked “unit”:

- It would be used in the settlement of cross-border trade;
- It would not be a “BRICS currency” in the same way as, for example, the euro; and
- The unit would be partly backed by gold, with media reports suggesting roughly 40% gold and 60% based on a basket of BRICS currencies.

If a gold-linked unit is developed, it is expected to be based on multilateral gold netting between nations rather than bilateral settlement, which would significantly reduce the amount of gold required.

At the 17th summit in Rio in July 2025, BRICS leaders did not formally endorse a gold-linked settlement mechanism in the official communiqué. In October 2025, however, a pilot project by the Institute of Economic Strategy of the Russian Academy of Sciences (IRIAS) launched a prototype with 100 units, each initially pegged to 1 gram of gold. Some Russian-linked sources have suggested the creation of a gold settlement network with vaults in several BRICS jurisdictions, e.g. in Shanghai. **It’s been rumoured that some BRICS officials are targeting 2030 for the rollout of this system.**

In the meantime, China announced two further moves in early 2026 which put it in direct conflict with the US dollar system, and that impact the gold price indirectly: In the Communist Party’s journal Qiushi, China’s leader, **Xi Jinping**, stated that the RMB could attain reserve currency status; and **Reports in early February 2026 suggested** that Chinese regulators were urging the country’s banks to reduce holdings of US Treasury bonds due to concentration risk and volatility in US debt markets.

The accumulation of gold reserves and efforts by the BRICS nations to construct a separate monetary architecture with a link to gold are akin to a strengthening of the Heartland’s position in a Mackinder sense. As they build a monetary Heartland, they also benefit from Russia having massive quantities of natural resources and China’s manufacturing base and large trade surplus.

In the monetary sphere, we are seeing the Heartland pushing back against the maritime supremacy of the dollar system and its stronghold in the Rimland and beyond. The last time the baton was passed in terms of the world’s reserve currency, it was done in an ostensibly benign fashion from Britain to the US, i.e. from one ally to another. It wasn’t an issue in Mackinder’s day. **This is not the case this time and, going forward, we see the gold price as the ultimate expression of Mackinder’s theory in the battle between land power and maritime power in the monetary sphere – between gold and the dollar system.** ■

” *What constitutes a strong financial nation? First, it should have a powerful currency.*

Xi Jinping

” *The great wars of history – those which have resulted in the change of the world’s mastership – have been between the masters of the Sea and the masters of the Land.*

Halford Mackinder

In Gold We Trust[®] Report

2026

This is the compact version of the *In Gold We Trust* report 2026.
The full report comprises 27 chapters and can be downloaded
free of charge at ingoldwetrust.report.

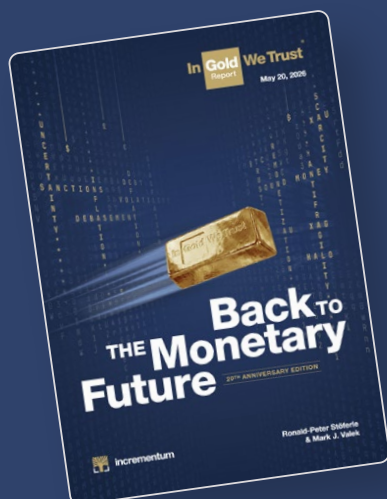




incrementum

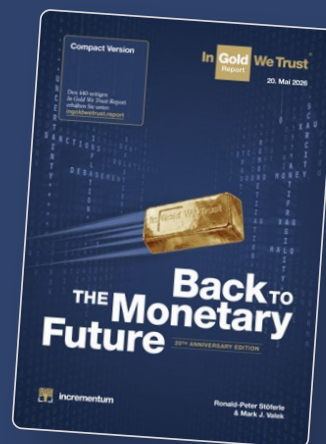


Join Us on Our Golden Journey!



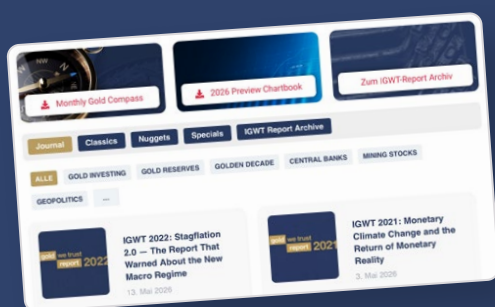
In Gold We Trust report 2026

<https://ingoldwetrust.report/download/55996/?lang=en>



In Gold We Trust report 2026 Compact Version

<https://ingoldwetrust.report/download/55997/?lang=en>



In Gold We Trust Content Vault

<https://ingoldwetrust.report/content-vault/?lang=en>



LinkedIn

[linkedin.com/showcase/ingoldwetrust-report](https://www.linkedin.com/showcase/ingoldwetrust-report)



Youtube

<https://www.youtube.com/@ingoldwetrustEN>



X

x.com/IGWTreport



Newsletter

<https://www.incrementum.li/en/newsletter>

DE EN ES 中文

The Gold Standard of Gold Research

ingoldwetrust.report

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

We would like to thank the following people for their outstanding support in creating the *In Gold We Trust* report 2026:

Gregor Hochreiter, Richard Knirsch, Lois Hasenauer-Ebner, Doris Ringsmuth, Jeannine Grassinger, Stefan Thume, Theresa Kammel, Daniel Luis Gomes, Denis Ott, Carlo “Migs” Caparas, David Waugh, Katrin Hatzl-Dürnberger, Ted Butler, Thomas Vesely, Isabella Vesely, Florian Grummes, Elizabeth and Charley Sweet, Felipe Hurtado, Matthias Flödl, Kazuko Osawa, Bruce (Yuichi) Ikemizu, Max Urbitsch, Dr. Judy Shelton, Craig Tindale, Luke Gromen, Grant Williams, Bernd Gorbach, Wolfgang Stecher, SPiNNWERK, Markus Hofstädter, Seasonax, Jochen Staiger, Ilse Bauer, Paul Wong, Fabian Wintersberger, Leopold Quell, Match-Maker Ventures, Richard Schodde, Silver Institute, World Gold Council, Mining Visuals, the whole wonderful team at Incrementum and of course our families!

Premium Partner



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.

www.agnicoeagle.com



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.

www.asantegold.com



Barrick

Barrick is a leading global mining, exploration and development company with world-class, long-life gold and copper assets spanning 17 countries. The largest US gold producer. NYSE: B | TSX: ABX.

www.barrick.com



Caledonia Mining

Caledonia Mining is a profitable gold producer in Zimbabwe, focused on sustainable operations, dividends and disciplined growth through exploration and development.

www.caledoniamining.com



Cerro de Pasco Resources

Cerro de Pasco Resources Inc. is advancing its El Metalurgista project in central Peru through the recovery of residual mineral value from historic mining waste while supporting environmental remediation.

www.pascoresources.com



Elemental Royalty

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



Elementum

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.firstmininggold.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



Harmony

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



Kinross

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.

www.lucamining.com



McEwen

McEwen Inc. provides exposure to growing gold and silver production in the Americas, targeting 300,000 GEOs annually by 2030, and the large-scale Los Azules copper project in Argentina with robust economics and low environmental impact (FS 2025).

www.mcewenmining.com



Mineros

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



Newmont

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.

www.newmont.com



North Peak Resources

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.

www.northpeakresources.com



Ögussa

ÖGUSSA gold bars "made in Austria" from Austria's leading precious metals supplier. Since 1862. Bar sizes ranging from 1 to 1.000 grams and up to € 10.000 – available for purchase anonymously. Current buying and selling rates at oegussa.at.

www.oegussa.at



Pan American Silver

Pan American Silver holds a diverse portfolio of silver and gold mines in the Americas where they have been operating for over 30 years, earning a reputation for sustainability, operational excellence, and financial discipline.

www.panamericansilver.com



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

Royal Gold is a high-margin precious metals company generating strong cash flow from a large and well-diversified portfolio of stream and royalty interests located in mining-friendly jurisdictions.
www.royalgold.com



Solit

With over 15 years of experience in the precious metals market, the SOLIT Group has generated a cumulative trading volume of more than 15 billion and now serves over 500,000 customers worldwide.
www.solit-kapital.com



Sprott

Sprott 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.
www.sprott.com



Tudor Gold

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.
www.tudor-gold.com



U.S. Gold

U.S. Gold Corp. is an emerging U.S.-based gold-copper developer poised to become a 110,000+ oz/year producer. With a world-class asset portfolio in Wyoming, Nevada, and Idaho.
www.usgoldcorp.com



Von Greyerz

Global leader in wealth preservation for HNWI's and Family Offices, offering physical gold/silver ownership in the most secure private vaults in Switzerland & Singapore, an in-house precious metals trading desk, transport & 25 years of experience.
www.vongreyerz.gold

